

MINUTES OF THE MEETING OF THE SAN JOAQUIN COUNTY HEALTH COMMISSION

December 14, 2022

Health Plan of San Joaquin – Community Room

COMMISSION MEMBERS PRESENT:

Greg Diederich, Chair

Neelesh Bangalore, MD

Michael Herrera, DO

Christine Noguera

Jay Wilverding

Chuck Winn

John Zeiter, MD

COMMISSION MEMBERS ABSENT:

Farhan Fadoo, MD

Brian Jensen, Vice-Chair

Kathy Miller

Elyas Parsa, DO

STAFF PRESENT:

Michael Schrader, Chief Executive Officer

Cheron Vail, Chief Information Officer

Sunny Cooper, Chief Compliance Officer

Lizeth Granados, Chief Operations Officer

Evert Hendrix, Chief Administrative Officer

Michelle Tetreault, Chief Financial Officer via MS TEAMS

Lakshmi Dhanvanthari, MD, Chief Medical Officer

Priti Golechha, MD, Assistant Chief Medical Officer

Tracy Hitzeman, Executive Director – Clinical Operations

Quendrith Macedo, County Counsel

Sue Nakata, Executive Assistant to CEO and Clerk of the Health Commission

CALL TO ORDER

Chair Diederich called the meeting of the Health Commission to order at 5:04 p.m.

PRESENTATIONS/INTRODUCTIONS

Chair Diederich congratulated and thanked James Mark Myles, former SJC County Counsel on his retirement from the San Joaquin County Counsel's office. Mr. Myles is an admirable, long-time public servant who has proven himself as a valuable resource to HPSJ and the communities we serve.

Chair Diederich congratulated and thanked Cheron Vail, CIO on her retirement from HPSJ after 11 years of service to its members and community. The Health Commission also applaud Ms. Vail's compassionate leadership, as well as her robust knowledge of the healthcare industry and sincere commitment to the community.

PUBLIC COMMENTS

No public comments were forthcoming.

MANAGEMENT REPORTS

1. CEO Report

Coalition Letter for Alpine and El Dorado Safety-Net Providers

Michael Schrader, CEO thanked a coalition of nine local hospital and clinic leaders that signed a joint letter of support for HPSJ. The joint letter is addressed to El Dorado County Health and Human Services, expresses enthusiasm for safety-net providers in Alpine and El Dorado to join HPSJ's network, and highlights the many ways in which HPSJ supports local safety-net providers in San Joaquin and Stanislaus counties. Local leaders who coordinated on the joint letter include:

- Brian Jensen of Hospital Council of Northern & Central California
- Lisa Richmond of San Joaquin Medical Society
- Christine Noguera of Community Medical Centers
- Dr. Farhan Fadoo of SJ Health
- Don Wiley of Dignity Health
- Warren Kirk of Tenet Health
- Rick Castro of San Joaquin General Hospital
- Tony Weber of Golden Valley Health Centers
- Leslie Abasta-Cummings of Livingston Community Health

DHCS Quality Sanction

Mr. Schrader noted that in December, DHCS issued Notices of Intent to Impose Sanctions on 22 of the 25 Medi-Cal Managed Care Plans that failed in measurement year 2021 to meet the required minimum performance levels (MPLs) for certain HEDIS quality measures in the Medi-Cal Managed Care Accountability Set (MCAS). Per plan sanction amounts range from \$25,000 to \$437,000.

Our observation is, that in general, plans that serve more affluent and mostly coastal counties have higher quality scores and lower sanction amounts, and plans that serve relatively under-resourced counties in the Inland Empire, Central Valley, and Rural North have lower quality scores and higher sanction amounts, thus demonstrating again the unrecognized correlation between geography and quality.

There are 15 HEDIS measures in the MCAS set that are subject to MPLs. For San Joaquin County, HPSJ had 5 measures below the MPL and HealthNet had 11. For Stanislaus County, HPSJ had 9 measures below the MPL and HealthNet had 14. DHCS intends to impose HPSJ with a financial sanction of \$125,000. The largest sanction of \$437,000 was imposed on HealthNet for the seven counties in which it operates, including San Joaquin and Stanislaus. DHCS also placed plans into tiers (Green, Orange and Red) based on quality performance. HPSJ is in the orange tier, and HealthNet in the red.

Before intended sanctions are finalized, DHCS is giving plans the option of individual Meet & Confers. HPSJ will take the opportunity to highlight that we demonstrated significant improvement in MY21 compared to the year before by almost doubling the number of measures that met the MPL, that quality and geography need to be considered together, and that our provider partners were significantly impacted by COVID-19 in 2021.

Sanctioned plans will need to submit a revised comprehensive quality strategy detailing how they intend to devote adequate resources and staff to quality improvements and work closely with DHCS on data-driven improvement efforts.

Q: Commissioner Bangalore – Is DHCS considering a method to adjust for geographic disparities when evaluating a plan’s quality performance? Perhaps DHCS would consider a health index that ranks counties by health outcomes and considers other factors related to health equity.

A: CEO Schrader – HPSJ addressed this issue in today’s quarterly DHCS All Plan CEO Meeting, and DHCS leadership responded that they intend to consider geography in the future using a methodology to be determined.

Focused Audits on the Performance of Medi-Cal Managed Care Plans

Mr. Schrader reported that DHCS will begin conducting focused audits to assess the performance of Medi-Cal managed care plans in two specific high-risk areas: behavioral health and transportation. DHCS leadership shared that for the behavioral health audit, there will be an emphasis on children and young adults for untreated anxiety, depression, psychosis, and new substance use disorders. The DHCS audit team will evaluate how plans identify providers, process referrals, and ensure timely access. DHCS leadership also shared that for the transportation audit, there will be an examination of any operational issues that may have hindered appropriate and timely access to medically necessary care.

Q: Supervisor Winn – Does HPSJ have data on the daily number of members who require transportation, and has HPSJ considered partnering with the San Joaquin Regional Transit District, as they are always looking to expand their ridership?

A: COO Granados – The San Joaquin Regional Transit District is an option for our members, in addition to ride sharing like Uber and Lyft.

Carve-In of Long-Term Care (LTC)

On January 1, 2023, DHCS will transition responsibility for the long-term-care benefit to the Medi-Cal Managed Care Plans (MMCPs) in the remaining 27 counties. This will include transition to HPSJ for San Joaquin and Stanislaus counties. HPSJ will become responsible for approximately 700 mostly elderly beneficiaries in facilities in the two counties as well as future placements based on discharges from hospitals.

Per DHCS, legislation requires that LTC per-diem expenses to the state be budget neutral before-and-after the cutover. As such, DHCS is requiring through an All-Plan Letter (APL) that in the

transitioning counties MMCPs must reimburse in-network facilities at exactly their Medi-Cal FFS per-diem rates from day one of a member's stay, and those facilities must accept this payment amount.

The detrimental impact of this new DHCS policy is that for short stays MMCPs in transitioning counties, including HPSJ, will be required to pay facilities at the lower Medi-Cal daily per-diem instead of the higher rates based on skilled nursing levels of care, which HPSJ has historically paid for up to the first 60 days of a member's stay until DHCS becomes responsible.

As a workaround, HPSJ is agreeing to pay facilities a higher bundled rate for ancillary services to approximately offset the lower per-diem rates for the first 45 days of a member's stay, since ancillary services are not subject to the APL. The purpose is to make facilities "whole" with aggregate rates before and after the transition. A concern is that DHCS makes no guarantee that the ancillary-bundle expenses will be recognized in our HPSJ rates. Yet, our focus is to make sure hospital partners can continue to discharge members into these LTC facilities for necessary care at the appropriate level. At least one other local plan is implementing the same ancillary-bundle methodology as HPSJ.

C: Commissioner Herrera – This DHCS policy shift has caused challenges in our community for hospitals to discharge HPSJ members to LTC facilities.

A: CEO Schrader – By offering LTC facilities the same approximate overall level of reimbursement, before and after the transition, through a lower daily per-diem and higher ancillary bundle, HPSJ intends that LTC facilities continue to accept hospital discharges of members.

Q: Supervisor Winn – Can hospitals discharge members with serious mental illness to LTC facilities?

A: CEO Schrader - Criteria for qualifying for skilled nursing includes having a medical condition that requires rehabilitative services. However, a person with a qualifying medical condition may also have SMI. Hard to place members may include those with conditions such as brain injury, obesity, behavioral health, substance use disorder, or medically needy (e.g., wound care). Each month, hospitals must find out-of-area placement, often in the Inland Empire, for 5 hard-to-place HPSJ members.

C: Commissioner Herrera – Agreed. There are not enough places for hard-to-place members locally, and we appreciate Inland Empire for taking these individuals.

Chief Information Officer Update

Mr. Schrader shared excitement that HPSJ's new CIO, Victoria Hurtado, is scheduled to start on December 27, 2022. She comes to HPSJ from Kern Health Systems, one of our sister local plans located in Bakersfield. She has worked at Kern Health Systems for 11 years, most recently serving as Senior Director of IT. Mr. Schrader also expressed gratitude and congratulations to HPSJ's current CIO Cheron Vail for her 11 years of stellar service and announced retirement, highlighting how much she will be missed.

Advocacy on County-Wide Averaging (CWA)

Mr. Schrader explained that our advocacy on County Wide Averaging has been successful. He described that at the beginning of each fiscal year, DHCS sets new capitation rates for MMCPs. For MMCPs in the two-plan model, the DHCS rate setting process includes a step called County Wide Averaging (CWA). For the higher cost plan (HPSJ) DHCS lowers the capitation rate to the average, and for the lower cost plan (our commercial competitor) DHCS raises the capitation rate to the average. As a result, each year roughly \$18,000,000 gets transferred from HPSJ to our commercial competitor.

We argued that CWA does not adequately adjust for acuity, since HPSJ has a higher acuity population than our commercial competitor, and does not consider quality, since HPSJ has higher quality scores than our commercial competitor.

As a result, DHCS is introducing adjustments to CWA starting January 1, 2023. It appears based on modeling, that the approximately \$18,000,000 that gets transferred each year will be reduced by approximately two-thirds.

Vaccination Incentive Program

Mr. Schrader reported that HPSJ earned \$7,500,000 through the DHCS Vaccination Incentive Program out of \$11,300,000 possible.

The six-month program ended last February, and in November DHCS published the results. The purpose of the program was to narrow the gaps in vaccination rates for our members compared those for all residents of San Joaquin and Stanislaus counties, and for all state residents. In addition, there were populations of focus, including the homebound, those 50-64 years of age, those with one or more chronic conditions, persons of color, and youth 12-25 years of age.

The HPSJ vaccination response plan included member outreach, an incentive program for providers, and vaccination events. Thank you to our local partners, including the San Joaquin and Stanislaus Public Health Departments, SJ Health, Stanislaus County HSA Clinics, Community Medical Centers, and Golden Valley Health Centers.

Commissioner Wilverding left the meeting at this time.

2. Strategic Planning Kick-Off

Evert Hendrix, CAO announced the kick-off of HPSJ's 3-Year Strategic Planning for FY 2023-2026. Margaret Tatar of HMA was contracted to assist with the planning process.

Ms. Tatar joined the meeting to present on the strategic planning process timeline and Medi-Cal landscape overview of the risks and opportunities, highlighting the following:

- Timeline
 - October 2022 – Form Ad-Hoc Strategic Committee
 - November 2022 – 1st Strategic Planning Committee Meeting
 - December 2022- Commissioner Kick Off Meeting
 - January 2023 – 2nd Strategic Planning Committee Meeting
 - February 2023 – 3rd Strategic Planning Committee Meeting
 - March 2023 – Final draft plan developed
 - April 2023 – Finalize and submit to HC for approval

- Timeline of California Medi-Cal Landscape
 - Major Medi-Cal Milestones
 - HPSJ Operations and Counties
 - HPSJ + DHCS Contract
 - HPSJ's NCQA Accreditation
 - HPSJ's Medicare D-SNP

- Risk Implications for HPSJ for Med-Cal Landscape in:
 - Compliance

- Quality
- Member Engagement
- Provider Engagement
- Finance
- Marketing

Upon review of Ms. Tatar's presentation, the following questions were raised by commissioners:

Q: Chair Diederich – Is the new statewide contract a consistent contract across all the payers and health plans?

A: Consultant Tatar - Yes.

Q: Commissioner Bangalore – Will HPSJ's D-SNP program compete against Medicare Advantage plans?

A: CEO Schrader – In San Joaquin and Stanislaus counties, Medicare options for dual eligible Medi-Cal beneficiaries will include HPSJ's D-SNP, Health Net's D-SNP, Kaiser's D-SNP, Medicare Advantage plans, and Original Medicare FFS. There will be varied and strong competition to HPSJ.

CONSENT CALENDAR

Chair Diederich presented five consent items for approval:

3. October 26, 2022, SJC Health Commission Meeting Minutes
4. Community Advisory Committee (CAC) – 11/3/2022
 - a. Stanislaus County Access to Behavioral Health Services
 - b. San Joaquin County Access to Behavioral Health Services
 - c. Stanislaus Center for Human Services Behavioral Health
 - d. HPSJ Social Work=Access to Behavior Health Services
 - e. Stanislaus Sierra Vista Child & Family Services Behavioral Health
 - f. HPSJ's Member Portal
5. Finance and Investment Committee – 12/7/2022
 - a. October 19, 2022, Meeting Minutes
 - b. Samesky Health Contract
 - c. Health Equity Officer
6. Community Advisory Committee (CAC) – 12/8/2022
 - a. August 11, 2022, and November 3, 2022, Meeting Minutes
 - b. Stanislaus Community Health Improvement Plan
 - c. HPSJ Vaccination Schedule Review
 - d. HPSJ HEDIS Update
 - e. HPSJ Member Portal
 - f. 2022 Year in Review: CAC Accomplishments
 - g. 2023 Topics Plan Brainstorming Session
 - h. 2023 CAC Meeting Calendar Review
 - i. Winter Holiday Activity
7. Human Resources Committee – 12/14/2022
 - a. September 28, 2022, Meeting Minutes
 - b. Policy Updates
 - c. Leaves of Absence – Medical and Military Policy
 - d. Leaves of Absence – Other Policy

- e. Remote Work Policy
- f. Safety Policy
- g. Time Off Policy and Time Off and Leave Schedule
- h. Training and Education Reimbursement Policy

ACTION: With no questions or comments, the motion was made (Commissioner Bangalore), seconded (Commissioner Noguera) and unanimous to approve the five consent items as presented (6/0).

REPORT ITEMS

8. September and October 2022 YTD Financial Reports

Michelle Tetreault, CFO presented for approval the September and October 2022 YTD noting that revenues and direct expenses related to State incentive programs were previously reported on the income statement as components of non-operating other income and expenses. For improved transparency, these have been reclassified to Other Program Revenue and Expense and are reported as operating activities on the income statement beginning September 2022.

October 2022 YTD financial reports:

- o Net Income is \$44.2M with \$50.1M favorable to budget
- o Premium Revenue is \$11.9M (2.9%) favorable to budget YTD, driven by variation in the mix of membership by category of aid (COA) compared to the mix assumed in the budget. We have more favorable membership in COAs with higher rates, leading to more favorable average PMPM than budgeted
- o Medical Expenses are \$14.8M (3.7%) favorable to budget YTD, primarily due to favorable variances in institutional and professional categories of service
 - A 3% increase in institutional and professional categories of service was factored into the current year budget in anticipation of contract changes expected to go into effect during FY23
- o Other Program Revenue and Expenses is \$8.4M unfavorable to budget YTD, offset by a favorable variance in Other Program Expenses of \$10M YTD. The variances are due to differences in revenue and expense timing for various incentive programs compared to budget. A total of \$5.6M has been recognized YTD as a result of the COVID Vaccination Incentive Program (VIP), Behavioral Health Integration Incentive (BHI), and Housing & Homelessness Incentive (HHIP)
- o Administrative Expenses are \$3.2M favorable to budget YTD primarily due to lower than budgeted IT consulting cost of \$1.2M and personnel costs of \$1M
- o Other Revenues and Expenses are \$813k unfavorable to budget YTD primarily due to incentive program income budgeted but not yet earned
- o Prior Period Adjustments – are primarily related to changes in estimates of IBNR of \$10M and reserves for disputed claims of \$7.5M

Upon Ms. Tetreault's report, Chair Diederich stated that HPSJ is set for another positive fiscal year position. Ms. Tetreault noted to the affirmative, however, HPSJ has a few items that are forthcoming i.e., sanctions, acuity adjustments to rates, etc., which will have a negative impact. HPSJ has

favorability impacted high medical expenses with targeted initiatives by contracting and medical management.

ACTION: With no additional questions or comments, the motion was made (Commissioner Zeiter) seconded (Commissioner Winn) and unanimous to approve the September and October 2022 YTD financial reports as presented (6/0).

9. QMUM Committee Meeting Update – 12/2/2022

Dr. Lakshmi Dhanvanthari, CMO submitted for approval the QM/UM Committee meeting report for 12/2/2022, highlighting the following committee meetings, work plans, program descriptions, policies updates and reports that were reviewed and approved:

- Complex Case Management Update
 - HPSJ delivers Complex Case Management (CCM) according to NCQA requirements
 - Will directly administer our CCM program, effective February 1, 2023
 - Previously delegated to Axis Point Health (APH)
 - UM Program Evaluation
 - Annually, HPSJ evaluates the effectiveness of the UM program: performance, structure, roles and responsibilities, member and provider satisfaction, and program scope were all evaluated
- QM Work Plan Qtr. 4 - FY 2022
 - Grievance and Appeals Log – entire log included for review
 - San Joaquin = 707
 - Stanislaus = 462
 - Appeals San Joaquin= 71, Appeals Stanislaus = 75
 - Potential Quality Issue (PQI) FY 21-22 Q4
 - SJC = Out of 14 PQI's received in San Joaquin County 14 (100%) or 0.06 per 1000 were related to Quality-of-Care issues
 - Stanislaus = 5 PCP sites were audited. 2 Initial and 3 periodic audits were completed. 2 sites scored below 80% and failed the initial audit, educational CAP was placed, and sites were scheduled for reaudit. 3 sites scored below 80% in Peds and adult section of the MRR, CAP was placed, MRR CAP response reviewed, and CAP closed
- QM Work Plan Qtr. 1 – FY 2023
 - Grievance, Appeals, PQIs Goals & Activities
 - Goals for FY and Planned activities were established to maintain an overall G/A rate below 5 per 1000 in collaboration with member services department. Providing daily feedback to CSR and G/A training to CSRs every 6 months and as needed
 - Managed Care Accountability Set/Quality Improvement
 - Q1 updates – HPSJ partnership meetings are ongoing. The QI team's goals are being set for the new workplan
 - Based on our MCAS performance for CY 2021DHCS requires us to complete 1 PDSA and 1 SWOT. A Women's Health measure is selected for the PDSA and a Children's Health Measure for the SWOT
 - PIPs (WCV, CCS) are ongoing and will continue through December 2022. They are due to HSAG and DHCS by end of April 2023
 - Member Call Quality Report - July 1,2022 through September 30, 2022
 - All metrics were met for member call quality

- Metrics were not met for member call handling include abandonment, service level, and average speed of answer
- Activities/Highlights: The continued effort to train and update the training material has maintained consistency in the overall quality of the calls
- Next Steps:
 - Continue monitoring calls and coaching CSR to improve performance
 - Continue quarterly training in these areas
 - Continue to review and update training material to improve consistency
 - Continue with our recruitment and retention plans for increased New Hire Training and enhanced remedial training for existing staff
- QM Work Plan Qtr. 4 – HEDIS Interventions
 - Standardize file data fields in ADT by 6/30/2023
 - Create a well child visit database for HEDIS measure rate augmentation by 12/31/2022
 - Ensure provider specialty mapping for behavioral health (BH) providers by 12/31/2022
 - Automate lead gaps with providers quarterly by 6/30/2023
 - Disseminate provider alerts for top 15 MCAS measures by 6/30/2023
 - Reduce hypertension in 10 members identified through hybrid medical records by 6/30/2023
- Population Health Management (PHM) Semiannual-Update
 - PHM Goals
 - Increase rate at which pregnant people receive prenatal care
 - Maintain or increase the rate at which pregnant people receive postpartum care
 - Increase enrollment and retention in Diabetes Prevention Program by 5% by 12/31/23
 - Increase the rate of completed well child visits 6/30/2023
 - PHM Updates
 - HPSJ hosted a Black infant Health graduation
 - Enrolled members into the Diabetes Prevention program
 - Created a milestone booklet to help parents track their children's milestone
 - Health Education Goals
 - Coordinate Diabetes Education classes with Community Partners with a focus on Native American and African American Communities
 - Create Well Child/MyHealth toolkit for providers and partners
 - Increase CAC membership by 5 members in priority populations/neighborhoods
 - Implement fluoride varnish application training for provider offices
- Provider Appointment Availability Survey (PAAS)
 - Report Highlights
 - Project kicked-off on September 26, 2022
 - The survey is completed in two waves
 - Next Steps
 - At the conclusion of the survey the results will be shared with the committee

- MY 2021 Timely Access Measurement
 - Report Highlights
 - Project kicked-off on September 26, 2022
 - The survey is completed in two waves
 - Next Steps
 - At the conclusion of the survey the results will be shared with the committee
- Geographic Access FY 2022-23
 - Purpose
 - To ensure network adequacy of providers by analyzing members' zip codes against providers locations for time and distance requirements
 - Report Highlights
 - Network Adequacy Reports were submitted for Q3 2022. All thresholds for Time and Distance requirements were met
- After Hours Access Survey
 - Purpose
 - To monitor Providers for compliance with After-Hours emergency instructions
 - Report Highlights
 - Provider data was provided to a contracted vendor who will administer the After-Hours Access survey
 - The vendor is scheduled to begin outreach in November 2022
 - A Provider Alert was sent out with notification of the survey and the After-Hours access requirements
- Language Accessibility Analysis
 - Purpose
 - To ensure language access for Limited English Proficient (LEP) members, including threshold languages
 - Report Highlights
 - Meet 95% accessibility of members to PCPs based on language needs
- Culture & Linguistics Program Evaluation FY 21/22
 - Video Remote interpretation & Over-the-Phone:
 - Completed Phase II and phase III implementation of the Video Remote Interpretation/Over the Phone Interpretation project
 - NCLAS: Network Providers and Staff Training
 - Cultural Sensitivity training
 - Seniors and persons with disabilities training
 - LGBTQIA2S+ training
 - Translation Request
 - Implemented Notice of Action/Notice Appeal Resolution translation process
 - Auxiliary Format Selection implemented
 - Threshold (Chinese) implemented
- Population of Health Management Program Description = Enhanced Case Management
 - New for 2022- Enhanced Care Management (ECM) benefit is designed to provide a whole-person approach to care:
 - Goals:
 - Improve care coordination
 - Integrate services

- Facilitate community resources
- Improve health outcomes
- Address social determinants of health
- Decrease inappropriate utilization
- Population Health Program description was presented with the following goals.
 - Goal 1: Increase the rate of completed well child visits in ages
 - Goal 2: Increase rate at which pregnant people receive prenatal care
 - Goal 3: Maintain or increase the rate at which pregnant people receive postpartum care
 - In addition, goals related to managing members with chronic health conditions, and managing members across all settings was also discussed
- Summary = Over/Under Utilization Annual Report 2022 - The purpose of this report is to identify and address potential over and underutilization of services:
 - Preventive Dental Care
 - Behavioral Health
 - Asthma Controller Medications (AMR)
 - C-Section Rates
 - Readmissions
 - Appropriate Emergency Room (AER) Utilization
 - Opioid Utilization
 - UM Work Plan Qtr. 1 Updates
 - The 22/23 workplan was presented, and included the following sections- The following sections were added to the work plan for 22-23:
 - UM Evaluation
 - UM criteria and requirements regarding criteria such as availability and consistency in application
 - Section specific to peer-to-peer requirements and activities
 - Appropriate handling of appeals
 - System controls
 - Care transitions
 - Complex case management
 - Delegation Oversight
 - Audit of Children's First was performed and all areas met at 100

Upon review of Dr. Lakshmi's report, Commissioner Herrera asked what is the timely access requirement for primary care? Dr. Lakshmi responded that it is 10 business days to get an appointment for primary care. HPSJ met criteria at 76%.

Chair Diederich asked if these appointments are only for new members. Dr. Lakshmi responded that it is for routine appointments (new members or existing members), however, if appointment is urgent, it is within 3 business days.

ACTION: With no further questions, a motion was made (Commissioner Bangalore) and seconded (Commissioner Winn) to approve the QMUM Committee Report for 12/2/2022, Over/Under Utilization Report, UM Program Evaluation FY 2022-2023, and Population Health Management Program Description FY 2022-2023 as presented (6/0).

Peer Review and Credentialing (PRC) Committee – November 10, 2022

- Direct Contracted Providers: 159
 - Initial Credentialed for 3 Years = 41
 - Initial Re-Credentialed for 1 Year = 0
 - Recredentialed for 1 Year = 4

- Recredentialed for 3 Years =108
- Clean File Initial Credentialing Sign Off Approval by Dr. Lakshmi = 6
- Clean File Recredentialing Sign Off Approval by Dr. Lakshmi = 0

ACTION: With no questions or comments, a motion was made (Commissioner Bangalore), seconded (Commissioner Winn) to approve the Peer Review and Credentialing Committee reports for 11/10/2022 as presented (6/0).

INFORMATION ITEMS

10. Housing and Homelessness Incentive Program (HHIP) Update

Lizeth Granados, COO provided an update on HHIP highlighting the following:

- HPSJ has continued to engage with continuums of care and associated committees
- HPSJ has received initial payment from DHCS based on submission of local homelessness plan (LHP)
- To further solidify HHIP expectations and distribution of funds, HPSJ has developed a Memorandum of Understanding (MOU) and business associate templates and is in the process of gathering required details and documents with HHIP partners
- HHIP Milestones
 - Point In Time (PIT) Count Support
 - Coordinated Entry System
 - Homeless Management Information System (HMIS) Infrastructure
 - Street Medicine Support
 - Housing Support

Chair Diederich stated that there is a lot of exciting news and partnership with various groups in the county and thanked the management team on the transparency of the initiatives.

11. Chief Compliance Officer Bi-Monthly Regulatory Report

Sunny Cooper, Chief Compliance Officer provided an update on HPSJ's proactive performance monitoring and tracking considering the unprecedented Medi-Cal transformation, highlighting the following:

- Establishes an overall HPSJ Compliance Dashboard to prepare HPSJ Management Team with information that will allow HPSJ to remediate potential deficiencies prior to the next audits
- Uses the dashboard indicators to allocate limited resources to the deficient areas to mitigate the risks of heightened sanctions and penalties
- DHCS/DMHC Audit Performance Indicators
 - Adopt the methodology published by DHCS using audit controls outlined in the Technical Assistance Guides (TAG). See Appendix A in the Compliance Report
 - Track the overall audit performance trending by regulatory bodies
 - Track audit performance by Audit Control Category
 - Allocate internal audit and remediation resources to high-risk areas (lower scores)
- HPSJ Overall Compliance Dashboard
 - Claims: Timely claims processing regulations and requirements
 - Accounting: Timely capitation payment to providers requirements
 - UM: Utilization Management's compliance with the timely Notice of Action (NOA) communications with members
 - Compliance: Compliance with FWA and Privacy reporting requirements

- HR: HPSJ Workforce and Commissioners mandatory training requirements
- Customer Service: Speed to answer calls and call wait time for members
- Monthly trending of compliance rate by categories of contractual and regulatory requirements

12. Legislative Report

Brandon Roberts, Government and Public Affairs Manager provided an update on Legislative Analyst's Office (LAO) Report on California's 2023-24 Fiscal Outlook:

- LAO projects California will face \$24 billion budget deficit in 2023-24
 - LAO also estimates California could face multiyear budget deficits between \$8 billion to \$17 billion over the following four years
 - LAO's projection comes after back-to-back budget surpluses, including this year's historic budget surplus of nearly \$100 billion
- High inflation is weighing on California's revenues
 - The budget deficit is mainly attributable to lower revenue estimates than anticipated in previous Budget Acts
 - LAO's revenue estimates represent the weakest performance experienced since the Great Recession
- The projected 2023-24 budget deficit is roughly equivalent to California's available general-purpose reserves
 - However, LAO recommends against the Legislature using reserves to fill budget gaps, as revenue estimates will worsen in a recession scenario
- LAO recommends the Legislature consider augmenting, pausing, or delaying unspent money from FY 2022-2023 to address the budget deficit
- Medi-Cal Fiscal Outlook
 - 2022-23: Projected Medi-Cal GF spending of \$35.5 billion, a decline of \$900 million compared to the enacted 2022-23 Budget Act estimate.
 - Adjustment driven by extending the COVID-19 PHE into January 2023, which provides more federal funding than anticipated to offset GF costs
 - 2023-24: Projected Medi-Cal GF spending is \$34.2 billion, a decline of \$1.3 billion from the revised 2022-23 Budget Act estimate.
 - Overall spending decline is driven by:
 - Ramping down several large behavioral health initiatives (e.g., BH Continuum Infrastructure, BH Bridge Housing, CYBHI)
 - Reducing federal repayments and deferrals
 - However, spending increase will be driven by:
 - Unwinding the COVID-19 PHE and related policies
 - Ending the Managed Care Organization tax
 - Underlying per enrollee cost growth (utilization and service cost)
 - California's fiscal outlook may impact the Medi-Cal program, as unspent funds may be targeted by the Legislature to bridge the budget gap.

CHAIRMAN'S REPORT

Chair Diederich thanked Commissioners Winn and Miller for their service on the Health Commission.

Chair Diederich reported that the Ad-Hoc Investment Committee met in November to discuss on funds that are available to HPSJ. The committee is in the process of putting in place policies and procedures on where to invest the funds. Additional details to follow.

Chair Diederich reported that the Behavioral Health Continuum Program will be bringing to the Board of Supervisors application to the state on bed facilities; two tiers of bed (49 beds). This is the last round of payment from the \$7M funded from the state.

COMMISSIONER COMMENTS

Commissioner Winn thanked the commission and stated that he is honored and enjoyed the eight years of his time on the Board of Supervisors and Health Commission.

ADJOURNMENT

Chair Diederich adjourned the meeting at 7:26 p.m. The next regular meeting of the Health Commission is scheduled for January 25, 2023.