

# **MINUTES OF THE MEETING OF THE SAN JOAQUIN COUNTY HEALTH COMMISSION**

**December 11, 2024**

**Health Plan of San Joaquin – Community Room**

## **COMMISSION MEMBERS PRESENT:**

Genevieve Valentine, Chair

Brian Jensen, Vice-Chair

Jim Diel

Michael Herrera, DO

Ruben Imperial

Jay Krishnaswamy

Sandra Regalo

Terry Withrow

Terry Woodrow

John Zeiter, MD

## **COMMISSION MEMBERS ABSENT:**

Lauren Brown-Berchtold, MD

Paul Canepa

## **STAFF PRESENT:**

Lizeth Granados, Chief Executive Officer

Betty Clark, Chief Legal and General Counsel

Sunny Cooper, Chief Compliance Officer

Dr. Lakshmi Dhanvanthari, Chief Medical Officer

Evert Hendrix, Chief Administrative Officer

Tracy Hitzeman, Executive Director – Clinical Operations

Liz Le, Chief Operations Officer

Michelle Tetreault, Chief Financial Officer

Victoria Worthy, Chief Information Officer

Kirin Virk, Deputy County Counsel

Sue Nakata, Executive Assistant and Clerk of the Health Commission

## **CALL TO ORDER**

Vice-Chair Jensen appeared via teleconference pursuant to the “Just Cause” provisions of Government Code Section 54953 (AB 2449) and called the meeting of the Health Commission to order at 5:07 p.m.

Vice-Chair Jensen introduced Genevieve Valentine, the Health Commission’s new chair, who chaired the remainder of the meeting on behalf of Vice-Chair Jensen.

## **PRESENTATIONS/INTRODUCTIONS**

1. Chair Valentine introduced herself and new Commissioner Jim Diel.

Chair Valentine is acting as SJC Interim Director of Health Care Services as well as holding her current position as SJC Behavioral Health Director.

Jim Diel is the Chief Assistant Director of Health and Human Services of El Dorado County.

2. Chair Valentine thanked Commissioner Zeiter for his time and service on the Health Commission.

## **PUBLIC COMMENTS**

No public comments were forthcoming.

## **CONSENT CALENDAR**

Chair Valentine presented four consent items for approval:

3. October 30, 2024 Health Commission Meeting Minutes
4. Community Reinvestment Committee – 11/13/2024
  - a. September 11, 2024 Meeting Minutes
  - b. Community Reinvestment Update
  - c. Grant Applications for Approval
    - i. Standard Data Sharing Health Information Exchange (HIE) & Non-HIE Grant Program
      - o Aspen Family Medical Group: \$165,000
      - o The Uplift All Foundation: \$75,000
      - o NorCal Urgent Care: \$27,500
    - ii. Lead Screening for Children Initiative Grants Program
      - o Pediatric Care of Stockton: \$3,500
      - o Rural Health Network Inc: \$3,500
5. Finance and Investment Committee – 12/4/2024
  - a. October 23, 2024 Meeting Minutes
  - b. MedImpact, Inc. Contract
  - c. Onsite Interpretation Vendor Contract
  - d. IT Consultants Contracts
6. Human Resources Committee – 12/11/2024
  - a. October 30, 2024 Meeting Minutes
  - b. Policies for Approval

- o Leaves of Absence – Medical and Military
- o Leaves of Absence - Other
- o Time Off and Leave Schedule

**ACTION:** With no questions or comments, the motion was made (Commissioner Withrow), seconded (Commissioner Woodrow) and unanimous to approve the four consent items as presented (10/0).

## **DISCUSSION/ACTION ITEMS**

### 7. September FY 2024 Financial Reports

Ms. Tetreault presented for approval the September FY 2024 financial reports, highlighting the following:

- Premium Revenue is -\$17.3M unfavorable (-\$11.06 PMPM) to budget YTD as of September 2024, primarily driven by the acuity rate adjustment for CY 2024. In addition, the retroactive acuity adjustment to CY2023 rates impacts this variance. When the budget was developed Health Plan was not aware that DHCS was contemplating a CY2023 rate adjustment (roughly \$15M), thereby creating a variance between our actual starting point for rates and our assumption in the budget
- Managed Care Expenses are -\$3.1M unfavorable (-\$4.85 PMPM) to budget YTD, primarily driven by -\$11.4M unfavorable in Institutional and Professional services, offset by +\$1.9M favorable re-insurance recoveries +\$2.0M favorable Medical Management expense included in medical expenses, due to unfilled positions in Health Equity and Behavioral Health as well as unused consultant dollars
- Net other revenues and expenses are in line with the budget with a minor +\$0.1M favorable (+\$0.07 PMPM)
- Administrative Expenses are +\$3.7M favorable to budget primarily due to lower than budgeted personnel costs of +\$0.5M and consulting expenses of +\$2.1M mainly related to projects for D-SNP and subscription expenses of \$1.0M mainly related to healthcare data management and healthcare productivity automation software. While favorability in personnel costs is likely permanent, favorability in consulting and subscription expenses is likely temporary
- Prior period adjustments of -\$17.3M were primarily related to rate adjustments for CY 2024 and changes in estimates of IBNR
- Investment Income September YTD, \$9.7M in Unrealized Gains (Loss) on Investment and \$14.7M in Interest Income compared to the budget of \$8.8M

Upon review of the financials, Commissioners Withrow and Imperial asked what the net income will be after DHCS's rate adjustment and what does that mean to the bottom line. Ms. Tetreault explained that DHCS gave the Health Plan draft rates in April related to CY 2024. In September, based on determination of acuity population, adjustments were made, which means that they reduced our rates by .75%. The original data used was CY 2023 and they looked at members that were leaving the plan (low utilizers that were falling off slower than assumptions built to our rates). Those that fell off were low utilizers and those that stayed on were high utilizers. The rate determination submission is sent to DHCS annually and they look at our experience to determine the rate based on averaging PMPM.

Ms. Tetreault reported that net income will be \$13.9M, excluding the addition of roughly \$15M. There are also other favorable adjustments in October for another \$10M; favorable to bottom line.

**ACTION:** With no further questions or comments, the motion was made (Commissioner Krishnaswamy) seconded (Commissioner Zeiter) and unanimous to approve the September FY 2024 financial reports as presented (10/0).

#### 8. MedImpact, Inc. Contract

Matthew Garrett, Director of Pharmacy presented for approval the MedImpact, Inc. contract to implement Pharmacy Benefits Management D-SNP services in the amount not to exceed \$44.6M over the next three years, highlighting the following:

##### Overview

Managed Care plans are required to become D-SNP as of January 1, 2026

- Pharmacy benefits are part of the benefit for Medicare members
- Health Plan must contract with PBM to deliver service to beneficiaries
- Health Plan sent out RFP to six PBM's and two responded
- The cost difference between the two vendors who responded was significant
- Scorecards also showed a significant difference between the vendors in terms of subject matter expertise and services provided
- PBM administrative services for DSNP program will cost between \$17-22 PMPM based on the membership assumptions from the state

##### RFP Vendor Selection Factors

- Account Management
- Benefit Setup
- Pharmacy Claims Processing
- Pharmacy Network Management
- Formulary Management
- Prior Authorization Management
- Reporting
- Compliance
- Call Center Operations
- Staffing and Training

##### Scorecards: MedImpact (4.05) vs. Vendor 2 (3.30)

- Based on evaluating all factors including account management, operations, call center and claims processing, MedImpact was selected as the vendor
- MedImpact scored higher on average than the next highest scoring vendor
- MedImpact has a large presence in the California market and is the vendor for many of our sister health plans. They provide PBM services for the D-SNP line of business nationally

##### Financial Impact and Other Considerations

- If Health Plan terminates the contract without cause in the first 12 months of the contract there will be an early termination fee of \$100,000
- After year 1, in the event Health Plan does not implement services for the upcoming CMS Contract Year the following fees will apply:
  - Termination or delay notice received by MedImpact after February 1st and on or before:
    - CMS Application Due Date for the upcoming CMS Contract Year: \$30,000

- April 30th of the then current CMS Contract Year: \$45,000
- CMS Bid Submission Due Date for the upcoming CMS Contract Year: \$55,000
- August 30th of the then current CMS Contract Year: \$65,000
- December 31st of the then current CMS Contract Year: \$75,000

Part D Cost Projections:

| Member Months                            | 20,964         | 46,431                                 | 73,100                                 |                                        |                                                                 |
|------------------------------------------|----------------|----------------------------------------|----------------------------------------|----------------------------------------|-----------------------------------------------------------------|
|                                          | <u>\$ PMPM</u> | <u>\$ Total (\$M)</u><br><u>Year 1</u> | <u>\$ Total (\$M)</u><br><u>Year 2</u> | <u>\$ Total (\$M) Year</u><br><u>3</u> | <u>Assumptions</u>                                              |
| Allowed                                  | \$660.00       | \$13.80                                | \$31.00                                | \$48.00                                | Total drug cost (includes ingredient costs and dispensing fees) |
| Federal Reinsurance                      | -\$100.00      | \$2.10                                 | \$4.70                                 | \$7.30                                 | Pass though: CMS liability                                      |
| Manufacturer Discount Program            | -\$95.00       | \$2.00                                 | \$2.90                                 | \$6.90                                 | Pass though: drug manufacturer liability                        |
| Cost Sharing/(Low Income Subsidy (LICS)) | -\$65.00       | \$1.40                                 | \$3.00                                 | \$4.70                                 | Pass though: CMS liability                                      |
| Manufacturer Rebates                     | -\$130.00      | \$2.70                                 | \$6.00                                 | \$9.50                                 | Offset: paid to plan by manufacturers via PBM                   |
| Health Plan Liability *                  | \$270.00       | \$5.70                                 | \$14.40                                | \$19.60                                | Health Plan Claim Cost                                          |
| <u>MedImpact</u>                         |                | \$1.00                                 | \$1.60                                 | \$2.30                                 | Health Plan Admin Cost                                          |
| Net Total Cost                           |                | \$6.70                                 | \$16.00                                | \$21.90                                | Total Health Plan Cost                                          |

\*Assumes maximal rebates, subsidies, discounts and reinsurance-based payments.

**ACTION:** With no questions or comments, the motion was made (Commissioner Regalo) seconded (Commissioner Imperial) and unanimous to approve the MedImpact Inc. contract to implement Pharmacy Benefits Management D-SNP services in the amount not to exceed \$44.6M over the next three years as presented (10/0).

9. Be Well Project Grant Funding for BH Master Planned Campus - \$25,000,000

*At this time, Chair Valentine and Commissioner Regalo abstained, recused and excused themselves from the meeting due to their position with San Joaquin County.*

Eric Cubillo, Director of Fiscal Operations presented for approval the Be Well Project Grant Funding for BH Master Planned Campus in the amount of \$25,000,000, from the Health Plan's Community Reinvestment Program funds, highlighting the following:

Project Justification

Data

- Local data shows more than 60% of those brought to emergency departments (EDs) by law enforcement or ambulance are due to an acute Substance Use or Mental Health crisis
- Due to CARE Court and SB43
  - 60% increase in residential treatment needs
  - 40% increase in PHF needs
  - 20% increase in Law Enforcement and mobile crisis 5150's





- 40% increase in those conserved in the SJC region
- Currently no substance use residential MCL facility for minors in Northern California
- Significant percentage of MH visit no shows are derived from South Stockton, French Camp, Lathrop, and Manteca communities
- According to data in the 2022 SJC Community Health Needs Assessment (CHNA):
  - Mental Health/Behavioral Health was prioritized in the highest need category on a scale of Lowest to Highest priority
  - 4 out of 8 Mental/Behavioral Health and Substance Abuse indicators revealed that SJC fared worse than California as a whole

Project Goals

- Provide behavioral health care in the right setting, improving access, outcomes, advance health equity, and lower costs in San Joaquin County
- Prioritize behavioral health as assigned “Highest Priority” ranking Community Health Needs in the County based 2022 Community Health Assessment
- Behavioral health access and health infrastructure named one of the top six priorities by San Joaquin County Board of Supervisors
- Transform community wellbeing and growing healthcare needs through the creation of a campus that is welcoming, supportive, and destigmatizes behavioral health
- Supports quality gap closure efforts for approximately 9 HEIDIS measures—i.e. FUH, FUM, FUI, FUA, POD, FMC, SAA, DAE, DBO

Project Solution

- San Joaquin County has identified a significant need for a comprehensive campus that focuses on behavioral health, especially substance abuse and co-occurring care. The initiative’s solution name is under evaluation, but currently references as SJ Be Well.
- Description: The San Joaquin Be Well campus will be a multi-year, multi-phase project.
- Name: The “San Joaquin Be Well” name seeks to solidify the facility existing to service the behavioral health needs of this region of San Joaquin Valley, not necessarily only San Joaquin County
- In addition to clinical and residential programming, at the conclusion of phase 2, the campus also offers provisions for outdoor programming
- Phase Overview

| South Campus/Phase 1:<br>Total GSF : 184,000                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                             | North Campus/Phase 2:<br>Total GSF : 150,360                                                                                                                                                                                                                                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <b>Community &amp; Outpatient Building A</b><br><br>Public<br>Medical Urgent Care<br>Adolescent & Youth PHP II<br>Older Adult PHP IOP<br>Outpatient Behavioral Health<br>Administration & Staff Support<br>Building Support<br><b>70,000 s.f.</b> |  <b>Urgent Care Services Building B</b><br><br>Crisis Stabilization Unit (CSU)<br>16 Beds<br>Sobering Center<br>10 Participants<br>Psychiatric Health Facility (PHF)<br>16 Beds<br>Lobby & Bldg. Support<br><b>28,000 s.f.</b> |  <b>Residential Treatment Building C &amp; D</b><br><br>Substance Use Treatment<br>40 Beds<br>Crisis Residential<br>16 Beds<br>Adolescent Substance Use<br>12 Beds<br>MHRC<br>64 Beds<br>Building Support Services<br><b>86,000 s.f.</b> |  <b>Housing Programs</b> 252 Beds<br><br>Education and Resources Market<br>Café<br>Supportive Family Housing<br>Support Adult Housing<br>Transitional Housing<br><br><b>150,360 s.f.</b> |

Aside from presenting on the project justification, Mr. Cubillo also presented on HMA consulting feasibility study as well as Boulder Associates planning and construction development feasibility study, noting the following:

HMA Recommendations and Study Findings

- HMA evaluated each service segment in the proposed SJ Be Well model, and determined that, overall, the SJ Be Well behavioral health master planned campus is financially viable
- Most of the SJ Be Well service segments fall within the County's portfolio of financing Medi-Cal behavioral health services and HMA's analysis shows positive operational margins based on actual rates
- One service segment, Sobering Center, would need support from HPSJ under the CalAIM Community Supports initiative
- There are a number of direct and indirect cost benefits to HPSJ and County under this proposed model, including:
  - Anticipated reduction the volume burden on County hospital ER and inpatient resources, and likely jail and other institutional carceral costs being driven by hard-to-place clients;
  - To the degree HPSJ members currently using ER and hospital care are able to be shifted to the Be Well model, HPSJ would experience savings in hospital care;
  - It is likely HPSJ will experience some increased costs associated with the Sobering Center, and some minor Medi-Cal transportation and coordination costs associated with helping members access Be Well;
  - Reduction of County costs due to out-of-county placements for BH care
- Financials and Staffing Overview:
  - Annual operating expenses: ≈\$60M | Net Margin: ≈\$7.6
  - FTE (hybrid model – County & Contractors) Count: ≈259

Boulder Associates Planning and Construction Development Feasibility Study

Concept Design

- Initial Programming
- Master Planning & Site Design
- Building Construction Type and Code Approach
- Preliminary Grading
- Site Utilities
- Site Landscape Concept Design
- Draft Traffic Impact
- Preliminary Geotechnical Study

Planning Environmental

- Specific Plan
- Phase 1 ESA
- Preliminary Application
- Application Submittal to Community Development
- Cultural Resources Assessment
- Biological Resources
- Admin DRAFT IS and Technical Studies

Feasibility Findings

- The site can support the mixed uses of behavioral health treatment programs, supportive housing, outpatient services, community resources, café' and market with a total proposed

- build and parking of approximately 323,000 sf over approximately 20 acres, in a low-rise approach
- A Specific Plan was recommended to address the proposed land uses and guide the development to occur over multiple years, allowing future to develop to be reviewed through a ministerial review via Zoning Compliance review
- A storm water system of two basins will address storm water quality. One onsite detention basis with connection to an offsite terminal basin will infiltrate a single 100-year 24-hour event
- City of Stockton provided a Will Serve Letter for water & sewer service. There are multiple approaches to how the sewer services will be accommodated. Further study will finalize an approach with the City and County
- Initial Traffic Study determined that the addition of project traffic to the existing baseline and future volumes would not result in adverse effects. Recommended modifications include retiming the signals at French Camp/I-5, French Camp/Arch Airport Road, and West Matthews/I-5 and extending the northbound turn lanes at French Camp/South El Dorado and Matthews/South El Dorado. Final Traffic study will need to be completed

Site Context

- The potential site of the future SJ Be Well has been identified as a portion of the SJ County-owned parcel 193-05-018
- Parcel Details
  - APN: **193 05 018**
  - Street Address: 7400 Delivery Dr. French Camp
  - Land Acres: 138.61
  - Site Acres: **19.17**
  - Use Code: 925
  - Sphere of Influence: Stockton
  - Post Office: French Camp
  - Zip Code: 95231
  - Supervisorial District: 3
- Project Timeline (estimate)
  - Groundbreaking – September 2025
  - Urgent Care (orange) Opening - July 2027
  - Other Buildings Opening - January 2028
  - Timeline for Transitional Housing is to be determined

Project Costs and Funding – Phase 1: \$203M

Funds Secured To Date:

| Source                                                      | Amounts (rounded)   |
|-------------------------------------------------------------|---------------------|
| San Joaquin Health Centers                                  | \$450,000           |
| BHCIP Round 5 Grant Award                                   | \$11,600,000        |
| Assembly Bill 179 Budget Act of 2022 Legislative Priorities | \$9,000,000         |
| Senator Feinstein to Public Health                          | \$3,000,000         |
| Opioid Settlement - Janssen                                 | \$1,000,000         |
| Opioid Settlement Funds - Abatement                         | \$11,700,000        |
| Opioid Settlement Funds - Subdivision                       | \$3,400,000         |
| Opioid Settlement Funds - Bankruptcy                        | \$400,000           |
| <b>Total Available Funding</b>                              | <b>\$40,550,000</b> |

Funds Being Pursued:

| Source                                                                                    | Amounts              |
|-------------------------------------------------------------------------------------------|----------------------|
| Health Plan of San Joaquin (contingent on Prop 1)                                         | \$25,000,000         |
| Sutter Health Match Funds                                                                 | \$1,000,000          |
| Sutter Health Grant Award                                                                 | \$20,000,000         |
| BHSA Capital Projects Account (Behavioral Health Services Act/Mental Health Services Act) | \$8,000,000          |
| Prop 1 Grant Request                                                                      | \$137,500,000        |
| County Gap Funding (last resort only)                                                     | \$44,000,000         |
| <b>Total Funds Being Pursued (excluded County Gap Funding:</b>                            | <b>\$191,500,000</b> |

Note: Health Plan funds contingent on SJC receipt of State Proposition 1 funding.



Upon review of Mr. Cubillo’s report, Vice-Chair Jensen stated that he has a strong interest and support for this project and noted that the Commission has already approved \$20M, this request is updating the dollar amount to \$25M from \$20M previously approved from Community Reinvestment Committee (CRC) funds.

Commissioner Withrow asked of the \$100M, is this the first set of requests that is withdrawing from CRC funds. Lizeth Granados, CEO responded that this is not the first request as CRC has already funded a few other projects that were recently approved by the Health Commission. Mr. Cubillo reported, the total dollar amount after all fundings, excluding Be Well project is \$68M, with a remaining of \$32M, if the approval for \$25M is passed.

Commissioner Withrow also asked how much money will be available for organizations to apply for. Mr. Cubillo responded that 68M.

Commissioner Withrow agreed with Vice-Chair Jensen in supporting of the project and noted that this program is much needed in SJC.

**ACTION:** With no further questions or comments, the motion was made (Vice-Chair Jensen) seconded (Commissioner Herrera), with abstentions by Chair Valentine and Commissioner Regalo to approve the Be Well Project Grant Funding in the amount of \$25M from CRC funds as presented (8/2).

*At this time, Chair Valentine and Commissioner Regalo rejoined the meeting.*

10. QIHEC Committee Report – 9/18/2024

Dr. Lakshmi Dhanvanthari, CMO submitted for approval the QIHEC Committee meeting report for 11/20/2024, highlighting the following committee meetings, work plans, program descriptions, policies updates and reports that were reviewed and approved:

Clinical Operations: Policies for Review/Approval

| <b>New and Revised Policies</b> |                                                           |                                                                                                        |
|---------------------------------|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
|                                 | <b>Policies for Approval<br/>*Departments: UM, CM, BH</b> | <b>Clinical Ops Committee 10.08.24</b>                                                                 |
| <b>Policy#</b>                  | <b>Policy Name</b>                                        | <b>Summary</b>                                                                                         |
| CM 02                           | Sensitive Services                                        | Coverage of medical services and supplies incidental or preliminary to an abortion added as a benefit. |
| UM 55                           | Emergency Transportation and NEMT                         | Coverage of NEMT for Indian Health Care Providers and American Indian Members added as a benefit       |
| UM 91                           | Subacute Facilities                                       | Long Term Care Benefit Standardization and Transition of Members to Managed Care                       |
| CM 12                           | Private Duty Nursing                                      | No Substantive Changes                                                                                 |
| UM 06                           | Medical Review Criteria                                   | Update to include reference to EPSDT and expanded definition of Ameliorate                             |

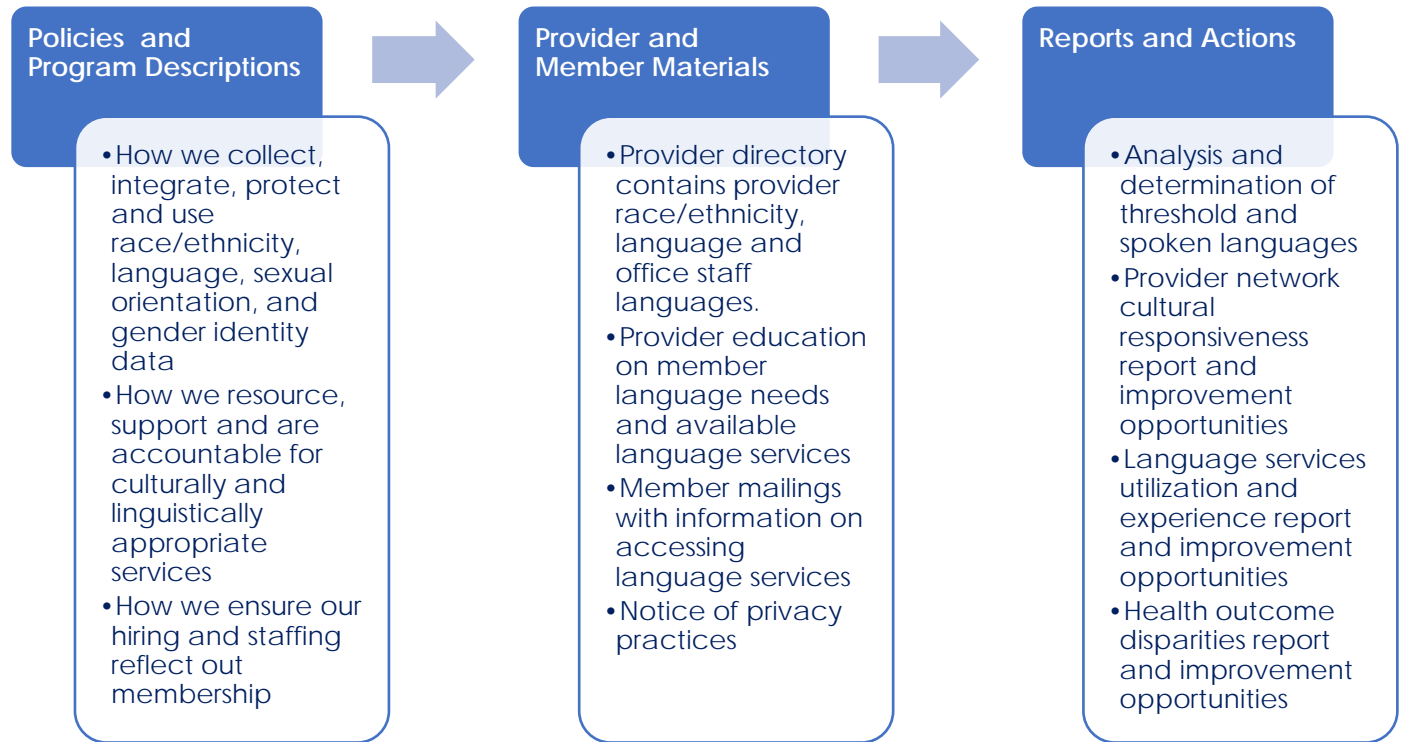
UM Program Evaluation

| Program Section         | Evaluation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Scope</b>            | <ul style="list-style-type: none"> <li>• Addition of Alpine and El Dorado Counties January 2024</li> <li>• Scope of program grew with the ICF/DD &amp; Subacute Carve in</li> <li>• Addition of the Clinical Operations Committee</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Plan Performance</b> | <ul style="list-style-type: none"> <li>• Focus on monitoring and implementing interventions to improve performance:               <ul style="list-style-type: none"> <li>• Implemented a new Medical management System in Feb 2024 called JIVA                   <ul style="list-style-type: none"> <li>• System configuration and mapping issues encountered</li> </ul> </li> <li>• TAT below threshold:                   <ul style="list-style-type: none"> <li>• Standard authorization requests February – August 2024</li> <li>• Expedited authorization requests March &amp; April 2024.</li> </ul> </li> <li>• Mitigation plans put in place to increase efficiencies and produce accurate reporting.</li> </ul> </li> <li>• Enhanced oversight and monitoring of prior authorization aging inventory and productivity</li> </ul> |
| <b>KPI's</b>            | <ul style="list-style-type: none"> <li>• Inpatient measures:               <ul style="list-style-type: none"> <li>• San Joaquin County: Admissions/K only metric below goal for TANF Adult</li> <li>• Stanislaus county: TANF Adult and SPD were below goal for Admissions/K</li> <li>• Alpine and El Dorado – no trend identified due to 6 months worth of data</li> </ul> </li> <li>• Working with Milliman to review Metric for Stanislaus and San Joaquin County; Need at least 18 months of data to develop metric for Alpine and El Dorado</li> </ul>                                                                                                                                                                                                                                                                               |

| Program Section                       | Evaluation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Structure and Objectives</b>       | <ul style="list-style-type: none"> <li>• HPSJ continues to review and enhance the quality of the reports to include a detailed analysis of any elements that did not meet goals and an action plan to improve quality</li> <li>• Continue to streamline processes for collaboration between UM, CM Behavioral Health and Social Services</li> <li>• Initiation of Retrospective Review process</li> <li>• Established a Pediatric work group to focus on the needs of this fragile population</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Oversight</b>                      | <ul style="list-style-type: none"> <li>• Delegation activities continue with Carelon. 2024 Delegation Oversight Audit identified four deficiencies and two observations</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Member and provider experience</b> | <ul style="list-style-type: none"> <li>• Adult member satisfaction results for 2024 revealed the following measures decrease in performance from 2023 to 2024:               <ul style="list-style-type: none"> <li>• Adult: Getting needed care and getting appointment with specialists as soon as needed.</li> <li>• Pediatric: Getting care, Ease of getting care, tests, or treatment needed, Getting appointments with specialists as soon as needed and Got checkup/routine appointment as soon as possible</li> </ul> </li> <li>• Overall, Both survey results did not meet the established Medicaid goals               <ul style="list-style-type: none"> <li>• Member experience work group established by quality to focus on improvements</li> </ul> </li> <li>• Provider satisfaction with UM from 2022 reveals:               <ul style="list-style-type: none"> <li>• All measures decreased from 2023 to 2024.</li> <li>• Need to establish forum to focus on provider experience with UM</li> <li>• Continue to provide education to PS and providers through various forums, such as Look 'n Learns, Provider Partnership meetings and JOMs.</li> </ul> </li> </ul> |

NCQA Health Equity Accreditation

Health Equity Accreditation provides a holistic roadmap for Health Plans to adopt more equitable practices and work toward reducing disparities, with an emphasis on representation of the membership, data collection that allows for the identification of disparities, and concrete actions to ensure access throughout the system.



Grievances for FY 2023-24 (4<sup>th</sup> Quarter)

- Quarterly Comparison of Grievances FY23-24 Q4 to Q3:
  - San Joaquin County: There is a 23.23% (0.54 per 1000) decrease in the total number of grievances received
  - Stanislaus County: There is a 23.06% (0.52 per 1000) decrease in the total number of grievances received
  - El Dorado County: There is a 23.53% (0.02 per 1000) increase in the total number of grievances received
  - Alpine County: There were no grievances received
- Fiscal Year Comparison of Grievances FY23-24 to FY22-23:
  - San Joaquin County: There is a 9.68% (0.74 per 1000) decrease in the total number of grievances received
  - Stanislaus County: There is a 6.27% (0.75) decrease in the total number of grievances received
  - Overall, there is an 7.39% (0.69 per 1000) decrease in the total number of grievances received
  - Even with the addition of two new counties the number and rate of grievances has decreased
  - The performance goals were met for all categories

| <b>FY 23-24 Grievances</b> | <b>Q1</b>  | <b>Q2</b>  | <b>Q3</b>   | <b>Q4</b>  | <b>Total</b> | <b>FY 22-23 Grievances</b> | <b>Q1</b>   | <b>Q2</b>   | <b>Q3</b>   | <b>Q4</b>  | <b>Total</b> |
|----------------------------|------------|------------|-------------|------------|--------------|----------------------------|-------------|-------------|-------------|------------|--------------|
| San Joaquin                | 534        | 563        | 620         | 476        | 2193         | San Joaquin                | 616         | 652         | 622         | 538        | 2428         |
| Stanislaus                 | 364        | 410        | 399         | 307        | 1480         | Stanislaus                 | 406         | 425         | 401         | 347        | 1579         |
| Alpine                     | 0          | 0          | 0           | 0          | 0            | <b>Grand Total</b>         | <b>1022</b> | <b>1077</b> | <b>1023</b> | <b>885</b> | <b>4007</b>  |
| El Dorado                  | 0          | 0          | 17          | 21         | 38           |                            |             |             |             |            |              |
| <b>Grand Total</b>         | <b>898</b> | <b>973</b> | <b>1036</b> | <b>804</b> | <b>3711</b>  |                            |             |             |             |            |              |

Appeals: FY 23-24 Q4

- When compared to Q3 overall Q4 appeals increased by 14.29%
- San Joaquin County had a 21.88% increase
- No change to Stanislaus County

| <b>FY 23-24 Appeals</b>   | <b>Q1</b> | <b>Q2</b> | <b>Q3</b> | <b>Q4</b> | <b>Total</b> |
|---------------------------|-----------|-----------|-----------|-----------|--------------|
| <b>San Joaquin County</b> | <b>15</b> | <b>35</b> | <b>32</b> | <b>39</b> | <b>121</b>   |
| <b>Stanislaus County</b>  | <b>24</b> | <b>30</b> | <b>30</b> | <b>30</b> | <b>114</b>   |
| <b>El Dorado County</b>   |           | <b>0</b>  | <b>1</b>  | <b>3</b>  | <b>4</b>     |
| <b>Alpine County</b>      |           | <b>0</b>  | <b>0</b>  | <b>0</b>  | <b>0</b>     |
| <b>Grand Total</b>        | <b>39</b> | <b>65</b> | <b>63</b> | <b>72</b> | <b>239</b>   |

Potential Quality Issues: FY 23-24 Q4

PQI Trends:

- Complication after surgery (3)
- Unwitnessed Fall (3)
- Quality of Care Issue (10)

PQI Trends related to C & L:

- Vendor not able to provide CSR with an interpreter for the Assyrian dialect (3)
- Vendor not able to provide CSR with an interpreter for the Dutch dialect (4)

\*\*10 out of 22 PQI's were referred internally and 12 out of 22 PQI's were opened from a grievance.

Audits and Oversight Committee Summary

- A Readiness Assessment was conducted for A Senior Connection. The entity received an audit score of one hundred percent (100%) for CSS, ECM, and IT Security. An audit score of ninety-nine percent (99%) (1 finding) for FWA, and HIPAA received seventy-three percent (73%) (8 findings). AOC approved delegation of CSS and ECM on the recommendation that A&O will work collaboratively to ensure remediation of Compliance Program findings through the CAP process
- A Baseline Audit was conducted for Golden Valley Health Centers. The entity received an audit score of one hundred percent (100%) for ECM. AOC approved the recommendation to continue delegation of ECM services

- All twenty-two (22) Carelon CAPs have been remediated as of September 20, 2024
- There are no major trends in Carelon's UM Processing Turnaround Time (TAT) compliance within the last three (3) months. All data reported (Decision-Making, Member Notification, Provider Notification) were all above ninety-five percent (95%)
- There are no major concerns or trends in Credentialing. There was an influx of recredentialed providers in Q2 2024 for UCSF
- A&O is assessing all contracted ECM/CSS Providers, as well as prospective Providers. A&O has adopted a tier-based strategy with consideration of risk and audit type. There are a total of fifty-three (53) audits as of October 2024

• **E-Vote Recap**

| Entity Name                        | E-Vote Request Date | Audit Type           | Audit Scope                                                                    | Motion Carried<br>(Approve/Deny) |
|------------------------------------|---------------------|----------------------|--------------------------------------------------------------------------------|----------------------------------|
| Adventist Health Physician Network | 08/09/2024          | Readiness Assessment | • Enhanced Care Management                                                     | Approve                          |
| Evolve NXT (D-SNP Vendor)          | 08/22/2024          | Readiness Assessment | • HIPAA<br>• FWA<br>• IT/Security                                              | Approve                          |
| Home & Health Management           | 08/28/2024          | Readiness Assessment | • Community Support Services<br>• Enhanced Care Management                     | Approve                          |
| Carelon Behavioral Health          | 09/09/2024          | Focused Audit        | • Utilization Management—<br>ESPT Criteria Citation &<br>NOA Letter Validation | Approve                          |
| Resolution Care                    | 09/10/2024          | Readiness Assessment | • Enhanced Care Management                                                     | Approve                          |
| Marshall Medical Center            | 09/13/2024          | Baseline Audit       | • Enhanced Care Management                                                     | Approve                          |

Upon review of Dr. Lakshmi's report, Commissioner Imperial asked what the UM audit function is. Dr. Lakshmi responded that UM evaluation is comprehensive, i.e., audit for timeliness of prior authorizations (72 hours if urgent and 5 days if routine, concurrent review is considered urgent within 72 hours. The decision is reviewed for appropriateness and the content of the denial reason. There is also a different metric in Key Performance Indicators (KPI). Staff also review the over/under utilization and coordination of care (coordinating with various areas).

**ACTION:** With no additional questions or comments, a motion was made (Commissioner Krishnaswamy) and seconded (Commissioner Withrow) to approve the QIHEC Committee Report for 11/20/2024 and the Utilization Management Program Evaluation for FY 23-24 as presented (10/0).

**INFORMATION ITEM**

11. CEO Update

Lizeth Granados, CEO, provided an update on Quality Initiatives and Prop 35, highlighting the following:

Quality Initiatives

As an act of quality enforcement, DHCS released notices of intent to sanction Medi-Cal plans that failed to meet minimum performance levels (MPLs) for Measurement Year (MY) 2023. In October 2024, HPSJ was sanctioned \$68,000 for not meeting the minimum performance levels on 18

Managed Care Accountability Set measures in 2023. Health Plan's sanction amounts have decreased due to the quality interventions that we have implemented/will continue to implement.

Health Plan reaffirms our commitment to health care access, quality, and equity as we initiate new strategies in 2025 to improve the health of our community. We are outreaching to members, providers, community-based organizations, and multidisciplinary partners to drive equitable access to quality care by:

- Ensuring members are familiar with incentives and opportunities to access preventive services
- Launching quality-initiative based marketing campaigns
- Recruiting more health care providers to serve our community
- Enhancing data collection efforts to capture provider encounters, evaluate the needs of members, and coordinate services

Health Plan has made significant efforts to revamp programs currently in place and to establish new programs to drive higher quality scores. Through these efforts, we are making quality care more accessible to members by:

- Implementing point of care testing for lead screenings
- Working with our Population Health Navigators for direct scheduling opportunities
- Holding care gap clinics staffed by Health Plan-funded locum tenens physicians
- Hosting mobile mammogram events
- Provider Recruitment grants
- Improving efficiencies with our data exchange with providers

#### Proposition 35 – Managed Care Organization (MCO) Tax

Prop. 35 has passed with 68% voter approval and support from a coalition of 400+ organizations in California. Passage of Prop 35 accomplishes the following:

- Permanent State Health Plan Tax: Transforms the MCO tax into a permanent revenue stream beginning 2027, subject to federal approval to charge the tax
- Directs Allocation of Revenue: Directs more revenue directly into Medi-Cal services, rather than using it to reduce the State's General Fund expenditures
- Dedicates Funding to New Areas of Focus: Allows fund allocation to specified hospital services, safety net clinics, outpatient facilities, and more
- Provider Rate Increases: Allocates funds for providers of Medi-Cal services, including primary and specialty care providers

The MCO tax is an *existing* tax imposed on Managed Care Plans that provides funding for Medi-Cal, enhances access to safety-net services (and preserves these services during state budget deficits), and supports workforce development, among other priorities. The MCO tax also establishes funding to increase reimbursement rates to align with the Medicare fee schedule. Total increase in funding is estimated to be between \$2 - \$5 billion annually and will be allocated based on allowances defined in Prop 35.

For CY 2025 and 2026, the MCO tax is expected to generate \$7 - \$8 billion annually. 43% will be used to offset General Fund spending in Medi-Cal to cover a portion of the non-federal share of Medi-Cal managed care rates for health care services for children, adults, seniors, and people with disabilities, while remaining funds will be used to support health workforce initiatives, including primary care, specialty care, emergency care, and more.

For calendar years 2027, the majority of funds will support access to care through increased reimbursement rates to providers for primary and specialty care, as well as emergency department and hospital services. If there are remaining MCO tax revenues after funding allocations are made, excess revenue allocations could include:



- A grant program to expand the number of community health workers
- Supporting the state's ongoing efforts to reduce the cost of prescription drugs
- Providing additional funding to health workforce initiatives
- Additional General Fund offset to support existing services in Medi-Cal

Upon Ms. Granados's presentation, Commissioners Withrow asked on quality initiatives, how Health Plan is compared to other plans in the valley and on efficiency improvement in our data, why we are not capturing the information. Ms. Granados responded, for quality performance, there are nuances that are different in each geographic area, i.e., Valley Children's Hospital in Madera has a large campus and they have been successful in providing services for children, which helps their measures. As for improving data efficiency, there are a lot of opportunities.

## 12. COO Update on D-SNP Year End Progress

Liz Le, COO provided an overview and update on D-SNP year-end progress:

- California Advancing and Innovating Medi-Cal (CalAIM) includes statewide transition to Dual Special Need Plans (D-SNPs)
- D-SNPs are Medicare Advantage plans available to members with both Medicare and Medi-Cal (also known as dual eligibles or Medi-Medi)
- Through D-SNPs, dual eligible members receive both Medicare and Medi-Cal benefits from one plan, integrated care and may receive additional benefits beyond what Medicare and Medi-Cal covers
- Along with other counties and plans in the state, HPSJ MVHP continues work efforts to implement and offer a D-SNP subject to regulatory approval by January 1, 2026
- As we finalize 2024, the following slides provide a lookback of the progress this year

### Contracting and Regulatory Milestones

- Developed D-SNP amendment and distributed to existing Medi-Cal network and launched provider contracting efforts
- In support of Medi-Cal and Medicare network overlap, assessed initial network adequacy based on assumption of 100% overlap
- Submitted and received approval on D-SNP DMHC Material Modification filing which authorizes us to expand our current license and an exclusively aligned enrollment from DMHC
- Submitted Notice of Intent to Apply (NOIA) to CMS which is our first request to become a D-SNP and to obtain a plan contract number

### Operational Milestones

- Established system connection with primary CMS platform
- Obtained commission approval of D-SNP plan marketing name
- Conducted initial look and learn with FQHCs and physicians for education on D-SNP
- Presented D-SNP overview to community-based organizations on 10/17/24
- Promoted staff education through LHPC Medicare trainings
- Completed additional organizational structure plans
- Completed key procurements to support Enrollment and Sales. Currently working with vendors on operational implementations
- Completed draft policies and procedures
- Initiated supplemental benefit and product discussions

Collaboration with other plans and associations (LHPC and CAHP) provide key learning opportunities and sharing of best practices. Through this collaboration, we have obtained valuable provider perspectives in serving Medicare population and best practices for engagement. The Health Plan's next steps are to:

- Continue to monitor and address potential gaps to ensure network adequacy
- Partner with stakeholders to increase community knowledge and understanding of D-SNP
- Prepare for CMS application in Feb. 2025

Upon review of Ms. Le's presentation, Chair Valentine asked if Health Plan is anticipating having more providers move to Medicare. Ms. Le responded that our effort is to educate providers, and if they provide good services, members will select Health Plan as we offer services and benefits under one plan. Providers will be reimbursed for Medicare services.

Commissioner Herrera commented that providers will be losing patients, unless they work to keep these members.

### 13. Compliance Bi-Monthly Report

Sunny Cooper, CCO provided an update on the Compliance Bi-Monthly report, highlighting on the 2024 DHCS Regulatory Audit. DHCS concluded their audit with a closing conference on November 7, 2024:

- Audit Notice: 07/31/24
- Virtual Onsite Review: 10/28/24 - 11/07/24
- Virtual Onsite Closing Conference: 11/07/24
- Review Period: 08/01/23 - 07/31/24
- Preliminary Report: Projected to be 01/29/2025
- Final Report: February 2025
- Staff preparation and audit efforts
  - Responded to the request for more than 1,000+ pre-onsite documents including logs of case, claims files, program documents, policies and procedures, and reports
  - Conducted 28 mock audits in preparation for the actual audit
  - DHCS conducted a total 19 audit interview sessions, one entrance and one closing conferences

DHCS noted 9 items of concern that may be included in the preliminary report and Corrective Action Plan (CAP) requests have been issued to business owners to remediate these concerns:

1. Incorrect Prior Authorization (PA) requirements applied to preventive services
2. Incorrect PA requirements applied to advanced or metastatic stage 3 or 4 cancer patients for cancer biomarker testing
3. Untimely UM Notice of Action (NOA) letters sent to members
4. Incorrect application of translated NOA template to inform members of PA denials
5. Failure to include Medi-Cal Provider Manual criteria when determining medical necessity on UM appeals
6. Failure to report the delegate's non-compliance within 3 working days
7. Incorrect PA requirements applied to family planning services
8. Untimely payment of all clean claims within 30 days of receipt
9. Failure to expeditiously investigate potential quality issues (PQI) to address the quality-of-care issues delivered by providers



#### 14. CIO Quarterly Information Security Reporting

Victoria Worthy, CIO provided an update on the company's security metrics, program and projects, with detailed information in the meeting PPT packet:

- Security Program Maturity – Overall Grade = B
- Vulnerability Management – Overall Grade = B
- M365 Security Configuration - Overall Grade = B
- Phish Testing Trends – Overall Grade = A
- Security Monitoring and Incident Response = A

The Information Security Team, in collaboration with the rest of IT teams, has introduced new policies and procedures to increase program maturity by 71%. Additional improvements are outlined in the Information Security Roadmap and are actively being executed. Active efforts include deployment of standardized security configurations, access control process improvements, security dashboard development, vulnerability management expansion, and implementation of Microsoft Defender.

#### 15. Legislative Update

Evert Hendrix, CAO provided an update on newly elected officials that are representing our service areas and Priority Bill Report for Governors actions and key legislation:

Assemblymembers:

- Heather Hadwick – District 1 – Alpine and El Dorado Counties
- Joe Patterson – District 5 – El Dorado and Placer Counties
- Heath Flora – District 9 – SJC and Stanislaus Counties
- Rhodesia Ransom – District 13 – SJC
- Juan Alanis – District 22 – Stanislaus County

State Senators:

- Adam Schiff - U.S. Senator-elect State of California
- Marie Alvarado-Gil – District 4 – Alpine, El Dorado and Stanislaus Counties
- Jerry McNerney – District 5 – Sacramento

Congressional Representation:

- Kevin Kiley – District 3 – Alpine
- Tom McClintock – District 5 – El Dorado
- Josh Harder – District 9 – SJC
- Adam Gray – District 13 – Stanislaus

Board of Supervisors by County:

**San Joaquin County Board of Supervisors**

- [Supervisor Mario Santiago Gardea, District 1](#)
- [Supervisor Paul Canepa, District 2 \(HPSJ Commissioner\)](#)
- [Supervisor Sonny Dhaliwal, District 3](#)
- [Supervisor Steven J. Ding, District 4](#)
- [Supervisor Robert Rickman, District 5](#)

**Stanislaus County Board of Supervisors**

- [Supervisor Buck Condit, District 1](#)
- [Supervisor Vito Chiesa, District 2](#)
- [Supervisor Terry Withrow, District 3 \(HPSJ Commissioner\)](#)
- [Supervisor Mani Grewal, District 4](#)
- [Supervisor Chance Condit, District 5](#)

**El Dorado County Board of Supervisors**

- [Supervisor Greg Ferrero, District 1](#)
- [Supervisor George Turnboo, District 2](#)
- [Supervisor Brian Veerkamp, District 3](#)
- [Supervisor Lori Parlin, District 4](#)
- [Supervisor Brooke Laine, District 5](#)

**Alpine County Board of Supervisors**

- [Supervisor Charles Dobson, District 1](#)
- [Supervisor Evan Mecak, District 2](#)
- [Supervisor Irvin Jim, District 3](#)
- [Supervisor Terry Woodrow, District 4 \(HPSJ Commissioner\)](#)
- [Supervisor David Griffith, District 5](#)

**Priority Bill Report: Governor's Actions on Key Legislation**

AB 1316 (Irwin) – Emergency services: psychiatric emergency medical conditions. Revises the definition of “psychiatric emergency medical condition” to be applicable regardless of whether the patient is voluntarily or involuntarily detained for evaluation and treatment

- Clarifies that Medi-Cal plans must cover all hospital emergency department visits, including for psychiatric emergencies, despite carve-outs related specialty mental health services

AB 3275 (Soria) – Health care coverage: claim reimbursement. Beginning January 1, 2026, requires health plans, including Medi-Cal plans, to reimburse a complete claim, or a portion of it, within 30 calendar days of receipt

- Health plans must notify claimants within 30 days if a claim is incomplete or denied
- Complete claims not reimbursed within 30 days will accrue interest at 15% per annum

**CHAIRMAN'S REPORT**

Vice-Chair Jensen made the following announcements under the Governance Human Resources Committee:

- Appointment of Chair Valentine to the committee
- Remove of Commissioner Imperial from the committee

Chair Valentine thanked Commissioner Zeiter again for his time and service on the Health Commission. Commissioner Zeiter acknowledged staff and the Health Commission on the great work that the Health Plan is doing and stated that he has learned a lot during his time on the commission.

**COMMISSIONER COMMENTS**

No comments were forthcoming.

**ADJOURNMENT**

Chair Valentine adjourned the meeting at 7:03 p.m. The next regular meeting of the Health Commission is scheduled for January 29, 2025.