



L.A. Care
HEALTH PLAN[®]

For All of L.A.

BOARD OF GOVERNORS RETREAT/MEETING

September 7, 2023 • 9:00 AM

Fleming Health Education Center Auditorium

Valley Presbyterian Hospital

15107 Vanowen Street, Van Nuys, CA 91405

Statement

L.A. Care's mission is to provide access to quality health care for Los Angeles County's vulnerable and low-income communities and residents and to support the safety net required to achieve that purpose.

Overview

Committed to the promotion of accessible, affordable and high quality health care, L.A. Care Health Plan (Local Initiative Health Authority of Los Angeles County) is an independent local public agency created by the State of California to provide health coverage to low-income Los Angeles County residents. Serving more than 2.9 million members in four product lines, L.A. Care is the nation's largest publicly operated health plan.

L.A. Care Health Plan is governed by 13 board members representing specific stakeholder groups, including consumer members, physicians, federally qualified health centers, children's health care providers, local hospitals and the Los Angeles County Department of Health Services.

L.A. Care advances individual and community health through a variety of targeted activities including a Community Health Investment Fund and sponsorships program that have awarded more than \$180 million throughout the years to support the health care safety net and expand health coverage. The patient-centered health plan has a robust system of consumer advisory groups, including 11 Regional Community Advisory Committees (governed by an Executive Community Advisory Committee), 35 health promoters and nine Resource Centers that offer free health education and exercise classes to the community, and has made significant investments in Health Information Technology for the benefit of the more than 10,000 doctors and other health care professionals who serve L.A. Care members.

Programs

- **Medi-Cal** – In addition to offering a direct Medi-Cal line of business, L.A. Care works with three subcontracted health plans to provide coverage to Medi-Cal members. These partners are Anthem Blue Cross, Blue Shield of California Promise Health Plan and Kaiser Permanente. Medi-Cal beneficiaries represent a vast majority of L.A. Care members.
- **L.A. Care Covered™** – As a state selected Qualified Health Plan, L.A. Care provides the opportunity for all members of a family to receive health coverage under one health plan in the Covered California state exchange.



- **L.A. Care Medicare Plus** – L.A. Care Medicare Plus provides complete care that coordinates Medicare and Medi-Cal benefits for Los Angeles County seniors and people with disabilities, helps with access to resources like housing and food, and offers benefits and services like care managers and 24/7 customer service at no cost.
- **PASC-SEIU Homecare Workers Health Care Plan** – L.A. Care provides health coverage to Los Angeles County’s In-Home Supportive Services (IHSS) workers, who enable our most vulnerable community members to remain safely in their homes by providing services such as meal preparation and personal care services.

L.A. Care Membership by Product Line – As of August 2023	
Medi-Cal	2,735,897
L.A. Care Covered	127,558
D-SNP	18,305
PASC-SEIU	49,108
Total membership	2,930,868
L.A. Care Providers – As of April 2022	
Physicians	5,709
Specialists	13,534
Both	364
Hospitals, clinics and other health care professionals	14,276
Financial Performance (FY 2022-2023 budget)	
Revenue	\$8.6B
Fund Equity	\$1,143,510
Net Operating Surplus	(\$90,772)
Administrative cost ratio	5.2%
Staffing highlights	
Full-time employees (Actual as of July 2023)	2,310
Projected full-time employees (FY 2022-2023 budget)	2,280





AGENDA
BOARD OF GOVERNORS RETREAT/MEETING
L.A. Care Health Plan
Thursday, September 7, 2023, 9:00 A.M.
Fleming Health Education Center Auditorium, Valley Presbyterian Hospital
15107 Vanowen Street, Van Nuys, CA 91405

DRAFT

Members of the Board of Governors, staff and the public can attend the meeting in person at the address listed above. Public comment can be made live and in person at the meeting. A form will be available at the meeting to submit public comment.

To listen to the meeting via videoconference please register by using the link below:

<https://lacare.webex.com/lacare/j.php?MTID=mb5c1d87898bf5ea131b82833a187d9e2>

To listen to the meeting via teleconference please dial: +1-213-306-3065

English Meeting Access Number: 2496 921 8356 Password: lacare

Spanish Meeting Access Number: 2488 841 0671 Password: lacare

George W. Greene, Esq.

602 Indiana Place
South Pasadena, CA 91030

Supervisor Hilda L. Solis

500 West Temple Street, Room 856
Los Angeles, CA 90012

For those not attending the meeting in person, public comments on Agenda items can be submitted in writing by e-mail to BoardServices@lacare.org, or by sending a text or voicemail to (213) 628-6420.

Attendees who log on to lacare.webex using the URL above will be able to use “chat” during the meeting for public comment. You must be logged into WebEx to use the “chat” feature. The log in information is at the top of the meeting Agenda. The chat function will be available during the meeting so public comments can be made live and direct.

1. The “chat” will be available during the public comment periods before each item.
2. To use the “chat” during public comment periods, look at the bottom right of your screen for the icon that has the word, “chat” on it.
3. Click on the chat icon. It will open two small windows.
4. Select “Everyone” in the “To:” window,
5. The chat message must indicate if you wish to be identified or remain anonymous, and must also include the name of the item to which your comment relates.
6. Type your public comment in the box that says “Enter chat message here”.
7. When you hit the enter key, your message is sent and everyone can see it.
8. L.A. Care staff will read the chat messages for up to three minutes during public comment so people who are on the phone can hear the comment.

You can send your public comments by voicemail, email or text. If we receive your comment by 9:00 A.M., September 7, 2023, it will be provided to the members of the Board of Governors in writing at the beginning of the meeting. The chat message, text, voicemail, or email must indicate if you wish to be identified or remain anonymous, and must include the name of the item to which your comment relates.

Once the meeting has started, public comment submitted in writing must be received before the agenda item is called by the Chair. If your public comment is not related to any of the agenda item topics and is received before the general public comment agenda item is called, it will be read at that item.

Please note that there may be delay in the digital transmittal of emails, texts and voicemail. The Chair will announce when public comment period is over for each item. If your public comments are not received on time for the specific agenda item you want to address, your public comments will be read at the public comment section prior to the board going to closed session.

The purpose of public comment is an opportunity for members of the public to inform the governing body about their views. The Board of Governors appreciates hearing the input as it considers the business on the Agenda. All public comments submitted will be read for up to 3 minutes during the meeting. The process for public comment is evolving and may change at future meetings. We thank you for your patience.

All votes in a teleconferenced meeting shall be conducted by roll call.

If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act (ADA) please contact L.A. Care Board Services staff prior to the meeting for assistance by text to 213 628-6420 or by email to BoardServices@lacare.org.

Welcome (9:00 AM)

Alvaro Ballesteros, MBA
Chair

1. Approve the today's agenda *Chair*
2. Public Comment (*Please read instructions above.*) *Chair*
3. Introduction of Speaker: John Baackes
Chief Executive Officer
 - Naqi Khan, MD, MS p.8
Physician Lead for Analytics & Machine Learning
Amazon Web Services (AWS)
4. Responsible Artificial Intelligence (AI) in Healthcare Naqi Khan, MD, MS
5. Moderated Discussion (20 minutes) John Baackes
6. L.A. Care and Community Investments p.19 John Baackes

BREAK (10:45 – 11:00 AM)

7. Approve Consent Agenda Items *Chair*
 - July 27, 2023 Board of Governors Meeting Minutes p.38
 - 2024 Board and Committee Meeting Schedule (**BOG 100**) p.79
 - Appoint Felix Aguilar-Henriquez, MD, Medical Director, Quality, Health Services, as member of the Children's Health Consultant Advisory Committee (**BOG 101**) p.81
 - Delegation of authority to L.A. Care Chief Executive Officer, John Baackes, to negotiate and make any substantive changes to Amendment A40 to Contract 04-36069, between L.A. Care Health Plan and the California Department of Health Care Services (**EXE 100**) p.82
 - Housing & Homelessness Incentive Program Investment agreement with the Los Angeles County Department of Public Health (**EXE 101**) p.90
 - Quarterly Investment Report (**FIN 100**) p.92
 - Consolidated Allocation of Funds for Non-Travel Meals and Catering & Other Expenses (**FIN 101**) p.127
 - ixLayer, Inc. Contract to provide at-home test kits to members for diabetes A1c tests, colorectal cancer screenings and kidney health evaluations (**FIN 102**) p.128
 - Collective Medical Technologies Contract to provide Care & Utilization Optimization (Acute Care), Member Activity Visibility (Acute & SNF Encounters) and Post-Acute Care Management, Enhanced Care Management (ECM) with PAC Management (**FIN 103**) p.130
 - Provider Relations Advisory Committee Members (**PRC 100**) p.133
 - Provider Relations Advisory Committee Charter (**PRC 101**) p.136
8. Chairperson's Report *Chair*

9. Chief Executive Officer Report **p.140** John Baackes
- Government Affairs Update **p.144** Cherie Compartore
 - Monthly Grants & Sponsorship Reports **p.226** *Senior Director, Government Affairs*
10. Chief Medical Officer Report **p.230** Sameer Amin, MD
Chief Medical Officer
11. Approve Delegation of Authority to the Executive Committee negotiation of Amendments to L.A. Care Health Plan Retirement Benefit Plan (**BOG 102**) **p.253** Terry Brown
Chief Human Resources Officer

Public Advisory Committee Reports

12. Executive Community Advisory Committee Hilda Perez / Layla Gonzalez
Consumer member and Advocate member
13. Children's Health Consultant Advisory Committee Tara Ficek, MPH
Committee Chair
14. Technical Advisory Committee Alex Li, MD
Chief Health Equity Officer

Board Committee Reports

15. Executive Committee *Chair*
16. Finance & Budget Committee Stephanie Booth, MD
Committee Chair
- Chief Financial Officer Report **p.270** Afzal Shah
Chief Financial Officer
 - Financial Report – June 2023 (**FIN 104**) **p.301**
 - 9+3 Forecast Update
 - FY 2023-24 Operating and Capital Budget (**FIN 105**) **p.312**
 - Monthly Investment Transactions Reports – June 2023 **p.346**
 - Quarterly Internal Policy Reports **p.383**
17. Audit Committee Hector De La Torre
Committee Chair
18. Compliance & Quality Committee Stephanie Booth, MD
Committee Chair
19. Provider Relations Advisory Committee George Greene, Esq.
Committee Chair
20. Public Comment on Closed Session Items (*Please read instructions above.*) *Chair*

ADJOURN TO CLOSED SESSION (Estimated time: 60 minutes)

21. REPORT INVOLVING TRADE SECRET *Chair*
Pursuant to Welfare and Institutions Code Section 14087.38(n)
Discussion Concerning new Service, Program, Marketing Strategy,
Business Plan or Technology
Estimated date of public disclosure: *September 2025*

22. **CONTRACT RATES**
Pursuant to Welfare and Institutions Code Section 14087.38(m)
- Plan Partner Rates
 - Provider Rates
 - DHCS Rates
 - Plan Partner Services Agreement
23. **CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION**
Significant exposure to litigation pursuant to Section 54956.9(d)(2) of Ralph M. Brown Act:
Four Potential Cases
24. **CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION**
Pursuant to Section 54956.9(d)(1) of the Ralph M. Brown Act
- Department of Managed Health Care Enforcement Matter Numbers: 18-799, 20-063, 21-428, 21-509, 21-680
 - Department of Health Care Services, Office of Administrative Hearings and Appeals, In the matter of: L.A. Care Health Care Plan Appeal No. MCP22-0322-559-MF
25. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
Pursuant to Section 54957 of the Ralph M. Brown Act
Title: Chief Executive Officer
26. **CONFERENCE WITH LABOR NEGOTIATOR**
Pursuant to Section 54957.6 of the Ralph M. Brown Act
Agency Designated Representative: Alvaro Ballesteros, MBA
Unrepresented Employee: John Baackes

RECONVENE IN OPEN SESSION

27. Consideration of Chief Executive Officer's Compensation and Employment Agreement

Chair

Chair

Adjournment

Chair

The next meeting is tentatively scheduled on October 5, 2023 at 1 PM, it may be conducted as a teleconference meeting.

The order of items appearing on the agenda may change during the meeting.

THE PUBLIC MAY SUBMIT COMMENTS TO THE BOARD OF GOVERNORS BEFORE DISCUSSION OF EACH ITEM LISTED ON THE AGENDA BY SUBMITTING THE COMMENT IN WRITING BY TEXT MESSAGE TO 213 628 6420, OR IN WRITING BY EMAIL TO BoardServices@lacare.org. Please follow additional instructions on the first page of this Agenda.

ACTION MAY NOT BE TAKEN ON ANY MATTER RAISED DURING THE PUBLIC COMMENT PERIODS UNTIL THE MATTER IS SPECIFICALLY LISTED ON A FUTURE AGENDA, according to California Govt Code Section 54954.2 (a)(3) and Section 54954.3.

AGENDA and PRINTED MEETING MATERIALS ARE AVAILABLE FOR INSPECTION 72 HOURS BEFORE THE MEETING:

1. At L.A. CARE'S Website: <http://www.lacare.org/about-us/public-meetings/board-meetings>
2. L.A. Care's Offices at 1055 W. 7th Street, Los Angeles, CA 90017 through the Reception Area in the Building Lobby, or
3. by email request to BoardServices@lacare.org

Any documents distributed to a majority of the Board Members regarding any agenda item for an open session after the agenda and meeting materials have been posted will be available for public inspection by email request to BoardServices@lacare.org

An audio recording of the meeting is made to assist in writing the minutes and is retained for 30 days.

Meetings are accessible to people with disabilities. Individuals who may require any accommodations (alternative formats - i.e., large print, audio, translation of meeting materials, interpretation, etc.) to participate in this meeting and wish to request an alternative format for the agenda, meeting notice, and meeting packet may contact L.A. Care's Board Services Department at (213) 628 6420. Notification at least one week before the meeting will enable us to make reasonable arrangements to ensure accessibility to the meetings and to the related materials.

Dr. Naqi Khan

*Physician Lead for Analytics & Machine Learning
Amazon Web Services (AWS)*



Dr. Naqi Khan is the Physician Lead for Analytics & Machine Learning for Amazon Web Services (AWS), as part of the AWS Worldwide Public Sector Healthcare Industry team. He is a physician specializing in clinical informatics, with a deep background in clinical decision support, natural language processing, and real-world evidence. Prior to joining AWS, he held the position of VP of Product at Olive AI, where he was responsible for leading all provider product divisions. During his tenure at Microsoft Health & Life Sciences, he spearheaded the launch of health AI initiatives for real-world evidence and biomedical natural language processing platforms. Before his role at Microsoft, Dr. Khan led projects in clinical decision support, clinical AI, and consumer health informatics for Kaiser Permanente (KP) Southern California. He played a key role in developing KP's strategy and design for machine learning-powered solutions, focusing on virtualized care and clinical charting improvement. Earlier in his career, he directed company-wide interoperability and clinical knowledge engineering product development at MCG Health, a part of Hearst Health. Dr. Khan's educational background includes an M.D. from Stony Brook University School of Medicine, an M.S. in Biomedical Informatics from Vanderbilt University, and a B.S. in Biology and Information Science from Cornell University.

SCHEDULE OF MEETINGS



Schedule of Meetings September 2023

Monday	Tuesday	Wednesday	Thursday	Friday
				1
4	5	6	7 <i>Board of Governors Retreat/Meeting 9 am (for approx. 6 hours)</i>	8
11	12	13 <i>ECAC Meeting 10 AM (for approx. 3 hours)</i>	14 <i>RCAC 2 *</i> 2 – 4 PM	15 <i>RCAC 8 *</i> 10 AM – 12 Noon
18 <i>RCAC 5 *</i> 10 AM – 12 Noon	19 <i>RCAC 7 *</i> 10 AM – 12 Noon	20 <i>RCAC 11 *</i> 10 AM – 12 Noon	21 <i>RCAC 9 *</i> 10 AM – 12 Noon <i>Compliance & Quality Committee Meeting 2 PM (for approx. 2 hours)</i>	22 <i>RCAC 4 *</i> 10 AM – 12 Noon <i>RCAC 10 *</i> 10:30 AM – 12:30 PM
25	26 <i>RCAC 3 *</i> 2 – 4 PM <i>RCAC 1 *</i> 2 – 4 PM	27 <i>Finance & Budget Committee Meeting 1 PM (for approx. 1 hour)</i> <i>Executive Committee Meeting 2 PM (for approx. 2 hours)</i> <i>RCAC 6 *</i> 2 – 4 PM	28	29

** RCAC Application Clinics*



	MEETING DAY, TIME & LOCATION	MEETING DATES	BOARD MEMBERS / STAFF CONTACT
BOARD OF GOVERNORS	<p>1st Thursday 1:00 PM <i>(for approximately 3 hours)</i> L.A. Care Health Plan 1055 W. 7th Street Los Angeles, CA 90017 (213) 694-1250</p> <p><i>Fleming Health Education Center Auditorium Valley Presbyterian Hospital 15107 Vanowen Street, Van Nuys, CA 91405</i></p> <p><i>**Placeholder meeting</i></p>	<p>September 7* October 5** November 2 December 7</p>	<p>Alvaro Ballesteros, MBA, <i>Chairperson</i> Ilan Shapiro, MD, <i>Vice Chairperson</i> Stephanie Booth, MD, <i>Treasurer</i> John G. Raffoul, <i>Secretary</i> Jackie Contreras, PhD Hector De La Torre Christina R. Ghaly, MD Layla Gonzalez, George W. Greene, Esq. Hilda Perez G. Michael Roybal, MD, MPH Supervisor Hilda L. Solis Nina Vaccaro, MPH</p> <p>Staff Contact: John Baackes <i>Chief Executive Officer, x4102</i> Linda Merkens <i>Senior Manager, Board Services, x4050</i></p>
BOARD COMMITTEES			
EXECUTIVE COMMITTEE	<p>4th Wednesday of the month 2:00 PM <i>(for approximately 2 hours)</i> L.A. Care Health Plan 1055 W. 7th Street Los Angeles, CA 90017 (213) 694-1250</p> <p><i>*2nd Wednesday due to Thanksgiving holiday</i></p>	<p>September 27 October 25 November 15* <i>No meeting in December</i></p>	<p>Alvaro Ballesteros, MBA, <i>Chairperson</i> Ilan Shapiro, MD, <i>Vice Chairperson</i> Stephanie Booth, MD, <i>Treasurer</i> John G. Raffoul, <i>Secretary</i> Hilda Perez <i>Compliance & Quality Committee Chair</i></p> <p>Staff Contact: Linda Merkens <i>Senior Manager, Board Services, x4050</i> Malou Balones <i>Board Specialist III, Board Services x4183</i></p>

**BOARD OF GOVERNORS, BOARD COMMITTEES, PUBLIC ADVISORY COMMITTEES
AND REGIONAL COMMUNITY ADVISORY COMMITTEES
2023 MEETING SCHEDULE / MEMBER LISTING**

	MEETING DAY, TIME & LOCATION	MEETING DATES	BOARD MEMBERS / STAFF CONTACT
COMPLIANCE & QUALITY COMMITTEE	<p>3rd Thursday of the month 2:00 PM <i>(for approximately 2 hours)</i> L.A. Care Health Plan 1055 W. 7th Street Los Angeles, CA 90017 (213) 694-1250</p>	<p>September 21 October 19 November 16 <i>No meeting in December</i></p>	<p>Stephanie Booth, MD, <i>Chairperson</i> Alvaro Ballesteros, MBA Hilda Perez G. Michael Roybal, MD, MPH</p> <p>Staff Contact: Victor Rodriguez <i>Board Specialist II, Board Services x 5214</i></p>
FINANCE & BUDGET COMMITTEE	<p>4th Wednesday of the month 1:00 PM <i>(for approximately 1 hour)</i> L.A. Care Health Plan 1055 W. 7th Street Los Angeles, CA 90017 (213) 694-1250</p> <p><i>*2nd Wednesday due to Thanksgiving holiday</i></p>	<p>September 27 October 25 November 15* <i>No meeting in December</i></p>	<p>Stephanie Booth, MD, <i>Treasurer</i> Al Ballesteros, MBA Hilda Perez G. Michael Roybal, MD, MPH Nina Vaccaro</p> <p>Staff Contact: Malou Balones <i>Board Specialist III, Board Services x4183</i></p>
PROVIDER RELATIONS ADVISORY COMMITTEE	<p>Quarterly, 2nd Wednesday at 9:30 am L.A. Care Health Plan 1055 W. 7th Street Los Angeles, CA 90017 (213) 694-1250</p>	<p>November 15</p>	<p>George Greene, Esq., <i>Chairperson</i></p> <p>Staff Contact: Linda Merkens <i>Senior Manager, Board Services, x4050</i></p>
AUDIT COMMITTEE	<p>L.A. Care Health Plan 1055 W. 7th Street Los Angeles, CA 90017 (213) 694-1250</p> <p>MEETS AS NEEDED</p>		<p>Hector De La Torre, <i>Chairperson</i> Layla Gonzalez George Greene</p> <p>Staff Contact Malou Balones <i>Board Specialist III, Board Services, x 4183</i></p>

**FOR INFORMATION ON THE CURRENT MONTH'S MEETINGS, CHECK CALENDAR OF EVENTS AT WWW.LACARE.ORG.
MEETINGS MAY BE CANCELLED OR RESCHEDULED AT THE LAST MOMENT. TO CHECK ON A PARTICULAR MEETING,
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	MEETING DAY, TIME & LOCATION	MEETING DATES	BOARD MEMBERS / STAFF CONTACT
GOVERNANCE COMMITTEE	L.A. Care Health Plan 1055 W. 7th Street Los Angeles, CA 90017 (213) 694-1250 MEETS AS NEEDED		Hilda Perez, <i>Chairperson</i> Stephanie Booth, MD Layla Gonzalez Nina Vaccaro, MPH <u>Staff Contact:</u> Malou Balones <i>Board Specialist III, Board Services/x 4183</i>
SERVICE AGREEMENT COMMITTEE	L.A. Care Health Plan 1055 W. 7th Street Los Angeles, CA 90017 (213) 694-1250 MEETS AS NEEDED		Layla Gonzalez, <i>Chairperson</i> George W. Greene Hilda Perez <u>Staff Contact</u> Malou Balones <i>Board Specialist III, Board Services/x 4183</i>

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2023 MEETING SCHEDULE / MEMBER LISTING**

<p align="center">L.A. CARE COMMUNITY HEALTH PLAN</p>	<p>Meets Annually or as needed L.A. Care Health Plan 1055 W. 7th Street Los Angeles, CA 90017 (213) 694-1250</p>		<p>Alvaro Ballesteros, MBA, <i>Chairperson</i> Ilan Shapiro, MD, <i>Vice Chairperson</i> Stephanie Booth, MD, <i>Treasurer</i> John G. Raffoul, <i>Secretary</i> Jackie Contreras, PhD Hector De La Torre Christina R. Ghaly, MD Layla Gonzalez, George W. Greene, Esq. Hilda Perez G. Michael Roybal, MD, MPH Supervisor Hilda Solis Nina Vaccaro, MPH</p> <p>Staff Contact: John Baackes, <i>Chief Executive Officer, x4102</i> Linda Merkens, <i>Senior Manager, Board Services, x4050</i></p>
<p align="center">L.A. CARE JOINT POWERS AUTHORITY</p>	<p>L.A. Care Health Plan 1055 W. 7th Street Los Angeles, CA 90017 (213) 694-1250</p> <p><i>* Fleming Health Education Center Auditorium Valley Presbyterian Hospital 15107 Vanowen Street, Van Nuys, CA 91405</i></p> <p><i>**Placeholder meetings</i></p>	<p>September 7* October 5** November 2 December 7</p>	<p>Alvaro Ballesteros, MBA, <i>Chairperson</i> Ilan Shapiro, MD, <i>Vice Chairperson</i> Stephanie Booth, MD, <i>Treasurer</i> John G. Raffoul, <i>Secretary</i> Jackie Contreras, PhD Hector De La Torre Christina R. Ghaly, MD Layla Gonzalez, George W. Greene, Esq. Hilda Perez G. Michael Roybal, MD, MPH Supervisor Hilda Solis Nina Vaccaro, MPH</p> <p>Staff Contact: John Baackes, <i>Chief Executive Officer, x4102</i> Linda Merkens, <i>Senior Manager, Board Services, x4050</i></p>

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PUBLIC ADVISORY COMMITTEES			
<p align="center">CHILDREN'S HEALTH CONSULTANT ADVISORY COMMITTEE GENERAL MEETING</p>	<p align="center">3rd Tuesday of every other month 8:30 AM <i>(for approximately 2 hours)</i></p> <p align="center">L.A. Care Health Plan 1055 W. 7th Street Los Angeles, CA 90017 (213) 694-1250</p>	<p align="center">September 19 November 21</p>	<p>Tara Ficek, MPH, <i>Chairperson</i></p> <p><u>Staff Contact:</u> Victor Rodriguez <i>Board Specialist II, Board Services/x 5214</i></p>
<p align="center">EXECUTIVE COMMUNITY ADVISORY COMMITTEE</p>	<p align="center">2nd Wednesday of the month 10:00 AM <i>(for approximately 3 hours)</i></p> <p align="center">L.A. Care Health Plan 1055 W. 7th Street Los Angeles, CA 90017 (213) 694-1250</p>	<p align="center">September 13 October 11 November 8 December 13</p>	<p>Fatima Vasquez, <i>Chairperson</i></p> <p><u>Staff Contact:</u> Idalia Chitica, <i>Community Outreach & Education, Ext. 4420</i></p>
<p align="center">TECHNICAL ADVISORY COMMITTEE</p>	<p align="center">Meets Quarterly 2nd Thursday of meeting month 2:00 PM <i>(for approximately 2 hours)</i></p> <p align="center">L.A. Care Health Plan 1055 W. 7th Street Los Angeles, CA 90017 (213) 694-1250</p>	<p align="center">November 9</p>	<p>Sameer Amin, MD, <i>Chairperson</i></p> <p><u>Staff Contact:</u> Victor Rodriguez <i>Board Specialist II, Board Services/x 5214</i></p>

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REGIONAL COMMUNITY ADVISORY COMMITTEES			
<p align="center">REGION 1 ANTELOPE VALLEY</p>	<p>3rd Friday of every other month 10:00 AM <i>(for approximately 2-1/2 hours)</i> L.A. Care Family Resource Center 2072 E. Palmdale Blvd. Palmdale, CA 93550 (213) 438-5580</p>	<p><u>Application Clinics</u> September 26 2 – 3:30 pm October 20 December 15</p>	<p>Roger Rabaja, Chairperson Staff Contact: Kristina Chung, Field Specialist Cell Phone (213) 905-8502 <i>Community Outreach & Education</i></p>
<p align="center">REGION 2 SAN FERNANDO VALLEY</p>	<p>3rd Monday of every other month 10:00 AM <i>(for approximately 2-1/2 hours)</i> L.A. Care Family Resource Center 10807 San Fernando Rd. Pacoima, CA 91331 (844) 858-9942</p>	<p><u>Application Clinics</u> September 14 2 – 4 pm October 16 December 18</p>	<p>Ana Rodriguez, Chairperson Staff Contact: Martin Vicente, Field Specialist Cell Phone (213) 503-6199 <i>Community Outreach & Education</i></p>
<p align="center">REGION 3 ALHAMBRA, PASADENA AND FOOTHILL</p>	<p>3rd Tuesday of every other month 10:00 AM <i>(for approximately 2-1/2 hours)</i> Robinson Park Recreation Center 1081 N. Fair Oaks Ave. Pasadena, CA 91103 (626) 744-7330</p>	<p><u>Application Clinics</u> September 26 2 – 4 pm October 17 December 19</p>	<p>Lidia Parra, Chairperson Staff Contact: Frank Meza, Field Specialist Cell phone (323) 541-7900 <i>Community Outreach & Education</i></p>
<p align="center">REGION 4 HOLLYWOOD-WILSHIRE, CENTRAL L.A. AND GLENDALE</p>	<p>3rd Wednesday of every other month 9:30 AM <i>(for approximately 2-1/2 hours)</i> Community Resource Center Metro LA 1233 S. Western Ave. Los Angeles, CA 90006 (213) 428-1457</p>	<p><u>Application Clinics</u> September 22 10 am – 12 noon November 16</p>	<p>Sylvia Poz, Chairperson Staff Contact: Kristina Chung, Field Specialist Cell Phone (213) 905-8502 <i>Community Outreach & Education</i></p>

FOR INFORMATION ON THE CURRENT MONTH'S MEETINGS, CHECK CALENDAR OF EVENTS AT WWW.LACARE.ORG. MEETINGS MAY BE CANCELLED OR RESCHEDULED AT THE LAST MOMENT. TO CHECK ON A PARTICULAR MEETING, PLEASE CALL (213) 694-1250 OR SEND EMAIL TO BOARDSERVICES@LACARE.ORG.

**BOARD OF GOVERNORS, BOARD COMMITTEES, PUBLIC ADVISORY COMMITTEES
AND REGIONAL COMMUNITY ADVISORY COMMITTEES
2023 MEETING SCHEDULE / MEMBER LISTING**

<p align="center">REGION 5 CULVER CITY, VENICE, SANTA MONICA, MALIBU, WESTCHESTER</p>	<p>3rd Monday of every other month 2:00 PM <i>(for approximately 2-1/2 hours)</i> Veterans Memorial Bldg Multipurpose Room 4117 Overland Avenue Culver City, CA 90230 (310) 253-6625</p>	<p><u>Application Clinics</u> September 18 10 am – 12 noon October 16 December 18</p>	<p><i>Maria Sanchez, Chairperson</i> Staff Contact: Cindy Pozos, Field Specialist Cell phone (213) 545-4649 <i>Community Outreach & Education</i></p>
<p align="center">REGION 6 COMPTON, INGLEWOOD, WATTS, GARDENA, HAWTHORNE</p>	<p>3rd Thursday of every other month 10:00 AM <i>(for approximately 2-1/2 hours)</i> Community Resource Center Inglewood 2864 W. Imperial Highway Inglewood, CA 90303 (310) 330-3130</p>	<p><u>Application Clinics</u> September 27 2 – 4 pm October 18 December 20</p>	<p><i>Brigette Green, Chairperson</i> Staff Contact: Frank Meza, Field Specialist Cell phone (323) 541-7900 <i>Community Outreach & Education</i></p>
<p align="center">REGION 7 HUNTINGTON PARK, BELLFLOWER, NORWALK, CUDAHY</p>	<p>3rd Thursday of every other month 10:00 AM <i>(for approximately 2-1/2 hours)</i> Community Resource Center Norwalk 11721 Rosecrans Ave. Norwalk, CA 90650 (562) 651-6060</p>	<p><u>Application Clinics</u> September 19 10 am – 12 noon November 21</p>	<p><i>Fatima Vasquez, Chairperson</i> Staff Contact: Martin Vicente, Field Specialist Cell Phone (213) 503-6199 <i>Community Outreach & Education</i></p>
<p align="center">REGION 8 CARSON, TORRANCE, SAN PEDRO, WILMINGTON</p>	<p>3rd Friday of every other month 10:30 AM <i>(for approximately 2-1/2 hours)</i> Community Resource Center Wilmington 911 N. Avalon Ave. Wilmington, CA 90744 (213) 428-1490</p>	<p><u>Application Clinics</u> September 15 10 am – 12 noon November 17</p>	<p><i>Ana Romo – Chairperson</i> Staff Contact: Hilda Herrera, Field Specialist Cell phone (213) 605-4197 <i>Community Outreach & Education</i></p>

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**BOARD OF GOVERNORS, BOARD COMMITTEES, PUBLIC ADVISORY COMMITTEES
AND REGIONAL COMMUNITY ADVISORY COMMITTEES
2023 MEETING SCHEDULE / MEMBER LISTING**

<p align="center">REGION 9 LONG BEACH</p>	<p>3rd Monday of every other month 10:00 AM <i>(for approximately 2-1/2 hours)</i> Community Resource Center Long Beach 5599 Atlantic Ave. Long Beach, CA 90805 (213) 905-8502</p>	<p><u>Application Clinics</u> September 21 10 am – 12 noon November 20</p>	<p>Tonya Byrd, Chairperson Staff Contact: Kristina Chung, Field Specialist Cell Phone (213) 905-8502 <i>Community Outreach & Education</i></p>
<p align="center">REGION 10 EAST LOS ANGELES, WHITTIER AND HIGHLAND PARK</p>	<p>3rd Thursday of every other month 2:00 PM <i>(for approximately 2-1/2 hours)</i> L.A. Care East L.A. Family Resource Center 4801 Whittier Blvd Los Angeles, CA 90022 (213) 438-5570</p>	<p><u>Application Clinics</u> September 22 10:30 am – 12:30 pm October 19 December 21</p>	<p>Damara Hernández de Cordero, Chairperson Staff Contact: Hilda Herrera, Field Specialist Cell phone (213) 605-4197 <i>Community Outreach & Education</i></p>
<p align="center">REGION 11 POMONA AND EL MONTE</p>	<p>3rd Thursday of every other Month 10:00 AM <i>(for approximately 2-1/2 hours)</i> Pomona Community Resource Center 696 W. Holt Street Pomona, CA 91768 (909) 620-1661</p>	<p><u>Application Clinics</u> September 20 10 am – 12 noon November 15</p>	<p>Maria Angel Refugio, Chairperson Staff Contact: Frank Meza, Field Specialist Cell phone (323) 541-7900 <i>Community Outreach & Education</i></p>

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L.A. Care and Community Investments



L.A. Care
HEALTH PLAN®

For All of L.A.



**ELEVATING
HEALTHCARE**
IN LOS ANGELES COUNTY
SINCE 1997

John Baackes, CEO
L.A. Care Board of Governors Retreat
September 7, 2023

New State Contract will require Community Investments by MCOs starting 1/1/24

- Contractor must demonstrate a commitment to the local communities in which it operates through community reinvestment activities.
- The percentage of Contractor's annual net income required to be contributed must be:
 - 5 percent of the portion of Contractor's annual net income that is less than or equal to 7.5 percent of Contract Revenues for the year; and
 - 7.5 percent of the portion of Contractor's annual net income that is greater than 7.5 percent of Contract Revenues for the year.



Recent History of Community Investment

Since 2015 L.A. Care has exceeded the new state contract requirements

- L.A. Care total Community Investments from 2015 to date are **\$249.7M**
- This represents a total investment of **21.2%** of L.A. Care's Medi-Cal annual net income, excluding non-operating
- The state Medi-Cal reimbursement assumes roughly a 2% net income on Medi-Cal revenue



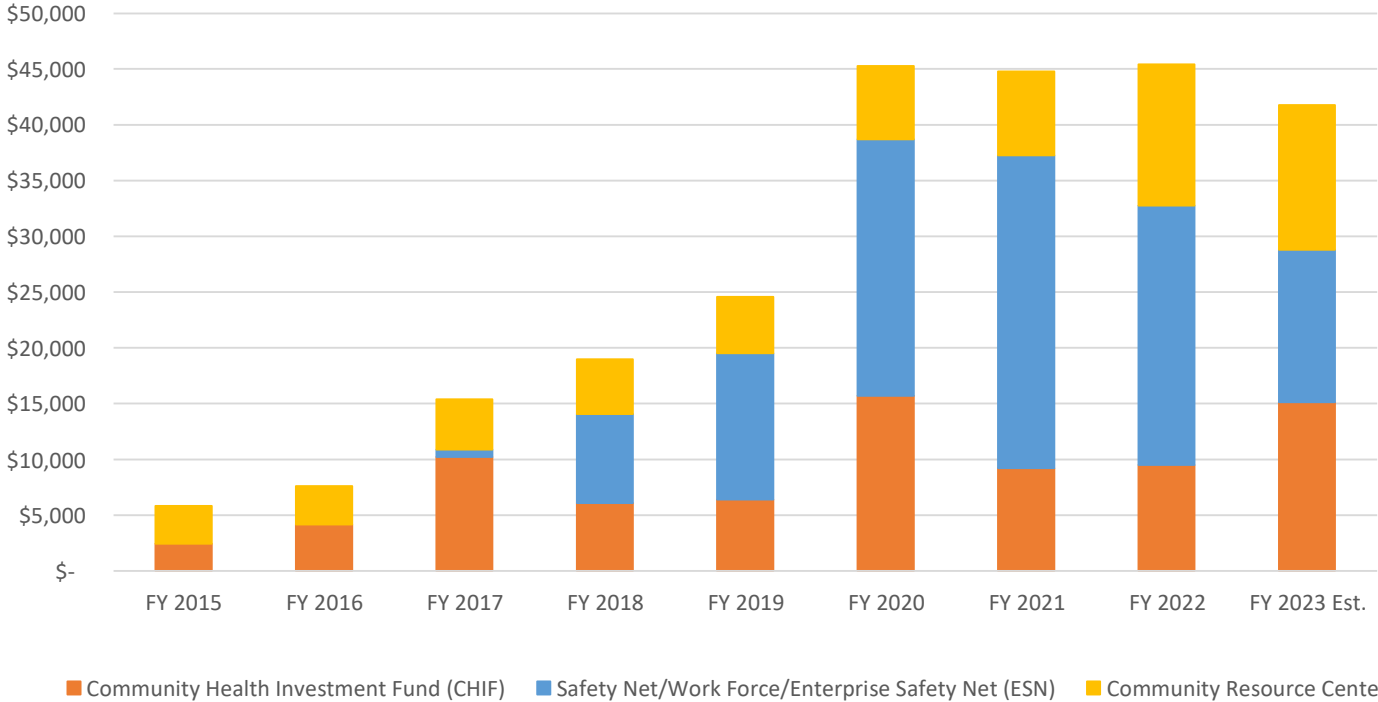
Annual Community Investment 2015 – 2023 Est. (in thousands)

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023 Est	Total
Revenue	\$ 5,990,408	\$ 7,669,796	\$ 8,503,369	\$ 7,403,085	\$ 7,344,078	\$ 7,722,477	\$8,522,060	\$ 8,326,410	\$10,202,155	\$71,683,838
Expense (w/Admin)	\$ 5,676,261	\$ 7,577,141	\$ 8,307,167	\$ 7,291,487	\$ 7,140,781	\$ 7,853,927	\$8,418,476	\$ 8,314,217	\$ 9,928,060	\$70,507,517
(Loss) Income from Operations	\$ 314,147	\$ 92,655	\$ 196,201	\$ 111,597	\$ 203,297	\$ (131,450)	\$103,585	\$ 12,193	\$ 274,095	\$1,176,321
Community Spending	\$ 5,815	\$ 7,606	\$ 15,394	\$ 18,981	\$ 24,581	\$ 45,309	\$ 44,781	\$ 45,433	\$ 41,786	\$ 249,686
% of Medi-Cal Operating Margin	1.9%	8.2%	7.8%	17.0%	12.1%		43.2%	372.6%	15.2%	21.2%



Community Investment by Category

Community Investments 2015-present
(in thousands)



Community Health Investment Fund (CHIF)

by Project Purpose 2015-2023

Nearly \$80M to enhance health and social care for under-resourced communities

Reducing Disparities

\$18,697,500

OHI Initiative IX

- **New dental suite** for Kheir Clinic
- Increased oral health visits by **564 patients**
- Threshold languages of English, Korean, Spanish, and Bengali; improved discussion and collaboration between patient/provider

GAAINS I

- Frontline Doulas provided **50 Black pregnant and/or postpartum** families with a personalized Frontline Doula Hotline telehealth session
- Awarded **40 Frontline Doula stipends** to Black birth doulas and Black postpartum doulas to enhance their ability to serve pregnant and postpartum families in high need



Community Health Investment Fund (CHIF)

by Project Purpose 2015-2023

Food Security

\$7,517,650

Project Angel Food (2021)

- **15,000 medically tailored meals** delivered to L.A. Care members experiencing serious complications from COVID-19.

California Association of Food Banks

- Provided CalFresh outreach and enrollment assistance for more than **5,000 eligible households**, reaching approximately **17,000 people** through nine Los Angeles County nonprofit organizations.

Housing Resources

\$23,485,000

Brilliant Corners \$20M Investment – Housing for Health

- **Housed 332** people, made **8,100 monthly rental payments**. More than **90% maintained housing** for over a year. Approximately **74% were L.A. Care members**.

Housing Stability I

- Inner City Law Center represented tenants and provided legal counsel and advice for eviction issues to **72 individuals or families** up to 300% federal poverty level to resolve issues through pre-litigation and litigation services.



Community Health Investment Fund (CHIF)

by Project Purpose 2015-2023

Disease Management

\$9,925,000

Equity & Resilience

- Los Angeles Alliance for a New Economy conducted COVID-19 **vaccination education** to **1,000** hard to reach indigenous migrant communities in L.A. County.

Children's Hospital

- Implemented an early identification and intervention pilot project focused on increasing validated developmental screenings for children.

Clinic Infrastructure

\$19,230,000

Valley Community Healthcare

- Hired **two new clinicians** to handle an increase in new patients. At least **5,300 new patients** were provided direct patient health care services, with approximately 80% served through telehealth services.

Robert E. Tranquada, MD Safety Net Initiative (XIII)

- JWCH Institute helped address shortages of non-licensed frontline workers at community clinics and health centers by establishing a retention bonus eligibility criteria and provided **116 staff with retention bonuses and/or incentives**.

Community Health Investment Fund (CHIF)





Elevating *The Safety Net*

*An L.A. Care Health Plan Initiative to
Strengthen the Provider Safety Net in L.A. County*

Medical School Scholarships

\$ 17,631,190

- **48** people since 2018

Provider Recruitment Grants

\$20,605,000

- **152** in practice
 - **5** in Antelope Valley
 - **36** in South Los Angeles
 - **111** in rest of County





Elevating *The Safety Net*

An L.A. Care Health Plan Initiative to
Strengthen the Provider Safety Net in L.A. County

Provider Loan Repayment

\$29,952,465

- **173 physicians awarded** since 2018

Residency Support Program

\$12,872,725

- **44 unique residents** and 4.0 FTE faculty combined at AltaMed, CDU, UCLA, White Memorial and CHLA

CHW Training Program

\$670,582

- **54 CHWs trained** and employed by primary care sites





Elevating *The Safety Net*

*An L.A. Care Health Plan Initiative to
Strengthen the Provider Safety Net in L.A. County*

Health Careers Internship Program

\$800,000

- Supported **96 students** with internship experience in safety net settings

KGI Master of Science in Community Medicine

\$5,000,000

- One-time grant to fund the **start up** of the graduate program and offer **45 full-tuition scholarships**

Charles R. Drew New Medical Education Program

\$5,000,000

- One-time grant to fund the start up of the program





Elevating *The Safety Net*

*An L.A. Care Health Plan Initiative to
Strengthen the Provider Safety Net in L.A. County*

National Medical Fellowship Program

\$450,000

- Supported **21 fellows** (MD, RN and PA) in safety net settings

Caregiver Training

\$16,755,526

- Multi-year contract with Center for Caregiver Advancement
- Affiliated with SEIU Local
- **Over 6,000** caregivers trained
- **900** caregivers trained each year

ESN Grand total 2015 to project Sept. 2023 - \$109,737,488





L.A. Care



Elevating The Safety Net

An L.A. Care Health Plan initiative to
Strengthen the Provider Safety Net in L.A. County

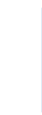




Community Resource Center

Community Resource Centers \$61.1M

2015



4 Centers

Today



11 Centers

Dec. 2023



14 Centers

- Dance & Fitness
- Health & Wellness Classes
- Support Groups
- Preventative Health Screenings
- Social Services Assistance
- Enrollment Support





L.A. Care
HEALTH PLAN



blue
california

Promise Health Plan

Community Resource Center



Balance Sheet

	<u>Jun-23</u>
TOTAL ASSETS	\$5,928,393
TOTAL LIABILITIES	\$4,491,073
FUND EQUITY	
Invested in Capital Assets, net of related debt	\$102,476
Restricted Equity	\$600
Minimum Tangible Net Equity	\$234,133
Board Designated Funds	\$98,903
Unrestricted Net Assets	\$1,001,207
TOTAL FUND EQUITY	\$1,437,319
TOTAL LIABILITIES AND FUND EQUITY	\$5,928,393
SOLVENCY RATIOS	
Working Capital Ratio	1.28
Cash to Claims Ratio	0.68
Tangible Net Equity Ratio	6.14

(Dollars in thousands)



Proposal

Add **\$50M** from unassigned reserves to the Board Designated Fund for **workforce development** to assure continuity of funding through the five year expansion commitment approved by the Board a year ago and provide flexibility for addressing other safety net workforce needs that may arise in the interim.



CONSENT AGENDA

Board of Governors
Regular Meeting Minutes #319
July 27, 2023

L.A. Care Health Plan, 1055 W. 7th Street, Los Angeles, CA 90017



L.A. Care
 HEALTH PLAN

Members

Alvaro Ballesteros, MBA, *Chairperson*
 Ilan Shapiro, MD, *Vice Chairperson* *
 Stephanie Booth, MD, *Treasurer*
 John G. Raffoul, *Secretary*
 Jackie Contreras, PhD
 Hector De La Torre
 Christina R. Ghaly, MD

Layla Gonzalez
 George W. Greene, Esq. *
 Supervisor Hilda Solis **
 Hilda Perez
 G. Michael Roybal, MD, MPH *
 Nina Vaccaro, MPH

**Absent*
 ** *via teleconference*

Management

John Baackes, *Chief Executive Officer*
 Sameer Amin, MD, *Chief Medical Officer*
 Terry Brown, *Chief of Human Resources*
 Augustavia Haydel, Esq., *General Counsel*
 Alex Li, MD, *Chief Health Equity Officer*
 Tom MacDougall, *Chief Technology & Information Officer*
 Noah Paley, *Chief of Staff*
 Afzal Shah, *Chief Financial Officer*

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<p>WELCOME</p>	<p>Alvaro Ballesteros, <i>Board Chairperson</i>, called to order the regular and supplemental special meetings of L.A. Care Health Plan Board of Governors and the L.A. Care Health Plan Joint Powers Authority Board of Directors at 1:09 p.m. The meetings were held simultaneously.</p> <p>Chairperson Ballesteros announced that Board Member Jackie Contreras has appropriately notified staff that she is participating remotely for “just cause” under the provisions of AB2449. There is a quorum of Board members physically present at this meeting. There was no one who is 18 years or older at the remote location with Ms. Contreras.</p> <p>He announced that those attending the meeting in person who wish to submit a public comment should use the form provided. For those with access to the internet, the materials for today’s meeting are available on the L.A. Care website.</p> <p>He welcomed everyone and thanked those who have submitted public comment by voice mail, text or email. He informed participants that for those using the video software during the meetings; the “chat” function will be available to provide live and direct public comment to everyone participating in the virtual meeting. The Chat feature will be open throughout the meeting for public comment.</p> <p>Board Members have received in writing the voice messages and written public comments sent before the meeting. All comments sent before and during the meeting were read for up to three minutes. All are welcome to provide input.</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<p>APPROVAL OF MEETING AGENDA</p>	<p>PUBLIC COMMENT</p> <p><i>Andria McFerson is a former co-chair of RCAC 6 to ECAC. She believes the Agenda should be approved today with one revised item, which is item 3, Approve Consent Agenda items. Of course it should provide Provider Relations Advisory Committee along with Technical Advisory Committee and they should focus on a meeting schedule practicing inclusion of those who are most affected by the coverage of L.A. Care and lack thereof, of course. Also, virtual technology outreach classes for those who will be able to conveniently see their doctors, therapists and participate in work groups like the item mentioned above, of course. Work groups so that people can talk about different issues, focus groups, whatever the case may be, about what they are going through physically. And, with that being said, we need to discuss those things and have more availability for seniors to participate as well, and we need to have classes in order to do outreach more so that they can see their doctors and just different things like that that other people have access to do. But seniors and the disabled and people who may not be able to use computers and their phone virtually they need to be able to participate in seeing their PCPs and different things like that. So we need to discuss those things and actually put them on the Agenda item so that we can provide solutions.</i></p> <p><i>Elizabeth Cooper would like the Board to please consider putting on the Agenda, having a consumer have a lawyer to represent them. Today the Board will discuss very important concerns, which cries out for concern. Consumers do not have a lawyer. There is a lawyer for L.A. Care. They do not have a lawyer to make them from 75 minutes to 20 minutes. We are not lawyers here but we have to act like lawyers. She asked the Chairperson to put on the Agenda having a lawyer for the consumers.</i></p> <p>Board Member Booth proposed a motion for this meeting only to follow two rules regarding public comment:</p> <ol style="list-style-type: none"> 1. That public comments be addressed only to the Chairperson, and 2. Each comment made must pertain to the upcoming agenda item or will be ruled out of order. <p>Chairperson Ballesteros asked if this is the appropriate item for Board Member Booth’s proposal. Augustavia Haydel, Esq., <i>General Counsel</i>, suggested that the Board complete the action on the order of items to be considered on the Agenda for today’s meeting be considered first. Board Member Booth’s suggestion regarding public comment is not posted on the Agenda and the public did not have notice that the item would be discussed. Ms. Haydel suggested that the Board might want to discuss the proposed motion when it is properly noticed on a publicly posted Agenda. She suggested that Board Member Booth withdraw the proposal today, and that it be placed on a future Agenda. Board Member Booth withdrew her proposed</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>amendment to the Board’s approval of the Agenda, and requested that an item be placed on a future Agenda, and that it would include all meetings, not just today.</p> <p>The agenda was approved as presented.</p>	<p>Unanimously approved by roll call. 8 AYES (Ballesteros, Booth, Contreras, De La Torre, Gonzalez, Raffoul, Solis, and Vaccaro)</p>
<p>PUBLIC COMMENTS</p>	<p><i>Andria McFerson apologized and said she will address comments directly to the Chair. Her public comment consists of what L.A. Care has done. They have done great work for the community and it is so much appreciated by the community of members that she has talked to about the services that L.A. Care provides. As far as giving food out to the community, backpacks to children, and just different resources that’s needed. But the committee lacks diversity and inclusion to those affected most by ineffective services by providers. So we need better committee meetings, advisory committee meetings, so that we can give that information to you so that you can make better decisions accordingly. Better preventative care, better care for chronic illnesses, disabilities, and other important things that affect the community. Social determinants of health, and she thinks it’s important that the advisory committee meets regularly. That is the Regional Community Advisory Committee, the ECAC and other committees having to do with public input. And with that being said, there have been two Regional Community Advisory Committee meetings since 2020. And with that, she feels there is no diversity and inclusion. Supervisor Solis filed a motion, wants to file a motion actually. There was a Board of Supervisors meeting that came to a halt because there was a group of people that were protesting their cause. And they had to evacuate everyone out of the building. Ms. McFerson believes she was unable to file the motion basically for equality and diversion and make it so that there was more stakeholder involvement. And with that, L.A. Care definitely needs more stakeholder involvement. There is a hiatus. There’s going to be a hiatus. There has been a hiatus. There’s only been two meetings with the advisory committee this year. And they said that basically they are not going to have any more meetings this year. Was that advised by the Board at all? She stated to the Chair that it needs to be decided by the Board first and foremost before anything else. Before the advisory committees take a hiatus she thinks it’s important to discuss these needs to receive advice through advisory committee input.</i></p> <p><i>Elizabeth Cooper, as a long time member, apologized to the Chair. When she speaks she wants everybody to listen, and that is why she always tries to be inclusive. She was a little late and she’s writing quickly, is because she was picked up too late. She didn’t get a chance to write anything so she is scribbling. She asks the Chair’s indulgence because it was not her fault. She had just 5 minutes before she could come in and write, and she doesn’t think that’s fair to a consumer when she was made aware of that. She asked to</i></p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p><i>please take notice that if consumers are going to participate because they make the engine go. Chairperson, she is coming here today because she is deeply concerned with what is happening today regarding the chair. The members of the committee are very articulate. She is a person who is an advocate. She is concerned by what is going to be on the Agenda today. She made a good faith effort to come, particularly about the recertification. She is also concerned about who will be given the notice. Because she would like to bring up to the fact that about five years ago she addressed her issues about some concerns she had about L.A. Care in good faith. She went to a senior staff person at L.A. Care and asked his support. Guess what happened to her? At the Family Resource Center she was taken in a back room with another L.A. Care staff member present and she was subjected to humiliation, only because she was asking for some direction. And that person now will make a decision on how these service. She was insulted. As an Afro-American she felt insulted. When she was only asking about the services and trying to ask for some support. He took her in a back room and she felt she was insulted. As a member who has tried to be a good steward in her community. She has some concerns about the issues that are going to be discussed. She offered her apology to the Chair if she was not speaking in order. As the Board addresses the issue she would bring it up. It cries out for the Board's concern today. And the recertification, she asked why recertify? Let's bring them in. She knows that the RCACs have done a tremendous job and she wouldn't speak any different. And ask she says, she respects the Board, staff and the Chief Executive Officer, Mr. Baackes and all. Please listen to the comments. They make the engine go, they have been there since the beginning and hopes they will be there toward the end.</i></p> <p>Chairperson Ballesteros apologized if she felt in any ill way about the way she perceived what occurred. He is sure staff can follow up on this matter and find out if anything needs to be done. With regard to the recertification of the RCAC members, it will be discussed in the CEO Report.</p>	
<p>APPROVE CONSENT AGENDA ITEMS</p>	<p><i>(Board Members Ghaly and Perez joined the meeting.)</i></p> <p><i>Andria McFerson commented that they should discuss the human resource policy should be spoken about to the actual members again and have their feedback whether it be negative feedback or positive feedback, and the differentiation between the two. That way we can come up with a more plausible solution. And also overall inclusion of the RCACs or lack thereof should be talked about during this meeting. The involvement of the Board of Supervisors' motion to ensure inclusivity for Los Angeles County, anti-racism, diversion and inclusion strategic plan that she believes Supervisor Solis is trying to file a motion for, but unfortunately, as she said, the Board of Supervisors meeting had to stop due to .. she doesn't know how to even describe it, but people were professing their cause and they were screaming out during the whole Board of Supervisors meeting. And they had to tell</i></p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p><i>everyone to leave. And with that being said she was not able to file the motion that she had on the Agenda which was anti-racism diversity and inclusion strategic plan. And she thinks that is important here as well, of course.</i></p> <p><i>Elizabeth Cooper commented that L.A. Care has some fantastic workers. She would like to say on the consent item for human resources policy she acknowledges some fantastic workers. When she speaks about human resources she knows that has to do with the employees. But some can make you cry. And that's why she spoke earlier. She wants to say please support the staff, but make sure that the staff are aware that their role is to support them. She would like to acknowledge the role of human resource and she asked human resource to sometimes listen to the members. She wants to tell the Chairperson that when she comes up to speak it is not against all the workers. There are some fantastic workers and she wants to show her appreciation for that.</i></p> <p>Chairperson Ballesteros noted that there were requests for public comment that were missed earlier and called on those people.</p> <p><i>Deaka McClain thanked the Chairperson and she thanked the staff for making sure her voice was heard today. She is the ECAC member at large for Seniors and People with Disabilities and it is an honor to speak before the Board. When she came here today it was with the mindset to speak on one issue, but sitting here she realized that she needed to speak on more than just that one. In the past, L.A. Care made a way for grants to be given to L.A. Care providers, for the providers to be able to fill out a grant and receive the money for accessible exam tables. She wants to speak on behalf of the 2.1 million members, as well as Seniors and People with Disabilities to make sure they have access to care, making sure when they go to the hospital or to their provider, the exam table is accessible so they can get onto the table. It is not acceptable when that need is not available and L.A. Care prides itself on making sure that we have access to care. When it is not available then we truly do not have access to care. The second thing she wants to speak on when it comes to providers, it was brought to the attention at ECAC that members don't have enough time with the providers and sometimes they can only speak about two things they are concerned about. But sometimes people with disabilities and seniors need a little more time to express their needs and their concerns pertaining to their health.</i></p> <p><i>So once again, we pride ourselves on accessing health, but how can an individual really and truly have access to health if they have to hurry up and only speak on three things and they have to do it in a hurry? It has also been brought to the table that sensitivity training is a need. It is a must. It is a necessity. And she is not just talking about just saying you did sensitivity training to check off a box. No. She is talking about sensitivity training that will be productive in understanding seniors and people with disabilities. If there is anyone here that</i></p>	

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	<p><i>can help with that and would like her to speak with with them privately about that, so she can help educate and bring awareness with sensitivity training for seniors and people with disabilities. The last thing, for members with dual eligibility, they don't get the same benefits as others with just Medi-Cal or Medicare, such as gym membership and medically tailored meals. She would like that to be discussed so the same benefits are available.</i></p> <p><i>Frank Guzman thanked the board and introduced himself as the Executive Director of Pomona Pride Center, serving LGBTQ+ community in the Pomona Valley Region. Over the next few months you will begin to hear changes in the name as they expect an official vote to change the name to Pomona Valley Pride because that's the subset that they represent. Currently they partner with Mario and Denise (at the Community Resource Center in Pomona) in supporting the needs of the community in Pomona, with children and parents. He wanted to come and introduce himself. He began working originally with the community enrichment engagement team. They are a partner and want to support and work with L.A. Care. They are fortunate to work with the Community Resource Center in Pomona. It is a great asset to the community. He looks forward to continuing the partnership. Specifically, in supporting the LGBTQA+ community as well as families and allies. Today he brought information about the program. He wanted to take time to commend the work the Board is doing. There is a busy agenda but connecting with community partners is hopefully important for you all. He knows from the experience they have received to date; that is how they feel as an outside organization that supports and works with some of the same constituents. He thanked the board and looks forward to partnering in the future and hopes they will have a long-lasting partnership and collaboration.</i></p> <p>John Baackes, <i>Chief Executive Officer</i>, commented that the Pomona Community Resource Center is one of the more active sites, and he will be there on Saturday morning at the Back to School Backpack even. He invited Mr. Guzman to stop by.</p> <p>Approval of the following Consent Agenda items:</p> <ul style="list-style-type: none"> • June 1, 2023 Board of Governors Meeting Minutes • Provider Relations Advisory Committee, Audit Committee, and Technical Advisory Committee August Meeting Schedule <p><u>Motion BOG 100.0723</u> To approve the updated meeting schedule to include the August 1, 2023 Provider Relations Advisory Committee, August 22, 2023 Audit Committee, and August 24, 2023 Technical Advisory Committee meetings.</p>	

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	<ul style="list-style-type: none"> • Human Resources Policy HR-209 (Internal Organizational Communications Systems) <u>Motion BOG 101.0723</u> To approve the Human Resources Policy & Procedure HR-209 (Internal Organizational Communications Systems), as presented. • North Star Alliances Contract Amendment <u>Motion FIN 100.0723</u> To authorize staff to increase the total funds available in the existing \$1,950,000 contract with North Star Alliances, LLC by \$1,028,000 for a new total amount of \$2,978,000 to provide event planning, logistics, staffing and execution services and community relations support through December 31, 2023. • CCI Network Services Contract <u>Motion FIN 101.0723</u> To authorize staff to execute a contract in the amount of \$2,400,000 with CCI Network Services to provide Telephony Service for the period of August 9, 2023 to August 31, 2026. • Infosys Limited Contract Amendment <u>Motion FIN 102.0723</u> To authorize staff to amend contracts with Infosys Limited for an additional amount of \$800,000 (total not to exceed amount of \$9,854,516) for IT staff augmentation services through September 30, 2023. • Cognizant Technology Solutions Contract Amendment <u>Motion FIN 103.0723</u> To amend the existing contract with Cognizant in the amount of \$292,000 (total contract not to exceed \$6,680,069) for continued Salesforce implementation activities through December 31, 2023. 	<p>Unanimously approved by roll call. 10 AYES (Ballesteros, Booth, Contreras, De La Torre, Ghaly, Gonzalez, Perez, Raffoul, Solis, and Vaccaro)</p>
<p>CHAIRPERSON'S REPORT</p>	<p>Chairperson Ballesteros reported that he had the opportunity to participate in the induction of the eight new medical scholarship recipients under Elevating the Safety Net. He wanted to say to Sameer Amin, MD, <i>Chief Medical Officer</i>, Mr. Baackes and everybody that attended, it was such a wonderful event. To see those medical students that will have the opportunity to receive full support from L.A. Care. They brought their families and spoke about how important the scholarship is to them and to their families, many of whom come from economic backgrounds with little means. They are from all parts of Los Angeles County. It was an event that just makes everyone feel good. Chairperson Ballesteros congratulated L.A. Care for continuing the immensely successful program and for the event to celebrate the new scholars.</p>	

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	<p>Board Member and Los Angeles County Supervisor Hilda Solis commented that she participated in L.A. Care’s backpack giveaway in El Monte. She believes there were several thousand families at the very successful event. She was very happy to see Assembly member Mike Fong (Alhambra). The festivities included a resource fair, and she commended the staff. It was a tight situation there as it was conducted in a small mall. It was overwhelming for her to see so many needy families coming forward and how they were contacted by L.A. Care and received other services there. They were lined up hours before the event started. There is great need in our communities. She complimented the staff and Mr. Baackes.</p>	
<p>CHIEF EXECUTIVE OFFICER REPORT</p>	<p>PUBLIC COMMENT</p> <p><i>Andria McFerson asked to please allow the wonderful CEO, John Baackes, to continue the stakeholder involvement by allowing them to practice AB 2449, by allowing them to practice and receive all information about incoming Agenda items 72 hours in advance and for the public, 24 hours in advance, to receive readily accessible meeting information in advance, so they can do their proper research and discuss these things accordingly. These actions were not practiced for all meetings for the year 2023 until the last couple. When so approved by the state, which concerns her because there has been only two regional advisory meetings since 2020. She said before they have been cancelled. Which, she feels, is due to staff suggestion. It made it harder to participate in meetings as a public member of the regional community advisory committee expressing many health disparities during one of the worst pandemics we’ve ever had. While practicing AB361 and the extension of AB2449 that allowed them to still convene while using the Brown Act virtually and in person. The hybrid meetings approved by the state legislative committee, or however you want to describe that if I don’t have the proper verbiage. She is not educated enough to know how the assembly bills are carried out. As a public member and a member of L.A. Care and a stakeholder, she asks that they would have proper information having to do with that so they can know these things and participate accordingly. Due to the fact that there were many different disparities having to do with COVID 19 she thought it was necessary to meet hybridly so the RCAC members can express their health disparities and actually receive a stipend. That would have been great. And also participate in the Brown Act and Robert’s Rules of Order which they were not able to do virtually. And that’s very important as well. She asked to please do not allow the RCACs to go on hiatus for the rest of the year because they have been on a hiatus since 2020, with only two meetings. It is very important, guys.</i></p> <p><i>Estela Lara is a member of the Community Advisory Committee and former Chair of RCAC 2 in the San Fernando Valley. She noted it is good to see everyone. She wants to discuss a letter members received titled, warning regarding violations of transportation benefit guidelines. This is a letter basically calling us out. It says over the past 7 months staff has</i></p>	

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	<p><i>documented an occasion when you violated advisory committee guidelines for no shows and delays for transportation services. It is crucial that we address this issue promptly to maintain the integrity of the program and ensure that available resources are used as intended. It is disheartening to discover that you are not adhering to the guidelines set forth by the program. The tone of this letter is very offensive. It is dated July 20. As the first one, a warning, it just makes us seem like we're people who are just abusing the system left and right. We are not doing that. Some of us really adhere to the guidelines. When she first received this letter she was fed up. The letter is signed by Francisco and sent by him. She was going to send off a letter immediately on the fly. You know why? Because she did not like the tone of this letter. She is usually the person out waiting for 10 or 15 minutes prior to the pickup time. She has always done that. She is first to arrive at meetings, the Board of Governors, the RCACs, the ECACs, and she doesn't take a long time to get into the vehicle and come out there. The service has improved since the prior people. Now we have Call the Car. She wants to commend Call the Car because they've been doing a really good job. They are very good, except for a couple of occasions when she has been on the phone with them and now they even assign the person in charge of L.A. Care account for her because of the issues she had before with Call the Car. They have straightened all those things out. This letter, coming to the members, when some of us really do adhere to the regulations, we don't abuse them, we appreciate the fact that we have transportation services provided to us. We don't take that lightly. She thinks the letter is just outrageous. She almost sent a letter telling him where he could go. You know, politely. The rules and regulations were written January 5, 2018, and she thinks they are outdated.</i></p> <p>Board Member Perez commented that a second orientation was held yesterday for the transitional ECAC meeting. There were other members with the same concern. Members said they did not break any rules, that they were on time, sometimes they had to wait for the transportation. One member from RCAC 2 mentioned she had to wait 45 minutes for the people to come and get her. Board Member Perez is asking that if those members did not break the rules and they received a letter, could that letter be retrieved and taken out of their record so their record is clean. Members are concerned that they try to abide by the rules and they received the letter.</p> <p>Chairperson Ballesteros asked staff to follow up on her comments and update the Board.</p> <p><i>Elizabeth Cooper would like to say something for staff and she would like Mr. Baackes to take note that we, as the committee, and also regarding the transportation, she was late today not because of her but because the transportation got her late today so she couldn't write down. So she does have concern about transportation but she is still very appreciative of it. For the record, she wants Mr. Baackes and the Chairperson to know the transportation was started by the RCACs. We brought that up. And one of the former County Supervisors</i></p>	

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	<p><i>who sat on the Board was instrumental, along with other RCAC members, in getting that when it was brought to her attention. The transportation, that's a great thing. She is concerned that the staff needs to know that they need to interact with us more and not to be the decision makers, but help us make the decision. That's very important. What about the budget, what about this? Not just wait until the last minute and put some information in front of us. We work with the staff. She acknowledges the staff and she appreciates the staff. She thinks in a way that they should lead more so they can get an idea. They get the last minute so much of hearsay. She asked the Chairperson to acknowledge that the consumers feel appreciated. She writes to Sacramento all the time and supports these programs. She writes to her local representative and to her county supervisor. Let the staff know that they are part of the decision making, not to make the decision for them. And they are not children, they are adults, and they make the decisions. That's what she would like them to do. L.A. Care has a great staff here and also you have some great consumers here. We all don't have to march to the same beat, we don't always agree. But let us find ways that all of them can bring issues before the Board, with the support of the staff. But staff has to contact with them too. She asked the Chairperson to make sure that happens.</i></p> <p>Mr. Baackes reported:</p> <p><u>Medi-Cal Eligibility Redetermination</u></p> <p>The first impact of the redetermination process underway was felt in the enrollment numbers for July 1. Starting Medi-Cal membership was 2,722,294 for L.A. Care in June 2023.</p> <ul style="list-style-type: none"> • There were 37,800 people placed on hold, which were those who did not complete the enrollment process. They have 90 days to complete the process and have the benefits restored. L.A. Care has the member information, and will reach out to them to help them restore benefits. This likely includes beneficiaries who may have moved their residence and may no longer be eligible. Based on the pre-pandemic experience, about a third of those placed on hold complete the process within 90 days. • There were about 6,000 who completed the process and it was determined they are no longer eligible for benefits. These people will be enrolled automatically in the lowest priced coverage in California Covered, which is L.A. Care Covered for Los Angeles County residents. They must affirm that coverage within 60 days. • There were 747 people had been on hold, completed the enrollment, and their coverage was restored. • Surprisingly, L.A. Care received over 38,000 new members on July 1. <p>Mr. Baackes confirmed with the California Department of Health Care Services (DHCS) that there has been a lot of new enrollment in Medi-Cal across the State.</p>	

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	<p>L.A. Care starts July 1 with 2,717,000 members, only 5,000 fewer members than were enrolled on June 1. It was encouraging that 41% of the beneficiaries were automatically determined to be eligible. It is expected that the number of members on hold will rise over the next year and fall to normal levels in August 2024.</p> <p>L.A. Care learned that a beneficiary could find their individual redetermination date online at www.benefitscal.com. This will help beneficiaries know when the redetermination information will be sent to them.</p> <p>Board Member Ghaly asked how the enrollment compares with L.A. Care’s financial projection, and she asked if L.A. Care knows if the new 38,000 enrollees moved to Los Angeles County from another part of California, and if this is a normal churn of changes in residency that were not recorded during the suspension of eligibility redetermination in the past few years. Mr. Baackes noted that it would be difficult to determine the prior residency from the data L.A. Care receives for new beneficiaries. Phinney Ahn, <i>Executive Director, Medi-Cal</i>, agreed that it could not be determined from the data L.A. Care receives.</p> <p>Board Member Supervisor Solis stated it is surprising to hear from the media reports that people are not re-enrolling or are missing the benefits. She suggested it may be happening in other states. She complimented staff for the outreach. She asked if L.A. Care knows the demographics of the new enrollees and if L.A. Care could learn from that information.</p> <p>Mr. Baackes stated that L.A. Care will parse the data on the new enrollees and he asked Ms. Ahn when the information would be available. Ms. Ahn responded that L.A. Care has demographic data on the new members and can share that information at a future meeting. On initial glance, the new enrollees reside in areas across the county and in all of the different programs. She did not notice anything unusual but she will review the data more closely and report on it at a future meeting.</p> <p>Board Member Supervisor Solis asked if L.A. Care and Los Angeles County Department of Public Social Services (DPSS) are on par with the enrollments. Board Member Contreras noted that DPSS is not seeing an increase in enrollment. She noted that a Medi-Cal beneficiary who loses eligibility could go through a reinstatement process or complete a new application. Mr. Baackes indicated that L.A. Care would be able to tell if these enrollments are for former members. Ms. Ahn can report it at a future meeting.</p> <p>Board Member Supervisor Solis informed the Board that the Los Angeles County Board of Supervisors approved a resolution at its last meeting to support the outreach efforts by DPSS. She acknowledged the work being done by DPSS and asked if L.A. Care and DPSS can combine their efforts and include outreach to service providers. She has heard from some</p>	

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	<p>providers that they would like more information about how they can work with DPSS and L.A. Care. Ms. Ahn reported that L.A. Care started in April to develop a strategy to engage providers in consistent messaging and to understand how L.A. Care could be a resource for providers. With the data received recently from the State, L.A. Care is sharing information with providers about members who are receiving the renewal packets and helping them with outreach as a trusted partner with their patients. L.A. Care is continuing to reach out to providers and is seeking information to gauge whether the data is useful and how they are using it. The focus is on being a resource for them.</p> <p>Board Member Supervisor Solis asked if financial incentives are involved. Mr. Baackes responded that incentives are not paid for this, and providers welcome the information from L.A. Care because they want to keep their patients. Dr. Amin commented that L.A. Care is receiving more information and are sharing those with provider groups. On visits to care sites, he has noted there is a desire for the information so providers can reach out to their patients. In some instances, members on hold are still trying to utilize their benefits, so it is easy to recognize the patient is in Los Angeles County and they are actively involved in their medical care. These members need to complete the redetermination process. The places the members are seeking care are good places to provide assistance to them in completing redetermination. L.A. Care is doing a lot to get information to those places about the redetermination process.</p> <p>Supervisor Solis asked how L.A. Care is following up with members who may be disenrolled only because of a rise in income. Mr. Baackes responded that those people will be automatically enrolled in the lowest priced plan in the Silver tier of Covered California. They will have 60 days to affirm that coverage. About 60% of L.A. Care Covered members qualify for subsidies and do not have to pay for the coverage premium or have a very low co-payment for the premium. Those members also are likely to be able to keep their current provider because the L.A. Care Covered provider network has a significant overlap in the providers available.</p> <p>Board Member Perez noted that she believes there is no little effort, but she wanted to point out that at the Executive Committee meeting it was suggested that outreach be conducted at the different community events hosted at Community Resource Centers. She would like to say that they are grateful to the Community Resource Centers, Francisco Oaxaca, <i>Chief of Communications and Community Relations</i>, and all the staff, because they are doing great outreach. It was the first time she has seen a table specifically for members that need to renew eligibility for Medi-Cal. Instead of just providing them with information, there was interaction with members to help them with the process. Mr. Baackes noted that L.A. Care has hired trained enrollment specialists to assist members with the renewal process at all the Community Resource Centers (CRCs).</p>	

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	<p>Board Member Perez commented that these events at the CRCs are huge, and L.A. Care invests resources including the staff members helping with the events. Members of the Health Promoters program are invited and conduct outreach with members. When community members interact with Health Promoters they feel they can identify with the Health Promoter and they feel part of the community. That level of trust is different from sending someone to go into the website or visit the DPSS office. Health Promoters provide community members with a flyer with the QR for the BenefitsCal website where the member can select a language of preference and create a file to access their current benefits. She thanked L.A. Care for the opportunity to participate.</p> <p>Mr. Baackes thanked Board Member Perez for volunteering her time at the Back to School Backpack giveaway event in Norwalk on Monday. She was interacting with all the community members, asking if they needed help. No one got past the table.</p> <p>Board Member Contreras thanked everyone who has been a part of the partnership between L.A. Care and DPSS. She believes that when re-enrollment numbers are released nationally and statewide, the numbers will show that Los Angeles County has done well with redeterminations. She acknowledged there is still a lot of work to be done. She noted that Board Member Supervisor Solis referred to a recent motion that really highlights the areas where work will continue. The 90-day period to cure the application is critical, and DPSS is working with all of its partners to make sure they have information to share with people during that period so the application can be completed. DPSS staff is very focused on processing the applications and completing enrollment for beneficiaries. By January 2024, it is hoped to be as close to universal health coverage as is possible, because of expansion of eligibility for full-scope Medi-Cal to undocumented individuals aged 26-49. DPSS is conducting outreach now to raise awareness rather than waiting to get them enrolled.</p> <p>Mr. Baackes continued his report:</p> <ul style="list-style-type: none"> • A year ago, L.A. Care convened the Los Angeles County Safety Net Coalition because of a concern there was not adequate reimbursement for Medi-Cal providers. During the course of the pandemic and with the economic inflation that ensued, many providers including hospitals, clinics, doctor’s offices, and other providers that could find staff, but sometimes couldn’t afford to hire them. The idea of the coalition was to bring providers together, and the competing health plan, as an ecosystem of plans and providers taking care of a third of the population of California, to propose a means of raising more funds for health care. The proposal was a managed care organization (MCO) tax with proceeds supplementing Medi-Cal funding. The MCO tax previously existed, but proceeds went to the State’s general fund. The organization in Los Angeles County became the statewide California Safety Net 	

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	<p>Coalition (CSNC) that became a 504(c) entity. Jim DeBoo, former Chief of Staff to Governor Newsom, was hired by CSNC as a consultant. Even during a year as California was facing a \$30 billion deficit, the proposal for the MCO tax was adopted in the State Budget for 2023-24. After three years and nine months, the MCO tax will need to be renewed through Centers for Medicare and Medicaid Services (CMS). Based on the model CSNC provided, MCO tax is expected to generate \$19 billion in additional revenue. The bulk of that revenue will go to Medi-Cal to supplement reimbursement to health care providers. Most of the funds will be paid through increased payments for primary and specialty care, and there are provisions that extend the increased payments to almost every type of provider that participates. CSNC will now pursue a ballot initiative to make the MCO tax and distribution permanent. Polling that has been done indicate that this could be successful.</p> <p>Supervisor Solis congratulated Mr. Baackes and noted that this was a wise decision to make so early on when the fiscal crisis was first revealed to help bring together an organized group to put pressure in all the right places. She offered her help in making this permanent.</p> <p>Board Member Raffoul thanked Mr. Baackes for his vision in implementing this. Physicians, particularly primary care physicians, are ecstatic. He sits on this Board representing the Hospital Association of Southern California (HASC), so he is obligated to pass on that perspective. The funding accrued under MCO is not allocated directly to hospitals and there is concern that funds will not trickle down to hospitals. He asked how L.A. Care would help to make sure that increases in Medi-Cal reimbursement could flow to hospitals. Hospitals have not seen an increase in Medi-Cal reimbursement in over 10 years, and there are hospitals now at risk of closing.</p> <p>Mr. Baackes responded that the CSNC activities provided insight in the legislative process. Hospitals were well represented to CSNC by the California Hospital Association. In negotiating with the Governor's office, there was not support in the Governor's office for allocating much of the funding to hospitals. It was somewhat of a compromise to allow the allocation of \$200 million for a distress fund for low-interest loans to hospitals. If a ballot initiative is successful, funds could be directed to hospitals. The initiative language is being drafted and L.A. Care will advocate for equal distribution of the funds for all providers.</p> <p>Board Member De La Torre commented that in initial discussions he was supportive of the CSNC but skeptical about the outcome, especially because of the deficit in this fiscal year. That the funds are not going to the General Fund is a great accomplishment. The reason for that accomplishment is the unity of the coalition. In 2005 when he was in the State Legislature, there was a federal waiver for Disproportionate Share Hospitals (DSH), and</p>	

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	<p>with everyone lobbying on his or her own it would not have succeeded. When the group comes together prioritizing one thing collectively, it carries more weight in Sacramento. Looking back, he thinks the strategy of having the CSNC brought together first made all the difference. Mr. Baackes deserves all the credit for putting the CSNC together. Mr. Baackes related that when attending the budget hearings, legislators were impressed that the CSNC members approached them together. Mr. Baackes believes there are other tasks the CSNC can accomplish, and he would like the next topic to be a focus on preventing provider burnout.</p> <ul style="list-style-type: none"> • The 2024 rates for Covered California were announced this week and for the second year in a row, L.A. Care Covered will be the lowest priced plan in all metal tiers in Los Angeles County. L.A. Care Covered enrollment is growing, as it is more important to more people because it is a way to find coverage for those who are not eligible for Medicaid, Medicare or employer based health insurance. • L.A. Care uses outside legal counsel when participating in certain consumer-payer class action lawsuits. Recently, EpiPen was purchased by another organization in 2007. The list price was raised 17 times for a total increase of 504%. L.A. Care was a participant in a class action suit, which resulted in a nationwide settlement of \$609 million, and L.A. Care's recovery is \$833,000 after attorney's fees and costs. He commended the Pharmacy team members that gathered the evidence that resulted in this recovery. • Chairperson Ballesteros referred earlier to the eight new ESN Scholars who will receive scholarships to attend medical school. On July 11, each student was introduced in an award ceremony, and were presented with a white coat and stethoscope. The number of Scholars awarded is now 48 over the last six years. The first group of scholars has graduated and is in training programs around the country. Half of the Scholars are women and all but two are Latino, Black or Asian. L.A. Care is building a pipeline for earning a medical doctorate and can be very proud of this program. He thanked Chair Ballesteros for attending the event. • Mr. Baackes displayed a photo of Board Member Supervisor Hilda Solis at the Back to School Backpack event in El Monte. California State Senator Caroline Menjivar, MSW attended the event in Pacoima. Mr. Baackes will attend the event in Pacoima on July 29. L.A. Care will distribute 16,000 high quality backpacks, filled with school supplies that were requested by parents, at each of the 11 CRCs. He thanked Board Member Supervisor Solis for attending the event in El Monte. 	

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<ul style="list-style-type: none"> Quarterly Vision 2024 Progress Report 	<p>Mr. Baackes referred Board Members to the written reports included in the meeting materials.</p>	
<ul style="list-style-type: none"> Community Health Investment Fund Annual Summary FY 2021-22 	<p>Shavonda Webber-Christmas presented an extensive report at the June 28, 2023 meeting of the Executive Committee. Mr. Baackes commended Ms. Webber-Christmas for her work on the Community Health Investment Fund and thanked her for preparing the written report.</p> <p>Mr. Baackes referred Board Members to the written reports included in the meeting materials.</p>	
<ul style="list-style-type: none"> Monthly Grants and Sponsorships Reports 	<p>Mr. Baackes referred Board Members to the written reports included in the meeting materials.</p>	
<p>HEALTH EQUITY PLAN</p>	<p><i>(This agenda item was discussed during the CEO Report above.)</i></p> <p>Mr. Baackes introduced Alex Li, MD, <i>Chief Health Equity Officer (CHEO)</i>. Dr. Li previously was L.A. Care’s Deputy Chief Medical Officer, Senior Medical Director and former Board of Governor member and has been involved with L.A. Care for over 16 years. Mr. Baackes asked Dr. Li to present L.A. Care’s Health Equities and Health Disparities mitigation (HEDM) plan to the Board.</p> <p>PUBLIC COMMENT</p> <p><i>(This public comment was simultaneously interpreted from Spanish to English.)</i></p> <p><i>Fatima Vazquez, Chairperson of ECAC and RCAC 7, stated she is here with a concern about equity with L.A. Care’s member services. All members have different necessities and need different specialists. Many members do not have access or time to see a specialist. We know if we have a health problem that is not taken care of in time; it can become a bigger problem. She is worried about this because there are members who have appointments with the specialist but when they need an extra treatment they don’t have authorization for it. They cannot access a hospital service without authorization. That makes her think that there needs to be a way to provide service for that member. The purpose of L.A. Care is to provide health care for all the members. When members call member services they are told the member must resolve the problem with the clinic or specialist. The member doesn’t know where to go or who to talk to resolve it. She is expressing this about the members that L.A. Care represents.</i></p> <p>Dr. Amin responded that it depends on each case. He would like to learn more about the specific case and help with a resolution. Different types of service providers are involved and the provider may be responsible for the authorization. L.A. Care handles authorizations for</p>	

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	<p>providers in the directly contracted network. L.A. Care works to have specialists available across Los Angeles County, and would like to know if there is a gap in access in any geographic area so it can be addressed. He asked for more information so this concern can be addressed.</p> <p>Dr. Li is honored to present L.A. Care’s first ever Health Equity Disparities Mitigation (HEDM) Plan. <i>(a copy of the HEDM plan is available by contacting Board Services and is in the Board packet)</i>. He will go over the framework and approach and what we seek to accomplish over the next two years.</p> <p>Dr. Li wanted to first note that systemic racism, health inequities and disparities have been long standing and between pandemic and events surrounding the death of George Floyd, it is clear that much needs to be done to address the ongoing racial and social injustice and inequities that still exist.</p> <p>He also reminded the Board that on July 30, 2020, L.A. Care’s Board issued L.A. Care’s Statement of Principles on Racial and Social Justice and the inaugural HEDM is simply an evolution to L.A. Care’s Principles on Racial and Social Justice.</p> <p>Finally, the HEDM plan is built on L.A. Care’s Mission and that L.A. Care cannot act alone and results can only be achieved through collaboration. Thus, the health equity mission statement is to support, guide, and inspire staff and providers to provide equitable and accessible health care for all.</p> <p>Overall, L.A. Care’s 2023-2025 Health Equity and Disparities Mitigation plan builds upon our existing mission, efforts, and resources in collaboration with external partners to improve health outcomes and reduce disparities. Dr. Li presented his environmental scan and observations after talking to a variety of provider partners and stakeholders:</p> <ul style="list-style-type: none"> • People have multiple definitions of health equity that is reflective of their work or life experience • Health disparities is <i>sadly</i> a target rich environment! • Changes and impact <i>Will Take Time</i> • Health equity work is now required by NCQA, and our State, Covered California and CMS Contracts • CHEOs are not just limited to people with a MD, RN or MPH degree, but there also those that comes from marketing, CBOs and other background. <p>The creation of the HEDM plan is informed by L.A. Care’s work for the safety net, member’s voice and our data, our community partners’ input, and internal discussions. Consequently, four health equity zones have been identified:</p>	

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	<p><u>Health Equity Zone 1: Addressing Key Health Disparities:</u> Close racial and ethnic gaps in health outcomes among our members in the following areas:</p> <ol style="list-style-type: none"> 1. Increase vaccination rates for children two and younger and those that missed or were behind in their vaccines. 2. Implements initiatives to address health for Black birthing individuals and infants. 3. Strengthen the provider network for unhoused community. 4. Expand physical and behavioral wellness programs for school-age youth. 5. Address disparities for Black, Latino/Hispanic, and AI/AN communities with chronic disease. <p>For example, for Health Equity Zone 1, Objective 2, the metric is to support 500 or more Black birthing individuals in one or more of L.A. Care’s new programs by September 30, 2024.</p> <p><u>Health Equity Zone 2: Lead Change</u> Provide leadership and be an active ally for key community partners to promote health equity and social justice.</p> <ol style="list-style-type: none"> 1. Create partnerships and shared agendas with internal and external partners. 2. Promote gun safety education and violence prevention. 3. Explore and identify additional areas for advocacy e.g. <ol style="list-style-type: none"> a. Community Health Investment Fund, Elevating the Safety Net b. Medical Debt Relief c. Community-generated needs and drive improvements <p><u>Health Equity Zone 3: Move Towards Equitable Care</u> Ensure that our members have access to care and services that are free of bias and that our providers are supported in delivering equitable, culturally tailored care</p> <ol style="list-style-type: none"> 1. Improve demographic data collection and analysis. 2. Race, Ethnicity and Language (REAL) and Sexual Orientation and Gender Identity (SOGI) 3. Strengthen member level social determinants of health (SDOH) data collection. 4. Promote patient and provider concordance. 5. Promote health equity through annual Provider Equity Award. 6. Examine Appeals and Grievances and Utilization Management and other key health plan data and processes. <p><u>Health Equity Zone 4: Embrace Diversity, Equity, and Inclusion</u></p> <ol style="list-style-type: none"> 1. Serve as a model in supporting an equitable and inclusive work environment, as reflected in our workforce and business practices. 2. DEI training plan for staff, providers and contractors. 	

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	<p>3. Compliance with all regulatory, contractual, and accreditation health equity requirements. (e.g. Quality Improvement and Health Equity Committee)</p> <p>4. Support diverse employees and allow equitable opportunities to advance and thrive.</p> <p>5. Promote health equity through Provider Equity Award.</p> <p>6. Provide employees with the training and tools they need to provide bias-free services and care.</p> <p><u>Sample Health Equity Efforts that are in Flight</u></p> <p>Health Equity Zone 1: Addressing Health Disparities</p> <ul style="list-style-type: none"> Working closely with L.A. Care Health Services and other partners (e.g. DPH, First 5, etc) on maternal health and vaccine disparities. <p>Health Equity Zone 2: Leading Change</p> <ul style="list-style-type: none"> Co-chairing the local health plans' CHEO roundtable. Organizing a local Los Angeles County health equity and Children's Health Disparities roundtable. <p>Health Equity Zone 3: Moving Towards Equitable Care</p> <ul style="list-style-type: none"> Improving our data collection and analyses Planning for the Health Equity Practice Transformation Program <p>Health Equity Zone 4: Embrace Diversity, Equity and Inclusion</p> <ul style="list-style-type: none"> Preparing for DHCS required staff, vendors and providers DEI training <p>Dr. Li will continue to keep the Board informed on the progress. Another effort is that one of the Health Equity Department's objective is to create a dashboard.</p> <p>In sum, L.A. Care can broaden its collective view and role as a public health plan and become a key resource for Los Angeles County's residents by becoming a catalyst and agent to address health inequities and disparities.</p> <p>Board Member Booth asked about the baseline measure for the support of 500 or more Black birthing individuals in one or more of L.A. Care's programs by September 30, 2024. Dr. Li responded that the new GAAINS Doula program would help determine the measurement in this area. Dr. Booth thanked him for leading this effort.</p> <p>Supervisor Solis thanked Dr. Li for his work and noted that it coincides with work being done by the Board of Supervisors and County on a violence prevention education effort as it relates to mental health, trauma and the Departments of Public Health and Mental Health. There are teams assigned to a hospital to help the family members dealing with trauma to connect them</p>	

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	<p>with programs that can provide the variety of assistance they need. She wondered how these efforts could be joined. She noted that after the incident in Monterey Park where 11 individuals were lost, there is still continuing trauma in the community; services are not provided in a traditional way and the services need to be brought to the community. She would like to enhance the impact of these services for trauma, prevention and mental health services. Dr. Li thanked the Supervisor for raising this issue and informed the Supervisor that they already have a meeting planned with Supervisor Solis' health deputy in September and we can discuss this item further.</p> <p>Board Member Vaccaro thanked Dr. Li for the presentation and the thought that went into the plan. She is happy to hear about the work with birthing Black women and hopes he will consider reaching out to midwives, as it will be effective in teaming with Doulas and obstetricians. She also offered resources through Community Clinics Association of Los Angeles County (CCALAC) as there is work going on there as well as DEI training programs and would love to partner in this effort. She noted that the California Primary Care Association has a program underway to study bias among physicians in care for African American and Black patients.</p> <p>Board Member Ghaly noted that Los Angeles County Department of Health Services (DHS) has a new DEI Director. She commented that for providers doing the front line work with patients, a question is how we can work together. Within DHS, and she is confident with every other provider group, there are multiple health disparities initiatives underway. These include data tracking, diversity training, incorporating Doulas and improving vaccination rates. She asked how we avoid duplicating these efforts for providers and partner in a synergistic way and multiply the efforts and resources that are going in to this important work. DHS is very interested in partnership in these areas.</p> <p>Dr. Li welcomes partnerships and he noted that there is an upcoming inaugural LA County health equity roundtable and networking meeting planned for late August. The main theme will be on how to work together.</p>	
<ul style="list-style-type: none"> • Community Advisory Committee Restructure Information 	<p>Mr. Baackes introduced Francisco Oaxaca, <i>Chief of Communications and Community Resources</i>, for a summary of the elements in a proposed restructure of the advisory committees, (<i>a copy of the presentation is available by contacting Board Services</i>).</p> <p><u>Proposed Changes – Regional Community Advisory Committees (RCACs)</u></p> <ul style="list-style-type: none"> • RCACs will remain <ul style="list-style-type: none"> ○ Meeting frequency will change from bimonthly to quarterly ○ Areas of representation will change from 11 regions to 8 SPAs 	

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	<ul style="list-style-type: none"> ▪ Number of RCACs will change accordingly ▪ Membership will be up to 20 members in each RCAC • Meeting operations will continue to be subject to the Brown Act and Robert’s Rules of Order • RCACs will continue to meet at CRCs • RCAC members are not permitted to serve on a community roundtable <p><u>New - Community Roundtables</u></p> <ul style="list-style-type: none"> • Five Community roundtables would be added <ul style="list-style-type: none"> ○ Ongoing group spaces for community members representing all service regions to engage in conversations regarding targeted health related topics. ○ Consumer engagement is targeted toward four L.A. Care interest areas: Health Access, Social Determinants/Health Equity, Advocacy and Community Health Education & Outreach ○ One Roundtable would be dedicated to L.A. Care CBO partners and healthcare providers as a dedicated space for knowledge sharing, networking, and capacity building. ○ Up to 13 members in each with bimonthly meetings ○ Would not be “committees of the board” and not subject to Brown Act requirements or Robert’s Rules of Order <ul style="list-style-type: none"> ▪ less structured, more engaging topic-specific discussions with members ▪ discuss and provide feedback on proposed proprietary L.A. Care initiatives in private <p><u>New - Focus Groups</u></p> <ul style="list-style-type: none"> • Focus group opportunities will be added <ul style="list-style-type: none"> ○ Special population groups organized on an as-needed and limited basis to offer feedback regarding specific topics ○ Up to 13 members in any one group ○ Meetings will be as needed ○ Participants would be from across the county <p><u>Executive Community Advisory Committee (ECAC)</u></p> <ul style="list-style-type: none"> • ECAC will remain unchanged <ul style="list-style-type: none"> ○ Representation from RCAC chairs, consumer board members (ex officio) and at-large members will not change. ○ Meeting frequency (10 meetings per year) will not change ○ Stipend structure will be adjusted to provide an increase over current amount <ul style="list-style-type: none"> ▪ A single stipend will be offered to cover meeting participation and to reimburse any personal transportation costs 	

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	<ul style="list-style-type: none"> ○ Membership will turn over on a regular basis due to term limits being applied to RCAC membership <ul style="list-style-type: none"> ▪ An exception will be made for the consumer board members who serve for four years but are non-voting, ex-officio ECAC members <p><u>Foundation for Restructuring</u></p> <ul style="list-style-type: none"> ● Beginning in 2019, staff reviewed feedback from multiple sources (including community members) and found that the current engagement system would be enhanced by strategically including components that: <ul style="list-style-type: none"> ○ Better align intentions and expectations between L.A. Care and its community advisory committees ○ Maximize opportunities for diverse voices to be heard ○ Create more intentional opportunities for two-way communication ○ Increase opportunities for our members to bring forth emerging issues of which the health plan may be unaware ● Current structure has been in place for over 20 years. Plan has changed substantially with new products, a more diverse membership, new regulations. <ul style="list-style-type: none"> ○ With new regulations going into effect on January 1, 2024, this is an appropriate time to look to refresh the structure with more opportunities for community involvement. ● DHCS has also included new consumer advisory committee requirements for health plans to implement beginning in January 2024: <ul style="list-style-type: none"> ○ Additional specific functions and roles for consumer advisory committees ○ Clear deadlines for selection and replacement of advisory committee members ○ Selection of a member to serve on the DHCS statewide consumer advisory committee and support of their participation ○ Development and implementation of a member diversity and recruitment plan ○ New monthly and annual meeting activity and membership recruitment and demographics reporting <p><u>DHCS Community Advisory Committee Design Technical Advisory Group (TAG)</u></p> <ul style="list-style-type: none"> ● TAG membership included various health, policy and advocacy agencies throughout California. ● The TAG discussed best practices in a variety of areas, including (but not limited to) recruitment, trust and partnership, CAC composition, integrating consumer feedback into our work and effective communication practices. ● Participation provided L.A. Care the opportunity to better understand DHCS’s expectations and recommendations for successful Community Advisory Committees. 	

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	<ul style="list-style-type: none"> • Participating in the TAG was an important step towards L.A. Care validating next steps in restructuring our Community Engagement programs. <p><u>Consumer Advisory Committee (CAC) Member Input Process</u></p> <ul style="list-style-type: none"> • Informational sessions have been held at each RCAC • Introductory presentation has been provided to the ECAC • Questions from informational sessions and from ECAC have been collected and responses used to create an FAQ document. • After presentation to the Board of Governors, staff will return to ECAC with a final restructuring proposal for consideration and an advisory vote • Following the advisory vote, a final proposal will be presented to the Board of Governors for approval <p><u>Transition Period</u></p> <ul style="list-style-type: none"> • After the 2023 board member election, RCAC and ECAC operations entered a transition period for the balance of 2023 <ul style="list-style-type: none"> ○ RCACs will wind down meetings to allow staff and members to focus on key activities: <ul style="list-style-type: none"> ▪ Recruitment of new member candidates ▪ The participant application and selection process ▪ Capacity building of new members ▪ Final preparations for new RCAC structure and kick off of Community Roundtables ○ ECAC will move to a temporary Transitional ECAC (TECAC) until June 2024 <ul style="list-style-type: none"> • Will continue to serve in its role as a board advisory committee ○ Final restructuring proposal will be presented to Executive Committee and BOG for approval of any changes to CAC Operating Rules in late 2023 • Proposed restructuring to be launched in January 2024 <p><u>Volunteer Membership Rules</u></p> <ul style="list-style-type: none"> • Term limits will be implemented for the RCACs and Community Roundtables <ul style="list-style-type: none"> ○ Maximum of two terms, two-year terms • All current members will be required to submit an application for membership in the restructured RCACs and the community roundtables <ul style="list-style-type: none"> ○ A selection committee will review applications, conduct interviews and choose participants ○ Selection committee to be made up of staff from the CO&E, Health Equity, and Community Benefits Program departments and CBO advocate members of the RCACs, a health plan member. 	

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	<p><u>Volunteer Member Support</u></p> <ul style="list-style-type: none"> • Stipends will continue. Stipend structure will be adjusted to compensate for fewer RCAC meetings and the overall annual amount provided will be increased above the current amount • Food and beverages will continue to be available at all meetings • Transportation to meetings for eligible members will also continue • Transportation, accommodations and expenses will be covered for the DHCS statewide consumer advisory committee TAC representative <p><u>Common Concerns</u></p> <ul style="list-style-type: none"> • “Number of RCACs is being reduced” <ul style="list-style-type: none"> ○ While the number of RCACs is being reduced from 11 to 8, we are adding 5 more advisory bodies in the form of the roundtables for a total of 13 forums for members to be heard ○ RCAC representation will be from 8 regions instead of 11 and will still be from all parts of the county ○ The eight regions will be geographically the same as the SPAs to align the RCACs with all other work taking place across the county. Data sources are by SPA and would be able to inform RCAC conversations. This is not possible with the current 11 regions. ○ While we are not changing the target membership for RCACs from 20, best practices indicate that 8-13 members is ideal. ○ There are currently about 120 participating members with probably only 40% of them actively engaging. With the right member recruitment and selection process, we would have up to 160 active and engaged members. • Term limits <ul style="list-style-type: none"> ○ This is a best practice to ensure fresh voices are heard on a regular basis. Confirmed through participation on the DHCS statewide advisory technical advisory committee. • Stipends <ul style="list-style-type: none"> ○ Stipends will continue and be adjusted to provide additional amounts to compensate for fewer meetings per year and to account for inflation over many years. <p>Chairperson Ballesteros noted that there is no action for the Board today. The consumer advisory committee will continue to discuss this topic and will bring an action to the Board for consideration.</p> <p>Board Member Perez thanked Mr. Oaxaca for the presentation. As the member representative, she noted that there have been frequent comments advising concerns from the members because they do not really know what is happening. She did not know if she should respond to</p>	

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	<p>the comments because she believes the response would have to come from staff. It is about the organization’s proposed changes to be implemented according to the Department of Health Care Services (DHCS). As a member, she feels the presentation brought to the advisory committees is too much information. She can identify with the idea of presenting information to members at the sixth grade level. She understands that he was trying to provide members with the information, but there is information in today’s presentation of which members were not aware. From a personal perspective, she feels it is more and more and more to learn. She commends the CO&E staff because she sees they are coping with the changes and trying to work with members to help everyone understand. There were two Temporary Transitional Executive Community Advisory Committee (TTECAC) orientations, and members were given information. But today’s presentation has more information. She asked when the members would receive this information. The changes will be implemented in 2024. Many members feel that goodbye is being said. For example, there are term limits in this presentation. In the second orientation for TTECAC, there was a session about change. Members understand that there will be changes that are outside our comfort zone. RCAC members will go through a process of applying again, and will be selected. She asked about the 40% productivity out of 120 participants. In sessions yesterday and on July 12, CO&E staff told members that all the Plan Partners are required to start community advisory committees, and L.A. Care members receiving services through a Plan Partner would be directed to those advisory committees. With all respect to the consumer members that have participated in the advisory committees all these years, and have given their feedback and as a result L.A. Care has grown. She asked that members be given the proper information so they can make a wise and informed decision about what they want to do. They need to be able to consider the alternatives of continuing as an L.A. Care advisory committee member and change to the L.A. Care directly contracted network if they can keep their doctors. As the member representative, she asked that L.A. Care honor and respect those members by giving them the information so they can make a decision.</p> <p>Mr. Oaxaca responded that this aspect of the changes is still being reviewed. He has asked for information to help address the concerns of members who may be enrolled with a Plan Partner. As far as the information presented here, the outreach and input process with members is not done yet and there will be more opportunities to provide more information to the members so they can react. The timeline for the Board to consider the changes is not set. Mr. Oaxaca wants to be sure that members are given every opportunity to understand the proposed changes. Some of the changes are brought by DHCS and L.A. Care does not have a choice. Staff is proposing other changes. It was felt that this was the time to make those changes.</p> <p>Chairperson Ballesteros suggested collecting the comments to have a discussion at the RCACs.</p>	

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	<p>Board Member Gonzalez commented that she agrees with Board Member Perez, the details may be difficult to understand. She disagrees with reducing the number of meetings for the RCACs. It is a long process for ECAC to bring a motion to the Board of Governors. ECAC gathers information from each RCAC meeting and then proposes it to the Board. By having a transition period with no RCAC meetings, the ECAC members are not able to bring propositions or exchanges to the RCAC members to explain it and gather input from the members. It is being assumed that all the ECAC members, Chairs of the 11 RCACs, are going to agree to this and will approve it. That is something that should not be assumed. Another problem is the limited number of RCAC meetings. If a proposition is brought to the ECAC, instead of taking two or three months to gather RCAC member input and put the proposal before the Board of Governors, it may take half a year to nine months in order to get it to the Board of Governors. That is too long a period to make changes. If you really want to make a change, the number of meetings should be increased in order to make recommendations.</p> <p>Board Member Contreras asked for clarification about term limits and she noted that SPA councils are very different in terms of population and levels of diversity, so it feels like an awkward way to ensure equitable representation. She asked about other options that were considered.</p> <p>Mr. Oaxaca responded that currently there are no term limits nor a selection process for RCAC membership. Anyone who is eligible and wishes to join can become a member of a RCAC. There are a limited number of options for countywide representation. The 11 geographic regions were defined early in L.A. Care’s history and for a very different purpose. As he understands, those 11 regions were defined to look at provider density and access to providers. It did not relate to consumer advisory committee representation areas. It has always been a challenge to look at demographics, and relate to zip codes, city borders, or community boundaries, which can be different from cities. The regions were reviewed for zip codes and cities in the current 11 regions. There have been changes in those areas over 25 years. The goal was to find the best tool to interact with members and achieve a structure that would allow representation from across the entire County. It is important that demographic data is available already through the SPA structure and is helpful to have more informed conversations with members.</p> <p>Board Member Vaccaro stated that she fully understands the rationale of using the SPA regions. She asked for consideration of her concern and curiosity about what type of geographical areas or challenges would be created for members to attend a meeting in person, and would a longer trip for a meeting exclude current members who might want to participate. If the meetings will move to a hybrid structure, how is L.A. Care prepared to support members to enable</p>	

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	<p>participation more equitably, particularly for members who may not have internet access or the equipment that they need to participate in an equitable way.</p> <p>Mr. Oaxaca responded that the CRC site distribution was planned to ensure at least one site in each of the 11 current geographic regions, but also took into account the geographic locations in each of the 8 SPAs. Transportation to meetings is offered to eligible members and so it is not a barrier to participation.</p> <p>Chairperson Ballesteros noted that this is a very important topic and it will be reviewed by ECAC. He asked about the timeline for the review. Mr. Oaxaca indicated that L.A. Care must implement the changes by January 1, 2024. Chairperson Ballesteros noted there is time to provide the community with a level of input, time and engagement as may be necessary. Chairperson Ballesteros suggested that Board Members with questions could also submit those for discussion by the advisory committee members so they can weigh in on the topic. He suggested that any disagreement or unresolved issues could also be brought back to the Board so there can be a record of the input provided by community so the Board can deliberate on it further. Questions from Board Members can be submitted to Mr. Oaxaca and responded to with fact. He would like a record of these discussions and feedback from the community. Hopefully, there will be agreement, but if there are areas where there are some disagreements, at least those can be on a grid so the Board can understand them.</p> <p>Board Member Perez asked that changes required by DHCS and the changes proposed by L.A. Care could be included in the document. Mr. Oaxaca agreed to provide that information.</p> <p>Board Member Ghaly found the presentation to be very helpful and feels that a document would be helpful. She feels like there have been many discussions and she hears a lot of fear of what is coming and she is unsure if this was the first presentation on the specifics on the proposed changes. There is always tension in who receives the information first and at what speed the details are presented, how does one get buy-in from different groups and hold a forum for discussion for different groups. She feels that the more there can be presentations along the lines that were just suggested, to offer an opportunity so that people can understand the changes that are coming, whether from DHCS or from L.A. Care staff, and why the changes are coming. A lot of the rationale makes good sense to her, and she respects the fact that there is probably a diversity of input out there and it would be good to understand where people are coming from and what the alternative options are that people might prefer. Then when a recommendation ultimately goes to ECAC and then to the Board, they can understand the different arguments and different perspectives and be able to make an informed decision about how best to proceed. The more community discussions that can take place the better that decision can be.</p>	

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	<p>Board Member Supervisor Solis asked if the materials are translated and interpreters will be at the meetings. Mr. Baackes assured her those are always available to advisory committee members.</p> <p>Board Member Supervisor Solis appreciated the presentation and she thinks it is always important to show why this has to happen, that DHCS is asking L.A. Care to do this and a timeline. It is important to explain this and have rigorous strategic meetings at a more granular level as needed so people can understand and buy in and give their recommendations if something is not going to work.</p> <p>Chairperson Ballesteros thanked the community members for providing input and for taking the time to do so. It is very much appreciated and this is very important.</p>	
MOTIONS FOR CONSIDERATION		
<ul style="list-style-type: none"> • NTT America Inc. Contract (Cisco's Unified Contact Center Enterprise) 	<p>PUBLIC COMMENT</p> <p><i>Andria McFerson stated she was under the impression that the Board was discussing the food banks and how they were allowed to give back to the community as health promoters. She asked if that is relative to this topic. She thanked L.A. Care for allowing health promoters to give back to the community, giving food to the residents of L.A. County including seniors and the disabled. They have seen a lot of individuals that were homeless, individuals that were undocumented who don't qualify for EBT, which is concerning. They do need food as well. So everyone has the opportunity to get food from the CRCs, and the health promoters are allowed to assist. As far as the CRCs, there have been 12 openings in the last three or four years. And we need more diversity within the CRCs, more opportunities for everyone to receive employment there, Caucasian, Indigenous, Asian, and Black. The staff members need more diversity there at the CRCs. All races should have an equal opportunity to have employment there. Please request the data of employment at the CRCs so we can have more diversity and inclusion.</i></p> <p><i>(Board Member Raffoul left the meeting.)</i></p> <p>Tom MacDougall, <i>Chief Information & Technology Officer</i>, introduced the motion for a five-year agreement with NTT America, Inc. to move the call center equipment into the cloud. There were some issues with a change with the telecom vendors and secondarily, this will provide capability for updating security components.</p> <p>L.A. Care uses Cisco's Unified Contact Center Enterprise (UCCE) solution for call routing, tracking and management across the company. The current hardware and software that supports this service is at the end-of-life. After September 30, 2023, the manufacturer will no</p>	

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	<p>longer provide maintenance support or security upgrades of said software and equipment. This poses an increased risk and can potentially lead to major outages affecting our ability to serve L.A. Care members.</p> <p>To address this potential risk Information Technology (IT) staff will implement a new cloud based solution within the manufacturer’s (Cisco) data center. The new solution will provide improved availability, on-demand scalability, and advanced integration capabilities with other third-party application solutions.</p> <p>L.A. Care staff requests approval to execute a contract with NTT America, from August 31, 2023 to August 31, 2028, in the amount of \$8.5 million. The vendor will provide L.A. Care with a new Cloud based Contact Center solution along with associated hardware and software. This service is essential to remain compliant and properly support Members, Providers and Business Partners.</p> <p>Board Member Booth asked about the history of contracting with NTT. Mr. MacDougall noted that this contract is new and a different statement of work (SOW) with the vendor.</p> <p><u>Motion BOG 102.0723</u> To authorize staff to execute a contract in the amount of \$8,500,000 with NTT America Inc., from August 31, 2023 to August 31, 2028 for the purpose of upgrading L.A. Care’s Unified Contact Center Enterprise solution.</p>	
<ul style="list-style-type: none"> Optum Contract Extension (Impact Symmetry Software Licensing and Professional Support Services) 	<p>Mr. MacDougall described the motion to execute a contract with Optum from September 28, 2023 to September 27, 2028, for \$7,118,500. This new contract is extending Impact Symmetry software licensing and professional support services that L.A. Care has been using since September 28, 2018.</p> <p>With this contract, Optum will continue to provide L.A. Care with the following software and services:</p> <ul style="list-style-type: none"> Impact Pro: A population health support tool critically integrated into the processes of the L.A. Care Health Services department. This tool is currently used to identify members for a number of regulator-mandated programs including Care Management risk stratification, Enhanced Care Management, and Transitional Care Services. Additionally, the licensing allows L.A. Care to assess member risk for various Social Determinants of Health needs. Impact Intelligence: An analytics engine that allows L.A. Care to compare and understand the value delivered by physicians and hospitals across the network. This product’s data mart output is integrated as part of L.A. Care’s existing reporting and analysis processes, and heavily used by L.A. Care’s Enterprise Performance Optimization department for network oversight. 	<p>Motions BOG 102 and BOG 103 were simultaneously and unanimously approved by roll call. 9 AYES (Ballesteros, Booth, Contreras, De La Torre, Ghaly, Gonzalez, Perez, Solis, and Vaccaro)</p>

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<ul style="list-style-type: none"> Managed Analytic Services: Professional support for continued development of custom data logic and reporting out of the two above mentioned software products. <p>No Request for Proposal (RFP) was conducted for this vendor because of the vendor’s existing integration into L.A. Care operational processes and L.A. Care’s satisfaction with its services. When L.A. Care initially contracted with Optum for these services in 2018, an extensive RFP process was performed and Optum was chosen as the most appropriate solution.</p> <p><u>Motion BOG 103.0723</u> To authorize staff to execute a contract in the amount of \$7,118,500 with Optum to provide Impact Symmetry software and professional services for the period of September 28, 2023 to September 27, 2028.</p>	
<ul style="list-style-type: none"> Community Health Investment Fund (CHIF) Grant to the California Association of Food Banks for CalFresh Outreach and Enrollment 	<p>Shavonda Webber-Christmas, <i>Director, Community Benefits</i>, reviewed a motion to award up to \$1.3 million to the California Association of Food Banks (CAFB) to provide CalFresh services through 10 community based organizations for a third year. CAFB will manage the request for applications (RFA) process and leverage partnerships with CalFresh enrollment experts statewide and Community Benefits to select up to ten grantees for Los Angeles County, provide awarded grantees technical assistance, update them on CalFresh policy changes, conduct trainings, monitor grantees’ progress, and submit progress reports according to Community Benefits’ guidelines. CAFB continues to provide all services for a modest fee of 5%, and will conduct a process to distribute remaining funds to awardees. In 2023, CAFB will also establish a formal CalFresh Coalition to facilitate a relationship between the Los Angeles County Department of Public Social Services and CalFresh enrollment agencies to improve the overall CalFresh system in partnership. There will be no legislative efforts as products of the Coalition’s efforts.</p> <p>CAFB’s administration has been highly effective. They have assisted 5,794 households to obtain and maintain CalFresh benefits through the 2021 award. A recent USC study recommends continued investments in programs like CalFresh to offset the statistically significant increase in food insecurity discovered between December 2021 and July 2022. Program participants must complete an application to enroll and there is a verification process after six months.</p> <p>Member Booth asked about training for people to do this work. Ms. Webber-Christmas responded that there is training involved, but it has to do more with regulatory and legislative changes over time.</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Board Member Ghaly asked if the verification after six months is a state or federal regulatory requirement. Ms. Webber-Christmas responded that the CalFresh SAR 7 Eligibility Status Report is a state requirement and may be a federal requirement for SNAP as well. Board Member Contreras added that it is a state requirement. DPSS has been advocating for some time to modify the process as the SAR 7 has become very cumbersome.</p> <p>Board Member Perez apologized to Ms. Webber-Christmas if she ever felt that her comments were personal and not with the objective of her representation of members. Board Member Perez truly appreciates all of her work and her presentations are awesome. Ms. Webber-Christmas wholeheartedly accepted this and she appreciates Board Member Perez' questions and inquisitiveness.</p> <p><u>Motion BOG 104.0723</u> To enable Community Benefits Department to award up to \$1,300,000 to the California Association of Food Banks (CAFB) to support up to ten non-profit organizations to provide CalFresh outreach and enrollment assistance to 5,000 CalFresh eligible households and to establish a Los Angeles based CalFresh Coalition in fiscal (FY) 2022-23; and</p> <p>Authorize Community Benefits Department to execute successive grants with CAFB in FY 2023-24 and 2024-25 contingent on funding availability in the L.A. Care annual budget's CHIF allocation, and stability of the California Association of Food Banks' proposed budget and program results.</p>	<p>Unanimously approved by roll call. 9 AYES</p>
ADVISORY COMMITTEE REPORT		
<p>Executive Community Advisory Committee (ECAC)</p>	<p>PUBLIC COMMENT <i>Elizabeth Cooper commented that she needs to get her emotions under control. She address her comments to Hilda Perez and Layla Gonzalez. According to the enabling legislation, Ms. Cooper remembers, there are no term limits for Board Members, there's no term limits on RCAC members. She directed them to read the enabling legislation signed by Governor Wilson, and signed by the legislature. There's no term limits on RCAC members. The enabling legislation would have to go back to the legislature. Any information would have to go back to the legislature. It's not up to the Board of Governors to make that decision. Any changes would have to go. Maybe there is someone shaking their head, but according to your lawyer, in 2009 they were trying to get rid of the RCACs. She has documentation at home. The L.A. Care lawyer at the time stated that the legislature did not put in mandates for term limits for RCAC members. She has the documentation. She will send it to the Chair. She appreciates it. She is not here for longevity. If the RCACs end</i></p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p><i>tomorrow, she will be grateful. So its not, she's not here just for longevity. There's nothing said about the disabled. What about the disabled. What about the two Board members who are going to talk about the disabled, like her son. He is an L.A. Care member. What she is so upset about, Chairperson, with all due respect, please respect her. The individual who spoke today, she is so upset, that's why she is so upset. That's today, when she was so insulted asking for their help, that individual is the one who will direct this program. And here it is, as an Afro American woman, went to him out of peace and asked for his support. She turned around and was sent to the back room of the Resource Center in Pacoima and insulted and she came out crying. And I thought I went in helping. That's the one that will direct this program. The reason why she is so upset. No employee should treat a member like that when they went in for the support. And according to the enabling legislation, I might be wrong, but check the enabling legislation, Members of the Board of Governors. She is not here for longevity and if it ended tomorrow she'd thank God that she was able to participate. But check the enabling legislation, Members of the Board. The Board of - Governor Wilson signed it and the legislature will have some input on any decision you make today. Any decision that comes before you will have to go to the state legislature because they would have to have a hearing. She might be wrong. She thanked the Chairperson for giving her the opportunity. She's never been this excited before. But it's the way she was being treated. It came from the heart. The way she was treated when she went before them asking for support in how she can be a better member. And how she was insulted. And that's why she is so upset today and almost in tears. It's not about this incident, she appreciates all of them, they are good people here. But, Chairperson, no member should be treated with disrespect like she was treated when she went asking for help. And then this person can have input on these programs. No staff person, members of the human resource committee, no members should be treated with disrespect. Mr. Baackes, none of your staff should treat members with disrespect. That's why she is upset, she has never been like this before. She respects each and every one. But if she should have to go tomorrow, it doesn't matter. She will appreciate being part of it. But disrespect, she supports L.A. Care. She writes to the legislators and everybody else. Chairperson, the Board sits here representing members. She was here when the 11 RCACs were made. She was the Vice Chair. She still has letters from former Board of Supervisor members telling her how much they appreciate my support. Former Board members she has letters from. She has never responded like this before but her heart aches from the pain that she suffered. It's like a flashback, how she was treated when she went - at the family resource center in Pacoima. She went in a back room where no other members would go after a meeting. And that's why she is upset today.</i></p> <p><i>Andria McFerson, former RCAC 6 Chair, ECAC member, commented that she was written up as well for speaking publicly at a meeting when the Chair gave me the freedom to speak. At that moment in time I was not speaking out of order, I was doing exactly what I was</i></p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p><i>supposed to be doing, representing the community, speaking up and speaking out for better inclusion, better health care, better preventative care from the perspective of my region. There was another lady, as well, she's not here today. But all three of us who were written up by Francisco Oaxaca are disabled Black women. How are we only practicing a portion of the Operating Rules by only removing certain official Chairs but not honoring the fact that most Chairs have met their term? She believes there needs to be an official election before any Chairs are removed. And official RCAC meetings to decide who wants to run for the RCAC Chair. And there was no election for the people who were removed from their RCACs due to relocating. With that being said, only chosen few were taken away from their position without a formal election at all. The staff gave lists to the RCAC members and told them to check the box on which one they wanted to be their Chair representative without that person, that member, actually agreeing to be on the list. So, to her, she doesn't know if that was proper legal practices done by staff but it does need to be questioned. She ran for the Board Seat. On the way here she was denied transportation and she had to pay for an Uber for that ECAC meeting to fill out the application and she had a seizure. They had to discontinue, well stop the meeting until an ambulance came to adhere to her necessities but she refused to leave. She had to fill out that application and to put the representative of the organization to run for Layla's position. But Linda Merkens called that person, the representative from the organization that I participate in and said that, well this is what they told me. And the email that I received and I'll forward that to you as well, by Linda Merkens stating that she has to have her social security number, they have to be a member and they have to have a background check. She felt that she could not do that so therefor I was unable to run as a candidate for the BOG seat so Layla stays in that seat. They love Layla and she thanked her for representing members. But there should be a proper process according to law.</i></p> <p>Board Member Gonzalez thanked all of the members that attended the ECAC in person and those present today.</p> <p>Members here in person today:</p> <ol style="list-style-type: none"> 1. Ana Rodriguez RCAC 2 Member 2. Silvia Poz RCAC 4 Member 3. Fatima Vazquez RCAC 7 Member 4. Damares O Hernandez de Cordero RCAC 10 Member 5. Deaka McClain RCAC 9 Member 6. Lluvia Salazar RCAC 11 Member (ma 7. Fresia Paz RCAC 10 Member 8. Elizabeth Cooper RCAC 2 Member 9. Estela Lara, RCAC 4 10. Andria McFerson, RCAC 5 	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>ECAC met on June 14, 2023, and received an update from John Baackes, CEO. Mr. Baackes reminded members to please look out for their redetermination papers and fill them out by the deadline.</p> <p>Prity Thanki gave a Government Affairs update. She spoke about Governor Newsom’s May Revise proposed budget for fiscal year 2023-2024. Governor Newsom is projecting a \$31.5 billion deficit. After years of a budget surplus, his administration is forecasting a downturn in funding due to a combination of capital gains and losses and delayed tax filings due to severe winter storms. The May Revise shows \$37.2 billion in total budgetary reserves and additional funds from the Managed Care Organization (MCO) tax.</p> <p>Karl Calhoun gave an update on L.A. Care’s Housing and Homeless Initiative Programs (HHIP), a voluntary Medi-Cal Managed Care Plan (MCP) Incentive Program. There are two goals: help MCPs develop the capacity and partnerships to connect members to needed housing services, and reduce and prevent homelessness.</p> <p>Mr. Oaxaca gave a Communications and Community Relations Department Update that included the changes that are going to be implemented with RCACs, ECAC, as well as other community advisory roundtables and focus groups. He gave a report earlier today. A meeting of the Temporary Transitional ECAC was held on July 26. There will be a second run off vote for the election for the Board of Governors seat, which will happen on August 2. Members will gather here to vote in the run off.</p> <p>Board Member Gonzalez reported that at the TTECAC meeting, Deaka McClain introduced the idea that the Board of Governors implement more funding for providers to purchase examination tables that are accessible for disabled patients. The other at-large member Lluvia Salazar mentioned that Dreamers (DACA recipients) do not have access to government sponsored health care programs. Board Member Gonzalez asked Mr. Baackes to expand on his earlier statement about Medi-Cal expansion. Mr. Baackes confirmed there is an effort to expand access to Medi-Cal for DACA recipients. Board Member Contreras noted that starting January 1, 2024, all individuals ages 26 to 49 who are income eligible, would be eligible for full-scope Medi-Cal regardless of their immigration status. Board Member Gonzalez responded that DACA recipients are not eligible under that program. Cherie Compartore, <i>Sr. Director, Government Affairs</i>, noted that there is a proposed rule by Centers for Medicare and Medicaid Services (CMS), and L.A. Care submitted a letter of public support, that if passed would allow DACA recipients to access Covered California and be eligible to receive federal subsidy for the health care premium beginning November 1, 2023. Depending on income, DACA recipients are eligible for Medi-Cal already, with state funds. If the CMS rule is approved, federal funds would be available, and DACA recipients would be eligible for enrollment in Medicaid (Medi-</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Cal in California), Children’s Health Insurance Program and Covered California, with federal funding reimbursing California. Board Member Perez stated that if a DACA recipient has a work permit, they could get insurance from the employer.</p> <p>Board Member Perez reported that only the two candidates with the most votes from the first round of voting are eligible to be on the ballot for the second round of voting on August 2. The two candidates are here for the consumer representative, which Board Member Perez tries to do her best to perform, Ms. Fatima Vazquez and Ms. Deaka McClain. She wished them both the best of luck.</p>	
BOARD COMMITTEE REPORTS		
Executive Committee	<p><i>(Board Member Raffoul rejoined the meeting.)</i></p> <p>Chairperson Ballesteros reported that the Executive Committee met on June 28 <i>(approved meeting minutes are available by contacting Board Services)</i>. The Committee approved revisions to Human Resources Policies (Holidays), HR 203 (Attendance & Punctuality), HR 232 (Bereavement Leave), HR 302 (Employment-General Statement), HR 306 (Equal Employment Opportunity) and HR 308 (Job Posting). All these policies do not require full Board approval.</p>	
<ul style="list-style-type: none"> Government Affairs Update 	<p><i>This report was postponed to the next meeting.</i></p>	
Finance & Budget Committee	<p>Board Member Booth reported that the Committee met on June 28. <i>(Contact Board Services to obtain a copy of approved meeting minutes.)</i>. The Committee reviewed and approved motions at that meeting that were approved earlier today on the Consent Agenda. The Committee reviewed and approved motions for MediKeeper Contract, Cognizant Trizetto Software Group, Inc. Contract Amendment to support the QNXT 6.0, and Health Management Associates Contract Amendment. These motions do not require full Board approval.</p>	
Chief Financial Officer Report	<p>Afzal Shah, <i>Chief Financial Officer</i>, presented Financial Reports for May 2023 <i>(a copy of the presentation can be requested by contacting Board Services)</i>.</p> <p><u>Membership</u></p> <p>Membership for May 2023 is just over 2.9 million members and 22.6 million member months year-to-date (YTD). The variance for Medi-Cal is driven by an error in the membership forecast reported last month, which double counted the Dual Special Needs Plan (DSNP) members on the Medi-Cal side. The overall impact is about 26,000 members this month that will carry forward until the 9+3 forecast is complete. Without that error, Medi-Cal membership would be favorable to forecast by about 1,500 members.</p>	

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	<p><u>Consolidated Financial Performance</u> May 2023 has \$29.5 million net deficit; \$67 million unfavorable to the forecast when Housing and Homelessness Incentive Program (HHIP)/ Incentive Payment Program (IPP). From an operating margin perspective, this was unfavorable to the forecast by \$64 million.</p> <p>There were three main drivers of unfavorability this month:</p> <ol style="list-style-type: none"> 1) An adjustment was made to the Bridge Period Prop 56 risk corridor, dates of service July 2019 to December 2020. The Department Health Care Services (DHCS) determination letter did not use all of the actual costs due to some discrepancies in data submissions. DHCS is working with L.A. Care in resubmitting encounters and will issue an updated determination letter. 2) Overall, L.A. Care's incurred claims are in line with the forecast but there was a retroactive adjustment for some COVID related expenses dating back to the beginning of the pandemic. This is a preliminary estimate and further details and discussion will be forthcoming. 3) L.A. Care received the final rates for CY 2022, which had a positive impact of \$16 million. The June close will account for the MCO portion of the CY 2022 rate impact. <p>YTD there was a \$222 million net surplus, which was \$74 million favorable to the forecast, when HHIP and IPP are excluded. Operating Margin is favorable by \$38 million. The drivers for the month apply here as well. Additional drivers include the In-Home Support Services (IHSS reconciliation). Community Based Adult Services (CBAS) favorability, and higher Long-Term Care (LTC) revenue. Administrative expense is favorable by \$10 million, primarily driven by lower spending on consulting fees. Non-Operating is favorable by \$26 million.</p> <p><u>Operating Margins</u> Overall Medical Care Ratio (MCR) was 91.5% vs forecast of 92.2%; excluding HHIP/IPP, MCR was 92.8% vs a forecast of 93.4%.</p> <ul style="list-style-type: none"> • D-SNP MCR is better than forecast. • Commercial MCR is slightly higher than the forecast. • Medi-Cal MCR is close to forecast. <p><u>Reported vs. Paid Claims Trend</u> There has been some volatility in the past, but recently quite a lot of stability. There was an operational process change at month end as the amount of time was shortened for claims review. This is the main reason paid claims were higher in May.</p> <p>Key Financial Ratios are consistent with previous months.</p> <p><u>Tangible Net Equity and Days of Cash on Hand</u></p>	

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	<p>May 2023 Fund Balance was \$1.4 billion, which represents 617% of Tangible Net Equity. For the month of May, there is enough cash to cover operating expenses for the next 68 days.</p> <p><u>Motion FIN 104.0723</u> To accept the Financial Reports for May 2023, as submitted.</p>	<p>Unanimously approved by roll call. 10 AYES (Ballesteros, Booth, Contreras, De La Torre, Gonzalez, Ghaly, Perez, Raffoul, Solis, and Vaccaro)</p>
<ul style="list-style-type: none"> Monthly Investments Transactions Report 	<p>Mr. Shah referred to the investment transactions reports included in the meeting materials (a <i>copy of the reports can be obtained by contacting Board Services</i>). This report is provided to comply with the California Government Code and is presented as an informational item. L.A. Care's total investment market value as of May 31, 2023 was \$2.5 billion</p> <ul style="list-style-type: none"> \$2.4 billion managed by Payden & Rygel and New England Asset Management (NEAM) \$34 million in Local Agency Investment Fund \$78 million in Los Angeles County Pooled Investment Fund 	
<p>Compliance & Quality Committee</p>	<p>PUBLIC COMMENT</p> <p><i>Andria McFerson, former Chair of RCAC 6 and Co-Chair of the Department of Mental Health Service Area Leadership Team (SALT) 5. She speaks about mental health all the time because she has a chronic illness, epilepsy. That's the reason why she feels it's important to be a RCAC member, to be an advisory committee to the Board, due to the fact that with that she shows empathy because she understands exactly what they go through. As far as item 10, she is commenting for someone who has a physical disparity as well. She was unable to stay because of transportation issues, and that's basically what they have been having due to transportation actually coming early. And we get written up, which was spoken before, about being written up for not going down for transportation when they get here. And sometimes we have physical disparities like she has had a seizure right there on the ground next to one of the vans that came to get her. And I did not want to get written up for that, but sometimes those things happen. Deaka, she wanted me to talk about the \$30 food stamp allocation and how you should discuss these things because it is not enough money for people who actually need food on a regular basis. If you have SSI, SSDI or any other low-income coverage, \$30 is not enough to feed yourself for a month. She asked the Board to discuss those things.</i></p> <p>Stephanie Booth, MD, Committee Chairperson, reported that the Compliance & Quality Committee met on June 15 (<i>approved meeting minutes can be obtained by contacting Board Services</i>).</p>	

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	<p>Mr. Mapp and the Compliance Department presented the Chief Compliance Officer report. Mr. Mapp announced that Mitra Madjdi has a new role with Compliance in reporting and data management with regulatory agencies.</p> <ul style="list-style-type: none"> • Michael Sobetzko, <i>Senior Director, Risk Management and Operations Support</i>, introduced Marie Grivalja, <i>Manager, Regulatory Analysis and Communications</i>, and she gave a 2024 DHCS Operational Readiness Update, some highlights are below <ul style="list-style-type: none"> - Medi-Cal Managed Care Request for Proposal for commercial plans was released February 9, 2022. <ul style="list-style-type: none"> o Included new managed care contract requirements for all Medi-Cal plans o These new contracts are to be implemented January 1, 2024 - In June 2022, DHCS kicked off an operational readiness assessment for Medi-Cal managed care plans. <ul style="list-style-type: none"> o Deliverables were grouped into nearly 250 individual tasks o Due dates range between August 1, 2022 through December 29, 2023 - DHCS will be conducting Go Live Assessments of the plans to determine if a plan is a “go” or “no go” for January implementation. It is tentatively scheduled for September 2023. <ul style="list-style-type: none"> o Compliance anticipates conducting onsite readiness review for a subset of operational readiness areas along with some virtual activities o Additional details will be provided in the coming weeks • Mr. Sobetzko gave an Issues Inventory update. <ul style="list-style-type: none"> - Issues Reported in 2022 and 2023 <ul style="list-style-type: none"> o 130 items are listed in the Issues Inventory as of May 31, 2023 <ul style="list-style-type: none"> ➤ 3 issue items were added to the inventory and are in Open Status - 34 issues require remediation - Some of the issues added in May include: <ul style="list-style-type: none"> o Health Risk Assessments (HRAs) - Policy Change: HRA policy/process change began effective January 2023. o Duplicate Encounters Communication - DHCS: DHCS identified duplicate revenue code and procedure code lines in the encounter communication. <p>Dr. Amin presented the June 2023 Chief Medical Officer Report.</p> <p>Elaine Sadocchi –Smith, <i>Director, Population Health Management</i>, reported on CalAIM Population Health Management (PHM) and Transitional Care Services (TCS).</p> <ul style="list-style-type: none"> • Implementation began January 1, 2023. Health Plans must develop and execute a plan to ramp up transitional care services and ensure that all TCS are complete for all members 	

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	<p>designated as high risk (HR) by DHCS. DHCS is allowing a phased in approach, by January 2024, health plans are required to complete transitional care services for all members.</p> <ul style="list-style-type: none"> Admission, Discharge and Transfer (ADT): <p>Starting January 1, 2023, plans are responsible for ingesting and utilizing ADT feeds when they exist. The DHCS PHM Service will not have ADT feeds at launch, so health plans are expected to establish infrastructure to utilize ADT feeds locally.</p> <ul style="list-style-type: none"> Ingesting and utilizing ADT feeds. L. A. Care currently receives ADT feeds from ~70% of the hospitals in Los Angeles County participating in the three Health Information Exchanges (HIE), that we have contracted. For the remainder of the hospitals in the county, L.A. Care receives face sheets upon member admission, discharge, or transfer. Dual Eligible Special Needs Plans (D-SNP) contractors will be required to have contracted hospitals and SNFs use HIE for all member admissions. <p>Donna Sutton, <i>Senior Director, Stars Excellence</i>, gave a Stars D-SNP update. There are essentially two different Stars programs. One is the Stars Quality Program for the Medicare Plus program and there is a quality rating system program for the L.A. Care Covered line of business. Both programs include a collection of performance measures. Current projected overall performance for MY2022 is 2.5 Stars for Medicare D-SNP and 3 Stars for L.A. Care Covered. The goal for measurement year 2023 is 3.5 overall star rating for Medicare D-SNP and an overall star rating of 3 for L.A. Care Covered.</p>	
<p>PUBLIC COMMENT on Closed Session Items</p>	<p><i>Andria McFerson commented regarding Public Employee Performance Evaluation. She asked that the Board allow the CEO of L.A. Care to allow members to practice quality inclusion. He's been great with that, he's allowed us to do many things throughout the community, and she appreciates that. To allocate additional funding to the advisory committees. Because while he does allow food banks and different back to school give aways, and L.A. Care is involved in many events throughout the county. If he then can continue to do so and do his great work, then we can go back to how the RCACs used to be. And also allow the RCACs and ECAC to continue to have meetings throughout the year. That would be great. We have given back to the community as well. We have been involved with those events according to our region. It may change now but at the events that we used to have, we used to have tables and we used to give out necessary information according to our RCACs. RCAC members used to be able to give back in that way. And we are no longer able to do so. We don't have access to that anymore and it's been awhile. But I'm pretty sure with that being said, her fellow RCAC members are so willing to give back. And the CEO, he's awesome, so she asks that the Board allow him to allocate more funding toward the committees so that we can raise the stipends as well. Because while giving food back to the community, the members of L.A. Care Regional Community Advisory Committees are also low income. Some people hadn't ate that day I talked to that participated in the meetings, including myself. So we would love to have more inclusion of course, and actually raise the stipend so that we can also feed our families as well as participate in the advisory committee giving necessary information to the Board of Governors. And thank you for listening and John Baackes has been great.</i></p>	

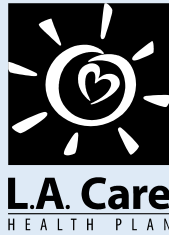
AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	Chairperson Ballesteros thanked Ms. McFerson for all her comments today.	
ADJOURN TO CLOSED SESSION	<p>The Joint Powers Authority Board of Directors meeting adjourned at 4:32 pm.</p> <p>Linda Merkens, <i>Board Services</i>, announced the following items to be discussed in closed session. The L.A. Care Board of Governors adjourned to closed session at 4:33 pm. No report is anticipated from the closed session.</p> <p>CONTRACT RATES Pursuant to Welfare and Institutions Code Section 14087.38(m)</p> <ul style="list-style-type: none"> • Plan Partner Rates • Provider Rates • DHCS Rates • Plan Partner Services Agreement <p>REPORT INVOLVING TRADE SECRET Pursuant to Welfare and Institutions Code Section 14087.38(n) Discussion Concerning New Service, Program, Business Plan Estimated date of public disclosure: <i>July 2025</i></p> <p>CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION Pursuant to Section 54956.9(d)(1) of the Ralph M. Brown Act L.A. Care Health Plan’s Notice of Contract Dispute under Contract No. 04-36069 Department of Health Care Services (Case No. Unavailable) L.A. Care Health Plan v. United States, (U.S. Court of Federal Claims Case No. 17-1542); (U.S. Court of Appeals for the Federal Circuit Case No. 20-2254)</p> <p>CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION Pursuant to Section 54956.9(d)(1) of the Ralph M. Brown Act</p> <ul style="list-style-type: none"> • <i>Kindred Hospital v. L.A. Care Health Plan</i> (L.A.S.C. Case No. 22STCV19872, filed June 17, 2022) • <i>Kindred Hospital v. L.A. Care Health Plan</i> (L.A.S.C. Case No. 23STCV01166, filed January 19, 2023) • <i>Kindred Hospital v. L.A. Care Health Plan</i> (American Health Lawyer’s Association Case No. 7637, filed February 1, 2023) <p>CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION Significant exposure to litigation pursuant to Section 54956.9(d)(2) of Ralph M. Brown Act: Four Potential Cases</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION Pursuant to Section 54956.9(d)(1) of the Ralph M. Brown Act</p> <ul style="list-style-type: none"> • Department of Managed Health Care Enforcement Matter Numbers: 18-799, 20-063, 21-428, 21-509, 21-680 • Department of Health Care Services, Office of Administrative Hearings and Appeals, In the matter of: L.A. Care Health Care Plan Appeal No. MCP22-0322-559-MF <p>PUBLIC EMPLOYEE PERFORMANCE EVALUATION Pursuant to Section 54957 of the Ralph M. Brown Act Title: Chief Executive Officer</p> <p>CONFERENCE WITH LABOR NEGOTIATOR Pursuant to Section 54957.6 of the Ralph M. Brown Act Agency Designated Representative: Alvaro Ballesteros, MBA Unrepresented Employee: John Baackes</p>	
RECONVENE IN OPEN SESSION	The Board reconvened in open session at 6:48 p.m. There was no report from closed session.	
	Consideration of Chief Executive Officer’s Compensation and Employment Agreement <i>(This item was not discussed)</i>	
ADJOURNMENT	The meeting was adjourned at 6:48 p.m.	

Respectfully submitted by:
Linda Merkens, *Senior Manager, Board Services*
Malou Balones, *Board Specialist III*
Victor Rodriguez, *Board Specialist II*

APPROVED BY:

John G. Raffoul, *Board Secretary*
Date Signed _____



Board of Governors

MOTION SUMMARY

Date: September 7, 2023

Motion No. BOG 100.0923

Committee:

Chairperson: Alvaro Ballesteros, MBA

Issue: Approval of 2024 schedule of meetings for the Board of Governors and Committees.

Background: The meetings are scheduled according to these guidelines established by the Board:

- Eight Board meetings in 2024, with two tentatively scheduled meetings in March and October; with meeting cancellations determined by agenda content.
- Finance & Budget and Executive Committee meetings on the fourth Wednesday. Ten Finance & Budget and ten Executive Committee meetings are scheduled; with meeting cancellations determined by agenda content.
- Ten Compliance & Quality Committee meetings on the 3rd Thursday; with meeting cancellations determined by agenda content.
- Four Provider Relations Advisory Committee meetings on the 3rd Wednesday; with meeting cancellations determined by agenda content.
- Audit, Governance and Services Agreement Committees meet as needed.
- Ten Executive Community Advisory Committee meets on 2nd Wednesday.
- Five Children’s Health Consultant Advisory Committee meets on 2nd Tuesday every two months; with meeting cancellations determined by agenda content.
- Four Technical Advisory Committee meets on 2nd Thursday quarterly; with meeting cancellations determined by agenda content.

The schedule is consistent with L.A. Care’s enabling statute (California Welfare & Institutions Code Section 14087) which requires six board meetings per year, and the proposed meeting frequency is in line with other public health plans in California.

Member Impact: Public input is welcome at all Board and Committee meetings.

Budget Impact: None.

Motion: To approve the attached 2024 Board of Governors & Committees meeting schedule.

2024 Regular Board and Committee Meeting schedule

BoG: Board of Governors, meets 1st Thursdays of the month at 1:00 pm, and meets all day in September for strategic discussion

C&Q: Compliance and Quality Committee, meets 3rd Thursdays of the month at 2:00 p.m.

Exec: Executive Committee meets 4th Wednesdays of the month at 2:00 p.m.

F&B: Finance & Budget Committee meets 4th Wednesday of the month at 1:00 p.m.

PRAC: Provider Relations Advisory Committee meets Quarterly 3rd Wednesday of meeting month at 9:30 a.m.

CHCAC: Children’s Health Consultant Advisory Committee meets 3rd Tuesdays every 2 months at 8:30 a.m.

ECAC: Executive Community Advisory Committee meets 2nd Wednesdays of the month at 10:00 a.m.

TAC: Technical Advisory Committee meets 2nd Thursday of meeting month at 2:00 PM

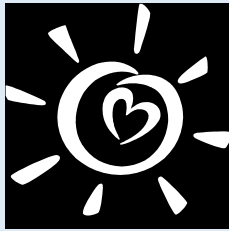
JPA and LACH: Joint Powers Authority and L.A. Care Community Health Plan meet concurrently with a BoG meeting

Meetings are usually held at 1055 West 7th Street, 1st Floor, Los Angeles, CA 90017

Except where *offsite* meetings are indicated below or if a different address is posted on the meeting agenda.

<u>January 2024</u> <i>No Board meeting</i> 1/10 – ECAC 1/11 - TAC 1/16 – CHCAC 1/18 – C&Q 1/24 –F&B, Exec	<u>February 2024</u> 2/1 – BoG 2/14 – ECAC 2/15 – C&Q 2/21 - PRAC 2/28 –F&B, Exec	<u>March 2024</u> 3/7 BoG (tentative) 3/13 – ECAC 3/21 - C&Q 3/19 – CHCAC 3/27 – F&B, Exec TBD – GOV
<u>April 2024</u> 4/4 – BoG 4/10 – ECAC 4/11 - TAC 4/18 – C&Q 4/24 – F&B, Exec	<u>May 2024</u> 5/2 – BoG 5/8 – ECAC 5/15 - PRAC 5/16 – C&Q 5/21 – CHCAC 5/22 – F&B, Exec	<u>June 2024</u> 6/6 – BoG (<i>offsite</i>)* 6/12 – ECAC 6/20 – C&Q 6/26 – F&B, Exec
<u>July 2024</u> <i>No BoG Committee Meetings</i> 7/10 - ECAC 7/25 – BOG	<u>August 2024</u> <i>No Board meeting</i> <i>No ECAC meeting</i> 8/8 – TAC 8/15 – C&Q 8/20 – CHCAC 8/21 - PRAC 8/28 – F&B, Exec TBD – Audit	<u>September 2024</u> 9/5 – BoG (<i>offsite all day retreat</i>)* 9/11 - ECAC 9/19 – C&Q 9/25 - F&B, Exec TBD –GOV
<u>October 2024</u> 10/3 BoG (tentative) 10/10 - TAC 10/9 – ECAC 10/15 - CHCAC 10/17 – C&Q 10/23 - F&B, Exec	<u>November 2024</u> 11/7 – BoG 11/13 – ECAC 11/20 – PRAC 11/20 - F&B, Exec* <i>*Due to Thanksgiving holiday</i> 11/21 – C&Q	<u>December 2024</u> 12/5 – BoG 12/11 – ECAC TBD – Audit <i>No other meetings</i>

*Offsite locations are tentative



L.A. Care
HEALTH PLAN

Board of Governors
MOTION SUMMARY

Date: September 7, 2023

Motion No. BOG 101.0923

Committee:

Chairperson: Alvaro Ballesteros, MBA

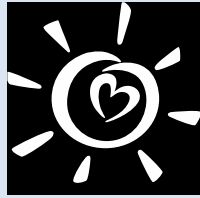
Issue: Approval of Children’s Health Consultant Advisory Committee Member.

Background:

Member Impact: None

Budget Impact: None

Motion: To appoint Felix Aguilar-Henriquez, MD, Medical Director, Quality, Health Services, as member of the Children’s Health Consultant Advisory Committee (CHCAC), for the Medical Director for Quality Management of L.A. Care Health Plan seat.



L.A. Care
HEALTH PLAN®

Board of Governors
MOTION SUMMARY

Date: September 7, 2023

Motion No. EXE 100.0923

Committee: Executive

Chairperson: Alvaro Ballesteros, MBA

Issue: Request to delegate authority to negotiate and execute Amendment 40 to L.A. Care's Medi-Cal contract (contract number 04-36069) with the Department of Health Care Services (DHCS).

New Contract Amendment Sole Source RFP/RFQ was conducted

Background: L.A. Care received A40 from DHCS on July 31, 2023; this is the final version of draft amendment 2022-D. This amendment contains technical changes as well as updates to the following:

- Subcontract Network Certification
- Updated Reporting Requirements
- Community Health Care Workers Services
- Cognitive Health
- Updated Grievance and Appeals
- Asthma Preventive Services

The due date for submission of the executed amendment to DHCS is September 11, 2023.

Member Impact: Member impact is under investigation.

Budget Impact: Finance is reviewing for any impact on relevant budgets.

Motion: To delegate authority to L.A. Care Chief Executive Officer, John Baackes, to negotiate and make any substantive changes to Amendment A40 to Contract 04-36069, between L.A. Care Health Plan and the California Department of Health Care Services, which may be made or negotiated by the Chief Executive Officer and/or his designees, and to execute Amendment A40.

IV. Exhibit A, Attachment 6, PROVIDER NETWORK, is amended to read:

12. Subcontractor Reports

A. Contractor shall submit to DHCS, a quarterly report containing the names of all Subcontractors, including health maintenance organizations, independent physician associations, medical groups, and FQHCs and their contracting health maintenance organizations, independent physician associations, medical groups, and FQHCs. The report must be sorted by Subcontractor type, indicating the county or counties in which Members are served. In addition, the report should also indicate where relationships or affiliations exist between direct and indirect Subcontractors. The report shall be submitted within 30 calendar days following the end of the reporting quarter.

B. **Subcontractor Network Certification**

- 1) **Contractor must develop, implement, and maintain a process to annually certify its Subcontractors' Networks that provide Medi-Cal Covered Services for compliance with Provider Network requirements set forth in Exhibit A, Attachment 6, Provision 2, Network Composition, and Provision 3, Provider to Member Ratios, Provision 4, Physician Supervisor to Non-Physician Medical Practitioner Ratios, and Exhibit A, Attachment 9, Provision 4, Access Standards.**
- 2) **Contractor must submit complete and accurate Network Provider and Subcontractors' Network Provider data, as set forth in Exhibit A, Attachment 3, Management Information System, Provision 7, Program Data Reporting.**
- 3) **Contractor must have a process in place to impose Corrective Action and sanctions and report to DHCS, as specified by DHCS, when a Subcontractor's Network that provides Medi-Cal Covered Services fails to meet Network adequacy standards as set forth in APL 21-006. Contractor must ensure all Members assigned to a Subcontractor's Network that is under a Corrective Action continue to receive access to Medically Necessary Covered Services within timely access standards and applicable time or distance standards as set forth in Exhibit A, Attachment 9, Access and Availability, Provision 4, Access Standards, by supplementing the Subcontractor's Network until the Corrective Action is resolved.**
- 4) **Contractor must submit the results of its Subcontractor Network certification to DHCS annually in a format specified**

by DHCS and post its submitted certification on its website.

V. Exhibit A, Attachment 10, SCOPE OF SERVICES, is amended to read:

6. Services for Adults

B. Adult Preventive Services

Contractor shall cover and ensure the delivery of all preventive services and Medically Necessary diagnostic and treatment services for adult Members.

3) Contractor must ensure the provision of an annual cognitive health assessment for Members who are 65 years of age or older, and are otherwise ineligible to receive a similar assessment as part of a Medicare annual wellness visit.

8. Services for All Members

J. Asthma Preventive Services

Contractor must ensure availability of Asthma Preventive Services (APS), including clinic-based and home-based asthma self-education, and in-home environmental trigger assessments for all Members with a diagnosis of asthma. APS may be provided by a Physician or a Non-Physician Medical Practitioner, or a licensed practitioner of the healing arts within their scope of practice. APS may also be provided by unlicensed Providers, which may include Community Health Workers (CHW), who have met the qualifications of an APS Provider and are providing these services under a supervising Physician or Non-Physician Medical Practitioner, clinic, hospital, local health jurisdiction, or community-based organization.

K. Community Health Workers Services

- 1) Contractor must ensure availability of CHW Services to all Members that meet the eligibility criteria in accordance with 42 CFR section 440.130(c).**
- 2) Contractor must adhere to DHCS guidance on service definitions, eligible populations, and CHW provider parameters as stated in APL 22-016.**
- 3) CHW Provider and Supervising Provider Requirements**
 - a) Contractor must determine, verify, and validate CHW providers can provide CHW Services in an effective manner consistent with culturally and linguistically appropriate care.**
 - b) CHW providers must have lived experience that aligns with and provides a connection between CHW and the Member population being served in accordance with APL 22-016.**
 - c) Contractor must contract with a Supervising Provider to oversee CHW providers and the services delivered to Members. CHW providers can be supervised by a community-based organization (CBO) or a local health jurisdiction (LHJ) that does not have a licensed Provider on staff in alignment with the Provider Manual and APL 22-016.**
 - d) Contractor must ensure that Network Providers and Subcontractors contracting with or employing CHWs to provide Covered Services have adequate supervision and training.**
 - e) Contractor must ensure CHW providers demonstrate, and Supervisor Providers maintain evidence of, minimum qualifications through the CHW certificate pathway, Violence Prevention certificate pathway, or Work experience pathway, as described in APL 22-016.**
 - f) Contractor must have a process for verifying qualifications and experience of Supervising Providers, which must extend to individuals employed by, or**

delivering CHW Services on behalf of, the Supervising Provider.

- g) Contractor must ensure Supervising Providers and CHW providers comply with all applicable State and federal laws and regulations, Contract requirements, and other DHCS guidance, including APLs and Policy Letters.**

L. Community Health Workers Provider Capacity

- 1) Contractor must ensure and monitor appropriate, adequate Provider Networks within its Service Area, including for CHW Services as stated in APL 21-006.**
- 2) Contractor must use data-driven approaches to determine and understand priority populations eligible for CHW Services, including but not limited to, using past and current Member utilization/encounters, frequent hospital admissions or emergency department visits, demographic and Social Drivers of Health data, referrals from the community, and needs assessments.**

M. Identifying Members for Community Health Workers

- 1) Contractor must require a referral for CHW Services submitted by a Physician or other licensed practitioner of the healing arts within their scope of practice under State law.**
- 2) Contractor must accept recommendations for CHW Services from other licensed practitioners, whether they are in the Network or Out-of-Network Providers, within their scope of practice, including physician assistants, nurse practitioners, clinical nurse specialists, podiatrists, nurse midwives, licensed midwives, registered nurses, public health nurses, psychologists, licensed marriage and family therapists, licensed clinical social workers, licensed professional clinical counselors, dentists, registered dental hygienists, licensed educational psychologists, licensed vocational nurses, and pharmacists.**

VI. Exhibit A, Attachment 14, MEMBER GRIEVANCE AND APPEAL SYSTEM, is amended to read:

- 1. Member Grievance and Appeal System**

Contractor shall have in place a system in accordance with 28 CCR ~~§~~sections 1300.68 and 1300.68.01, 22 CCR ~~§~~section 53858, Exhibit A, Attachment 13, Provision 3, Paragraph F.13), and 42 CFR sections 438.228 and 438.4020-424. Contractor shall follow Grievance and Appeal requirements, and use all notice templates included in APL 21-011. Contractor shall ensure that its Grievance and Appeal system meets the following requirements:

3. Grievance and Appeal Log and Monthly Quarterly Grievance and Appeal Report

- A. Contractor shall accurately must maintain **records of Grievances and Appeals in a manner** and make accessible to DHCS, and have available for **to the Centers for Medicare and Medicaid Services (CMS)**, upon request, ~~Grievance and Appeal logs, including copies of Grievance and Appeal logs of any Subcontractor delegated responsibility to maintain and resolve Grievances. Grievance and Appeal logs shall include all the required information set forth in Title 22 CCR Section 53858(e).~~ B. The report shall include Grievances and Appeals handled by Subcontractors. **The record of each Grievance or Appeal must contain, at a minimum, all information set forth in 42 CFR section 438.416(b).** Contractor shall must ensure that all documents **and records, whether in written or electronic format**, generated or obtained by Contractor in the course of responding to Adverse Benefit Determinations (**ABD**), Grievances, Appeals, and Independent Medical Reviews (**IMR**), are retained for at least **ten (10)** years pursuant to 42 CFR section 438.3(u).
- ~~B.~~ Contractor shall submit **to DHCS** a monthly Grievance and Appeal report for Medi-Cal Members only in the form that is required by and submitted to **Department of Managed Health Care (DMHC)**, as set forth in Title 28 CCR ~~§~~section 1300.68(f), with additional information required by DHCS per 42 CFR section 438.416 and 22 CCR section 53858(e).
- ~~C.~~ Contractor shall submit complete, accurate, and timely Grievance and Appeal data within ten (10) calendar days following the end of each month under this Contract or as otherwise agreed upon by DHCS, and in the format specified by DHCS and as required in Exhibit A, Attachment 3, Provision 7, Program Data. Contractor shall certify all Network data as set forth in 42 CFR section 438.606.
- ~~D.~~ **Contractor must comply with the requirements set forth in Exhibit A, Attachment 3, Management Information System, of this Contract for the reporting of Grievance and Appeal data.**

VII. Exhibit A, Attachment 17, REPORTING REQUIREMENTS, is amended to read:

Contract Section	Requirement	Frequency
Attachment 6 PROVIDER NETWORK		
12. A. Subcontractors Report	Subcontractors Report	Quarterly
B. Subcontractor Network Certification	SN Certification	Annually
Attachment 14 MEMBER GRIEVANCE AND APPEAL SYSTEM		
3. Grievance and Appeal Log and Quarterly Quarterly Monthly Grievance and Appeal Report	Grievance and Appeal Report	Quarterly Monthly

VIII. Exhibit A, Attachment 18, IMPLEMENTATION PLAN AND DELIVERABLES, is amended to read:

10. **Scope of Services**

L. Submit policies and procedures for the provision of:

6) Asthma Preventive Services

P. Contractor must submit to DHCS, for review and approval, a CHW Integration Plan describing the strategies for supporting CHW integration and its approach for building sustainable infrastructure and supports.

14. **Member Grievance and Appeal System**

C. Submit format for ~~Quarterly~~ **Monthly** Grievance and Appeal Log and Report.

IX. Exhibit A, Attachment 20, BEHAVIORAL HEALTH SERVICES, is amended to read:

4. **Non-Specialty Mental Health Care Services Providers**

B. In order to determine whether NSMHS and substance use disorder services are Medically Necessary, Contractor shall apply the criteria of Medical Necessity as stated in APL 17-016~~21-014~~ and 17-018~~22-006~~.

X. Exhibit E, Attachment 1, DEFINITIONS, is amended to read:

Asthma Preventive Services (APS) means preventive health services delivered to prevent asthma that include evidence-based asthma self-management education and in-home environmental trigger assessments, consistent with the National Institutes of Health’s Guidelines for the Diagnosis and Management of Asthma.

Community Health Worker (CHW) means an individual known by a variety of job titles, such as promotores, community health representatives, navigators, and other non-licensed public health workers, including violence prevention professionals, and as set forth in APL 22-016.

CHW Services means preventive health services delivered by a CHW to prevent disease, disability, and other health conditions or their progression; to prolong life; and to promote physical and mental health. CHW Services can be provided in individual or group sessions. CHW Services may be provided virtually or in-person with locations in any setting including, but not limited to, outpatient clinics, hospitals, homes, or community settings. CHW Services do not include any service that requires a license.

Federally Qualified Health Center (FQHC) means an entity defined in Section 1905 of the Social Security Act (42 United States Code (USC) §section 1396d(l)(2)(B)).

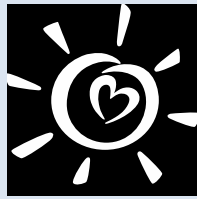
Partial Dual Eligible Member means a Member who is 21 years of age or older and is eligible for Medi-Cal, and who is also eligible for benefits under either Medicare Part A (42 U.S.C. Sec. USC section 1395c et seq.) or Medicare Part B (42 U.S.C. Sec. USC section 1395j et seq.).

Social Drivers of Health (SDOH) means the conditions in the environments in which people are born, live, learn, work, play, worship, and age that affect a wide range of health functioning, and quality-of-life outcomes and risk.

Subcontractor Network means a Provider Network of a Subcontractor or downstream Subcontractor, wherein the Subcontractor or downstream Subcontractor is delegated risk and is responsible for arranging for the provision of and paying for Covered Services as stated in their Subcontractor or downstream Subcontractor Agreement

Supervising Provider means a licensed Provider, a hospital, an outpatient clinic, a local health jurisdiction (LHJ), or a community-based organization (CBO).

- XI. All rights, duties, obligations and liabilities of the parties hereto otherwise remain unchanged.



L.A. Care
HEALTH PLAN®

Board of Governors
MOTION SUMMARY

Date: September 7, 2023

Motion No. EXE 101.0923

Committee: Executive

Chairperson: Alvaro Ballesteros, MBA

Issue: Execute a Housing & Homelessness Incentive Program Investment agreement with the Los Angeles County Department of Public Health (DPH). DPH shall provide field-based clinical services for people experiencing homelessness, an environment health homeless encampment assessment program, and Medi-Cal enrollment and redetermination assistance for people experiencing homelessness.

New Contract **Amendment** **Sole Source** **RFP/RFQ was conducted in <<year>>**

Background: As of 2022, L.A. Care opted to participate in the Department of Health Care Services (DHCS) Housing and Homelessness Incentive Program (HHIP), which has two overarching goals:

1. Ensuring that Managed Care Plans (MCPs) have the necessary capacity and partnerships to connect their members to needed housing services; and
2. Reducing and preventing homelessness.

HHIP is a MCP incentive program through which MCPs may earn incentive funds for improving health outcomes and access to whole person care services by addressing homelessness and housing insecurity as social drivers of health and health disparities. The HHIP rewards MCPs for developing the necessary capacity and partnerships to connect their members to needed housing services and taking active steps to reduce and prevent homelessness.

In order to align with HHIP goals and to help meet HHIP metrics and thus draw down funds, L.A. Care staff requests approval to execute a contract with Los Angeles County Department of Public Health (DPH) for period of twenty four months, in an amount up to \$2,500,000. This investment represents 70% of the costs and will be jointly funded with Health Net for the remaining 30%.

With this HHIP investment, DPH will implement three initiatives:

1. Field-based street medicine services delivered to unsheltered people experiencing homelessness in their lived environments. These services will be coordinated with other homeless outreach and street medicine teams.
2. Disease control services for unsheltered people experiencing homelessness, such as environmental assessments of encampments to address unsanitary or safety issues that arise due to the condition of the encampment and the environment.
3. Medi-Cal redetermination and application assistance for people experiencing homelessness. Services will be delivered by adding staff to DPH's Community Health Outreach Initiative grantees who will conduct field-based outreach and enrollment help for people experiencing homelessness.

L.A. Care selected DPH because of their experience and position to quickly build capacity and coordinate the required services for vulnerable communities throughout Los Angeles. L.A. Care did not conduct a request for proposal for this vendor because of their experience and required timing for making the HHIP

Board of Governors

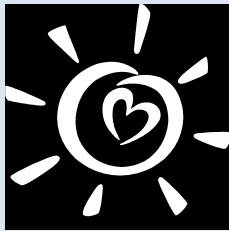
MOTION SUMMARY

investment in order to meet DHCS goals within the current reporting period (January 1, 2023 – October 31, 2023) and earn future HHIP funding.

Member Impact: L.A Care members will benefit from this motion as it will help increase access to street medicine services, reduce the risk of unsanitary conditions for unsheltered members experiencing homelessness, and provide Medi-Cal redetermination assistance for members experiencing homelessness.

Budget Impact: The cost was anticipated and included in the approved budget for the Housing and Homeless Incentive Program and will use HHIP funds already received by L.A. Care.

Motion: **To authorize staff to execute an HHIP investment agreement in the amount of up to \$2,500,000 with the Los Angeles County Department of Public Health to perform field-based clinical services, Medi-Cal enrollment work and environmental assessments of homeless encampments for a twenty four month period.**



L.A. Care
HEALTH PLAN

Board of Governors
MOTION SUMMARY

Date: September 7, 2023

Motion No. FIN 100.0923

Committee: Finance & Budget

Chairperson: Stephanie Booth, M.D.

Issue: Accept the Investment Report for the quarter ended June 30, 2023

New Contract **Amendment** **Sole Source** **RFP/RFQ was conducted**

Background: Per L.A. Care's Investment Policy, the Finance & Budget Committee is responsible for reviewing L.A. Care's investment portfolio to confirm compliance with the Policy, including its diversification and maturity guidelines.

Member Impact: N/A

Budget Impact: L.A. Care budgets a reasonable return on investment holdings.

Motion: To accept the Quarterly Investment Report for the quarter ending June 30, 2023, as submitted.



DATE: August 23, 2023
 TO: Finance & Budget Committee
 FROM: Afzal Shah, *Chief Financial Officer*

SUBJECT: Quarterly Investment Report – June 2023

As of June 30 2023, L.A. Care's combined investments value was approximately \$2.5 billion. Interest income, amortization, realized gains and losses was approximately \$31 million for the quarter. Unrealized losses due to market price fluctuations was approximately \$4 million for the quarter. The rate of return for the quarter was 0.96%. Based upon an independent compliance review performed as of June 30, 2023, LA Care is in compliance with its investment policy guidelines pursuant to the California Government Code and the California Insurance Code.

At quarter end \$2.1 billion (or approx. 83% of total investments) and \$0.3 billion (or approx. 13% of total investments) were under the management of Payden & Rygel and New England Asset Management, respectively. Both are external professional investment management firms. A list of the securities held under management of these two firms are attached. Below are the same securities grouped by investment type:

	Payden	NEAM	Combined
Cash and Money Market Mutual Fund	7%	0%	6%
U.S. Treasury Securities	34%	0%	30%
U.S. Agency & Municipal Securities	36%	4%	32%
Corporate bonds	0%	96%	13%
Commercial paper	10%	0%	9%
Asset Backed and Mortgage Backed Securities	9%	0%	7%
Negotiable CDs	3%	0%	2%
Other	1%	0%	1%
	100%	100%	100%
Average credit quality:	AA+	A1	
Average duration:	0.27 years	2.58 years	
Average yield to maturity:	5.19%	5.27%	

The funds managed by Payden & Rygel are managed as two separate portfolios based on investment style – 1) the short-term portfolio and 2) the extended term portfolio. The short-term portfolio had approximately \$2,017 million invested as of June 30, 2023, and returned 1.21% for the quarter. The comparative benchmark returned 1.17% for the quarter. The extended term portfolio had approximately

\$90 million invested June 30, 2023, and returned -0.56% for the quarter. The comparative benchmark had a return of -0.88%.

PORTFOLIO RETURNS				
Periods over one year annualized				
Periods ended 6/30/2023	2nd Quarter	2023 YTD	Trailing 1 Year	Trailing 3 Year
Performance				
LA Care - Short-Term Portfolio	1.21	2.32	3.70	1.30
Benchmark*	1.17	2.25	3.59	1.27
LA Care - Extended-Term Portfolio	-0.56	1.17	0.43	-1.10
Benchmark**	-0.88	0.97	-0.38	-1.88
LA Care - Combined Portfolio	1.14	2.27	3.50	1.15

* ICE BoA 91 Day Treasury Index
 ** Bloomberg US Govt 1-5 Yr Bond Index

The \$326 million portfolio managed by New England Asset Management, Inc (NEAM), focused on corporate fixed income bonds returned -0.21% for the quarter. The comparative benchmark returned -0.22% for the quarter.

LA Care also invests with 2 government pooled investment funds, the Local Agency Investment Fund (LAIF) and the Los Angeles County Pooled Investment Fund (LACPIF). L.A. Care’s investment balances as of June 30, 2023 were \$35 million in LAIF and \$78 million in LACPIF.

The Local Agency Investment Fund (LAIF) yielded approximately 0.85% for the quarter. The fund’s total portfolio market value as of June 30, 2023, was \$178 billion, with a weighted average maturity of 260 days. LAIF is administered and overseen by the State Treasurer’s office. The fund’s investment holdings as of June 30, 2023 were as follows:

U.S. Treasury Securities	63%
Agencies	22%
CD’s and bank notes	8%
Commercial paper	4%
Time deposits	3%
	<u>100%</u>

The Los Angeles County Pooled Investment Fund (LACPIF) yielded approximately 0.92% for the quarter. The fund’s total market value as of May 31, 2023, was \$53 billion, with a weighted average maturity of 740 days. LACPIF is administered and overseen by the Los Angeles County Treasurer. The fund’s most recent published investment holdings (as of May 31, 2023) were as follows:

U.S. Govt. and Agency Securities	67%
Commercial paper	27%
CD’s	6%
	<u>100%</u>

LA Care Securities Holdings
as of June 30, 2023

Portfolio	CUSIP/Identifier	Security	Type	Par	Maturity date
Payden	USD	NORTHERN INST GOVT MONEY MKT	Cash/Money Market Funds	151,433,662	NA
NEAM	USD	NORTHERN INST GOVT MONEY MKT	Cash/Money Market Funds	456,320	NA
Payden	912796ZZ5	U.S. TREASURY BILL	U.S. Treasury Security	25,000,000	7/20/2023
Payden	912797FZ5	U.S. TREASURY BILL	U.S. Treasury Security	33,000,000	7/25/2023
Payden	912796Y37	U.S. TREASURY BILL	U.S. Treasury Security	35,000,000	8/3/2023
Payden	912796Z36	U.S. TREASURY BILL	U.S. Treasury Security	35,000,000	8/17/2023
Payden	912796YJ2	U.S. TREASURY BILL	U.S. Treasury Security	150,000,000	10/5/2023
Payden	912797FA0	U.S. TREASURY BILL	U.S. Treasury Security	190,000,000	10/12/2023
Payden	912797FB8	U.S. TREASURY BILL	U.S. Treasury Security	50,000,000	10/19/2023
Payden	912797FC6	U.S. TREASURY BILL	U.S. Treasury Security	50,000,000	10/26/2023
Payden	912796YT0	U.S. TREASURY BILL	U.S. Treasury Security	50,000,000	11/2/2023
Payden	912796CX5	U.S. TREASURY BILL	U.S. Treasury Security	50,000,000	4/18/2024
Payden	91282CBA8	U.S. TREASURY NOTE	U.S. Treasury Security	12,000,000	12/15/2023
Payden	91282CBR1	U.S. TREASURY NOTE	U.S. Treasury Security	35,000	3/15/2024
Payden	9128286Z8	U.S. TREASURY NOTE	U.S. Treasury Security	25,000	6/30/2024
Payden	91282CCL3	U.S. TREASURY NOTE	U.S. Treasury Security	1,700,000	7/15/2024
Payden	912828YH7	U.S. TREASURY NOTE	U.S. Treasury Security	120,000	9/30/2024
Payden	912828YM6	U.S. TREASURY NOTE	U.S. Treasury Security	40,000	10/31/2024
Payden	912828ZC7	U.S. TREASURY NOTE	U.S. Treasury Security	455,000	2/28/2025
Payden	912828ZF0	U.S. TREASURY NOTE	U.S. Treasury Security	1,686,000	3/31/2025
Payden	912828ZL7	U.S. TREASURY NOTE	U.S. Treasury Security	935,000	4/30/2025
Payden	912828ZT0	U.S. TREASURY NOTE	U.S. Treasury Security	365,000	5/31/2025
Payden	91282CAJ0	U.S. TREASURY NOTE	U.S. Treasury Security	2,250,000	8/31/2025
Payden	91282CAM3	U.S. TREASURY NOTE	U.S. Treasury Security	500,000	9/30/2025
Payden	91282CAZ4	U.S. TREASURY NOTE	U.S. Treasury Security	4,365,000	11/30/2025
Payden	91282CBC4	U.S. TREASURY NOTE	U.S. Treasury Security	2,051,000	12/31/2025
Payden	91282CBH3	U.S. TREASURY NOTE	U.S. Treasury Security	1,410,000	1/31/2026
Payden	91282CBT7	U.S. TREASURY NOTE	U.S. Treasury Security	2,315,000	3/31/2026
Payden	91282CBW0	U.S. TREASURY NOTE	U.S. Treasury Security	1,595,000	4/30/2026
Payden	91282CCF6	U.S. TREASURY NOTE	U.S. Treasury Security	470,000	5/31/2026
Payden	91282CCJ8	U.S. TREASURY NOTE	U.S. Treasury Security	470,000	6/30/2026
Payden	91282CCP4	U.S. TREASURY NOTE	U.S. Treasury Security	2,350,000	7/31/2026
Payden	91282CCW9	U.S. TREASURY NOTE	U.S. Treasury Security	1,880,000	8/31/2026
Payden	91282CCZ2	U.S. TREASURY NOTE	U.S. Treasury Security	1,405,000	9/30/2026
Payden	91282CDQ1	U.S. TREASURY NOTE	U.S. Treasury Security	930,000	12/31/2026
Payden	91282CEF4	U.S. TREASURY NOTE	U.S. Treasury Security	1,350,000	3/31/2027
Payden	91282CEN7	U.S. TREASURY NOTE	U.S. Treasury Security	900,000	4/30/2027
Payden	91282CET4	U.S. TREASURY NOTE	U.S. Treasury Security	730,000	5/31/2027
Payden	91282CEW7	U.S. TREASURY NOTE	U.S. Treasury Security	2,470,000	6/30/2027
Payden	91282CFB2	U.S. TREASURY NOTE	U.S. Treasury Security	1,975,000	7/31/2027
Payden	91282CFH9	U.S. TREASURY NOTE	U.S. Treasury Security	1,325,000	8/31/2027
Payden	91282CFU0	U.S. TREASURY NOTE	U.S. Treasury Security	130,000	10/31/2027
Payden	91282CFZ9	U.S. TREASURY NOTE	U.S. Treasury Security	2,230,000	11/30/2027
Payden	91282CGH8	U.S. TREASURY NOTE	U.S. Treasury Security	1,950,000	1/31/2028
Payden	91282CGP0	U.S. TREASURY NOTE	U.S. Treasury Security	2,395,000	2/29/2028
Payden	91282CGT2	U.S. TREASURY NOTE	U.S. Treasury Security	11,105,000	3/31/2028
Payden	91282CHA2	U.S. TREASURY NOTE	U.S. Treasury Security	2,580,000	4/30/2028
Payden	91282CHE4	U.S. TREASURY NOTE	U.S. Treasury Security	680,000	5/31/2028
Payden	91282CHK0	U.S. TREASURY NOTE	U.S. Treasury Security	1,695,000	6/30/2028
Payden	313312HT0	FFCB DISCOUNT NOTE	U.S. Agency Security	81,000,000	7/5/2023
Payden	880592HT0	TVA DISCOUNT NOTE	U.S. Agency Security	28,500,000	7/5/2023
Payden	313588HU2	FNMA DISCOUNT NOTE	U.S. Agency Security	30,000,000	7/6/2023
Payden	313384HY8	FHLB DISCOUNT NOTE	U.S. Agency Security	20,000,000	7/10/2023
Payden	880592JA9	TVA DISCOUNT NOTE	U.S. Agency Security	60,000,000	7/12/2023
Payden	313312JC5	FFCB DISCOUNT NOTE	U.S. Agency Security	350,000,000	7/14/2023
Payden	313384JG5	FHLB DISCOUNT NOTE	U.S. Agency Security	50,000,000	7/18/2023
Payden	3130AUGN8	FHLB C 7/10/23 Q	U.S. Agency Security	7,500,000	1/10/2024
Payden	3135GADV0	FNMA C 7/25/23 1X	U.S. Agency Security	7,500,000	1/25/2024
Payden	3130AVR46	FHLB C 7/21/23 Q	U.S. Agency Security	12,800,000	5/17/2024
Payden	3134GYSH6	FHLMC C 8/18/23 Q	U.S. Agency Security	15,000,000	6/14/2024
Payden	3134GYFM9	FHLMC C 8/1/23 Q	U.S. Agency Security	5,000,000	8/1/2024
Payden	911759MW5	HOUSING URBAN DEVELOPMENT	U.S. Agency Security	140,000	8/1/2023

LA Care Securities Holdings
as of June 30, 2023

Portfolio	CUSIP/Identifier	Security	Type	Par	Maturity date
Payden	3134GXDZ4	FHLMC C 11/25/22 Q	U.S. Agency Security	510,000	11/25/2024
Payden	3135G0X24	FNMA	U.S. Agency Security	940,000	1/7/2025
Payden	3134GXS88	FHLMC C 02/28/23 Q	U.S. Agency Security	570,000	2/28/2025
Payden	3135G03U5	FNMA	U.S. Agency Security	960,000	4/22/2025
Payden	3137EAEU9	FHLMC	U.S. Agency Security	570,000	7/21/2025
Payden	3134GXR63	FHLMC C 11/28/22 Q	U.S. Agency Security	570,000	8/28/2025
Payden	3134GXS47	FHLMC C 11/28/2022 Q	U.S. Agency Security	570,000	8/28/2025
Payden	3134GX3A0	FHLMC C 12/30/2022 Q	U.S. Agency Security	610,000	9/30/2025
Payden	3135G06G3	FNMA	U.S. Agency Security	410,000	11/7/2025
Payden	3130AKXQ4	FHLB C 05/12/21 Q	U.S. Agency Security	940,000	2/12/2026
Payden	45950VQM1	INTL FINANCE CORP FRN SOFRRATE	Non U.S. Government Bond	7,500,000	4/3/2024
Payden	45906M4C2	IBRD C 09/15/2023 Q	Non U.S. Government Bond	4,200,000	6/15/2026
Payden	459058KK8	INTL BK RECON & DEVELOP FRN SOFRINDX	Non U.S. Government Bond	5,720,000	9/23/2026
Payden	4581X0DP0	INTER-AMERICAN DEVELOPMENT BANK	Non U.S. Government Bond	560,000	11/15/2023
Payden	459058JM6	INTL BANK RECON & DEVELOP	Non U.S. Government Bond	580,000	11/24/2023
Payden	06052TU32	BANK OF AMERICA	Negotiable CD	5,000,000	7/10/2023
Payden	06052TT59	BANK OF AMERICA	Negotiable CD	5,780,000	7/12/2023
Payden	23344NN85	DNB NOR BANK YCD	Negotiable CD	7,500,000	11/2/2023
Payden	06742T4S2	BARCLAYS YCD	Negotiable CD	7,500,000	11/10/2023
Payden	05966D4B5	BANCO SANTANDER YCD	Negotiable CD	7,500,000	11/13/2023
Payden	06417MT96	BANK OF NOVA SCOTIA FRN YCD SOFRRATE	Negotiable CD	7,500,000	11/20/2023
Payden	96130ASQ2	WESTPAC BANK YCD	Negotiable CD	7,500,000	11/27/2023
Payden	53947BN22	LLOYDS BANK YCD FRN SOFRRATE	Negotiable CD	10,000,000	12/11/2023
Payden	13068BJR9	CA STATE GO/ULT TXB	Municipal Securities	10,000,000	7/5/2023
Payden	91411UU52	CA UNIVERSITY OF CALIFORNIA CP TXB	Municipal Securities	8,500,000	7/5/2023
Payden	79770TRE0	CA SAN FRAN PUB CP TXB	Municipal Securities	9,000,000	7/14/2023
Payden	576004GV1	MA ST SPL OBLG REV-SOCIAL TXB	Municipal Securities	3,560,000	7/15/2023
Payden	83708BBT2	SC SANTEE COOPER CP TXB	Municipal Securities	10,000,000	7/18/2023
Payden	04537KAT6	WI ASPIRUS HEALTH CP TXB	Municipal Securities	6,500,000	7/27/2023
Payden	79769EAP9	CA SAN FRAN CITY & CNTY LEASE CP TXB	Municipal Securities	1,000,000	8/3/2023
Payden	45130HFK1	ID HSG AGY CP TXB	Municipal Securities	10,000,000	8/15/2023
Payden	79815WDN5	CA SAN JOSE FIN AUTH CP TXB	Municipal Securities	4,200,000	9/28/2023
Payden	80169BAL8	CA SANTA CLARA VLY WTR DIST CP TXB	Municipal Securities	5,000,000	10/17/2023
Payden	84247PHY0	CA SOUTHERN CA PUBLIC POWER TXB	Municipal Securities	750,000	7/1/2023
Payden	835569GQ1	CA SONOMA CNTY CLG DIST TXB	Municipal Securities	350,000	8/1/2023
Payden	79730WAZ3	CA SAN DIEGO REDEV AGY TAB TXB	Municipal Securities	450,000	9/1/2023
Payden	798189RE8	CA SAN JOSE-EVERGREEN CCD TXB	Municipal Securities	390,000	9/1/2023
Payden	56453RAX2	CA MANTECA REDEV AGY TAB TXB	Municipal Securities	500,000	10/1/2023
Payden	54473ERV8	CA LOS ANGELESX CNTY PUB WORKS TXB	Municipal Securities	425,000	12/1/2023
Payden	072024WP3	CA BAY AREA TOLL AUTH TOLL BRDG REV TXB	Municipal Securities	1,220,000	4/1/2024
Payden	13032UVB1	CA HEALTH FACS-NO PLACE LIKE HOME-TXB	Municipal Securities	380,000	6/1/2024
Payden	769036BL7	CA CITY OF RIVERSIDE POB TXB	Municipal Securities	320,000	6/1/2024
Payden	20772KJW0	CT STATE OF CONNECTICUT GO/ULT TXB	Municipal Securities	210,000	7/1/2024
Payden	284035AC6	CA CITY OF EL SEGUNDO POBS TXB	Municipal Securities	500,000	7/1/2024
Payden	664845EA8	CA NORTHERN CA PUB POWER TXB	Municipal Securities	410,000	7/1/2024
Payden	842475P66	CA SOUTHERN CA PUBLIC POWER TXB	Municipal Securities	900,000	7/1/2024
Payden	212204JE2	CA CONTRA COSTA CCD GO/ULT TXB	Municipal Securities	170,000	8/1/2024
Payden	223093VM4	CA COVINA-VALLEY USD GO/ULT TXB	Municipal Securities	250,000	8/1/2024
Payden	365298Y51	CA GARDEN GROVE USD GO/ULT TXB	Municipal Securities	395,000	8/1/2024
Payden	796720MG2	CA SAN BERNARDINO CCD TXB	Municipal Securities	570,000	8/1/2024
Payden	796720NQ9	CA SAN BERNARDINO CCD TXB	Municipal Securities	200,000	8/1/2024
Payden	378460YD5	CA GLENDALE USD GO/ULT TXB	Municipal Securities	250,000	9/1/2024
Payden	798736AW4	CA SAN LUIS WESTLANDS WTR DIST TXB	Municipal Securities	410,000	9/1/2024
Payden	544290JH3	CA LOS ALTOS SCH DIST GO BANS TXB	Municipal Securities	800,000	10/1/2024
Payden	861398CH6	CA STOCKTON PFA WTR REV-GREEN-TXB	Municipal Securities	300,000	10/1/2024
Payden	544587Y44	CA LOS ANGELES MUNI IMPT CORP LEASE TXB	Municipal Securities	500,000	11/1/2024
Payden	13080SZL1	CA STWD CMTY DEV AUTH REV-CAISO-TXB	Municipal Securities	750,000	2/1/2025
Payden	672211BM0	CA OAKLAND-ALAMEDA COLISEUM AUTH-TXBL	Municipal Securities	925,000	2/1/2025
Payden	64990FD43	NY STATE DORM AUTH PERS INC TAX TXB	Municipal Securities	680,000	3/15/2025
Payden	91412HFM0	CA UNIVERSITY OF CALIFORNIA TXB	Municipal Securities	750,000	5/15/2025
Payden	088006JZ5	CA BEVERLY HILLS PFA LEASE REV TXB	Municipal Securities	670,000	6/1/2025
Payden	13034AN55	CA INFRA & ECON BANK-SCRIPPS TXB	Municipal Securities	500,000	7/1/2025

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Portfolio	CUSIP/Identifier	Security	Type	Par	Maturity date
Payden	3582326T8	CA FRESNO USD GO/ULT TXB	Municipal Securities	600,000	8/1/2025
Payden	672325M95	CA OAKLAND USD GO/ULT TXB	Municipal Securities	420,000	8/1/2025
Payden	5445872T4	CA LOS ANGELES MUNI IMPT CORP LEASE TXB	Municipal Securities	360,000	11/1/2025
Payden	20772KQJ1	CT STATE GO/ULT TXB	Municipal Securities	640,000	6/15/2026
Payden	576004HD0	MA ST SPL OBLG REV-SOCIAL TXB	Municipal Securities	440,000	7/15/2027
NEAM	68609TN61	OREGON ST	Municipal Securities	1,000,000	5/1/2024
NEAM	54438CYJ5	LOS ANGELES CA CMNTY CLG DIST	Municipal Securities	3,350,000	8/1/2024
NEAM	54438CYK2	LOS ANGELES CA CMNTY CLG DIST	Municipal Securities	1,100,000	8/1/2025
NEAM	969268DG3	WILLIAM S HART CA UNION HIGH S	Municipal Securities	2,350,000	8/1/2025
NEAM	576000ZE6	MASSACHUSETTS ST SCH BLDG AUTH	Municipal Securities	5,000,000	8/15/2025
NEAM	13063D3A4	CALIFORNIA ST	Municipal Securities	1,000,000	10/1/2026
Payden	3137FBAR7	FHMS KF36 A	Mortgage-Backed Security	7,981	8/25/2024
Payden	3137FYUR5	FHMS Q015 A 1MOFRN CMBS	Mortgage-Backed Security	236,013	8/25/2024
Payden	3137FBUC8	FHMS KF38 A	Mortgage-Backed Security	224,790	9/25/2024
Payden	3137FVNA6	FHMS KI06 A 1MOFRN CMBS	Mortgage-Backed Security	544,852	3/25/2025
Payden	3137H3KA9	FHMS KI07 A SOFRFRN	Mortgage-Backed Security	6,950,000	9/25/2026
Payden	3137H4RC6	FHMS KI08 A 1MOFRN CMBS	Mortgage-Backed Security	2,779,094	10/25/2026
Payden	3137B4WB8	FHMS K033 A2	Mortgage-Backed Security	43,583	7/25/2023
Payden	3137B5JM6	FHMS K034 A2	Mortgage-Backed Security	197,840	7/25/2023
Payden	3137BWWEO	FHMS K725 AM CMBS	Mortgage-Backed Security	810,000	2/25/2024
Payden	3137BYPR5	FHMS K726 AM CMBS	Mortgage-Backed Security	570,000	4/25/2024
NEAM	38141GXE9	GOLDMAN SACHS GROUP INC	Corporate Security	9,000,000	2/20/2024
NEAM	05565EBH7	BMW US CAPITAL LLC	Corporate Security	6,000,000	4/18/2024
NEAM	904764AX5	UNILEVER CAPITAL CORP	Corporate Security	1,250,000	5/5/2024
NEAM	66989HAG3	NOVARTIS CAPITAL CORP	Corporate Security	5,000,000	5/6/2024
NEAM	46625HJX9	JPMORGAN CHASE & CO	Corporate Security	1,000,000	5/13/2024
NEAM	06406HCV9	BANK OF NEW YORK MELLON	Corporate Security	3,750,000	5/15/2024
NEAM	14913Q2V0	CATERPILLAR FINL SERVICE	Corporate Security	2,500,000	5/17/2024
NEAM	24422ESP5	JOHN DEERE CAPITAL CORP	Corporate Security	2,000,000	6/12/2024
NEAM	02665WCZ2	AMERICAN HONDA FINANCE	Corporate Security	2,250,000	6/27/2024
NEAM	05531FBH5	TRUIST FINANCIAL CORP	Corporate Security	5,000,000	8/1/2024
NEAM	828807DG9	SIMON PROPERTY GROUP LP	Corporate Security	5,000,000	9/13/2024
NEAM	828807CS4	SIMON PROPERTY GROUP LP	Corporate Security	2,500,000	10/1/2024
NEAM	61761JVL0	MORGAN STANLEY	Corporate Security	3,000,000	10/23/2024
NEAM	05348EAU3	AVALONBAY COMMUNITIES	Corporate Security	5,000,000	11/15/2024
NEAM	07330NAT2	TRUIST BANK	Corporate Security	4,750,000	12/6/2024
NEAM	976656CL0	WISCONSIN ELECTRIC POWER	Corporate Security	1,500,000	12/15/2024
NEAM	57629WCG3	MASSMUTUAL GLOBAL FUNDIN	Corporate Security	2,500,000	1/11/2025
NEAM	89236TGT6	TOYOTA MOTOR CREDIT CORP	Corporate Security	3,000,000	2/13/2025
NEAM	384802AE4	WW GRAINGER INC	Corporate Security	1,000,000	2/15/2025
NEAM	69353REK0	PNC BANK NA	Corporate Security	2,000,000	2/23/2025
NEAM	57636QAN4	MASTERCARD INC	Corporate Security	3,000,000	3/3/2025
NEAM	30231GBH4	EXXON MOBIL CORPORATION	Corporate Security	2,000,000	3/19/2025
NEAM	254687FN1	WALT DISNEY COMPANY/THE	Corporate Security	3,000,000	3/24/2025
NEAM	458140BP4	INTEL CORP	Corporate Security	2,500,000	3/25/2025
NEAM	341081FZ5	FLORIDA POWER & LIGHT CO	Corporate Security	7,500,000	4/1/2025
NEAM	369550BK3	GENERAL DYNAMICS CORP	Corporate Security	5,000,000	4/1/2025
NEAM	911312BX3	UNITED PARCEL SERVICE	Corporate Security	5,000,000	4/1/2025
NEAM	438516CB0	HONEYWELL INTERNATIONAL	Corporate Security	5,000,000	6/1/2025
NEAM	29157TAC0	EMORY UNIVERSITY	Corporate Security	4,305,000	9/1/2025
NEAM	68233JBZ6	ONCOR ELECTRIC DELIVERY	Corporate Security	3,000,000	10/1/2025
NEAM	64952WDW0	NEW YORK LIFE GLOBAL FDG	Corporate Security	10,000,000	1/15/2026
NEAM	927804FU3	VIRGINIA ELEC & POWER CO	Corporate Security	5,000,000	1/15/2026
NEAM	06406RAQ0	BANK OF NY MELLON CORP	Corporate Security	5,000,000	1/28/2026
NEAM	74005PBQ6	LINDE INC/CT	Corporate Security	2,250,000	1/30/2026
NEAM	037833BY5	APPLE INC	Corporate Security	1,500,000	2/23/2026
NEAM	20030NBS9	COMCAST CORP	Corporate Security	3,500,000	3/1/2026
NEAM	14913R2K2	CATERPILLAR FINL SERVICE	Corporate Security	5,000,000	3/2/2026
NEAM	74456QCF1	PUBLIC SERVICE ELECTRIC	Corporate Security	9,000,000	3/15/2026
NEAM	90320WAF0	UPMC	Corporate Security	1,000,000	4/15/2026
NEAM	95000U2N2	WELLS FARGO & COMPANY	Corporate Security	10,000,000	4/30/2026
NEAM	459200JZ5	IBM CORP	Corporate Security	1,250,000	5/15/2026

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Portfolio	CUSIP/Identifier	Security	Type	Par	Maturity date
NEAM	57629WDE7	MASSMUTUAL GLOBAL FUNDIN	Corporate Security	5,000,000	7/16/2026
NEAM	61761J3R8	MORGAN STANLEY	Corporate Security	3,000,000	7/27/2026
NEAM	931142ER0	WALMART INC	Corporate Security	5,000,000	9/17/2026
NEAM	46625HRV4	JPMORGAN CHASE & CO	Corporate Security	3,500,000	10/1/2026
NEAM	743756AB4	PROV ST JOSEPH HLTH OBL	Corporate Security	1,500,000	10/1/2026
NEAM	26884ABF9	ERP OPERATING LP	Corporate Security	1,252,000	11/1/2026
NEAM	025816CM9	AMERICAN EXPRESS CO	Corporate Security	5,000,000	11/4/2026
NEAM	641062AV6	NESTLE HOLDINGS INC	Corporate Security	5,000,000	1/14/2027
NEAM	756109AS3	REALTY INCOME CORP	Corporate Security	3,750,000	1/15/2027
NEAM	31677QBR9	FIFTH THIRD BANK	Corporate Security	5,000,000	2/1/2027
NEAM	771196BV3	ROCHE HOLDINGS INC	Corporate Security	7,500,000	3/10/2027
NEAM	29736RAJ9	ESTEE LAUDER CO INC	Corporate Security	1,500,000	3/15/2027
NEAM	20030NDK4	COMCAST CORP	Corporate Security	2,500,000	4/1/2027
NEAM	10373QAZ3	BP CAP MARKETS AMERICA	Corporate Security	5,000,000	4/14/2027
NEAM	437076CN0	HOME DEPOT INC	Corporate Security	4,750,000	4/15/2027
NEAM	907818EP9	UNION PACIFIC CORP	Corporate Security	1,000,000	4/15/2027
NEAM	46647PCB0	JPMORGAN CHASE & CO	Corporate Security	2,500,000	4/22/2027
NEAM	91159HHR4	US BANCORP	Corporate Security	7,000,000	4/27/2027
NEAM	904764AY3	UNILEVER CAPITAL CORP	Corporate Security	7,500,000	5/5/2027
NEAM	67021CAM9	NSTAR ELECTRIC CO	Corporate Security	3,500,000	5/15/2027
NEAM	74456QBS4	PUBLIC SERVICE ELECTRIC	Corporate Security	1,500,000	5/15/2027
NEAM	927804GH1	VIRGINIA ELEC & POWER CO	Corporate Security	3,100,000	5/15/2027
NEAM	59217GFB0	MET LIFE GLOB FUNDING I	Corporate Security	3,500,000	6/30/2027
NEAM	61747YEC5	MORGAN STANLEY	Corporate Security	2,000,000	7/20/2027
NEAM	06051GJS9	BANK OF AMERICA CORP	Corporate Security	5,000,000	7/22/2027
NEAM	458140BY5	INTEL CORP	Corporate Security	5,000,000	8/5/2027
NEAM	14913R3A3	CATERPILLAR FINL SERVICE	Corporate Security	2,500,000	8/12/2027
NEAM	756109BG8	REALTY INCOME CORP	Corporate Security	5,000,000	8/15/2027
NEAM	010392FY9	ALABAMA POWER CO	Corporate Security	7,000,000	9/1/2027
NEAM	89236TKJ3	TOYOTA MOTOR CREDIT CORP	Corporate Security	3,000,000	9/20/2027
NEAM	539830BV0	LOCKHEED MARTIN CORP	Corporate Security	5,000,000	11/15/2027
NEAM	278865BP4	ECOLAB INC	Corporate Security	5,000,000	1/15/2028
NEAM	756109BH6	REALTY INCOME CORP	Corporate Security	2,500,000	1/15/2028
NEAM	69353RFJ2	PNC BANK NA	Corporate Security	3,000,000	1/22/2028
NEAM	882508BV5	TEXAS INSTRUMENTS INC	Corporate Security	5,000,000	2/15/2028
NEAM	91324PEP3	UNITEDHEALTH GROUP INC	Corporate Security	5,000,000	2/15/2028
NEAM	210518DS2	CONSUMERS ENERGY CO	Corporate Security	4,650,000	3/1/2028
NEAM	04636NAF0	ASTRAZENECA FINANCE LLC	Corporate Security	5,000,000	3/3/2028
NEAM	49177JAE2	KENVUE INC	Corporate Security	2,000,000	3/22/2028
NEAM	035240AL4	ANHEUSER-BUSCH INBEV WOR	Corporate Security	2,500,000	4/13/2028
NEAM	29736RAS9	ESTEE LAUDER CO INC	Corporate Security	3,000,000	5/15/2028
NEAM	74153WCS6	PRICOA GLOBAL FUNDING 1	Corporate Security	5,000,000	5/30/2028
Payden	6698M5U31	NOVARTIS FINANCE CP 144A	Commercial Paper	5,000,000	7/3/2023
Payden	00084CU59	ABN AMRO FUNDING CP 144A	Commercial Paper	12,600,000	7/5/2023
Payden	60689GU53	MIZUNY BANK LTD CP 144A	Commercial Paper	17,500,000	7/5/2023
Payden	6698M5U56	NOVARTIS FINANCE CP 144A	Commercial Paper	25,000,000	7/5/2023
Payden	0556C3U66	BMW US CAPITAL CP 144A	Commercial Paper	20,000,000	7/6/2023
Payden	64105HU67	NESTLE CAPITAL CP 144A	Commercial Paper	20,000,000	7/6/2023
Payden	63763QUB1	NATL SEC CLEARING CP 144A	Commercial Paper	5,000,000	7/11/2023
Payden	77119MUB1	ROCHE HOLDINGS CP 144A	Commercial Paper	25,000,000	7/11/2023
Payden	14912EUD7	CATERPILLAR FIN CP	Commercial Paper	5,000,000	7/13/2023
Payden	00084CUE0	ABN AMRO FUNDING CP 144A	Commercial Paper	10,000,000	7/14/2023
Payden	60682XUH7	MITSUBISHI UFJ TRUST & BANK 144A CP	Commercial Paper	20,000,000	7/17/2023
Payden	48306BV28	KAISER FOUNDATION CP	Commercial Paper	11,000,000	8/2/2023
Payden	24423JV38	JOHN DEERE CANADA CP 144A	Commercial Paper	8,000,000	8/3/2023
Payden	09659CXS2	BNP PARIBAS NY CP	Commercial Paper	7,500,000	10/26/2023
Payden	4497W1Y34	ING (US) FUNDING CP	Commercial Paper	7,500,000	11/3/2023
Payden	22533UYA5	CREDIT AGRICOLE CP	Commercial Paper	7,500,000	11/10/2023
Payden	21687AC43	COOPERATIEVE RABOBANK CP	Commercial Paper	10,000,000	3/4/2024
Payden	39154TBU1	GALC 2022-1 A1 EQP 144A	Asset-Backed Security	529,108	10/16/2023
Payden	29374GAA9	EFF 2022-4 A1 FLEET 144A	Asset-Backed Security	3,296,201	11/20/2023
Payden	606940AA2	MMAF 2022-B A1 EQP 144A	Asset-Backed Security	1,004,301	12/1/2023

LA Care Securities Holdings
as of June 30, 2023

Portfolio	CUSIP/Identifier	Security	Type	Par	Maturity date
Payden	891940AA6	TAOT 2023-A A1 CAR	Asset-Backed Security	671,089	1/15/2024
Payden	38013JAA1	GMCAR 2023-1 A1 CAR	Asset-Backed Security	1,322,845	1/16/2024
Payden	14318DAA7	CARMX 2023-1 A1 CAR	Asset-Backed Security	857,635	2/15/2024
Payden	345287AA4	FORDL 2023-A A1 LEASE	Asset-Backed Security	293,716	2/15/2024
Payden	65480VAA1	NALT 2023-A A1 LEASE	Asset-Backed Security	1,250,670	2/15/2024
Payden	233258AA0	DLLAD 2023-1A A1 EQP 144A	Asset-Backed Security	723,464	2/20/2024
Payden	50117KAA8	KCOT 2023-1A A1 EQP 144A	Asset-Backed Security	3,783,542	3/15/2024
Payden	448979AA2	HART 2023-A A1 CAR	Asset-Backed Security	2,629,981	4/15/2024
Payden	98164QAA6	WOART 2023-B A1 CAR	Asset-Backed Security	6,540,922	4/15/2024
Payden	362583AA4	GMCAR 2023-2 A1 CAR	Asset-Backed Security	4,092,822	4/16/2024
Payden	12664QAA2	CNH 2023-A A1 EQP	Asset-Backed Security	5,262,149	5/15/2024
Payden	142921AA3	CARMX 2023-2 A1 CAR	Asset-Backed Security	5,370,609	5/15/2024
Payden	448980AA0	HALST 2023-B A1 LEASE 144A	Asset-Backed Security	3,343,303	5/15/2024
Payden	65480WAA9	NAROT 2023-A A1 CAR	Asset-Backed Security	5,448,130	5/15/2024
Payden	891941AA4	TAOT 2023-B A1 CAR	Asset-Backed Security	6,773,399	5/15/2024
Payden	981944AA9	WOLS 2023-A A1 LEASE	Asset-Backed Security	1,424,119	5/15/2024
Payden	232989AA1	DLLMT 2023-1A A1 EQP 144A	Asset-Backed Security	5,361,779	5/20/2024
Payden	362548AA7	GMALT 2023-2 A1 LEASE	Asset-Backed Security	4,807,675	5/20/2024
Payden	73328QAA2	PFAST 2023-1A A1 CAR 144A	Asset-Backed Security	6,200,000	5/22/2024
Payden	14686TAA6	CRVNA 2023-P2 A1 CAR 144A	Asset-Backed Security	1,309,413	6/10/2024
Payden	39154TCA4	GALC 2023-1 A1 EQP 144A	Asset-Backed Security	2,819,119	6/14/2024
Payden	29375NAA3	EFF 2023-2 A1 FLEET 144A	Asset-Backed Security	3,358,562	6/20/2024
Payden	24703GAA2	DEFT 2023-2 A1 EQP 144A	Asset-Backed Security	3,200,000	6/24/2024
Payden	78398AAA1	SFAST 2023-1 A1 CAR 144A	Asset-Backed Security	5,100,000	7/22/2024
Payden	80286TAC7	SRT 2021-A A3 LEASE 144A	Asset-Backed Security	1,903,800	7/22/2024



L.A. Care Health Plan Quarterly Investment Compliance Report April 1, 2023 through June 30, 2023

OVERVIEW

The California Government Code requires the L.A. Care Treasurer to submit a quarterly report detailing its investment activity for the period. This investment report covers the three-month period from April 1, 2023 through June 30, 2023.

PORTFOLIO SUMMARY

As of June 30, 2023, the market values of the portfolios managed by Payden & Rygel and New England Asset Management are as follows:

<u>Portfolios</u>	<u>Payden & Rygel</u>
<i>Cash Portfolio #2365</i>	<i>\$2,017,221,998.15</i>
<i>Low Duration Portfolio #2367</i>	<i>\$90,205,550.66</i>
Total Combined Portfolio	<u>\$2,107,427,548.81</u>

<u>Portfolios</u>	<u>NEAM</u>
<i>Government and Corporate Debt</i>	<u>\$326,283,186.76</u>

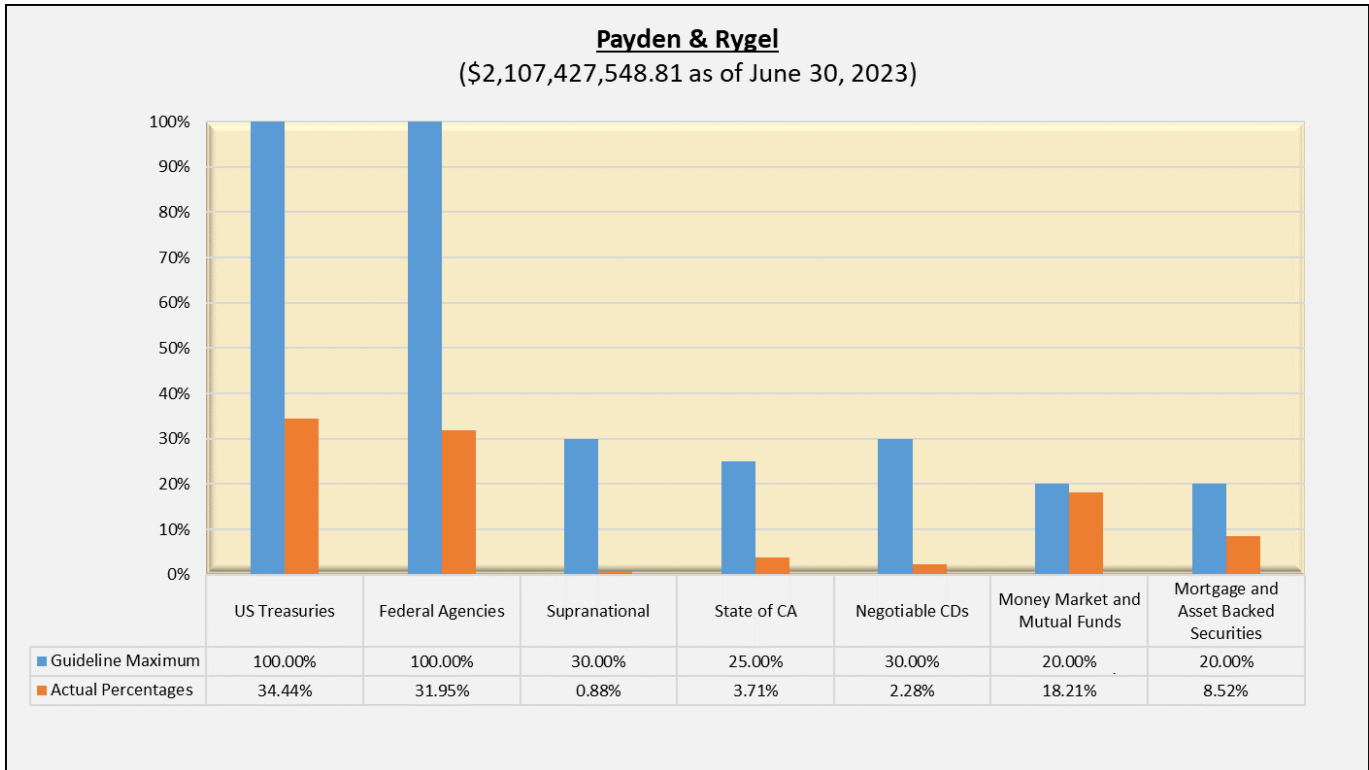
COMPLIANCE WITH ANNUAL INVESTMENT POLICY

Based on an independent compliance review of the Payden & Rygel and NEAM portfolios performed by Wilshire (using 3rd party data), L.A. Care is in compliance with the investment guidelines pursuant to the California Government Code and California Insurance Code. The Payden & Rygel and NEAM investment reports for L.A. Care are available upon request.

L.A. Care has invested funds in California’s Local Agency Investment Fund (LAIF) and the Los Angeles County Treasurer’s Pooled Investment Fund (LACPIF). In a LAIF statement dated July 5, 2023, the June 30, 2023 balance is reported as \$34,193,250.46 with accrued interest of \$263,167. In the LACPIF statement dated July 10, 2023, the June 30, 2023 balance is reported as \$77,313,769.66. The LACPIF account balance does not reflect accrued interest.

Payden & Rygel Compliance Verification

California Government Code Compliance Verification Detail as of June 30, 2023



	Maximum Permitted Maturity		Actual Maximum Maturity		Compliance
	#2365	#2367	#2365	#2367	
	Enhanced Cash	Low Duration	Enhanced Cash	Low Duration	
US Treasuries	5 Years	5 Years	0.80 Years	5.00 Years	YES
Federal Agencies	5 Years	5 Years	1.09 Years	2.62 Years	YES
Supranational	5 Years	5 Years	3.23 Years	0.40 Years	YES
State of CA	5 Years	5 Years	0.30 Years	4.04 Years	YES
Negotiable CDs	270 Days	270 Days	164 days	-	YES
Money Market and Mutual Funds	NA	NA	1 Day	1 Day	YES
Mortgage and Asset Backed Securities	5 Years	5 Years	3.48 Years	4.96 Years	YES

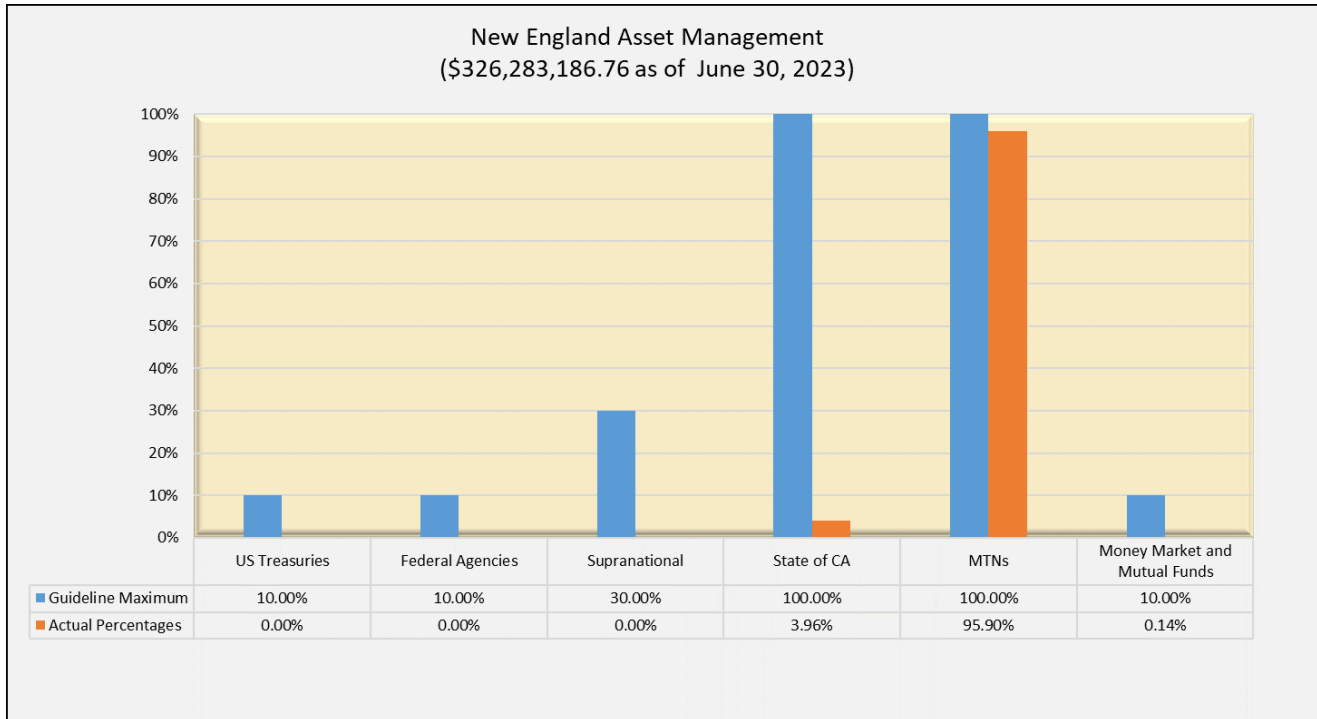
Payden & Rygel Compliance Verification

Combined #2365 and #2367 Portfolios as of June 30, 2023

	Govt. Code	Insur. Code Sections
	Section 53601	1170-1182 1191-1202
US Treasuries	<i>YES (1)(2)(3)</i>	<i>YES (4)(5)</i>
Federal Agencies	<i>YES (1)(2)(3)</i>	<i>YES (4)(5)</i>
Supranational	<i>YES (1)(2)(3)</i>	<i>YES (4)(5)</i>
State of CA	<i>YES (1)(2)(3)</i>	<i>YES (4)(5)</i>
Negotiable CDs	<i>YES (1)(2)(3)</i>	<i>YES (4)(5)</i>
Money Market and Mutual Funds	<i>YES (1)(2)(3)</i>	<i>YES (4)(5)</i>
Mortgage and Asset Backed Securities	<i>YES (1)(2)(3)</i>	<i>YES (4)(5)</i>

- (1) Approved security
- (2) Meets minimum rating (A3/A-)
- (3) Meets diversification maximums (max market value of issue: 5%)
- (4) NAIC High Grade Obligations
- (5) Authorized by Insurance Code Sections 1174 and 1194.5
- (6) Authorized by Insurance Code Section 1196.1

New England Asset Management Compliance Verification
California Government Code Compliance Verification Detail as of June 30, 2023



	Maximum Permitted	Actual Maximum Maturity	Compliance
	NEAM	NEAM	
US Treasuries	5 Years	-	YES
Federal Agencies	5 Years	-	YES
Supranational	5 Years	-	YES
State of CA	5 Years	3.25 Years	YES
MTNs	5 Years	4.92 Years	YES
Money Market and Mutual Funds	NA	1 Day	YES

New England Asset Management Compliance Verification

As of June 30, 2023

	Govt. Code Section 53601	Insur. Code Sections 1170-1182 1191-1202
US Treasuries	<i>YES (1)(2)(3)</i>	<i>YES (4)(5)</i>
Federal Agencies	<i>YES (1)(2)(3)</i>	<i>YES (4)(5)</i>
Supranational	<i>YES (1)(2)(3)</i>	<i>YES (4)(5)</i>
State of CA	<i>YES (1)(2)(3)</i>	<i>YES (4)(5)</i>
MTNs	<i>YES (1)(2)(3)</i>	<i>YES (4)(5)</i>
Money Market and Mutual Funds	<i>YES (1)(2)(3)</i>	<i>YES (4)(5)</i>

- (1) Approved security
- (2) Meets minimum rating (A3/A-)
- (3) Meets diversification maximums (max market value of issue: 5%)
- (4) NAIC High Grade Obligations
- (5) Authorized by Insurance Code Sections 1174 and 1194.5
- (6) Authorized by Insurance Code Section 1196.1

Based on an independent review of Payden & Rygel’s and New England Asset Management’s month-end portfolios performed by Wilshire, L.A. Care’s portfolios are compliant with its Annual Investment Guidelines, the California Government Code, and the Insurance Code sections noted above. In addition, based on the review of the latest LAIF and LACPIF reports and their respective investment guidelines, the LAIF and LACPIF investments comply with the Annual Investment Policy, the California Government Code, and the California Insurance Code.

MARKET COMMENTARY

Economic Highlights

- GDP:** Real GDP growth continued to slow during the second quarter but was still positive, expanding an annualized 2.0%. Consumer spending was quite strong, registering its best quarter in nearly two years and contributing 2.8% to growth. However, private spending was down by double-digits. The Atlanta Federal Reserve's (Fed) GDPNow forecast for the second quarter of 2023 currently stands at 2.2%.
Source: Bureau of Economic Analysis.
- Interest Rates:** The Treasury curve rose across all maturities during the second quarter. The 10-year Treasury closed at 3.84%, up 37 basis points. The 10-year real yield (i.e., net of inflation) rose 47 basis points to 1.62%. The Federal Open Market Committee (FOMC) increased their overnight rate by 0.25%, targeting a range of 5.00% to 5.25%. The committee's current median outlook is for a rate of approximately 5.6% by the end of 2023.
Source: U.S. Treasury
- Inflation:** Consumer price changes have moderated as the Consumer Price Index rose 0.5% for the three months ending May. For the one-year period, the CPI was up 4.1%. The 10-year breakeven inflation rate was down slightly at 2.23% in June versus 2.32% in March.
- Employment:** Jobs growth remains solid, with an average of 283,000 jobs/month added during the three months ending in May. The unemployment rate was little changed at 3.7%, up from 3.6% in February. Wage growth has slowed this year, up 0.3% in May, a likely welcome sign for the Federal Reserve.

U.S. Fixed Income Markets

The U.S. Treasury yield curve was up across the maturity spectrum during the quarter, and to a greater degree from the short end to 3-years. The 10-year Treasury yield ended the quarter at 3.84%, up 37 basis points from March. Credit spreads were noticeably down during the quarter with investment grade down 15 basis points and high yield bonds down 69 basis points. The FOMC met twice during the quarter, as scheduled, and increased the overnight rate by 0.25% in May, targeting a range of 5.00% to 5.25%, before pausing increases in June. The Fed's "dot plot" is messaging that the current expectation is for another 50 basis point in increases before the end of 2023 while markets are pricing a slightly lower year-end rate, equal to approximately 25 basis points higher than the current rate. In late June, Fed Chair Jerome Powell said that central bank policy "may not be restrictive enough and it has not been restrictive for long enough."

Payden & Rygel

QUARTERLY PORTFOLIO REVIEW

2nd Quarter 2023



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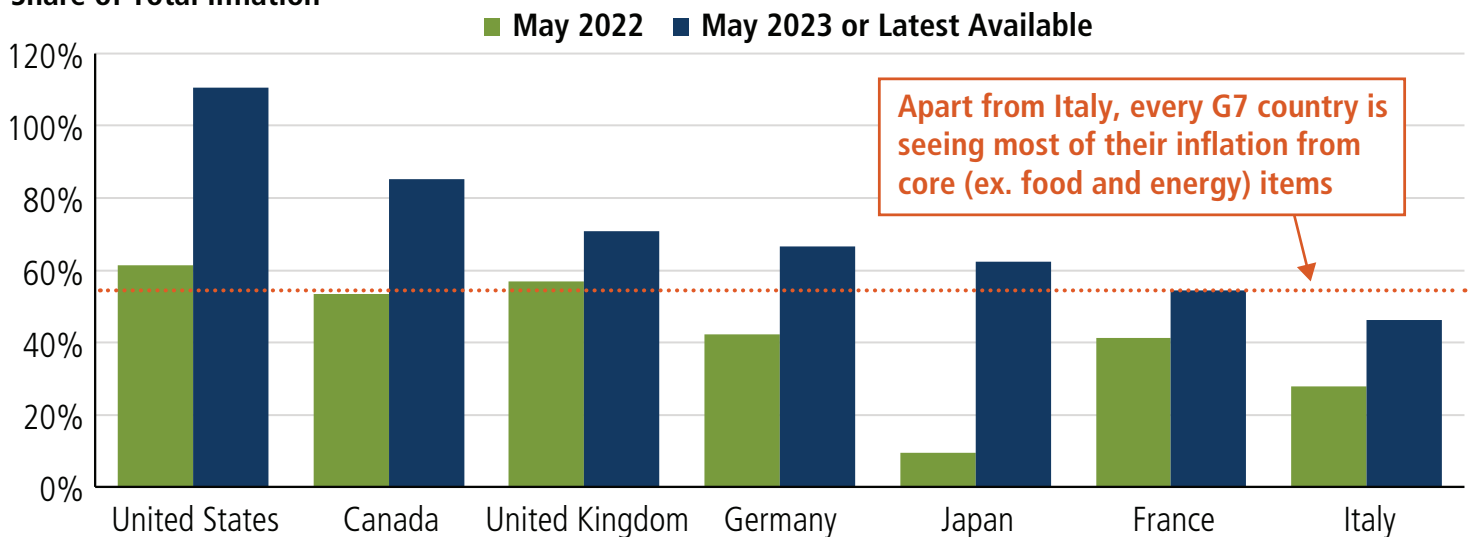
From the desk of Joan Payden:

- » Three issues loomed over markets during the second quarter of 2023: worries about the banking system’s health, drama concerning the U.S. debt ceiling, and persistent inflation.
- » First, market apprehensions were justified as a third significant bank failure occurred in April. However, by quarter end, market concerns over the banks abated.
- » Second, regarding the debt ceiling, worries that the Treasury would run out of cash sent shorter-maturity Treasury bills to 7% yields. Yields normalized once the U.S. Congress reached a deal to raise the debt ceiling through the next presidential election.
- » Third, measures of underlying inflation trends, such as the core personal consumption expenditures (PCE) index, showed little progress toward the Federal Reserve’s 2% target, hovering at 4.7% year-over-year.
- » On the positive side, the U.S. economy proved surprisingly resilient, with job growth averaging 316k a month, faster than the already robust 312k a month in Q1. A strong labor market will likely keep the Fed in play.

INFLATION REMAINS PERSISTENTLY HIGH GLOBALLY

CORE (EXCL. FOOD & ENERGY) CONTRIBUTION TO OVERALL INFLATION

Share of Total Inflation



Source: OECD

MARKET THEMES FOR Q2 AND OUTLOOK

- » The Federal Reserve communicated that policy rates might have to increase further to combat inflation.
- » Equity markets digested the rate increases well, responding positively to robust economic data.
- » Credit-sensitive bond sectors posted positive returns, but more interest rate-sensitive sectors lagged.
- » Labor market strength and the resiliency in service sector spending may have decreased the odds of a recession this year.

L.A. CARE HEALTH PLAN COMBINED PORTFOLIO

Portfolio Review and Market Update – 2nd Quarter 2023

PORTFOLIO CHARACTERISTICS (As of 6/30/2023)

Market Value	2,107,427,549
Avg Credit Quality	AA+
Avg Duration	0.27
Avg Yield to Maturity	5.19%

SECTOR ALLOCATION

Sector	Market Value	% of Port
Cash	151,433,662	7.19%
Money Market	274,563,062	13.03%
Treasury	725,343,901	34.42%
Agency	673,362,050	31.95%
Government Related	18,647,270	0.88%
Credit	-	0.00%
ABS/MBS	179,300,249	8.51%
Municipal	84,777,355	4.02%
Total	2,107,427,549	100.0%

MATURITY DISTRIBUTION

Sector	Market Value	% of Port
<90 day	1,261,228,239	59.8%
90 days - 1 Year	746,775,777	35.4%
1 - 2 Years	35,152,843	1.7%
2 - 5 years	64,270,689	3.0%
Total	2,107,427,549	100%

PORTFOLIO RETURNS

Periods over one year annualized

Periods ended 6/30/2023	2nd Quarter	2023 YTD	Trailing 1 Year	Trailing 3 Year
Performance				
LA Care - Short-Term Portfolio	1.21	2.32	3.70	1.30
Benchmark*	1.17	2.25	3.59	1.27
LA Care - Extended-Term Portfolio	-0.56	1.17	0.43	-1.10
Benchmark**	-0.88	0.97	-0.38	-1.88
LA Care - Combined Portfolio	1.14	2.27	3.50	1.15

* ICE BoA 91 Day Treasury Index

** Bloomberg US Govt 1-5 Yr Bond Index

L.A. CARE HEALTH PLAN SHORT TERM PORTFOLIO

Portfolio Review and Market Update – 2nd Quarter 2023

PORTFOLIO CHARACTERISTICS (As of 6/30/2023)

Market Value	2,017,221,998
Avg Credit Quality	AA+
Avg Duration	0.17
Avg Yield to Maturity	5.21%

SECTOR ALLOCATION

Sector	Market Value	% of Port
Cash	151,170,636	7.49%
Money Market	274,563,062	13.61%
Treasury	669,657,849	33.20%
Agency	666,910,220	33.06%
Government Related	17,528,692	0.87%
Corporate Credit	-	0.00%
ABS/MBS	169,348,114	8.40%
Municipal	68,043,426	3.37%
Total	2,017,221,998	100.0%

MATURITY DISTRIBUTION

Sector	Market Value	% of Port
<90 day	1,257,160,684	62.3%
90 days - 1 Year	738,216,309	36.6%
1 - 2 Years	17,642,748	0.9%
2 - 5 years	4,202,258	0.2%
Total	2,017,221,998	100.0%

PORTFOLIO RETURNS

Periods over one year annualized

Periods ended 6/30/2023

Performance	2nd Quarter	2023 YTD	Trailing 1 Year	Trailing 3 Year
L.A. Care - Short-Term Portfolio	1.21	2.32	3.70	1.30
Benchmark*	1.17	2.25	3.59	1.27

* ICE BofA 91 Day Treasury Index

L.A. CARE HEALTH PLAN EXTENDED TERM PORTFOLIO

Portfolio Review and Market Update – 2nd Quarter 2023

PORTFOLIO CHARACTERISTICS (As of 6/30/2023)

Market Value	90,205,551
Avg Credit Quality	AAA
Avg Duration	2.55
Avg Yield to Maturity	4.83%

SECTOR ALLOCATION

Sector	Market Value	% of Port
Cash	263,027	0.29%
Money Market	-	0.00%
Treasury	55,686,052	61.73%
Agency	6,451,830	7.15%
Government Related	1,118,577	1.24%
Credit	-	0.00%
ABS/MBS	9,952,135	11.03%
Municipal	16,733,929	18.55%
Total	90,205,551	100.0%

MATURITY DISTRIBUTION

Sector	Market Value	% of Port
<90 day	4,067,555	4.5%
90 days - 1 Year	8,559,469	9.5%
1 - 2 Years	17,510,095	19.4%
2 - 5 years	60,068,431	66.6%
Total	90,205,551	100%

PORTFOLIO RETURNS

Periods over one year annualized

Periods ended 6/30/2023

Performance	2nd Quarter	2023 YTD	Trailing 1 Year	Trailing 3 Year
LA Care - Extended-Term Portfolio	-0.56	1.17	0.43	-1.10
Benchmark**	-0.88	0.97	-0.38	-1.88

** Bloomberg US Govt 1-5 Yr Bond Index



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OUR STRATEGIES

Multi-Sector

Short Maturity Bonds

U.S. Core Bond

Absolute Return Fixed Income

Strategic Income

Global Fixed Income

Liability Driven Investing

Sector-Specific

Emerging Markets Debt

Government/Sovereign

High Yield Bonds & Loans

Inflation-Linked/TIPS

Investment Grade Corporate Bonds

Municipal Bonds (U.S.)

Securitized Bonds

Income-Focused Equities

Equity Income

Payden & Rygel

LOS ANGELES

333 South Grand Avenue
Los Angeles, California 90071
213 625-1900

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617 807-1990

LONDON

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MILAN

Corso Matteotti, 1
20121 Milan, Italy
+39 02 76067111



L.A. Care Health Plan

NEAM's L.A. Care Board Report



Data as of June 30, 2023

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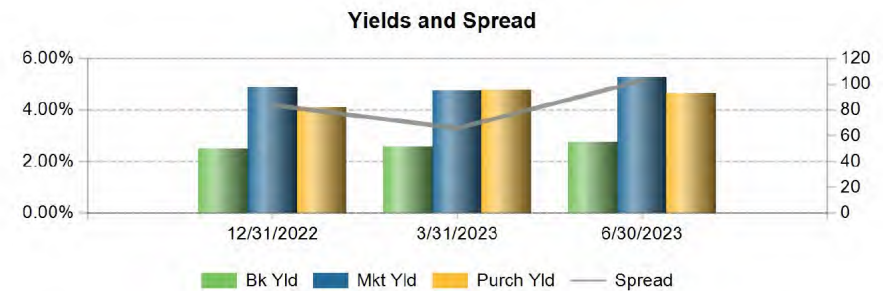
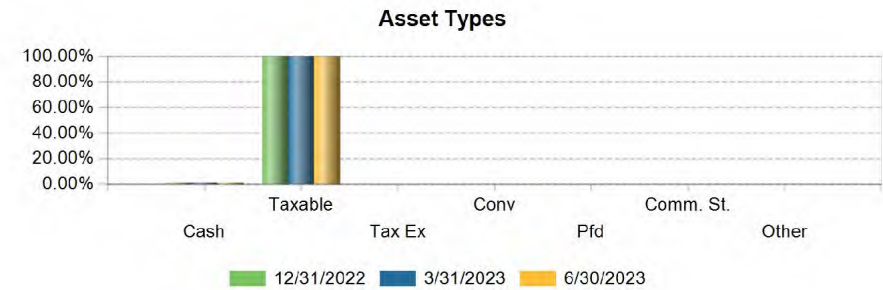
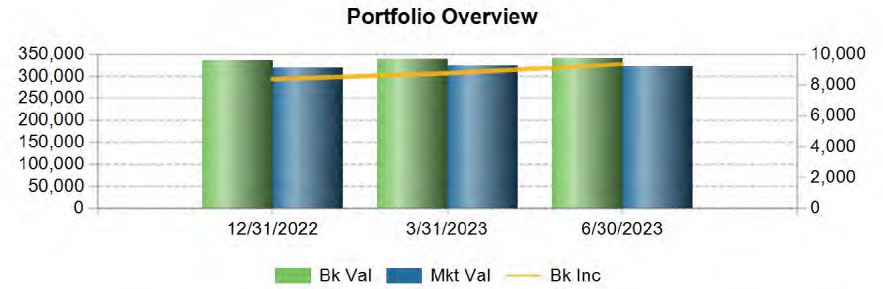
A large, abstract graphic in the background of the slide. It consists of two overlapping, curved shapes. The shape on the left is a dark blue, and the shape on the right is a vibrant green. They meet in the center, creating a white space where the text is located. The overall effect is a sense of flow and transition.

Portfolio Summary

L.A. Care Health Plan - Comparative Overview



	12/31/2022	3/31/2023	6/30/2023	Change since 3/31/2023
Portfolio Overview (000's Omitted)				
Book Value	336,962	338,645	340,315	1,670
Market Value	319,103	324,381	323,571	(810)
Total Unrealized Gain/Loss	(17,859)	(14,263)	(16,744)	(2,481)
Net Gains	764	1,355	304	(1,051)
Net Losses	(18,622)	(15,618)	(17,048)	(1,430)
Realized Gain / Loss	(744)	(321)	(472)	
Annualized Book Income	8,399	8,769	9,361	593
After Tax Book Income	6,635	6,927	7,395	468
Asset Types				
Cash / Cash Equivalents	0.2%	0.3%	0.1%	(0.1%)
Taxable Fixed Income	99.8%	99.7%	99.9%	0.1%
Portfolio Yields				
Book Yield (Before Tax)	2.49%	2.59%	2.75%	0.16%
Book Yield (After Tax)	1.97%	2.05%	2.17%	0.13%
Market Yield	4.88%	4.74%	5.27%	0.53%
Fixed Income Analytics				
Average OAD	2.60	2.59	2.58	(0.01)
Average Life	2.86	2.87	2.86	(0.01)
Average OAC	8.71	8.42	8.46	0.04
Average Quality	A+	A+	A+	
144A %	11.35%	11.33%	13.38%	2.05%
Average Purchase Yield	4.09%	4.77%	4.64%	(0.13%)
Average Spread Over Tsy	84	66	103	37
5 Year US Govt On The Run	3.96%	3.63%	4.12%	0.49%

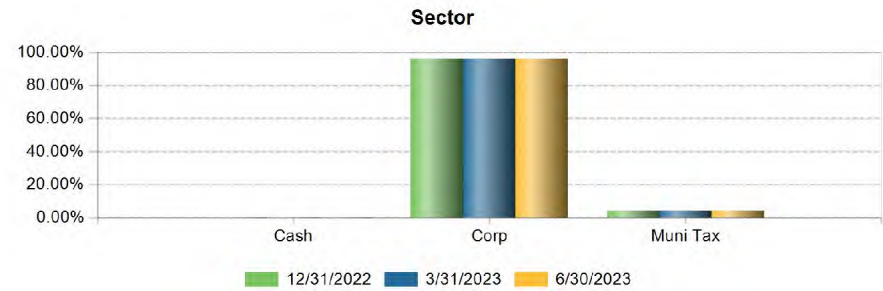


	12/31/22	03/31/23	06/30/23	Change since 3/31/2023
MV Excl Acc Int Inc	319,103,446	324,381,481	323,571,060	(810,421)
Acc Int Inc	2,456,542	2,389,254	2,712,127	322,873
MV Inc Acc Int Inc	321,559,988	326,770,735	326,283,187	(686,548)

L.A. Care Health Plan - Fixed Income Summary



	12/31/2022	3/31/2023	6/30/2023	Change since 3/31/2023
Sector				
Cash & Cash Equivalents	< 1%	< 1%	< 1%	< 0%
Corporates	96%	96%	96%	-
Municipals - Taxable	4%	4%	4%	-
Fixed Income	100%	100%	100%	
Duration				
< 1 Year	6%	8%	10%	2%
1-3 Years	53%	50%	46%	(4%)
3-5 Years	41%	42%	44%	2%
Average Duration	2.60	2.59	2.58	(0.01)
Quality				
AAA	6%	6%	6%	-
AA	26%	25%	25%	-
A	68%	69%	69%	-
Average Quality	A+	A+	A+	



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Activity Report

L.A. Care Health Plan - Transaction Summary



(000's Omitted)

Purchases	Market Value	%	Spread (Bp)	Book Yld	High	Duration
Corporates	22,381	100.0	103	4.64	A+	4.24
Total Purchases	22,381	100.0	103	4.64	A+	4.24
Sales	Market Value	%	Realized G/L	Trade / Book Yld	High	Duration
Corporates	19,700	100.0	(472)	5.03 / 2.16	A	0.84
Total Sales	19,700	100.0	(472)	5.03 / 2.16	A	0.84

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Performance Report

L.A. Care Health Plan - Performance Report Not Tax Adjusted



	Jun 2023 Market*	Annualized									Inc Date
		Jun 2023	May 2023	Apr 2023	Q2	YTD	12 Month	3 Year	5 Year	Inception	
LA Care HealthPlan	326,283	(0.38)	(0.47)	0.64	(0.21)	1.47	1.17	(0.89)	1.77	1.53	Jan 2018
Barclay Bloomberg U.S. Credit: 1-5 Yr A- or better (Highest)		(0.41)	(0.41)	0.60	(0.22)	1.53	0.95	(1.27)	1.53	1.31	Jan 2018
Difference		0.03	(0.06)	0.04	0.01	(0.06)	0.22	0.38	0.24	0.22	

* Market values (in 000's) include accrued income

Please see the accompanying Disclosure Page for important information regarding this Performance Exhibit.

L.A. Care Health Plan - Performance Report Not Tax Adjusted



Disclosures

Management start date is 10/1/17 and performance start date is 1/1/18 to allow for seasoning.

The performance results reflect LA Care Health Plan's portfolio managed by NEAM. A Daily Valuation Methodology that adjusts for cash flows is utilized to calculate portfolio performance. Portfolio returns are calculated daily and geometrically linked to create monthly gross of fee rates of return. Performance results are reported gross of management fees and of custody fees and other charges by the custodian for your account and net of commissions, mark-ups or mark-downs, spreads, discounts or commission equivalents. The performance results for your account are shown in comparison to an index that has been chosen by you. The securities comprising this index are not identical to those in your account. The index is comprised of securities that are not actively managed and does not reflect the deduction of any management or other fees or expenses. Past performance is not indicative of future performance.



Appendix



Risk Reports

L.A. Care Health Plan - Profile Report



Distribution by Class

	Quantity	Book	Market	Unrealized Gain/ Loss	Book Yield	OAY	OAD	OAC	Avg Life	% of Portfolio
Cash & Cash Equivalents	456,320	456,320	456,320	-	4.91	4.91	0.08	0.05	0.08	0.14
Corporates	281,307,000	279,639,344	266,898,775	(12,740,569)	2.88	5.28	2.58	8.27	2.88	82.49
144A	46,500,000	46,350,765	43,300,424	(3,050,341)	2.53	5.25	2.85	10.94	3.07	13.38
Municipals - Taxable	13,800,000	13,868,514	12,915,540	(952,974)	0.90	5.15	1.78	4.43	1.85	3.99
Total Portfolio	342,063,320	340,314,944	323,571,060	(16,743,884)	2.75	5.27	2.58	8.46	2.86	100.00

Rating Analysis - Highest

	% of Portfolio
AAA	5.92
AA	24.86
A	69.22
BBB	-
Below BBB	-
NR	-
Total Fixed Income	100.00
Equity	-
Total	100.00

Average Rating: A+

Scenario Analysis - % of Market

	-300	-200	-100	-50	+50	+100	+200	+300
Cash & Cash Equivalents	0.22	0.16	0.08	0.04	(0.04)	(0.08)	(0.16)	(0.24)
Corporates	8.08	5.31	2.62	1.30	(1.28)	(2.53)	(4.99)	(7.35)
144A	9.06	5.93	2.91	1.44	(1.41)	(2.80)	(5.49)	(8.08)
Municipals - Taxable	5.54	3.65	1.80	0.89	(0.88)	(1.76)	(3.47)	(5.14)
Total Portfolio	8.10	5.32	2.62	1.30	(1.28)	(2.54)	(4.99)	(7.35)

Key Rate Duration

	Market Value	1 Year	2 Year	3 Year	5 Year	7 Year	10 Year	15 Year	20 Year	30 Year
Cash & Cash Equivalents	456,320	0.08	-	-	-	-	-	-	-	-
Corporates	266,898,775	0.26	0.44	1.08	0.81	< 0.01	-	-	-	-
144A	43,300,424	0.16	0.30	1.39	1.00	< 0.01	-	-	-	-
Municipals - Taxable	12,915,540	0.31	1.11	0.33	0.03	-	-	-	-	-
Total Portfolio	323,571,060	0.24	0.45	1.09	0.80	< 0.01	-	-	-	-



Disclaimers

Disclaimers

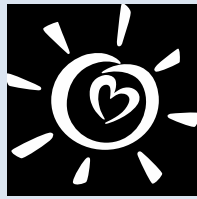


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L.A. Care
HEALTH PLAN®

Board of Governors
MOTION SUMMARY

Date: September 7, 2023

Motion No. FIN 101.0923

Committee: Finance & Budget

Chairperson: Stephanie Booth, MD

Issue: Expense Policy AFS-004 “Non-Travel and Other Related Expenses” requires Board approval of funds for non-travel related expenses exceeding \$10,000 per project.

New Contract **Amendment** **Sole Source** **RFP/RFQ was conducted in**

Background:

In compliance with L.A. Care policy, Board approval is required for funds to support projects that have Non-Travel Meals and Catering and Other expenses exceeding \$10,000. The programs were included as part of the FY 2023-2024 budget, and include Provider Continuing Education, Advocacy Strategy Events, Meetings with Providers and Other External Stakeholders, Business Development, and Staff Training, Recognition and Retention. Projects are listed below:

	Proposed Program	Meals and Catering	Other	Total
1	Board of Governors Offsite Meetings - June and September 2024	\$ 20,000	\$ -	\$ 20,000
2	Catering for Board & Committee Meetings	\$ 20,000	\$ -	\$ 20,000
3	Catering for Health Promoters Program	\$ 31,000	\$ -	\$ 31,000
4	Catering for LA Care Consumer Advisory Council(CAC) Member Engagement Sessions	\$ 4,320	\$ 8,000	\$ 12,320
5	Catering for LA Care Consumer Members (RCAC/ECAC/BOG)	\$ 68,300	\$ 223,550	\$ 291,850
6	Community Benefit Grant Review Committee Meetings	\$ 2,874	\$ 22,000	\$ 24,874
7	Customer Service and QI Performance Improvement Project (PIP) Trainings	\$ 15,300	\$ -	\$ 15,300
8	Provider Continuing Education (PCE) Program	\$ 43,700	\$ 116,300	\$ 160,000
	Total	\$ 205,494	\$ 369,850	\$ 575,344

At the August 23 Finance & Budget Committee, a question about other events was raised and an amendment proposed to this motion. After review, there are no other events currently planned with non-travel expenses.

Member Impact: This motion will allow L.A. Care to foresee improved provider knowledge and engagement on patient experience, leading to improved quality of care for L.A. Care’s members.

Budget Impact: The cost was anticipated and included in the approved budget for FY 2023-2024.

Motion: To approve the allocation of funds to support L.A. Care’s Projects with Non-Travel Meals and Catering and Other Expenses exceeding \$10,000 in the total amount of \$575,344 for FY 2023-2024.



Board of Governors
MOTION SUMMARY

Date: September 7, 2023

Motion No. FIN 102.0923

Committee: Finance & Budget

Chairperson: Stephanie Booth, MD

Issue: Execute a contract with ixLayer, Inc. to provide at-home test kits to members for diabetes A1c tests, colorectal cancer screenings and kidney health evaluations.

New Contract **Amendment** **Sole Source** **RFP/RFQ was conducted**

Background: L.A. Care staff requests approval to execute a contract with ixLayer, Inc. (Vendor) from September 15, 2023 to September 15, 2026 in the amount of \$5,400,000. The Vendor will provide at-home test kits for A1c, kidney health evaluation, and colorectal cancer screening. Vendor will also manage test kits, including outreach to members and providers, delivery of kits, return of kits, and test results. L.A. Care, the member, and the members' primary care provider will receive the test results via mail and have the option to access results through an online portal. Members with abnormal results will receive telephonic follow-up, as will their Primary Care Provider. Contract also includes a member customer service line to support with completing the test kit and the option to drop off test kits and receive support at a Walgreens Health Corner.

This contract is an essential strategy to support L.A. Care in achieving the 66th percentile for L.A. Care Covered Quality Transformation Initiative program. L.A. Care faces severe penalties if the 66th percentile is not achieved for diabetes and colorectal cancer screening measures. This contract also supports L.A. Care in improving its D-SNP STARS rating and Medi-Cal disparity rates. Evaluation will assess the test-kit return rate and the impact of HEDIS performance on measures.

We conducted a competitive request for proposal process in February 2023. Seven vendors responded to the request. ixLayer, Inc. was selected because of their competitive pricing, exemplary customer service, engaged care team and extra partners, such as the Walgreens Health Corners.

The Return On Investment (ROI) for ixLayer, Inc. at-home test kit initiative is as follows:

For L.A. Care Covered (LACC) at-home test kits, the ROI is:

- Hemoglobin A1c Test: Save \$3.06 for every \$1 spent
- Colorectal Cancer Screening: Save \$1.40 for every \$1 spent
- Kidney Health Evaluation: Not part of the QTI measures, so it is omitted from the calculation on ROI

Note: ROI is calculated based on the assumption that L.A. Care hits the 66th percentile in measures.

For Duals Special Needs Plan (D-SNP) at-home test kits, the ROI is:

- Hemoglobin A1c Test: Gross \$2.37 for every \$1 spent
- Colorectal Cancer Screening: Gross \$1.84 for every \$1 spent
- Kidney Health Evaluation: Gross \$3.40 for every \$1 spent

Note: ROI is calculated based on the assumption that L.A. Care hits an overall star rating of 3.5 (\$12 million)

Board of Governors

MOTION SUMMARY

Member Impact: L.A. Care members will benefit from this motion by receiving essential health care in the comfort of their own home. Members will overcome potential barriers such as travel, limited appointment availability, and lack of accessible office hours.

Budget Impact: The cost was anticipated and included in the upcoming FY 2023-24 healthcare expense budget. We will budget the balance in future fiscal years.

Motion: To authorize staff to execute a contract in the amount of \$5,400,000 with ixLayer, Inc. to provide at-home test kits for the period of September 15, 2023 to September 15, 2026.



Board of Governors
MOTION SUMMARY

Date: September 7, 2023

Motion No. FIN 103.0923

Committee: Finance & Budget

Chairperson: Stephanie Booth, MD

Issue: Execute a contract with Collective Medical Technologies to provide Care & Utilization Optimization (Acute Care), Member Activity Visibility (Acute & SNF Encounters), and Post-Acute Care Management (CAM), Enhanced Care Management (ECM) with PAC Management.

New Contract **Amendment** **Sole Source** **RFP/RFQ was conducted**

Background: L.A. Care staff requests approval to execute a contract with Collective Medical Technologies (Vendor) from September 30, 2023 to September 30, 2026 in the amount of \$1,700,032 annually. The vendor will provide us with Care & Utilization Optimization (Acute Care): Providing near-real-time access to ADT notifications for L.A. Care Users to meet various regulatory and programmatic requirements. Member Activity Visibility (Acute & SNF Encounters) and PAC Management: Enabling electronic exchange and access to acute care and SNF HL7 messages. Providing access to SNF census, clinical data, operational metrics, and trends. Enterprise Care Management (ECM) with PAC Management: Providing near-real-time access to ADT notifications for ECM providers. Providing access to SNF census, clinical data, operational metrics, and trends for ECM providers.

L.A. Care requires these services to help ensure that we are able to successfully meet regulatory requirements for large-scale programs like California Advancing and Innovating Medi-Cal (CalAIM) Population Health Management (PHM), Transitions of Care Services (TCS), Duals Special Needs Plan (D-SNP) Program Requirements (D-SNP SMAC Amendment), and Enhanced Care Management (ECM). The requirements mandate Managed Care Plans to ingest and leverage Admit, Discharge and Transfer (ADT) notifications in near real-time from the contracted network of hospitals and skilled nursing facilities to coordinate care for members in a timely manner and connect them to follow-up services including services focused on addressing Social Determinants of Health (SDOH). We have used this vendor since January 22, 2019 and are pleased with their work. Other departments, including Health Education, Facility Site Review, Quality Improvement, Utilization Management, Quality Performance Management Pharmacy & Formulary, Care Management, Managed Long Term Services and Supports, Population Health Management, Community Health, Behavioral Health, Customer Solution Center, Advanced Analytics (AAL) use Collective Medical Technologies to fulfill requirements for various projects including:

- Transitions of Care (TCS) in the CalAIM, D-SNP and ECM programs. ADT data is used to identify recently admitted or discharged members from hospitals. Case Managers utilize this data for timely outreach and care coordination, as required by the Department of Health Care Services (DHCS).
- Pharmacy Management. ADT data is utilized to identify members with multiple comorbidities and chronic conditions who may benefit from Medication Therapy Management (MTM) services.
- Behavioral Health. Data is utilized to identify members hospitalized with specific behavioral health conditions for FUM and FUH measures.

Board of Governors

MOTION SUMMARY

- **Member Education.** The data helps identify members eligible for specific programs, such as Prenatal/Postpartum programs and the Medically Tailored Meals program, to address service gaps for specific members and marginalized groups.
- **Customer Service.** The data enhances front-line staff's access to accurate member contact information, reducing "Unable to Contact" (UTC) instances.
- **Quality Measurement.** ADT data is utilized to close gaps in care delivery and improve performance on various HEDIS quality measures, serving as supplemental data for quality measurement.
- **Risk Stratification.** Members are stratified based on their risk profiles, incorporating real-time ADT data for a more accurate assessment. This is a new CalAIM PHM Requirement.
- **Reduce Chart Chasing.** Efforts are made to reduce manual tasks for nursing staff, such as faxing and chasing member charts.
- **ECM Population of Focus 6.** Members in Skilled Nursing Facilities (SNFs) who are eligible for transitioning to community living are identified using the data.
- **Advanced Analytics.** Readmission Risk Predictive Modelling.

No request for proposal was conducted for this vendor because L.A. Care engaged Collective Medical Technologies in a demonstration pilot to provide a Care Coordination platform leveraging ADT notifications in 2019. This pilot was conducted prior to entering into a long-term contract, and it effectively demonstrated the value of improving care for at-risk members by enabling staff and providers to access hospital notifications for timely follow-ups.

Furthermore, the vendor offers near real-time access to hospital and SNF ADT data not only in Los Angeles County but also across all 50 states. Their unique position allows them to deliver ADT data for both Acute and Post-Acute Care facilities. Additionally, the vendor provides access to full-spectrum SNF Electronic Medical Record (EMR) data, covering 80% of the SNF market in Los Angeles County.

Currently, L.A. Care spends \$2,244,940 annually on access to individual services, including ADT data from both Acute and Post-Acute Care facilities, Electronic Exchange of ADT, and ECM Access to ADT from Collective Medical Technologies Inc. under separate contracts. By investing in Care & Utilization Optimization (Acute Care), Member Activity Visibility (Acute & SNF Encounters), and PAC Management, Enhanced Care Management (ECM) with PAC Management through Collective Medical Technologies Inc., the organization can reduce costs by an estimated \$544,907 annually. This cost reduction is achieved by consolidating all the services under one contract, and transitioning to a per member per month (pmpm) service model.

Member Impact:

- Facilitate timely access to care for at-risk L.A. Care members following hospital discharges, whether from an Inpatient or Emergency Department visit.
- Ensure members receive prompt follow-up treatment with their primary care provider at the outpatient facility, aimed at reducing readmissions, checking for complications, and conducting medication reconciliation.
- Provide guidance to members during Transitions of Care as they move from an acute care setting to discharge, and transition to home or community-based care.
- Identify members with multiple comorbidities and chronic conditions, such as Diabetes, Cardiovascular Disease, and Chronic Obstructive Pulmonary Disease, and offer essential services like Medication Therapy Management.
- Proactively identify and address gaps in services for specific members and marginalized groups, including children, pregnant individuals, seniors, and undocumented immigrants, in a timely and responsive manner.

Budget Impact: The cost was anticipated and included in the approved budget for the Quality Improvement department in this fiscal year. We will budget the balance in future fiscal years.

Board of Governors

MOTION SUMMARY

Motion: To authorize staff to execute a contract with Collective Medical Technologies in the amount of \$1,700,032 annually for the period of September 30, 2023 to September 30, 2026, for a total of \$5,100,096 over the 3 year period.



Board of Governors
MOTION SUMMARY

Date: September 7, 2023

Motion No. PRC 100.0923

Committee: Provider Relations Advisory Committee **Chairperson:** George Greene, Esq.

Issue: Approve the membership of the Provider Relations Advisory Committee (PRAC).

New Contract **Amendment** **Sole Source** **RFP/RFQ was conducted in <<year>>**

Background: On May 4, 2023, the Board of Governors approved the establishment of the Provider Relations Advisory Committee (PRAC) to function as a committee of the Board of Governors.

The PRAC members should represent the following provider constituencies, including but not limited to:

- Hospitals, Community and Tertiary or Quaternary Facilities
- Federally Qualified Health Centers, Community Clinics or Public Clinics
- Independent physicians
- Independent Practice Associations or similar third party entities
- Skilled Nursing Facilities
- Transportation Providers
- Durable Medical Equipment Providers
- Behavioral Health Providers
- Community Based Organization

Member Impact: The PRAC will advise the Board on potential actions that L.A. Care can take to improve services to members by developing deeper understanding and stronger relationships with all providers.

Budget Impact: No budget impact

Motion: **To approve the attached Membership of the Provider Relations Advisory Committee.**

**Proposed Membership of the
Provider Relations Advisory Committee
L.A. Care Health Plan**

	Name/Address	Representing
1.	George Greene, Esq., Chairperson President & CEO Hospital Association of Southern California	Hospitals
2.	Richard Ayoub CEO Project Angel Food	Community Based Organization
3.	Stephanie Booth MD	Independent physicians
4.	Warren Brodine President & CEO Eisner Health	FQHC/Clinics
5.	Hector Flores, MD CEO White Memorial Residency Program	Independent physicians
6.	Sabra Matovsky CEO HCLA	IPAs
7.	Ashkan Moazzez, MD, MPH, FACS, CHCQM Associate Clinical Professor of Surgery, UCLA David Geffen School of Medicine Diplomate, The American Board of Surgery Diplomate, The American Board of Quality Assurance and Utilization Review Physicians System Medical Director, Utilization Management Department of Health Services Medical Director, Utilization Management Department Harbor UCLA Medical Center	FQHC/Clinics
8.	Zahra Movaghar Administrator Preferred IPA	IPAs
9.	John Raffoul President Adventist Health White Memorial	Community Hospitals
10.	Amanda Ruiz, MD Acting Sr. Deputy Director – Intensive Care Division Los Angeles County Department of Mental Health	Behavioral Health
11.	David Silver, MD Chief Executive Officer Rockport Healthcare Services	Skilled Nursing Facilities
12.	David Topper	Community Hospitals

**Proposed Membership of the
Provider Relations Advisory Committee
L.A. Care Health Plan**

	Name/Address	Representing
	CEO Alta/Prospect	
13.	Michelle Tyson, MD CEO Call The Car	Transportation
14.	Haig Youredjian DEO Western Drug Medical Supply	Durable Medical Equipment
15.		Tertiary/Quaternary Hospitals
16.		Community Based organization



Board of Governors
MOTION SUMMARY

Date: September 7, 2023

Motion No. PRC 101.0923

Committee: Provider Relations Advisory Committee **Chairperson:** George Greene, Esq.

Issue: Approve the Committee Charter of the Provider Relations Advisory Committee (PRAC).

New Contract **Amendment** **Sole Source** **RFP/RFQ was conducted in <<year>>**

Background: On May 4, 2023, the Board of Governors approved the establishment of the Provider Relations Advisory Committee (PRAC) to function as a committee of the Board of Governors.

Member Impact: The PRAC will advise the Board on potential actions that L.A. Care can take to improve services to members by developing deeper understanding and stronger relationships with all providers.

Budget Impact: No budget impact

Motion: **To approve the attached Charter of the Provider Relations Advisory Committee.**

**L.A. Care Health Plan
Board of Governors
Provider Relations Advisory Committee
CHARTER**

Mission Statement

The Provider Relations Advisory Committee (PRAC) shall advance the vision and mission of L.A. Care Health Plan to serve vulnerable populations of Los Angeles County with access to quality health care and support the safety net of providers who care for them. The PRAC will bring the Provider perspective to the Board of Governors for policy, strategy and operations of the Health Plan.

Committee Standing and Structure

The PRAC will be a standing committee of the Board of Governors. The initial Chairperson will be appointed by the Chairperson of the Board of Governors from one of the provider stakeholder categories of the Board of Governors. After the initial appointment of a Chairperson, the PRAC members will elect a Chairperson from one of the provider stakeholder categories of the Board of Governors each year in January.

The PRAC will consist of no more than sixteen (16) members. No more than six current members of the L.A. Care Board of Governors will serve on the PRAC, along with providers that contract with L.A. Care or provider representatives operating on behalf of providers practicing in Los Angeles County.

The PRAC members should represent the following provider constituencies, including but not limited to:

- Hospitals, community and tertiary or quaternary facilities
- Federally Qualified Health Centers, Community Clinics or Public Clinics
- Independent physicians
- Independent Practice Associations or similar third party entities
- Skilled Nursing Facilities
- Transportation providers
- Durable Medical Equipment providers
- Behavioral Health Providers
- Community based organization

The PRAC will meet no less than four times a year at times directed by the Chairperson. The schedule of regular meetings will be approved by the Board of Governors.

Committee Scope and Responsibilities

To best support the mission and vision of L.A. Care, the PRAC shall be a safe forum for the presentation of issues by the Board of Governors or plan management for feedback from the committee participants, and a safe forum for providers to bring issues that impact the quality of care provided to plan members to the attention of the Board of Governors and plan management.

These issues will include but not be limited to

- Proposed L.A. Care procedure or policy changes Impacting providers and/or members.
- Pending or proposed federal or State legislation or regulatory changes impacting managed care plans, Medicaid, Medicare, the individual market exchange
- Provider introduced issues on current LA Care operational issues of consequence to L.A. Care's members or providers.
- Provider introduced issues on legislation, regulation, policy or healthcare trends of consequence to L.A. Care's members or providers.

The PRAC will be able to provide suggestions, solutions or risk mitigation strategies related to issues presented above that would provide the L.A. Care's Board of Governors and plan management with robust insight from Providers on the impact on quality care provided to L.A. Care members.

The PRAC will report its deliberations and recommendations to the Board of Governors and shall have a standing agenda item on the Agenda at the next Board of Governors meeting following a PRAC meeting. The PRAC shall maintain minutes of all its meetings to document its activities and recommendations. The PRAC shall periodically review this Charter.

Reviewed and approved by the L.A. Care Health Plan Board of Governors on *date of meeting*.

_____ Date: _____
John Raffoul, *Secretary of the Board of Governors*

**CHIEF
EXECUTIVE
OFFICER
REPORT**



August 28, 2023

TO: Board of Governors
 FROM: John Baackes, *Chief Executive Officer*
SUBJECT: CEO Report – September 2023

As summer comes to a close and we enter autumn, L.A. Care has been active in the community to support families across Los Angeles County. L.A. Care and Blue Shield Promise co-hosted 11 back-to-school events across our Community Resource Centers. With the financial pressures that many people are facing, these events help families prepare for a new school year by providing essential school supplies. This year, we distributed over 16,500 backpacks to families. These events are not just a way for L.A. Care to share resources, they are also lively community building celebrations with games and food, and at some events, free books. Activities like this put L.A. Care in the heart of the communities we serve, and brings together members, community leaders, and staff volunteers.

As we move into the last quarter of the year, the Community Resource Centers are holding 10 flu and COVID vaccine clinics from Sept. 22 – Oct. 20. Vaccine clinics are free and open to everyone. This year, we are also offering free blood sugar and blood pressure screenings. Each center will also have 100 free grocery gift cards for individuals who get a vaccine, on a first-come, first-served basis.

Following is a snapshot of our progress on some of our community- and provider-focused work.

	Since Last CEO Report (7/17/23)	As of 8/28/23
Provider Recruitment Program Physicians hired under PRP ¹	-2	150
Provider Loan Repayment Program Active grants for medical school loan repayment ²	-22	110
Medical School Scholarships Grants for medical school scholarships ³	—	48
Elevating Community Health Home care worker graduates from CCA’s IHSS training program	—	5,963

Notes:

1. The number of physicians fluctuates as physicians are hired and/or leave clinics.
2. The number of active grants for loan repayment may decrease due to physicians completing their service commitment, paying off debt, or leaving prior to completing their service commitment.
3. The count includes scholarships that have been awarded and announced, not prospective scholar seats.

Below please find organizational updates for August:

L.A. Care’s Pay-for-Performance Program Featured in British Medical Journal

L.A. Care’s Value Initiative for IPA (Independent Practice Association) Performance (VIIP) Program was the focus of a peer reviewed research article appearing in the British Medical Journal (BMJ). An analysis of 10 years of data found that the program improved several important measures of health care quality, and

we have seen improvement in clinical quality rates, data, process and collaboration through the VIIP program.

L.A. Care Awarded Over \$2M to Address Shortage of Frontline Health Workers

We awarded \$2 million in grants to help address the shortage of non-physician certified and licensed professionals at a dozen clinics that serve low-income communities. Each clinic will receive up to \$175,000 to help them improve patient access through increased staffing, specifically workers who share a racial or ethnic background with the patients they are serving. The lack of diversity among health care staff hinders efforts toward health equity and L.A. Care is working to close the gap on health disparities.

L.A. Care Committed \$500,000 to Increase Staff at a Newly Renovated Health Clinic in Lancaster

L.A. Care was proud to announce a \$500,000 commitment to support staffing at JWCH Institute's Wesley Community Health Center in Lancaster. The newly renovated 40,000 square foot facility is expected to serve an additional 1,920 patients in its first year and up to 6,000 in its second year. The funding will support three new clinical and support staff for the Lancaster center's Primary Care and Behavioral Health Clinics.

New Round of Provider Recruitment Grants Awarded

As part of Elevating the Safety Net, L.A. Care's workforce initiative, we have awarded five clinics funding to support their recruitment efforts to attract physicians to practice in the safety net. Safety net providers are in high demand, and it can be challenging for practices to hire new primary care physicians. The following clinics will each receive up to \$125,000 when they have hired a new physician:

- Northeast Valley Health Corporation – San Fernando Valley, Santa Clarita Valley
- Chinatown Service Center – West San Gabriel Valley, Metro L.A.
- Angeles Community Health Center – Metro L.A., Glendale
- Southern California Medical Center – Long Beach
- ROADS Community Clinic – Compton, Inglewood

L.A. Care Invests More than \$4 Million in a Street Medicine Initiative

L.A. Care is investing \$4,050,000 in a Street Medicine Initiative to expand access and improve the quality of medical care available to unsheltered people where they are and on their terms. Nine organizations offering street medicine will each receive up to \$500,000. Primarily, this work will increase access to care for those experiencing homelessness. It will also provide outreach to help with enrollment into Medi-Cal to ensure people have benefits they are eligible for.

Attachments
Capitol Weekly Op-Ed

Preserving health coverage for millions of Californians requires all of us

BY **JOHN BAACKES** POSTED 08.20.2023

OPINION – Have you received a yellow envelope in the mail? Do you know someone who has? What’s inside that yellow envelope – and whether the recipient responds – could mean the difference between maintaining critical health care coverage or going without.

Across California, some of our most vulnerable neighbors remain unaware that they need to take action to keep their health care. This isn’t a small group: nearly 16 million Californians are enrolled in Medi-Cal, and about 75% of this group must submit the information requested in their renewal packet or they could be disenrolled – that’s a total of almost 12 million people.

It is time for all of us – neighbors, partners in government, and community advocates – to do everything we can to keep our friends and neighbors insured.

We applaud our partners in the State and in various County governments who have allocated resources to this effort. We also appreciate that they have implemented additional flexibilities to ensure the maximum number of eligible Californians can successfully retain their Medi-Cal benefits, or enjoy a warm hand-off to Covered California or employer provided health care.

Yet, there’s still more to do. We need all our elected representatives across California to join us in this effort. The anticipated disenrollment numbers are concerning enough to urge heightened action.

Elected leaders: if you haven’t already, we need you to join us in continuing the steady drumbeat of education around redetermination. In Los Angeles County, we’ve kicked off a year-long plan to raise awareness around redetermination, and we know other counties and organizations are also launching awareness campaigns of their own. We encourage our partners in government to consider what their offices can do – whether it means co-hosting an event to help people stay enrolled or spreading the word via social media.

75% of Medi-Cal recipients will need to respond to maintain their health coverage, and 25% will be automatically re-enrolled. One of the biggest challenges is that as those 75% wait, most of them do not know when to expect to receive their yellow envelope, and neither do their health plans. We should have the ability to at least let them know when to expect the mailing.

One change would be tremendously impactful right away: if the California Department of Health Care Services (DHCS) could share data on the beneficiaries' renewal month with the health plans far enough in advance, we could alert recipients of when to be on the lookout for the yellow envelope. That would help health plans like ours reach millions of Californians.

For Californians who want to help, there are a few ways that you can support our efforts:

- Ask your friends and neighbors if they've received a yellow envelope. If they have, tell them to send it in.
- If you have received one, open it and respond as soon as possible.
- If you haven't received a yellow envelope yet, pay attention to your mail.
- If your coverage is renewed automatically, your local Medi-Cal office will mail you a notice informing you of that.

Just as we have done many times before, Californians need to come together to make sure we're all covered. To those who are still waiting, act promptly when your Medi-Cal paperwork arrives. Your health and the health of California depends on it.

John Baackes is CEO of L.A. Care, a health plan that provides health coverage for vulnerable residents of Los Angeles County

Legislative Matrix 8.10.2023

Last Updated: August 10, 2023

Bills by Issue

2023 Legislation (84)

Bill Number	Status	Position
AB 4	In Senate	Monitor
<p>Title Covered California: expansion.</p> <p>Description AB 4, as amended, Arambula. Covered California: expansion. Existing federal law, the Patient Protection and Affordable Care Act (PPACA), requires each state to establish an American Health Benefit Exchange to facilitate the purchase of qualified health benefit plans by qualified individuals and qualified small employers. Existing state law creates the California Health Benefit Exchange, also known as Covered California, to facilitate the enrollment of qualified individuals and qualified small employers in qualified health plans as required under PPACA. Existing law requires the Exchange to apply for a federal waiver to allow persons otherwise not able to obtain coverage through the Exchange because of their immigration status to obtain coverage from the Exchange. This bill would delete that requirement and would instead require the Exchange to administer a program to allow persons otherwise not able to obtain coverage by reason of immigration status to enroll in health insurance coverage in a manner as substantially similar to other Californians as feasible given existing federal law and rules. The bill would require the Exchange to undertake outreach, marketing, and other efforts to ensure enrollment. The bill would also require the Exchange to adopt an annual program design for each coverage year to implement the program, and would require the Exchange to provide appropriate opportunities for stakeholders, including the Legislature, and the public to consult on the design of the program.</p> <p>Primary Sponsors Joaquin Arambula, Sabrina Cervantes, Maria Durazo</p> <p>Organizational Notes Last edited by Joanne Campbell at May 12, 2023, 9:13 PM L.A. Care, Health Access California (co-sponsor), California Immigrant Policy Center (co-sponsor): Support</p>		

Bill Number	Status	Position
AB 85	In Senate	Monitor
Title		

Social determinants of health: screening and outreach.

Description

AB 85, as amended, Weber. Social determinants of health: screening and outreach. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law requires health care service plans and health insurers to include coverage for screening for various conditions and circumstances, including adverse childhood experiences. Existing law provides for the Medi-Cal program, administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. This bill would, upon specified appropriations by the Legislature, require a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2025, to include coverage for screenings for social determinants of health, as defined. The bill would require providers to use specified tools or protocols when documenting patient responses to questions asked in these screenings. The bill would, upon appropriation, require a health care service plan or health insurer to provide physicians who provide primary care services with adequate access to community health workers, peer support specialists, lay health workers, community health representatives, or social workers in counties where the health care service plan or health insurer has enrollees or insureds, as specified. The bill would, upon appropriation, authorize the respective departments to adopt guidance to implement its provisions. Because a violation of the bill's requirements by a health care service plan would be a crime, the bill would impose a state-mandated local program. The bill would, upon appropriation, make social determinants of health screenings a covered benefit for Medi-Cal beneficiaries and would require the State Department of Health Care Services or a Medi-Cal managed care plan to provide reimbursement for those screenings, as specified. Existing law establishes the Department of Health Care Access and Information, under the control of the Director of the Department of Health Care Access and Information, to administer programs relating to areas including health policy and planning. This bill would, upon appropriation, require the department to convene a working group, with specified membership, to determine standardized methods of data documentation to be used in recording social determinants of health screening responses, to create a standardized model... (click bill link to see more).

Primary Sponsors

Akilah Weber

Organizational Notes

Last edited by Joanne Campbell at Mar 27, 2023, 5:51 PM

California Association of Health Plans: Oppose

Bill Number

AB 102

Status

Enacted

Position

Monitor

Title

Budget Act of 2023.

Description

AB 102, Ting. Budget Act of 2023. The Budget Act of 2023 made appropriations for the support of state government for the 2023–24 fiscal year. This bill would amend the Budget Act of 2023 by amending, adding, and repealing items of appropriation and making other changes. This bill would declare that it is to take effect immediately as a Budget Bill.

Primary Sponsors

Phil Ting

Bill Number

AB 103

Status

Enacted

Position

Monitor

Title

Budget Acts of 2021 and 2022.

Description

AB 103, Ting. Budget Acts of 2021 and 2022. The Budget Act of 2021 and Budget Act of 2022 made appropriations for the support of state government for the 2021–22 and 2022–23 fiscal years. This bill would amend the Budget Act of 2021 and Budget Act of 2022 by amending and adding items of appropriation and making other changes. The bill would declare that it is to take effect immediately as a Budget Bill.

Primary Sponsors

Phil Ting

Title

Distressed Hospital Loan Program.

Description

AB 112, Committee on Budget. Distressed Hospital Loan Program. The California Health Facilities Financing Authority Act authorizes the California Health Facilities Financing Authority to, among other things, make loans from the continuously appropriated California Health Facilities Financing Authority Fund to participating health institutions, as defined, for financing or refinancing the acquisition, construction, or remodeling of health facilities. This bill would create the Distressed Hospital Loan Program, until January 1, 2032, for the purpose of providing loans to not-for-profit hospitals and public hospitals, as defined, in significant financial distress or to governmental entities representing a closed hospital to prevent the closure or facilitate the reopening of a closed hospital. The bill would require the Department of Health Care Access and Information to administer the program and would require the department to enter into an interagency agreement with the authority to implement the program. The bill would require the department, in collaboration with the State Department of Health Care Services, the Department of Managed Health Care, and the State Department of Public Health, to develop a methodology to evaluate an at-risk hospital's potential eligibility for state assistance from the program, as specified. The bill would require a hospital or a closed hospital to provide the authority and the department with financial information demonstrating the hospital's need for assistance due to financial hardship. The bill would additionally require that the department, in consultation with the authority, develop an application and approval process for loan forgiveness or modification of loan terms, as specified. This bill would create the Distressed Hospital Loan Program Fund, a continuously appropriated fund, for use by the department and the authority to administer the loan program, as specified. The bill would authorize both the authority and the department to recover administrative costs from the fund. The bill would authorize the Department of Finance to transfer funds from the General Fund to the Distressed Hospital Loan Program Fund between state fiscal years 2022-23 and 2023-24 to implement the bill, as specified. The bill would authorize the department and the authority to require any hospital receiving a loan under the program to provide the department and the authority with an independent financial audit of the hospital's operations for any fiscal year in which a loan is outstanding. The bill would abolish the fund on December 31, 2031, and would require any remaining balance, assets, liabilities, and encumbrances of the fund to revert to the General Fund. By creating a continuously appropriated fund, the ... (click bill link to see more).

Primary Sponsors

House Budget Committee

Title

Budget Act of 2023: health.

Description

AB 118, Committee on Budget. Budget Act of 2023: health.

(1) Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law requires a health care service plan to provide disclosures regarding the benefits, services, and terms of the plan contract, as specified, to provide the public, subscribers, and enrollees with a full and fair disclosure of the provisions of the plan. This bill would require the department to develop standard templates for the disclosure form and evidence of coverage, to include, among other things, standard definitions, benefit descriptions, and any other information that the director determines, consistent with the goals of providing fair disclosures of the provisions of a health care service plan. The bill would require the department to consult with the Department of Insurance and interested stakeholders in developing the standard templates. The bill would require health care service plans, beginning January 1, 2025, to use the standard templates for any disclosure form or evidence of coverage published or distributed, except as specified. Because a willful violation of these requirements is a crime, the bill would impose a state-mandated local program. This bill would authorize the department to develop standard templates for a schedule of benefits, an explanation of benefits, a cost-sharing summary, or any similar document. The bill would authorize the department to require health care service plans to use the standard templates, except as specified, and would authorize the director to require health care service plans to submit forms the health care service plan created based on the department's templates for the purpose of compliance review. The bill would additionally specify that the department may implement these provisions by issuing and modifying templates and all-plan letters or similar instructions, without taking regulatory action. The bill would also update cross-references in various provisions.

(2) Existing law requires a health care service plan contract or disability insurance policy to cover mental health and substance use disorder treatment, including medically necessary treatment of a mental health or substance use disorder provided by an in-network or out-of-network 988 center or mobile crisis team. Existing law prohibits a health care service plan or insurer from requiring prior authorization for medically necessary treatment of a mental health or substance use disorder provided by a 988 center or mobile crisis team. This bill would instead specify that mental health and substance use disorder treatment... (click bill link to see more).

Primary Sponsors

House Budget Committee

Title

Medi-Cal: managed care organization provider tax.

Description

AB 119, Committee on Budget. Medi-Cal: managed care organization provider tax. Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Under existing law, one of the methods by which Medi-Cal services are provided is pursuant to contracts with various types of managed care plans. Existing law, inoperative on January 1, 2023, and to be repealed on January 1, 2024, imposed a managed care organization (MCO) provider tax, administered and assessed by the department, on licensed health care service plans and managed care plans contracted with the department to provide full-scope Medi-Cal services. Those provisions set forth taxing tiers and corresponding per enrollee tax amounts for the 2019–20, 2020–21, and 2021–22 fiscal years, and the first 6 months of the 2022–23 fiscal year. Under those provisions, all revenues, less refunds, derived from the tax were deposited into the State Treasury to the credit of the Health Care Services Special Fund, and continuously appropriated to the department for purposes of funding the nonfederal share of Medi-Cal managed care rates, as specified. Those inoperative provisions authorized the department, subject to certain conditions, to modify or make adjustments to any methodology, tax amount, taxing tier, or other provision relating to the MCO provider tax to the extent the department deemed necessary to meet federal requirements, to obtain or maintain federal approval, or to ensure federal financial participation was available or was not otherwise jeopardized. Those provisions required the department to request approval from the federal Centers for Medicare and Medicaid Services (CMS) as was necessary to implement those provisions. This bill would repeal those inoperative provisions. The bill would restructure the MCO provider tax, with certain modifications to the above-described provisions, including changes to the taxing tiers and tax amounts, for purposes of the tax periods of April 1, 2023, through December 31, 2023, and the 2024, 2025, and 2026 calendar years. The bill would create the Managed Care Enrollment Fund to replace the Health Care Services Special Fund. Under the bill, moneys deposited into the fund would, upon appropriation, be available to the department for the purpose of funding the following subcomponents to support the Medi-Cal program: (1) the nonfederal share of increased capitation payments to Medi-Cal managed care plans; (2) the nonfederal share of Medi-Cal managed care rates for health care services; and (3) transfers to the Medi-Cal Pro... (click bill link to see more).

Primary Sponsors

House Budget Committee

Title

Human services.

Description

AB 120, Committee on Budget. Human services. (1) Existing law, the California Community Care Facilities Act, provides for the licensing and regulation of community care facilities, including group home facilities, short-term residential therapeutic programs (STRTPs), and adult residential facilities (ARFs), by the State Department of Social Services. Under existing law, the department similarly regulates residential care facilities for the elderly. A violation of provisions relating to these facilities is a misdemeanor. Existing law requires administrators of these facilities, with specified exemptions, to complete a department-approved certification program, uniformly referred to as administrator certification training programs. Under existing law, these programs require a specified minimum number of hours, depending on the facility type, of classroom instruction that provides training on a uniform core of knowledge in specified areas. Existing law also requires administrator certificates to be renewed every 2 years, conditional upon the certificate holder submitting documentation of a specified number of hours of continuing education, based on the facility type. Existing law permits up to one-half of the required continuing education hours to be satisfied through online courses, and the remainder to be completed in a classroom instructional setting, as prescribed. This bill would revise those provisions by deleting the classroom instruction requirement for initial certification and continuing education purposes, and instead would require instruction that is conducive to learning and allows participants to simultaneously interact with each other as well as with the instructor. The bill would authorize up to one-half of continuing education hours to be satisfied through self-paced courses, rather than online courses. The bill would make various conforming changes. Existing law authorizes the department to license as ARFs, subject to specified conditions, adult residential facilities for persons with special health care needs (ARFPSHNs), which provide 24-hour services to up to 5 adults with developmental disabilities who have special health care and intensive support needs, as defined. Existing law requires the department to ensure that an ARFPSHN meets specified administrative requirements, including requirements related to fingerprinting and criminal records. This bill additionally would require an ARFPSHN to meet the administrator certification requirements of an ARF, including, but not limited to, completing a department-approved administrator certification training program requiring a designated minimum number of hours of instruction conducive to learning, in which participants are able to simultaneously interact wi... (click bill link to see more).

Primary Sponsors

House Budget Committee

Title

Housing.

Description

AB 129, Committee on Budget. Housing. (1) Existing law establishes the Department of Housing and Community Development (HCD) in the Business, Consumer Services, and Housing Agency for purposes of carrying out state housing policies and programs, and creates in HCD the California Housing Finance Agency. This bill would remove the California Housing Finance Agency from within HCD. This bill would continue the existence of the California Housing Finance Agency in the Business, Consumer Services, and Housing Agency. This bill would also make technical, conforming changes and would delete obsolete references. (2) Existing federal law authorizes the United States Secretary of Agriculture to extend financial assistance through multifamily housing direct loan and grant programs to serve very low, low-, and moderate-income households, including, among other programs, Section 515 Rural Rental Housing Loans, which are mortgages to provide affordable rental housing for very low, low-, and moderate-income families, elderly persons, and persons with disabilities. Existing law establishes a low-income housing tax credit program pursuant to which the California Tax Credit Allocation Committee provides procedures and requirements for the allocation, in modified conformity with federal law, of state insurance, personal income, and corporation tax credit amounts to qualified low-income housing projects that have been allocated, or qualify for, a federal low-income housing tax credit and farmworker housing. Existing law requires not less than 20% of the low-income housing tax credits available annually to be set aside for allocation to rural areas. Existing law defines "rural area" for purposes of the low-income housing tax credit program as an area, which, on January 1 of any calendar year, satisfies any number of certain criteria, including being eligible for financing under the Section 515 program, or successor program, of the United States Department of Agriculture Rural Development. This bill would expand the above-described criteria relating to Section 515 eligibility to instead include eligibility for financing under a multifamily housing program, as specified, or successor program, of the United States Department of Agriculture Rural Development. Existing law also includes in the definition of "rural area" an unincorporated area that adjoins a city having a population of 40,000 or less, provided that the city and its adjoining unincorporated area are not located within a census tract designated as an urbanized area by the United States Census Bureau. This bill would revise the definition of "rural area" to include an unincorporated area that adjoins a city having a population of 40,000 or less, provided that the unincorporated area i... (click bill link to see more).

Primary Sponsors

House Budget Committee

Title

Confidentiality of Medical Information Act: reproductive or sexual health application information.

Description

AB 254, as amended, Bauer-Kahan. Confidentiality of Medical Information Act: reproductive or sexual health application information. The Confidentiality of Medical Information Act (CMIA) prohibits a provider of health care, a health care service plan, a contractor, or a corporation and its subsidiaries and affiliates from intentionally sharing, selling, using for marketing, or otherwise using any medical information, as defined, for any purpose not necessary to provide health care services to a patient, except as provided. The CMIA makes a business that offers software or hardware to consumers, including a mobile application or other related device that is designed to maintain medical information in order to make the information available to an individual or a provider of health care at the request of the individual or a provider of health care, for purposes of allowing the individual to manage the individual's information or for the diagnosis, treatment, or management of a medical condition of the individual, a provider of health care subject to the requirements of the CMIA. Existing law makes a violation of these provisions that results in economic loss or personal injury to a patient punishable as a misdemeanor. This bill would revise the definition of "medical information" to include reproductive or sexual health application information, which the bill would define to mean information about a consumer's reproductive or sexual health collected by a reproductive or sexual health digital service, as specified. The bill would make a business that offers a reproductive or sexual health digital service to a consumer for the purpose of allowing the individual to manage the individual's information, or for the diagnosis, treatment, or management of a medical condition of the individual, a provider of health care subject to the requirements of the CMIA. Because the bill would expand the scope of a crime, it would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

Primary Sponsors

Rebecca Bauer-Kahan, Dawn Addis, Laura Friedman

Title

Public health: COVID-19 testing and dispensing sites.

Description

AB 269, Berman. Public health: COVID-19 testing and dispensing sites. Existing law, the California Emergency Services Act, authorizes the Governor to declare a state of emergency during conditions of disaster or extreme peril to persons or property, including epidemics. Pursuant to this authority, on March 4, 2020, the Governor declared a state of emergency relating to the novel coronavirus 2019 (COVID-19) pandemic, and ordered, among other things, that the certification and licensure requirements as specified in statute and regulation be suspended to all persons who meet the requirements under the Clinical Laboratory Improvement Amendments (CLIA) for high complexity testing and who are performing analysis of samples to test for SARS-CoV-2, the virus that causes COVID-19, in any certified public health laboratory or licensed clinical laboratory, and that the California Health and Human Services Agency is required to identify and make available medical facilities and other facilities that are suitable for use as medical facilities as necessary for treating individuals who test positive for COVID-19. This bill would authorize a person to perform an analysis of samples to test for SARS-CoV-2 in a clinical laboratory or a city, county, or city and county public health laboratory if they meet the requirements under CLIA for high complexity testing. The bill would, until January 1, 2024, authorize an entity contracted with and approved by the State Department of Public Health to operate a designated COVID-19 testing and dispensing site to acquire, dispense, and store COVID-19 oral therapeutics, as defined, at or from a designated site. This bill would declare that it is to take effect immediately as an urgency statute.

Primary Sponsors

Marc Berman

Title

CalWORKs: CalFresh: eligibility: income exclusions.

Description

AB 274, as amended, Bryan. CalWORKs: CalFresh: eligibility: income exclusions. Existing federal law provides for allocation of federal funds to eligible states through the federal Temporary Assistance for Needy Families (TANF) block grant program. Existing state law provides for the California Work Opportunity and Responsibility to Kids (CalWORKs) program under which, through a combination of state and county funds and federal funds received through the TANF program, each county provides cash assistance and other benefits to qualified low-income families. Under existing law, certain types of payments received by recipients of aid under the CalWORKs program, including, among others, an award or scholarship provided by a public or private entity to, or on behalf of, a dependent child are exempt from consideration as income for purposes of determining eligibility and aid amount. Existing federal law provides for the Supplemental Nutrition Assistance Program (SNAP), known in California as CalFresh, under which supplemental nutrition assistance benefits allocated to the state by the federal government are distributed to eligible individuals by each county. Existing law requires the eligibility of households to be determined to the extent permitted by federal law. Existing federal regulation provides states with the option to exclude, for purposes of calculating a household's income under SNAP, any type of income that the state excludes when determining eligibility or benefits for TANF cash assistance. This bill would exempt any grant, award, scholarship, loan, or fellowship benefit provided to any assistance unit member for educational purposes from consideration as income for purposes of determining CalWORKs eligibility or grant amounts. The bill would also require, to the extent permitted by federal law, regulation, or guidance, or a waiver thereof, the State Department of Social Services to exercise a federal option to exclude, for purposes of calculating a household's income under CalFresh, any type of income that the department excludes when determining eligibility or benefits for CalWORKs. This bill would require the department to implement these provisions through an all-county letter or similar instruction until regulations are adopted. By expanding the scope of eligibility for CalWORKs and CalFresh, the bill would impose a state-mandated local program. Existing law continuously appropriates moneys from the General Fund to defray a portion of county costs under the CalWORKs program. This bill would provide that the continuous appropriation would not be made for purposes of implementing the bill. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by t... (click bill link to see more).

Primary Sponsors

Isaac Bryan, Lisa Calderon

Title

Pharmacist service coverage.

Description

AB 317, as amended, Weber. Pharmacist service coverage. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care under authority of the Director of the Department of Managed Health Care. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law authorizes health care service plans and certain disability insurers, that offer coverage for a service that is within the scope of practice of a duly licensed pharmacist, to pay or reimburse the cost of the service performed by a pharmacist for the plan or insurer if the pharmacist otherwise provides services for the plan or insurer. This bill would instead require a health care service plan and certain disability insurers that offer coverage for a service that is within the scope of practice of a duly licensed pharmacist to pay or reimburse the cost of services performed by a pharmacist at an in-network pharmacy or by a pharmacist at an out-of-network pharmacy if the health care service plan or insurer has an out-of-network pharmacy benefit. Because a willful violation of the bill's requirements relative to health care service plans would be a crime, the bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

Primary Sponsors

Akilah Weber

Title

Health information.

Description

AB 352, as amended, Bauer-Kahan. Health information. Existing law, the Reproductive Privacy Act, provides that every individual possesses a fundamental right of privacy with respect to their personal reproductive decisions. Existing law prohibits the state from denying or interfering with a person's right to choose or obtain an abortion prior to viability of the fetus, or when the abortion is necessary to protect the life or health of the person. Existing law, the Confidentiality of Medical Information Act (CMIA), generally prohibits a provider of health care, a health care service plan, or a contractor from disclosing medical information regarding a patient, enrollee, or subscriber without first obtaining an authorization, unless a specified exception applies. The CMIA requires every provider of health care, health care service plan, pharmaceutical company, or contractor who, among other things, maintains or stores medical information to do so in a manner that preserves the confidentiality of the information contained therein. The CMIA also prohibits a provider of health care, a health care service plan, a contractor, or an employer from releasing medical information that would identify an individual or related to an individual seeking or obtaining an abortion in response to a subpoena or a request or to law enforcement if that subpoena, request, or the purpose of law enforcement for the medical information is based on, or for the purpose of enforcement of, either another state's laws that interfere with a person's rights to choose or obtain an abortion or a foreign penal civil action. Existing law makes a violation of the CMIA that results in economic loss or personal injury to a patient punishable as a misdemeanor. This bill would require specified businesses that electronically store or maintain medical information on the provision of sensitive services on behalf of a provider of health care, health care service plan, pharmaceutical company, contractor, or employer to develop capabilities, policies, and procedures, on or before July 1, 2024, to enable certain security features, including limiting user access privileges and segregating medical information related to sensitive services, as specified. The bill would additionally prohibit a provider of health care, health care service plan, contractor, or employer from cooperating with any inquiry or investigation by, or from providing medical information to, an individual, agency, or department from another state or, to the extent permitted by federal law, to a federal law enforcement agency that would identify an individual or that is related to an individual seeking or obtaining an abortion or abortion-related services that are lawful under the laws of this state, u... (click bill link to see more).

Primary Sponsors

Rebecca Bauer-Kahan

Bill Number

AB 365

Status

In Senate

Position

Monitor

Title

Medi-Cal: diabetes management.

Description

AB 365, as amended, Aguiar-Curry. Medi-Cal: diabetes management. Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law sets forth a schedule of benefits under the Medi-Cal program. This bill would add continuous glucose monitors and related supplies required for use with those monitors as a covered benefit under the Medi-Cal program, subject to utilization controls. The bill would require the department, by July 1, 2024, to review and update, as appropriate, coverage policies for continuous glucose monitors, as specified. The bill would authorize the department to require a manufacturer of a continuous glucose monitor to enter into a rebate agreement with the department. The bill would limit its implementation to the extent that any necessary federal approvals are obtained and federal financial participation is not otherwise jeopardized. The bill would make related findings and declarations.

Primary Sponsors

Cecilia Aguiar-Curry

Bill Number

AB 425

Status

In Senate

Position

Monitor

Title

Medi-Cal: pharmacogenomic testing.

Description

AB 425, as amended, Alvarez. Medi-Cal: pharmacogenomic testing. Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law sets forth a schedule of covered benefits under the Medi-Cal program. This bill would add pharmacogenomic testing as a covered benefit under Medi-Cal, as specified. The bill would define pharmacogenomic testing as laboratory genetic testing that includes, but is not limited to, a panel test, to identify how a person's genetics may impact the efficacy, toxicity, and safety of medications, including medications prescribed for behavioral or mental health, oncology, hematology, pain management, infectious disease, urology, reproductive or sexual health, neurology, gastroenterology, or cardiovascular diseases. The bill would also make related legislative findings.

Primary Sponsors

David Alvarez

Title

California Public Records Act Ombudsperson.

Description

AB 469, as amended, Vince Fong. California Public Records Act Ombudsperson. The California Public Records Act requires state and local agencies to make their records available for public inspection, unless an exemption from disclosure applies. The act declares that access to information concerning the conduct of the people's business is a fundamental and necessary right of every person in this state. Existing law creates the California State Auditor's Office, which is independent of the executive branch and legislative control, to examine and report annually upon the financial statements prepared by the executive branch. Existing law establishes, within the State Treasury, the State Audit Fund, which is a continuously appropriated fund, for the expenses of the California State Auditor. This bill would establish, within the California State Auditor's Office, the California Public Records Act Ombudsperson. The bill would require the California State Auditor to appoint the ombudsperson subject to certain requirements. The bill would require the ombudsperson to receive and investigate requests for review, as defined, determine whether the denials of original requests, as defined, complied with the California Public Records Act, and issue written opinions of its determination, as provided. The bill would require the ombudsperson to create a process to that effect, and would authorize a member of the public to submit a request for review to the ombudsperson consistent with that process. The bill would require the ombudsperson, within 30 days from receipt of a request for review, to make a determination, as provided, and would require the state agency to provide the public record if the ombudsperson determines that it was improperly denied. The bill would require the ombudsperson to create a process through which a person whose information is contained in a record being reviewed may intervene to assert their privacy and confidentiality rights, and would otherwise require the ombudsperson to maintain the privacy and confidentiality of records, as provided. The bill would require the ombudsperson to report to the Legislature, on or before March 31, 2025, and annually thereafter, on, among other things, the number of requests for review the ombudsperson has received in the prior year. By expanding the duties of the California State Auditor's Office, this bill would create an appropriation.

Primary Sponsors

Vince Fong

Title

The Behavioral Health Infrastructure Bond Act of 2023.

Description

AB 531, as amended, Irwin. The Behavioral Health Infrastructure Bond Act of 2023. Existing law, the Bronzan-McCorquodale Act, contains provisions governing the operation and financing of community mental health services in every county through locally administered and locally controlled community mental health programs. Existing law, the Mental Health Services Act (MHSA), an initiative measure enacted by the voters as Proposition 63 in the November 2, 2004, statewide general election, establishes the Mental Health Services Fund to fund various county mental health programs. This bill would enact the Behavioral Health Infrastructure Bond Act of 2023 which, if approved by the voters, would authorize the issuance of bonds in the amount of \$4,680,000,000 to finance grants for the acquisition of capital assets for, and the construction and rehabilitation of, unlocked, voluntary, and community-based treatment settings and residential care settings and also for housing for veterans and others who are experiencing homelessness or are at risk of homelessness and are living with a behavioral health challenge. The bill would provide for the submission of the bond act to the voters at the March 5, 2024, statewide primary election.

Primary Sponsors

Jacqui Irwin, Susan Eggman

Title

Medi-Cal: specialty mental health services: foster children.

Description

AB 551, as amended, Bennett. Medi-Cal: specialty mental health services: foster children. Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services (department), under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Under existing law, specialty mental health services include federal Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services provided to eligible Medi-Cal beneficiaries under 21 years of age. Existing law requires each local mental health plan to establish a procedure to ensure access to outpatient specialty mental health services, as required by the EPSDT program standards, for youth in foster care who have been placed outside their county of adjudication, as described. Existing law requires the department to issue policy guidance on the conditions for, and exceptions to, presumptive transfer of responsibility for providing or arranging for specialty mental health services to a foster youth from the county of original jurisdiction to the county in which the foster youth resides, as prescribed. On a case-by-case basis, and when consistent with the medical rights of children in foster care, existing law authorizes the waiver of presumptive transfer, with the responsibility for the provision of specialty mental health services remaining with the county of original jurisdiction if certain exceptions exist. Under existing law, the county probation agency or the child welfare services agency is responsible for determining whether waiver of the presumptive transfer is appropriate, with notice provided to the person requesting the exception. Under existing law, commencing July 1, 2023, in the case of placement of foster children in short-term residential therapeutic programs, community treatment facilities, or group homes, or in the case of admission of foster children to children's crisis residential programs, the county of original jurisdiction is required to retain responsibility and presumptive transfer provisions apply only if certain circumstances exist. This bill, for purposes of foster children placed or admitted in those specific settings, would delay, until July 1, 2024, the requirement on the county of original jurisdiction to retain responsibility and the limitation on the presumptive transfer provisions. By extending the period during which a county agency is responsible for making determinations about presumptive transfer waivers and making certain notifications, the bill would impose a state-mandated local program. Existing law conditions implementation of the above-described provisions on the availability of fede... (click bill link to see more).

Primary Sponsors

Steve Bennett

Title

Open meetings: local agencies: teleconferences.

Description

AB 557, as amended, Hart. Open meetings: local agencies: teleconferences. (1) Existing law, the Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. The act contains specified provisions regarding providing for the ability of the public to observe and provide comment. The act allows for meetings to occur via teleconferencing subject to certain requirements, particularly that the legislative body notice each teleconference location of each member that will be participating in the public meeting, that each teleconference location be accessible to the public, that members of the public be allowed to address the legislative body at each teleconference location, that the legislative body post an agenda at each teleconference location, and that at least a quorum of the legislative body participate from locations within the boundaries of the local agency's jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined. Existing law, until January 1, 2024, authorizes the legislative body of a local agency to use teleconferencing without complying with those specified teleconferencing requirements in specified circumstances when a declared state of emergency is in effect. Those circumstances are that (1) state or local officials have imposed or recommended measures to promote social distancing, (2) the legislative body is meeting for the purpose of determining whether, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees, or (3) the legislative body has previously made that determination. If there is a continuing state of emergency, or if state or local officials have imposed or recommended measures to promote social distancing, existing law requires a legislative body to make specified findings not later than 30 days after the first teleconferenced meeting, and to make those findings every 30 days thereafter, in order to continue to meet under these abbreviated teleconferencing procedures. Existing law requires a legislative body that holds a teleconferenced meeting under these abbreviated teleconferencing procedures to give notice of the meeting and post agendas, as described, to allow members of the public to access the meeting and address the legislative body, to give notice of the means by which members of the public may access the meeting and offer public comment, including an opportunity for all persons to attend via a call-in option or an internet-based service option. Existing law prohibits a legislative body that holds a teleconferenced ... (click bill link to see more).

Primary Sponsors

Gregg Hart

Title

Medi-Cal: reimbursement for abortion.

Description

AB 576, as amended, Weber. Medi-Cal: reimbursement for abortion. Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law provides that abortion is a covered benefit under Medi-Cal. Existing regulation authorizes reimbursement for specified medications used to terminate a pregnancy through the 70th day from the first day of the recipient's last menstrual period. This bill would require the department, by March 1, 2024, to review and update Medi-Cal coverage policies for medication abortion to align with current evidence-based clinical guidelines. After the initial review, the bill would require the department to update its Medi-Cal coverage policies for medication abortion as needed to align with evidence-based clinical guidelines. The bill would require the department to allow flexibility for providers to exercise their clinical judgment when services are performed in a manner that aligns with one or more evidence-based clinical guidelines.

Primary Sponsors

Akilah Weber

Title

Medi-Cal: comprehensive perinatal services.

Description

AB 608, as amended, Schiavo. Medi-Cal: comprehensive perinatal services. Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services, including comprehensive perinatal services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Under existing law, a pregnant individual or targeted low-income child who is eligible for, and is receiving, health care coverage under any of specified Medi-Cal programs is eligible for full-scope Medi-Cal benefits for the duration of the pregnancy and for a period of one year following the last day of the individual's pregnancy. This bill, during the one-year postpregnancy eligibility period, and as part of comprehensive perinatal services under Medi-Cal, would require the department to cover additional comprehensive perinatal assessments and individualized care plans and to provide additional visits and units of services in an amount, duration, and scope that are at least proportional to those available on July 27, 2021, during pregnancy and the initial 60-day postpregnancy period in effect on that date. The bill would require the department, in coordination with the State Department of Public Health, to consider input from certain stakeholders, as specified, in determining the specific number of additional comprehensive perinatal assessments, individualized care plans, visits, and units of services to be covered. The bill would require the department to cover comprehensive perinatal services that are rendered by a nonlicensed perinatal health worker in a beneficiary's home or other community setting away from a medical site, as specified. The bill would also require the department to allow a nonlicensed perinatal health worker rendering those services to be supervised by a community-based organization (CBO) or a local health jurisdiction (LHJ). For these purposes, the bill would require a CBO or LHJ supervising a nonlicensed perinatal health worker to provide those services under contract with a Comprehensive Perinatal Services Program provider. The bill would condition implementation of the provisions above on receipt of any necessary federal approvals and the availability of federal financial participation. The bill would authorize the department to implement these provisions by all-county letters or similar instructions until regulations are adopted.

Primary Sponsors

Pilar Schiavo, Joaquin Arambula, Sabrina Cervantes

Title

Medi-Cal.

Description

AB 614, as amended, Wood. Medi-Cal. Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. This bill would make a change to an obsolete reference to the former Healthy Families Program, whose health services for children have been transitioned to the Medi-Cal program. The bill would make a change to an obsolete reference to the former Access for Infants and Mothers Program and would revise a related provision to instead refer to the successor Medi-Cal Access Program. The bill would delete, within certain Medi-Cal provisions, obsolete references to a repealed provision relating to nonprofit hospital service plans. Existing law establishes, under Medi-Cal, the County Health Initiative Matching Fund, a program administered by the department, through which an applicant county, county agency, local initiative, or county organized health system that provides an intergovernmental transfer, as specified, is authorized to submit a proposal to the department for funding for the purpose of providing comprehensive health insurance coverage to certain children. The program is sometimes known as the County Children's Health Initiative Program (CCHIP). This bill would revise certain provisions to rename that program as CCHIP. Existing law requires the Director of Health Care Services to enter into contracts with managed care plans under Medi-Cal and related provisions, including health maintenance organizations, prepaid health plans, or other specified entities, for the provision of medical benefits to all persons who are eligible to receive medical benefits under publicly supported programs. This bill would delete that list of entities and would instead specify that the director would be required to enter into contracts with managed care plans licensed pursuant to the Knox-Keene Health Care Service Plan Act of 1975, except as otherwise authorized under the Medi-Cal program. The bill would require the director, prior to issuing a new request for proposal or entering into new contracts, to provide an opportunity for interested stakeholders to provide input to inform the development of contract provisions. The bill would also make technical changes to some of the provisions described above.

Primary Sponsors

Jim Wood

Title

Medical Group Financial Transparency Act.

Description

AB 616, as amended, Rodriguez. Medical Group Financial Transparency Act. Existing law establishes the Office of Health Care Affordability within the Department of Health Care Access and Information to analyze the health care market for cost trends and drivers of spending, develop data-informed policies for lowering health care costs for consumers and purchasers, and create a state strategy for controlling the cost of health care. Existing law requires the office to collect data and other information it deems necessary from health care entities to carry out the functions of the office, and requires the office to require providers and physician organizations to submit audited financial reports or comprehensive financial statements, as specified. Existing law requires those reports and statements to be kept confidential, and specifies that they are not required to be disclosed under the California Public Records Act. Existing law requires the office to obtain information about health care service plans from the Department of Managed Health Care. Existing law requires a contract between a health care service plan and a risk-bearing organization to include provisions concerning the risk-bearing organization's administrative and financial capacity. Existing law requires the director of the Department of Managed Health Care to adopt regulations regarding, among other things, periodic reports from a health care service plan that include information concerning the risk-bearing organizations and the type and amount of financial risk they have assumed. Existing law establishes, within the office, the Health Care Affordability Board, composed of 8 members, appointed as prescribed. This bill, the Medical Group Financial Transparency Act, would authorize the disclosure of audited financial reports and comprehensive financial statements of providers and physician organizations collected by the Office of Health Care Affordability and financial and other records of risk-bearing organizations made available to the Department of Managed Health Care. This bill would authorize the board, members of the board, the office, the department, and the employees, contractors, and advisors of the office and the department to use confidential audited financial reports and comprehensive financial statements only as necessary to carry out functions of the office. The bill would also require certain physician organizations, as specified, to produce or disclose audited financial reports and comprehensive financial statements to the office, subject to these provisions. The bill would require the audited financial reports and comprehensive financial statements produced or disclosed to the office to be made available to the public, by the office, as specified.... (click bill link to see more).

Primary Sponsors

Freddie Rodriguez

Title

Health care coverage for metabolic disorders.

Description

AB 620, as amended, Connolly. Health care coverage for metabolic disorders. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Existing law provides for the regulation of disability insurers, including health insurers, by the Department of Insurance. Existing law requires a health care service plan contract and disability insurance policy that provides coverage for hospital, medical, or surgical expenses and is issued, amended, delivered, or renewed on and after July 1, 2000, to provide coverage for the testing and treatment of phenylketonuria, including coverage for the formulas and special food products that are part of a prescribed diet, as specified. This bill would require a health care service plan contract and disability insurance policy that provides coverage for hospital, medical, or surgical expenses and is issued, amended, delivered, or renewed on and after January 1, 2024, to provide coverage for the testing and treatment of other chronic digestive diseases and inherited metabolic disorders, as specified. Because a violation of the bill's requirements by a health care service plan would be a crime, the bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

Primary Sponsors

Damon Connolly

Organizational Notes

Last edited by Joanne Campbell at Mar 27, 2023, 5:51 PM

California Association of Health Plans: Oppose

Title

Health care coverage: prostate cancer screening.

Description

AB 632, as amended, Gipson. Health care coverage: prostate cancer screening. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law requires an individual and group health care service plan contract or health insurance policy to provide coverage for the screening and diagnosis of prostate cancer when medically necessary and consistent with good professional practice. Under existing law, the application of a deductible or copayment for those services is not prohibited. This bill would instead require that coverage when medically necessary and consistent with nationally recognized, evidence-based clinical guidelines. The bill would prohibit a health care service plan or a health insurance policy issued, amended, renewed, or delivered on or after January 1, 2024, from applying a deductible, copayment, or coinsurance to coverage for prostate cancer screening services for an enrollee or insured who is at a high risk of prostate cancer, consistent with specified guidelines and is either 55 years of age or older or 40 years of age or older and high risk, as determined by the attending or treating health care provider. Because a willful violation of these provisions by a health care service plan would be a crime, the bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

Primary Sponsors

Mike Gipson

Organizational Notes

Last edited by Joanne Campbell at Mar 27, 2023, 5:52 PM

California Association of Health Plans: Oppose

Title

Cancer Prevention Act.

Description

AB 659, as amended, Aguiar-Curry. Cancer Prevention Act. Existing law prohibits the governing authority of a school or other institution from unconditionally admitting any person as a pupil of any private or public elementary or secondary school, childcare center, day nursery, nursery school, family daycare home, or development center, unless prior to their admission to that institution they have been fully immunized. Existing law requires the documentation of immunizations for certain diseases, including, among others, measles, mumps, pertussis, and any other disease deemed appropriate by the State Department of Public Health, as specified. Existing law authorizes certain exemptions from these provisions subject to specified conditions. This bill, the Cancer Prevention Act, would declare the public policy of the state that pupils are recommended to be fully immunized against human papillomavirus (HPV) before admission or advancement to the 8th grade level of any private or public elementary or secondary school. The bill would, upon a pupil's admission or advancement to the 6th grade level, require the governing authority to submit to the pupil and their parent or guardian a notification containing a statement about that public policy and advising that the pupil be fully immunized against HPV before admission or advancement to the 8th grade level. The bill would incorporate that notification into existing provisions relating to notifications by school districts. By creating new notification duties for school districts, the bill would impose a state-mandated local program. Existing law requires the Trustees of the California State University and, subject to a resolution, the Regents of the University of California to require the first-time enrollees at those institutions who are 18 years of age or younger to provide proof of full immunization against the hepatitis B virus prior to enrollment, with certain exemptions. This bill would declare the public policy of the state that students who are 26 years of age or younger are recommended to be fully immunized against HPV before first-time enrollment at an institution of the California State University, the University of California, or the California Community Colleges. The bill would make a conforming change to a consultation-related provision. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law requires a health care service plan contract or health insurance policy issued, amended, or renewed... (click bill link to see more).

Primary Sponsors

Cecilia Aguiar-Curry

Organizational Notes

Last edited by Joanne Campbell at Mar 27, 2023, 5:52 PM
California Association of Health Plans: Oppose

Title

Pharmacy: mobile units.

Description

AB 663, as amended, Haney. Pharmacy: mobile units. Existing law, the Pharmacy Law, requires the California State Board of Pharmacy within the Department of Consumer Affairs to license and regulate the practice of pharmacy, including pharmacists, pharmacy technicians, and pharmacies. Existing law authorizes a county, city and county, or special hospital authority, as defined, to operate a mobile unit as an extension of a pharmacy license held by the county, city and county, or special hospital authority to provide prescription medication within its jurisdiction to specified individuals, including those individuals without fixed addresses. Existing law authorizes a mobile unit to dispense prescription medication pursuant to a valid prescription if the county, city and county, or special hospital authority meets prescribed requirements for licensure, staffing, and operations, including a prohibition on carrying or dispensing controlled substances. Existing law, the California Uniform Controlled Substances Act, classifies certain controlled substances into Schedules I to V, inclusive. This bill would instead authorize a county, city and county, or special hospital authority to operate one or more mobile units as an extension of a pharmacy license held by the county, city and county, or special hospital authority, as described above. The bill would require the pharmacist-in-charge to determine the number of mobile units that are appropriate for a particular pharmacy license. The bill would additionally authorize a mobile unit to provide prescription medication within its jurisdiction to city-and-county-operated housing facilities. This bill would exempt from the above-described prohibition on carrying or dispensing controlled substances Schedule III, Schedule IV, or Schedule V controlled substances approved by the United States Food and Drug Administration for the treatment of opioid use disorder. The bill would require any controlled substance for the treatment of opioid use disorder carried or dispensed in accordance with that exemption to be carried in reasonable quantities based on prescription volume and stored securely in the mobile pharmacy unit.

Primary Sponsors

Matt Haney

Title

CalFresh: hot and prepared foods.

Description

AB 712, Wendy Carrillo. CalFresh: hot and prepared foods. Existing law establishes various public social services programs, including, among others, the California Work Opportunity and Responsibility to Kids (CalWORKs) program, CalFresh, and the Medi-Cal program. Existing federal law provides for the federal Supplemental Nutrition Assistance Program (SNAP), known in California as CalFresh, under which supplemental nutrition assistance benefits allocated to the state by the federal government are distributed to eligible individuals by each county. This bill would require the State Department of Social Services to seek all available federal waivers and approvals to maximize food choices for CalFresh recipients, including hot and prepared foods ready for immediate consumption.

Primary Sponsors

Wendy Carrillo

Organizational Notes

Last edited by Joanne Campbell at Jun 6, 2023, 3:17 PM

California Association of Food Banks (co-sponsor), GRACE/End Child Poverty CA (co-sponsor)

Title

Ground medical transportation.

Description

AB 716, as amended, Boerner. Ground medical transportation. Existing law creates the Emergency Medical Services Authority to coordinate various state activities concerning emergency medical services. Existing law requires the authority to report specified information, including reporting ambulance patient offload time twice per year to the Commission on Emergency Medical Services. This bill would require the authority to annually report the allowable maximum rates for ground ambulance transportation services in each county, including trending the rates by county, as specified. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law requires that health care service plan contracts and health insurance policies provide coverage for certain services and treatments, including medical transportation services, and requires a policy or contract to provide for the direct reimbursement of a covered medical transportation services provider if the provider has not received payment from another source. This bill would delete that direct reimbursement requirement and would require a health care service plan contract or a health insurance policy issued, amended, or renewed on or

after January 1, 2024, to require an enrollee or insured who receives covered services from a noncontracting ground ambulance provider to pay no more than the same cost-sharing amount that the enrollee or insured would pay for the same covered services received from a contracting ground ambulance provider. The bill would prohibit a noncontracting ground ambulance provider from sending to collections a higher amount, would limit the amount an enrollee or insured owes a noncontracting ground ambulance provider to no more than the in-network cost-sharing amount, and would prohibit a ground ambulance provider from billing an uninsured or self-pay patient more than the established payment by Medi-Cal or Medicare fee-for-service amount, whichever is greater. The bill would require a plan or insurer to directly reimburse a noncontracting ground ambulance provider for ground ambulance services the difference between the in-network cost-sharing amount and an amount described, as specified, unless it reaches another agreement with the noncontracting ground ambulance provider. Because a willful violation of the bill's requirements relative to a health care service plan would be a crime, the bill would impose a state-mandated local program. The California Constitution requires the state to ... (click bill link to see more).

Primary Sponsors

Tasha Boerner Horvath

Organizational Notes

Last edited by Joanne Campbell at Jul 14, 2023, 6:35 PM
California Association of Health Plans - Oppose

Title

Medi-Cal: nonmedical and nonemergency medical transportation.

Description

AB 719, as amended, Boerner. Medi-Cal: nonmedical and nonemergency medical transportation. Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law establishes a schedule of benefits under the Medi-Cal program, including medical transportation and nonmedical transportation for a beneficiary to obtain covered Medi-Cal services. Existing law requires nonmedical transportation to be provided by the beneficiary's managed care plan or by the department for a Medi-Cal fee-for-service beneficiary. This bill would require the department to require Medi-Cal managed care plans that are contracted to provide nonmedical transportation or nonemergency medical transportation to contract with public paratransit service operators who are enrolled Medi-Cal providers for the purpose of establishing reimbursement rates for nonmedical and nonemergency medical transportation trips provided by a public paratransit service operator. The bill would require the rates reimbursed by the managed care plan to the public paratransit service operator to be based on the department's fee-for-service rates for nonmedical and nonemergency medical transportation service, as specified. The bill would condition implementation of these provisions on receipt of any necessary federal approvals and the availability of federal financial participation.

Primary Sponsors

Tasha Boerner Horvath

Organizational Notes

Last edited by Joanne Campbell at Jun 5, 2023, 8:55 PM

Local Health Plans of California, California Association of Health Plans: Oppose

Title

Minors: consent to medical care.

Description

AB 816, as introduced, Haney. Minors: consent to medical care. Existing law authorizes a minor who is 12 years of age or older to consent to medical care and counseling relating to the diagnosis and treatment of a drug- or alcohol-related problem. Existing law exempts replacement narcotic abuse treatment, as specified, from these provisions. This bill would authorize a minor who is 16 years of age or older to consent to replacement narcotic abuse treatment that uses buprenorphine.

Primary Sponsors

Matt Haney

Title

Food assistance for nonminor dependents.

Description

AB 866, as amended, Blanca Rubio. Food assistance for nonminor dependents. Existing federal law provides for the federal Supplemental Nutrition Assistance Program (SNAP), known in California as CalFresh, under which nutrition assistance benefits are distributed to eligible individuals by the counties. Existing law establishes eligibility and benefit level requirements for receipt of CalFresh benefits. Existing law establishes the Aid to Families with Dependent Children-Foster Care (AFDC-FC) program, under which counties provide payments to foster care providers on behalf of qualified children in foster care. The program is funded by a combination of federal, state, and county funds. In order to be eligible for AFDC-FC, existing law requires a child or nonminor dependent to be placed in one of several specified placements, including, for nonminor dependents, a supervised independent living placement or a transitional living setting. This bill would require the State Department of Social Services to establish a state-funded food assistance program to provide assistance for a nonminor dependent, as defined, who is residing in a supervised independent living placement or a transitional living setting, as specified. The bill would require the program to utilize the existing CalFresh and electronic benefits transfer system infrastructure to implement the program, to the extent permissible under federal law. The bill would specify the amount of assistance a nonminor dependent would receive, based on whether or not the nonminor dependent is a custodial parent. The bill would authorize counties to screen the nonminor dependent for eligibility for CalFresh benefits and if the nonminor dependent is eligible for those benefits, the amount of assistance pursuant to the bill would be the difference between the nonminor dependent's CalFresh payment and the maximum benefit allotted for their household size. The bill would terminate food assistance payments to the minor on the last day of the month in which the nonminor dependent no longer lives in a supervised independent living placement or transitional living setting, as specified. The bill would require the department to work with the County Welfare Directors Association of California and the California Statewide Automated Welfare System (CalSAWS) to develop and implement the necessary system changes to implement its provisions, and would require the payment to be automated on the later of January 1, 2025, or the date the department notifies the Legislature that CalSAWS can perform the necessary automation. By increasing county duties, the bill would impose a state-mandated local program. The bill would authorize the State Department of Social Services to implement and administ... (click bill link to see more).

Primary Sponsors

Blanca Rubio

Title

Health care coverage: doulas.

Description

AB 904, as amended, Calderon. Health care coverage: doulas. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act's requirements a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law requires a health care service plan or health insurer to develop a maternal mental health program designed to promote quality and cost-effective outcomes. Existing law encourages a plan or insurer to include coverage for doulas. This bill would require a health care service plan or health insurer, on or before January 1, 2025, to develop a maternal and infant health equity program that addresses racial health disparities in maternal and infant health outcomes through the use of doulas. The bill would require the Department of Managed Health Care, in consultation with the Department of insurance, to collect data and submit a report describing the doula coverage and the above-described programs to the Legislature by January 1, 2027. Because a willful violation of the provisions relative to health care service plans would be a crime, the bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

Primary Sponsors

Lisa Calderon, Sabrina Cervantes

Title

Coverage for PANDAS and PANS.

Description

AB 907, as amended, Lowenthal. Coverage for PANDAS and PANS. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law sets forth specified coverage requirements for health care service plan contracts and health insurance policies, and limits the copayment, coinsurance, deductible, and other cost sharing that may be imposed for specified health care services. This bill would require a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2024, to provide coverage for the prophylaxis, diagnosis, and treatment of Pediatric Autoimmune Neuropsychiatric Disorder Associated with Streptococcal Infections (PANDAS) and Pediatric Acute-onset Neuropsychiatric Syndrome (PANS) that is prescribed or ordered by the treating physician and surgeon. The bill would prohibit coverage for PANDAS and PANS from being subject to a copayment, coinsurance, deductible, or other cost sharing that is greater than that applied to other benefits. The bill would prohibit a plan or insurer from denying or delaying coverage for PANDAS or PANS therapies because the enrollee or insured previously received treatment for PANDAS or PANS or was diagnosed with or received treatment for the condition under a different diagnostic name. Because a willful violation of these provisions by a health care service plan would be a crime, the bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

Primary Sponsors

Josh Lowenthal

Organizational Notes

Last edited by Joanne Campbell at Mar 27, 2023, 5:54 PM
California Association of Health Plans: Oppose

Title

Prior authorization: physical therapy.

Description

AB 931, as amended, Irwin. Prior authorization: physical therapy. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law sets forth specified prior authorization limitations for health care service plans and health insurers. This bill would prohibit a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2025, that provides coverage for physical therapy from imposing prior authorization for the initial 12 treatment visits for a new episode of care for physical therapy. The bill would require a physical therapy provider to verify an enrollee's or an insured's coverage and disclose their share of the cost of care, as specified. The bill would require a physical therapy provider to disclose if the provider is not in the network of the enrollee's plan or the insured's policy, and if so, to obtain the enrollee's or the insured's consent in writing to receive services from the noncontracting provider prior to initiating care. Because a willful violation of this provision by a health care service plan would be a crime, the bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

Primary Sponsors

Jacqui Irwin

Organizational Notes

Last edited by Joanne Campbell at Jun 6, 2023, 7:51 PM
California Association of Health Plans: Oppose Unless Amended

Title

Prescription drugs.

Description

AB 948, as amended, Berman. Prescription drugs. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law prohibits the copayment, coinsurance, or any other form of cost sharing for a covered outpatient prescription drug for an individual prescription from exceeding \$250 for a supply of up to 30 days, except as specified. Existing law requires a health care service plan contract or health insurance policy for a nongrandfathered individual or small group product that maintains a drug formulary grouped into tiers, and that includes a 4th tier, to define each tier of the drug formulary, as specified. Existing law defines Tier 4 to include, among others, drugs that are biologics. Existing law repeals these provisions on January 1, 2024. This bill would delete drugs that are biologics from the definition of Tier 4. The bill would require a health care service plan or a health insurer, if there is a generic equivalent to a brand name drug, to ensure that an enrollee or insured is subject to the lowest cost sharing that would be applied, whether or not both the generic equivalent and the brand name drug are on the formulary. The bill also would delete the January 1, 2024, repeal date of the above provisions, thus making them operative indefinitely. Because extension of the bill's requirements relative to health care service plans would extend the existence of a crime, the bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

Primary Sponsors

Marc Berman, Scott Wiener

Title

Dental coverage disclosures.

Description

AB 952, Wood. Dental coverage disclosures. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act's requirements a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law imposes specified coverage and disclosure requirements on health care service plans and health insurers, including specialized plans and insurers, that cover dental services. This bill would require a health care service plan or health insurer that issues, sells, renews, or offers a contract covering dental services, including a specialized health care service plan or specialized health insurer covering dental services, to disclose whether an enrollee's or insured's dental coverage is "State Regulated" through a provider portal, if available, or otherwise upon request, on or after January 1, 2025. The bill would require a plan or insurer to include the statement "State Regulated," if the enrollee's or insured's dental coverage is subject to regulation by the appropriate department, on an electronic or physical identification card, or both if available, for contracts covering dental services issued on or after January 1, 2025. Because a willful violation of these provisions by a health care service plan would be a crime, the bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

Primary Sponsors

Jim Wood

Title

Miles Hall Lifeline and Suicide Prevention Act: veteran and military data reporting.

Description

AB 988, as amended, Mathis. Miles Hall Lifeline and Suicide Prevention Act: veteran and military data reporting. Existing federal law, the National Suicide Hotline Designation Act of 2020, designates the 3-digit telephone number "988" as the universal number within the United States for the purpose of the national suicide prevention and mental health crisis hotline system operating through the 988 Suicide and Crisis Lifeline, maintained by the Assistant Secretary for Mental Health and Substance Use, and the Veterans Crisis Line, which is maintained by the Secretary of Veterans Affairs. Existing law creates a separate surcharge, beginning January 1, 2023, on each access line for each month, or part thereof, for which a service user subscribes with a service supplier. Existing law sets the 988 surcharge for the 2023 and 2024 calendar years at \$0.08 per access line per month and beginning January 1, 2025, at an amount based on a specified formula not to exceed \$0.30 per access line per month. Existing law authorizes the 911 and 988 surcharges to be combined into a single-line item, as described. Existing law provides for specified costs to be paid by the fees prior to distribution to the Office of Emergency Services. Existing law, the Miles Hall Lifeline and Suicide Prevention Act, creates the 988 State Suicide and Behavioral Health Crisis Services Fund and requires the fees to be deposited along with other specified moneys into the fund. Existing law provides that, upon appropriation by the Legislature, the funds be used for specified purposes and in accordance with specified priorities. Existing law requires the Office of Emergency Services to require an entity seeking moneys available through the fund to annually file an expenditure and outcomes report containing specified information, including, among other things, the number of individuals served and the outcomes for individuals served, if known. This bill would require an entity seeking moneys from the fund to also include the number of individuals who used the service and self-identified as veterans or active military personnel in its annual expenditure and outcomes report.

Primary Sponsors

Devon Mathis, Buffy Wicks

Title

In-home supportive services: terminal illness diagnosis.

Description

AB 1005, as amended, Alvarez. In-home supportive services: terminal illness diagnosis. Existing law establishes the In-Home Supportive Services (IHSS) program, administered by the State Department of Social Services and counties, under which qualified aged, blind, or disabled persons are provided with supportive services in order to permit them to remain in their own homes. As a condition of receiving services under the IHSS program, existing law requires an applicant or recipient to obtain a certification from a licensed health care professional declaring that the applicant or recipient is unable to perform some activities of daily living independently, and that without services to assist the applicant or recipient with activities of daily living, the applicant or recipient is at risk of placement in out-of-home care. Existing law requires that the certification be received prior to service authorization, except under certain circumstances. Existing law requires the department to develop a standard certification form, as specified, and to identify alternative documentation, including, but not limited to, hospital or nursing facility discharge plans, containing the required information. Existing law sets forth various provisions relating to end-of-life care. When a health care provider makes a diagnosis that a patient has a terminal illness, existing law generally requires the health care provider, upon request, to provide the patient or another person authorized to make health care decisions with comprehensive information and counseling regarding legal end-of-life care options. This bill would, before the discharge from an acute care hospital of a Medi-Cal beneficiary, require the hospital's designated case manager or discharge planner to evaluate the patient's need for posthospital services and ability to access those services. This bill would require the hospital's case manager or discharge planner to ask the patient or authorized person if they are interested in receiving information about the IHSS program if that patient is anticipated to need in-home personal care. If interest is expressed, the bill would require the hospital's case manager or discharge planner to provide to the patient or authorized person the information, including how to initiate the application process and the option for a family member to provide care as an IHSS provider subject to the IHSS provider enrollment conditions. If the patient seeks to apply for services under the IHSS program, the bill would require the hospital case manager or discharge planner to communicate to the patient's primary care physician the patient's interest in applying for IHSS services to support the timely completion of the health care certification form. (click bill link to see more).

Primary Sponsors

David Alvarez

Title

Medi-Cal: housing support services.

Description

AB 1085, as amended, Maienschein. Medi-Cal: housing support services. Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law, subject to implementation of the California Advancing and Innovating Medi-Cal (CalAIM) initiative, authorizes a Medi-Cal managed care plan to elect to cover community supports approved by the department as cost effective and medically appropriate in a comprehensive risk contract that are in lieu of applicable Medi-Cal state plan services. Under existing law, community supports that the department is authorized to approve include, among other things, housing transition navigation services, housing deposits, and housing tenancy and sustaining services. Existing law, subject to an appropriation, requires the department to complete an independent analysis to determine whether network adequacy exists to obtain federal approval for a covered Medi-Cal benefit that provides housing support services. Existing law requires that the analysis take into consideration specified information, including the number of providers in relation to each region's or county's number of people experiencing homelessness. Existing law requires the department to report the outcomes of the analysis to the Legislature by January 1, 2024. This bill would require the department, if the independent analysis finds that the state has sufficient network capacity to meet state and federal guidelines to create a new housing support services benefit, to seek any necessary federal approvals for a Medi-Cal benefit to cover housing support services within 6 months of the completion of the analysis. The bill would require the department to report the outcomes of the analysis to the Legislature by July 1, 2024. Under the bill, subject to receipt of those federal approvals, a Medi-Cal beneficiary would be eligible for those services if they either experience homelessness or are at risk of homelessness, as specified. Under the bill, the services would include housing transition and navigation services, housing deposits, and housing tenancy and sustaining services, as defined. If the evaluation finds that the state has insufficient network capacity to meet state and federal guidelines to create a new housing support services benefit, the bill would require the department to provide recommendations for building capacity and a timeline for implementation consistent with the analysis findings.

Primary Sponsors

Brian Maienschein

Title

Health care service plans: consolidation.

Description

AB 1092, as amended, Wood. Health care service plans: consolidation. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Existing law requires a health care service plan that intends to merge with, consolidate with, or enter into an agreement resulting in its purchase, acquisition, or control by, an entity, to give notice to, and secure prior approval from, the Director of the Department of Managed Health Care. Existing law authorizes the director to disapprove the transaction or agreement if the director finds it would substantially lessen competition in health care service plan products or create a monopoly in this state. Existing law authorizes the director to conditionally approve the transaction or agreement, contingent upon the health care service plan's agreement to fulfill one or more conditions to benefit subscribers and enrollees of the health care service plan, provide for a stable health care delivery system, and impose other conditions specific to the transaction or agreement, as specified. This bill would additionally require a health care service plan that intends to acquire or obtain control of an entity, as specified, to give notice to, and secure prior approval from, the director. Because a willful violation of this provision would be a crime, the bill would impose a state-mandated local program. The bill would also authorize the director to disapprove a transaction or agreement if it would substantially lessen competition in the health system or among a particular category of health care providers, and would require the director to provide information related to competition to the Attorney General. The bill would revise the director's authority to conditionally approve a transaction or agreement, including authorizing the director to review information from federal agencies and other state agencies, including agencies in other states, that is relevant to any of the parties to the transaction, as specified. With respect to a conditional approval, the bill would also authorize the director to contract with an independent entity to monitor compliance with the established conditions and report to the department. The bill would prohibit the director from waiving, or delaying implementation of, certain requirements imposed under existing law and the bill, notwithstanding a specified provision. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that ... (click bill link to see more).

Primary Sponsors

Jim Wood

Organizational Notes

Last edited by Joanne Campbell at Mar 27, 2023, 6:12 PM
California Association of Health Plans: Oppose

Title

Public health: adverse childhood experiences.

Description

AB 1110, as amended, Arambula. Public health: adverse childhood experiences. Existing law requires the Office of the Surgeon General to, among other things, raise public awareness and coordinate policies governing scientific screening and treatment for toxic stress and adverse childhood experiences (ACEs). This bill would, subject to an appropriation and until January 1, 2027, require the office and the State Department of Health Care Services, while administering the ACEs Aware initiative and in collaboration with subject matter experts, to review available literature on ACEs, as defined, and ancestry or ethnicity-based data disaggregation practices in ACEs screenings, develop guidance for culturally and linguistically competent ACEs screenings through improved data collection methods, post the guidance on the department's internet website and the ACEs Aware internet website, and make the guidance accessible, as specified. The bill would make legislative findings and declarations.

Primary Sponsors

Joaquin Arambula

Title

Medi-Cal provider applications.

Description

AB 1122, as amended, Bains. Medi-Cal provider applications. Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law generally requires an applicant that currently is not enrolled in the Medi-Cal program, a provider applying for continued enrollment, or a provider not currently enrolled at a location where the provider intends to provide services, goods, supplies, or merchandise to a Medi-Cal beneficiary, to submit a complete application package for enrollment, continuing enrollment, or enrollment at a new location or a change in location, as specified. Existing law requires an applicant or provider, for new or continued enrollment in the Medi-Cal program, to disclose all information as required in federal Medicaid regulations and any other information required by the department, as specified. This bill would require the Director of Health Care Services to develop a process to allow an applicant or provider to submit an alternative type of primary, authoritative source documentation to meet the requirement of submitting the above-described information. The bill would require the department to document each case of an applicant or provider submitting an alternative type of primary, authoritative source documentation, as specified. The bill would condition implementation of these provisions on lack of conflict with federal law or regulation, federal financial participation not being jeopardized, and receipt of any necessary federal approvals. Existing law authorizes the department to make unannounced visits to an applicant or provider for the purpose of determining whether enrollment, continued enrollment, or certification is warranted, or as necessary for the administration of the Medi-Cal program. Existing law requires, at the time of the visit, the applicant or provider to demonstrate an established place of business appropriate and adequate for the services billed or claimed to the Medi-Cal program, as specified. This bill would authorize the applicant or provider to submit its application for enrollment up to 30 days before having an established place of business and have its application considered by the department, to the extent not in conflict with federal law.

Primary Sponsors

Jasmeet Bains

Title

Rehabilitative and habilitative services: durable medical equipment and services.

Description

AB 1157, as amended, Ortega. Rehabilitative and habilitative

services: durable medical equipment and services. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, requires the Department of Managed Health Care to license and regulate health care service plans and makes a willful violation of the act a crime. Other existing law requires the Department of Insurance to regulate health insurers. Existing law requires an individual or small group health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2017, to include, at a minimum, coverage for essential health benefits pursuant to the federal Patient Protection and Affordable Care Act. Under existing law, essential health benefits includes, among other things, rehabilitative and habilitative services. Existing law requires habilitative services and devices to be covered under the same terms and conditions applied to rehabilitative services and devices under the plan contract or policy, and defines habilitative services to mean health care services and devices that help a person keep, learn, or improve skills and functioning for daily living. This bill would specify that coverage of rehabilitative and habilitative services and devices under a health care service plan or health insurance policy includes durable medical equipment, services, and repairs, if the equipment, services, or repairs are prescribed or ordered by a physician, surgeon, or other health professional acting within the scope of their license. The bill would define "durable medical equipment" to mean devices, including replacement devices, that are designed for repeated use, and that are used for the treatment or monitoring of a medical condition or injury in order to help a person to partially or fully acquire, improve, keep, or learn, or minimize the loss of, skills and functioning of daily living. The bill would prohibit coverage of durable medical equipment and services from being subject to financial or treatment limitations, as specified. The bill would require the Secretary of California Health and Human Services to communicate to the federal Center for Consumer Information and Insurance Oversight that the coverage of durable medical equipment is necessary to comply with federal requirements for purposes of being considered essential health benefits not subject to defrayal payments. If the center overrules the state's determination that the additional coverage subjects the state to defrayal payments, the bill would require the secretary to reevaluate California's essential health benefits benchmark plan to incorporate the coverage without triggering the defrayal requirement. The bill would require the secretary, no later than one year... (click bill link to see more).

Primary Sponsors

Liz Ortega, Lori Wilson

Organizational Notes

Last edited by Joanne Campbell at Mar 27, 2023, 5:55 PM

California Association of Health Plans: Oppose

Title

Medi-Cal: health care services data: children and pregnant or postpartum persons.

Description

AB 1202, as amended, Lackey. Medi-Cal: health care services data: children and pregnant or postpartum persons. Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services through various health care delivery systems, including managed care pursuant to Medi-Cal managed care plan contracts. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law establishes, until January 1, 2026, certain time or distance and appointment time standards for specified Medi-Cal managed care covered services, consistent with federal regulations relating to network adequacy standards, to ensure that those services are available and accessible to enrollees of Medi-Cal managed care plans in a timely manner, as specified. Existing law sets forth various limits on the number of miles or minutes from the enrollee's place of residence, depending on the type of service or specialty and, in some cases, on the county. This bill would require the department, no later than January 1, 2025, to prepare and submit a report to the Legislature that includes certain information, including an analysis of the adequacy of each Medi-Cal managed care plan's network for pediatric primary care, including the number and geographic distribution of providers and the plan's compliance with the above-described time or distance and appointment time standards. Under the bill, the report would also include data, disaggregated as specified, on the number of children and pregnant or postpartum persons who are Medi-Cal beneficiaries receiving certain health care services during the 2021–22, 2022–23, and 2023–24 fiscal years. The report would also include additional information regarding the department's efforts to improve access to pediatric preventive care, as specified. The bill would require that the report be made publicly available through its posting on the department's internet website. The bill would repeal these reporting provisions on January 1, 2029.

Primary Sponsors

Tom Lackey

Title

Medi-Cal: telehealth.

Description

AB 1241, as amended, Weber. Medi-Cal: telehealth. Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Under existing law, in-person, face-to-face contact is not required when covered health care services are provided by video synchronous interaction, audio-only synchronous interaction, remote patient monitoring, or other permissible virtual communication modalities, when those services and settings meet certain criteria. Existing law requires a provider furnishing services through video synchronous interaction or audio-only synchronous interaction, by a date set by the department, no sooner than January 1, 2024, to also either offer those services via in-person contact or arrange for a referral to, and a facilitation of, in-person care, as specified. This bill would instead require, under the above-described circumstance, a provider to maintain and follow protocols to either offer those services via in-person contact or arrange for a referral to, and a facilitation of, in-person care. The bill would specify that the referral and facilitation arrangement would not require a provider to schedule an appointment with a different provider on behalf of a patient.

Primary Sponsors

Akilah Weber

Title

Mental health: impacts of social media.

Description

AB 1282, as amended, Lowenthal. Mental health: impacts of social media. Existing law, the Mental Health Services Act, an initiative measure enacted by the voters as Proposition 63 at the November 2, 2004, statewide general election, establishes the Mental Health Services Oversight and Accountability Commission, and authorizes the commission to take specified actions, including advising the Governor or the Legislature regarding actions the state may take to improve care and services for people with mental illness. This bill would require the commission to report to specified policy committees of the Legislature, on or before July 1, 2025, a statewide strategy to understand, communicate, and mitigate mental health risks associated with the use of social media by children and youth. The bill would require the report to include, among other things, (1) the degree to which individuals negatively impacted by social media are accessing and receiving mental health services and (2) recommendations to strengthen children and youth resiliency strategies and California's use of mental health services to reduce the negative outcomes that may result from untreated mental illness, as specified. The bill would require the commission to explore, among other things, the persons and populations that use social media and the negative mental health risks associated with social media and artificial intelligence, as defined. The bill would repeal these provisions on January 1, 2029.

Primary Sponsors

Josh Lowenthal

Title

Health care coverage: Medication-assisted treatment.

Description

AB 1288, as amended, Rendon. Health care coverage: Medication-assisted treatment. Existing law, the Knox–Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law authorizes health care service plans and health insurers that cover prescription drugs to utilize reasonable medical management practices, including prior authorization and step therapy, consistent with applicable law. This bill would prohibit a medical service plan and a health insurer from subjecting a naloxone product, or another opioid antagonist approved by the United States Food and Drug Administration, a buprenorphine product, methadone, or long-acting injectable naltrexone for detoxification or maintenance treatment of a substance use disorder to prior authorization or step therapy. Because a willful violation of these provisions by a health care service plan would be a crime, this bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

Primary Sponsors

Anthony Rendon

Organizational Notes

Last edited by Joanne Campbell at Mar 27, 2023, 5:56 PM

California Association of Health Plans: Oppose

Title

California Health and Human Services Data Exchange Framework.

Description

AB 1331, as amended, Wood. California Health and Human Services Data Exchange Framework. Existing law establishes the Center for Data Insights and Innovation within the California Health and Human Services Agency to ensure the enforcement of state law mandating the confidentiality of medical information. Existing law, subject to an appropriation in the annual Budget Act, requires the California Health and Human Services Agency to establish the California Health and Human Services Data Exchange Framework on or before July 1, 2022, to govern and require the exchange of health information among health care entities and government agencies. This bill would require the Center for Data Insights and Innovation to take over establishment, implementation, and all the functions related to the California Health and Human Services Data Exchange Framework on or before January 1, 2024, subject to an appropriation in the annual Budget Act. The bill would require the center to establish the CalHHS Data Exchange Board, with specified membership, to develop recommendations and to review, modify, and approve any modifications to the Data Exchange Framework data sharing agreement, among other things. The bill would require the center to submit an annual report to the Legislature that includes required signatory compliance with the data sharing agreement, assessment of consumer experiences with health information exchange, and evaluation of technical assistance and other grant programs. The bill would require the center, by July 1, 2024, to establish a process to designate qualified health information organizations according to specified criteria.

Primary Sponsors

Jim Wood

Title

Medi-Cal: serious mental illness.

Description

AB 1437, as amended, Irwin. Medi-Cal: serious mental illness. Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law sets forth a schedule of benefits under the Medi-Cal program, including specialty and nonspecialty mental health services through different delivery systems, in certain cases subject to utilization controls, such as prior authorization. Under existing law, prior authorization is approval of a specified service in advance of the rendering of that service based upon a determination of medical necessity. Existing law sets forth various provisions relating to processing, or appealing the decision of, treatment authorization requests, and provisions relating to certain services requiring or not requiring a treatment authorization request. After a determination of cost benefit, existing law requires the Director of Health Care Services to modify or eliminate the requirement of prior authorization as a control for treatment, supplies, or equipment that costs less than \$100, except for prescribed drugs, as specified. Under this bill, a prescription refill for a drug for serious mental illness would automatically be approved for a period of 365 days after the initial prescription is dispensed. The bill would condition the above-described provisions on the prescription being for a person 18 years of age or over, and on the person not being within the transition jurisdiction of the juvenile court, as specified.

Primary Sponsors

Jacqui Irwin, Sharon Quirk-Silva

Title

Urgent and emergency mental health and substance use disorder treatment.

Description

AB 1451, as amended, Jackson. Urgent and emergency mental health and substance use disorder treatment. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law requires a health care service plan or health insurer that provides hospital, medical, or surgical coverage shall provide coverage for medically necessary treatment of mental health and substance use disorders, under the same terms and conditions applied to other medical conditions, as specified. Existing law also includes requirements for timely access to care, including mental health services, including a requirement that a health care service plan or health insurer provide or arrange for the provision of covered health care services in a timely manner appropriate for the nature of the enrollee's or insured's condition consistent with good professional practice. This bill would require a health care service plan contract or health insurance policy issued, amended, renewed, or delivered on or after January 1, 2024, to provide coverage for treatment of urgent and emergency mental health and substance use disorders. The bill would require the treatment to be provided without preauthorization, and to be reimbursed in a timely manner, pursuant to specified provisions. The bill's provisions would only be implemented upon appropriation by the Legislature for administrative costs of the departments. The bill would clarify that it would not relieve a health plan or insurer of existing obligations, as specified. Because a violation of the bill's requirements by a health care service plan would be a crime, the bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

Primary Sponsors

Corey Jackson

Organizational Notes

Last edited by Joanne Campbell at Mar 27, 2023, 5:56 PM

California Association of Health Plans: Oppose

Title

Medi-Cal: behavioral health services: documentation standards.

Description

AB 1470, as amended, Quirk-Silva. Medi-Cal: behavioral health services: documentation standards. Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services, including behavioral health services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law establishes the California Advancing and Innovating Medi-Cal (CalAIM) initiative, subject to receipt of any necessary federal approvals and the availability of federal financial participation, in order to, among other things, improve quality outcomes and reduce health disparities. The bill, as part of CalAIM, and with respect to behavioral health services provided under the Medi-Cal program, would require the department to standardize data elements relating to documentation requirements, including, but not limited to, medically necessary criteria, and would require the department to develop standard forms containing information necessary to properly adjudicate claims pursuant to CalAIM Terms and Conditions. The bill would require the department to consult with representatives of specified associations and programs for purposes of implementing these provisions. The bill would require the department to conduct, on or before July 1, 2025, regional trainings for personnel and provider networks of applicable entities, including county mental health plans, Medi-Cal managed care plans, and entities within the fee-for-service delivery system, on proper completion of the standard forms. The bill would require each applicable entity to distribute the training material and standard forms to its provider networks, and to commence, no later than July 1, 2025, using the standard forms. The bill would require providers of applicable entities to use those forms, as specified. The bill would authorize the department to restrict the imposition of additional documentation requirements beyond those included on standard forms, as specified. The bill would require the department to conduct an analysis on the status of utilization of the standard forms by applicable entities, and on the status of the trainings and training material, in order to determine the effectiveness of implementation of the above-described provisions. The bill would require the department to prepare a report containing findings from the analysis no later than July 1, 2026, and a followup report no later than July 1, 2028, and to submit each report to the Legislature and post it on the department's internet website.

Primary Sponsors

Sharon Quirk-Silva

Title

Local government: internet websites and email addresses.

Description

AB 1637, as amended, Irwin. Local government: internet websites and email addresses. (1) The California Constitution authorizes cities and counties to make and enforce within their limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws and further authorizes cities organized under a charter to make and enforce all ordinances and regulations in respect to municipal affairs, which supersede inconsistent general laws. The California Public Records Act requires a local agency to make public records available for inspection and allows a local agency to comply by posting the record on its internet website and directing a member of the public to the internet website, as specified. This bill, no later than January 1, 2029, would require a local agency, as defined, that maintains an internet website for use by the public to ensure that the internet website utilizes a ".gov" top-level domain or a ".ca.gov" second-level domain and would require a local agency that maintains an internet website that is noncompliant with that requirement to redirect that internet website to a domain name that does utilize a ".gov" or ".ca.gov" domain. This bill, no later than January 1, 2029, would also require a local agency that maintains public email addresses to ensure that each email address provided to its employees utilizes a ".gov" domain name or a ".ca.gov" domain name. By adding to the duties of local officials, the bill would impose a state-mandated local program. (2) The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities. (3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Primary Sponsors

Jacqui Irwin

Title

Health care coverage: cost sharing.

Description

AB 1645, as amended, Zbur. Health care coverage: cost sharing. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law requires a group or individual nongrandfathered health care service plan contract or health insurance policy to provide coverage for, and prohibits a contract or policy from imposing cost-sharing requirements for, specified preventive care services and screenings. This bill would prohibit a group or individual health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2024, from imposing a cost-sharing requirement for office visits for the above-described preventive care services and screenings and for items or services that are integral to their provision. The bill would prohibit large group contracts and policies issued, amended, or renewed on or after January 1, 2024, and an individual or small group health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2025, from imposing a cost-sharing requirement, utilization review, or other specified limits on a recommended sexually transmitted infections screening, and from imposing a cost-sharing requirement for any items and services integral to a sexually transmitted infections screening, as specified. The bill would require a plan or insurer to directly reimburse a nonparticipating provider or facility of sexually transmitted infections screening that meets specified criteria for screening tests and integral items and services rendered, as specified, and would prohibit a nonparticipating provider from billing or collecting a cost-sharing amount for a sexually transmitted infections screening from an enrollee or insured. Because a violation of the bill's requirements by a health care service plan would be a crime, the bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

Primary Sponsors

Rick Zbur

Organizational Notes

Last edited by Joanne Campbell at Mar 27, 2023, 5:57 PM

California Association of Health Plans: Oppose

Title

Prescription drug coverage.

Description

SB 70, as amended, Wiener. Prescription drug coverage. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law generally authorizes a health care service plan or health insurer to use utilization review, under which a licensed physician or a licensed health care professional who is competent to evaluate specific clinical issues may approve, modify, delay, or deny requests for health care services based on medical necessity. Existing law prohibits a health care service plan contract that covers prescription drug benefits or a specified health insurance policy from limiting or excluding coverage for a drug on the basis that the drug is prescribed for a use that is different from the use for which it was approved by the federal Food and Drug Administration if specified conditions are met. Existing law also prohibits a health care service plan that covers prescription drug benefits from limiting or excluding coverage for a drug that was previously approved for coverage if an enrollee continues to be prescribed that drug, as specified. This bill would additionally prohibit limiting or excluding coverage of a drug, dose of a drug, or dosage form of a drug that is prescribed for off-label use if the drug has been previously covered for a chronic condition or cancer, as specified, regardless of whether or not the drug, dose, or dosage form is on the plan's or insurer's formulary. The bill would prohibit a health care service plan contract or health insurance policy from requiring additional cost sharing not already imposed for a drug that was previously approved for coverage. Because a willful violation of these provisions by a health care service plan would be a crime, the bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

Primary Sponsors

Scott Wiener

Organizational Notes

Last edited by Joanne Campbell at Mar 27, 2023, 5:57 PM

California Association of Health Plans: Oppose

Title

Health care coverage: insulin affordability.

Description

SB 90, as amended, Wiener. Health care coverage: insulin affordability. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act's requirements a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law requires a health care service plan contract or disability insurance policy issued, amended, delivered, or renewed on or after January 1, 2000, that covers prescription benefits to include coverage for insulin if it is determined to be medically necessary. This bill would prohibit a health care service plan contract or a disability insurance policy, as specified, issued, amended, delivered, or renewed on or after January 1, 2024, or a contract or policy offered in the individual or small group market on or after January 1, 2025, from imposing a copayment of more than \$35 for a 30-day supply of an insulin prescription drug or imposing a deductible, coinsurance, or other cost sharing on an insulin prescription drug, and would prohibit a high deductible health plan from imposing a deductible, coinsurance, or other cost sharing on an insulin prescription drug, as specified. Because a willful violation of these provisions by a health care service plan would be a crime, the bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

Primary Sponsors

Scott Wiener

Organizational Notes

Last edited by Joanne Campbell at Mar 27, 2023, 5:58 PM

California Association of Health Plans: Oppose

Title

Health care coverage: independent medical review.

Description

SB 238, as amended, Wiener. Health care coverage: independent medical review. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Existing law provides for the regulation of disability insurers by the Department of Insurance. Existing law establishes the Independent Medical Review System within each department, under which an enrollee or insured may seek review if a health care service has been denied, modified, or delayed by a health care service plan or disability insurer and the enrollee or insured has previously filed a grievance that remains unresolved after 30 days. This bill, commencing July 1, 2024, would require a health care service plan or a disability insurer that modifies, delays, or denies a health care service, based in whole or in part on medical necessity, to automatically submit within 24 hours a decision regarding a disputed health care service to the Independent Medical Review System, as well as the information that informed its decision, without requiring an enrollee or insured to submit a grievance, if the decision is to deny, modify, or delay specified services relating to mental health or substance use disorder conditions for an enrollee or insured up to 26 years of age. The bill would require a health care service plan or disability insurer, within 24 hours after submitting its decision to the Independent Medical Review System to provide notice to the appropriate department, the enrollee or insured or their representative, if any, and the enrollee's or insured's provider. The bill would require the notice to include notification to the enrollee or insured that they or their representative may cancel the independent medical review at any time before a determination, as specified. The bill would apply specified existing provisions relating to mental health and substance use disorders for purposes of its provisions, and would be subject to relevant provisions relating to the Independent Medical Review System that do not otherwise conflict with the express requirements of the bill. With respect to health care service plans, the bill would specify that its provisions do not apply to Medi-Cal managed care plan contracts. The bill would authorize the Insurance Commissioner to promulgate regulations subject to the Administrative Procedure Act to implement and enforce the bill, and to issue interim guidance, as specified. Because a willful violation of this provision by a health care service plan would be a crime, the bill would impose a state-mandated local program. The California Constitution requires the state to reimburse... (click bill link to see more).

Primary Sponsors

Scott Wiener

Organizational Notes

Last edited by Joanne Campbell at Mar 27, 2023, 6:11 PM

Local Health Plans of California: Oppose California Association of Health Plans: Oppose

Title

Health care coverage: diagnostic imaging.

Description

SB 257, as introduced, Portantino. Health care coverage: diagnostic imaging. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law requires a health care service plan contract issued, amended, delivered, or renewed on or after January 1, 2000, or an individual or group policy of disability insurance or self-insured employee welfare benefit plan to provide coverage for mammography for screening or diagnostic purposes upon referral by specified professionals. Under existing law, mammography performed pursuant to those requirements or that meets the current recommendations of the United States Preventive Services Task Force is provided to an enrollee or an insured without cost sharing. This bill would require a health care service plan contract, a policy of disability insurance that provides hospital, medical, or surgical coverage, or a self-insured employee welfare benefit plan issued, amended, or renewed on or after January 1, 2025, to provide coverage without imposing cost sharing for, among other things, screening mammography and medically necessary diagnostic breast imaging, including diagnostic breast imaging following an abnormal mammography result and for an enrollee or insured indicated to have a risk factor associated with breast cancer, except as specified. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

Primary Sponsors

Anthony Portantino

Organizational Notes

Last edited by Joanne Campbell at Mar 27, 2023, 5:58 PM

California Association of Health Plans: Oppose

Title

Medi-Cal: federally qualified health centers and rural health clinics.

Description

SB 282, as amended, Eggman. Medi-Cal: federally qualified health centers and rural health clinics. Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services, including federally qualified health center (FQHC) services and rural health clinic (RHC) services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Under existing law, to the extent that federal financial participation is available, FQHC and RHC services are reimbursed on a per-visit basis, as specified. "Visit" is defined as a face-to-face encounter between a patient of an FQHC or RHC and a physician or other specified health care professionals. Under existing law, "visit" also includes an encounter using video or audio-only synchronous interaction or an asynchronous store and forward modality, as specified. This bill would authorize reimbursement for a maximum of 2 visits that take place on the same day at a single site, whether through a face-to-face or telehealth-based encounter, if after the first visit the patient suffers illness or injury that requires additional diagnosis or treatment, or if the patient has a medical visit and either a mental health visit or a dental visit, as defined. The bill would require the department, by July 1, 2024, to submit a state plan amendment to the federal Centers for Medicare and Medicaid Services reflecting those provisions. The bill would include a licensed acupuncturist within those health care professionals covered under the definition of a "visit." The bill would also make a change to the provision relating to physicians and would make other technical changes.

Primary Sponsors

Susan Eggman, Mike McGuire, Cecilia Aguiar-Curry, Jim Wood

Organizational Notes

Last edited by Joanne Campbell at Mar 27, 2023, 7:27 PM
Local Health Plans of California: Support L.A. Care: Support

Title

Medi-Cal: Part A buy-in.

Description

SB 311, as introduced, Eggman. Medi-Cal: Part A buy-in. Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law requires the State Department of Health Care Services, to the extent required by federal law, for Medi-Cal recipients who are qualified Medicare beneficiaries, to pay the Medicare premiums, deductibles, and coinsurance for certain elderly and disabled persons. Existing federal law authorizes states to pay for Medicare benefits for specified enrollees pursuant to either a buy-in agreement to directly enroll and pay premiums or a group payer arrangement to pay premiums. This bill would require the department to submit a state plan amendment no later than January 1, 2024, to enter into a Medicare Part A buy-in agreement with the federal Centers for Medicare and Medicaid Services. To the extent that the bill would increase duties for a county, the bill would create a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Primary Sponsors

Susan Eggman

Organizational Notes

Last edited by Joanne Campbell at Mar 27, 2023, 6:24 PM
Local Health Plans of California: Support L.A. Care: Support

Title

Health care coverage: endometriosis.

Description

SB 324, as amended, Limón. Health care coverage: endometriosis.

(1) Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance.

Existing law generally authorizes a health care service plan or health insurer to use prior authorization and other utilization review functions, under which a licensed physician or a licensed health care professional who is competent to evaluate specific clinical issues may approve, modify, delay, or deny requests for health care services based on medical necessity. This bill would prohibit a health care service plan contract or health insurance policy issued, amended, delivered, or renewed on or after January 1, 2024, from requiring prior authorization or other utilization review for any clinically indicated treatment for endometriosis, as determined by the treating physician and consistent with nationally recognized evidence-based clinical guidelines. Because a willful violation of these provisions by a health care service plan would be a crime, the bill would impose a state-mandated local program.

(2) Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law sets forth a schedule of benefits under the Medi-Cal program. This bill would add any clinically indicated treatment for endometriosis, as determined by the treating physician and consistent with nationally recognized evidence-based clinical guidelines, as a covered benefit under Medi-Cal without prior authorization or other utilization review. (3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

Primary Sponsors

Monique Limon

Organizational Notes

Last edited by Joanne Campbell at Apr 17, 2023, 4:45 PM

California Association of Health Plans: Oppose

Title

The Behavioral Health Services Act.

Description

SB 326, as amended, Eggman. The Behavioral Health Services Act. (1) Existing law, the Mental Health Services Act (MHSA), an initiative measure enacted by the voters as Proposition 63 at the November 2, 2004, statewide general election, funds a system of county mental health plans for the provision of mental health services. Existing law authorizes the MHSA to be amended by a 2/3 vote of the Legislature if the amendments are consistent with and further the intent of the MHSA. Existing law authorizes the Legislature to add provisions to clarify procedures and terms of the MHSA by majority vote. If approved by the voters at the March 5, 2024, statewide primary election, this bill would delete the provision that establishes vote requirements to amend the MHSA, requiring all amendments of the MHSA to be approved by the voters. The bill would recast the MHSA by, among other things, renaming it the Behavioral Health Services Act (BHSA), expanding it to include treatment of substance use disorders, changing the county planning process, and expanding services for which counties and the state can use funds. The bill would revise the distribution of MHSA moneys, including allocating up to \$36,000,000 to the department for behavioral health workforce funding. The bill would authorize the department to require a county to implement specific evidence-based practices. This bill would require a county, for behavioral health services eligible for reimbursement pursuant to the federal Social Security Act, to submit the claims for reimbursement to the State Department of Health Care Services (the department) under specific circumstances. The bill would require counties to pursue reimbursement through various channels and would authorize the counties to report issues with managed care plans and insurers to the Department of Managed Health Care or the Department of Insurance. The MHSA establishes the Mental Health Services Oversight and Accountability Commission and requires it to adopt regulations for programs and expenditures for innovative programs and prevention and early intervention programs established by the act. Existing law requires counties to develop plans for innovative programs funded under the MHSA. This bill would rename the commission the Behavioral Health Services Oversight and Accountability Commission and would change the composition and duties of the commission, as specified. The bill would delete the provisions relating to innovative programs and instead would require the department to establish the priorities and a program, which would be administered by counties, to provide housing interventions. The bill would provide that "low rent housing project," as defined, does not apply to the development of urban or rural... (click bill link to see more).

Primary Sponsors

Susan Eggman

Title

HIV preexposure prophylaxis and postexposure prophylaxis.

Description

SB 339, as amended, Wiener. HIV preexposure prophylaxis and postexposure prophylaxis. Existing law, the Pharmacy Law, provides for the licensure and regulation of pharmacists by the California State Board of Pharmacy. Existing law authorizes a pharmacist to furnish at least a 30-day supply of HIV preexposure prophylaxis, and up to a 60-day supply of those drugs if certain conditions are met. Existing law also authorizes a pharmacist to furnish postexposure prophylaxis to a patient if certain conditions are met. This bill would authorize a pharmacist to furnish up to a 90-day course of preexposure prophylaxis, or preexposure prophylaxis beyond a 90-day course, if specified conditions are met. The bill would require the California State Board of Pharmacy to adopt emergency regulations to implement these provisions by July 1, 2024. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law prohibits a health care service plan or health insurer from covering preexposure prophylaxis that has been furnished by a pharmacist in excess of a 60-day supply once every 2 years. Existing law provides for the Medi-Cal program administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services pursuant to a schedule of benefits. The existing schedule of benefits includes coverage for preexposure prophylaxis as pharmacist services, limited to no more than a 60-day supply furnished by a pharmacist once every 2 years, and includes coverage for postexposure prophylaxis, subject to approval by the federal Centers for Medicare and Medicaid Services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. This bill would require a health care service plan and health insurer to cover preexposure prophylaxis and postexposure prophylaxis furnished by a pharmacist, including costs for the pharmacist's services and related testing ordered by the pharmacist, and to pay or reimburse the cost of the service performed by a pharmacist at an in-network pharmacy or a pharmacist at an out-of-network pharmacy if the health care service plan or health insurer has an out-of-network pharmacy benefit. The bill would include preexposure prophylaxis furnished by a pharmacist as pharmacist services on the Medi-Cal schedule of benefits. Because a willful violation of these provisions by a health care service plan would be a crime, this bill would impose a state-mandated local pro... (click bill link to see more).

Primary Sponsors

Scott Wiener, Mike Gipson

Organizational Notes

Last edited by Joanne Campbell at Mar 27, 2023, 5:59 PM
California Association of Health Plans: Oppose

Title

Pupil meals.

Description

SB 348, as amended, Skinner. Pupil meals. (1) Existing law establishes a system of public elementary and secondary schools in this state. This system is composed of local educational agencies throughout the state that provide instruction to pupils in kindergarten and grades 1 to 12, inclusive, at schoolsites operated by these agencies. Existing law, commencing with the 2022–23 school year, requires each school district and county superintendent of schools maintaining kindergarten or any of grades 1 to 12, inclusive, and each charter school to provide 2 nutritiously adequate school meals free of charge during each schoolday, regardless of the length of the schoolday, to any pupil who requests a meal without consideration of the pupil's eligibility for a federally funded free or reduced-price meal, as specified, with a maximum of one free meal for each meal service period. Existing law requires the department to develop and maintain nutrition guidelines for school lunches and breakfasts, and for all food and beverages sold on public school campuses. Existing law requires a school district, county superintendent of schools, or charter school to provide each needy pupil with one nutritionally adequate free or reduced-price meal during each schoolday, except as provided. This bill would revise and recast provisions regarding school meals for needy pupils by, among other things, instead requiring each school district, county superintendent of schools, and charter school to make available a nutritionally adequate breakfast, as defined, and a nutritionally adequate lunch, as defined, free of charge during each schoolday, as defined, to any pupil who requests a meal, without consideration of the pupil's eligibility for a federally funded free or reduced-price meal, as provided. The bill would require each school district, county office of education, or charter school that offers independent study to meet the above meal requirements for any pupil on any schoolday that the pupil is scheduled for educational activities, as provided. The bill would require the State Department of Education to submit a waiver request to the United States Department of Agriculture to allow for one meal to be provided during a schoolday lasting 4 hours or less to be served in a noncongregate manner. The bill would authorize each school district, county superintendent of schools, and charter school to make available either a nutritionally adequate breakfast or a nutritionally adequate lunch, as defined, in a noncongregate manner, as provided, if the State Department of Education receives approval for the federal noncongregate waiver. The bill would require each school district, county superintendent of schools, and charter school to provide pu... (click bill link to see more).

Primary Sponsors

Nancy Skinner

Organizational Notes

Last edited by Joanne Campbell at Apr 17, 2023, 3:56 PM
L.A. Care, Local Health Plans of California: Support

Title

Facilities for inpatient and residential mental health and substance use disorder: database.

Description

SB 363, as amended, Eggman. Facilities for inpatient and residential mental health and substance use disorder: database. Existing law generally requires the State Department of Public Health to license, inspect, and regulate health facilities, defined to include, among other types of health facilities, an acute psychiatric hospital. Existing law generally requires the State Department of Social Services to license, inspect, and regulate various types of care facilities, including, among others, a community crisis home. Existing law requires the State Department of Health Care Services to license and regulate facilities that provide residential nonmedical services to adults who are recovering from problems related to alcohol, drug, or alcohol and drug misuse or abuse, and who need alcohol, drug, or alcohol and drug recovery treatment or detoxification services. This bill would require, by January 1, 2026, the State Department of Health Care Services, in consultation with the State Department of Public Health and the State Department of Social Services, and by conferring with specified stakeholders, to develop a real-time, internet-based database to collect, aggregate, and display information about beds in specified types of facilities, such as chemical dependency recovery hospitals, acute psychiatric hospitals, and mental health rehabilitation centers, among others, to identify the availability of inpatient and residential mental health or substance use disorder treatment. The bill would require the database to include a minimum of specific information, including the contact information for a facility's designated employee, the types of diagnoses or treatments for which the bed is appropriate, and the target populations served at the facility, and have the capacity to, among other things, enable searches to identify beds that are appropriate for individuals in need of inpatient or residential mental health or substance use disorder treatment. This bill would authorize the department to impose a plan of correction or assess penalties against a facility that fails to submit data accurately, timely, or as otherwise required and would establish a process for facilities to appeal these penalties. The bill would create the Available Care for Inpatient and Residential Mental Health or Substance Use Disorder Treatment Database Maintenance and Oversight Fund for the receipt of any penalties. Because the bill would continuously appropriate moneys in the fund for administrative costs of implementing the database, it would create an appropriation.

Primary Sponsors

Susan Eggman

Title

Open meetings: teleconferences: neighborhood councils.

Description

SB 411, as amended, Portantino. Open meetings: teleconferences: neighborhood councils. Existing law, the Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined. Existing law, until January 1, 2024, authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency or in other situations related to public health that exempt a legislative body from the general requirements (emergency provisions) and impose different requirements for notice, agenda, and public participation, as prescribed. The emergency provisions specify that they do not require a legislative body to provide a physical location from which the public may attend or comment. Existing law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met, including restrictions on remote participation by a member of the legislative body. This bill, until January 1, 2028, would authorize an eligible legislative body to use alternate teleconferencing provisions related to notice, agenda, and public participation, as prescribed, if the city council has adopted an authorizing resolution and 2/3 of an eligible legislative body votes to use the alternate teleconferencing provisions. The bill would define "eligible legislative body" for this purpose to mean a neighborhood council that is an advisory body with the purpose to promote more citizen participation in government and make government more responsive to local needs that is established pursuant to the charter of a city with a population of more than 3,000,000 people that is subject to the act. The bill would require an eligible legislative body authorized un... (click bill link to see more).

Primary Sponsors

Anthony Portantino

Title

Health care coverage: antiretroviral drugs, devices, and products.

Description

SB 427, as amended, Portantino. Health care coverage: antiretroviral drugs, devices, and products. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law generally prohibits a health care service plan or health insurer from subjecting antiretroviral drugs that are medically necessary for the prevention of HIV/AIDS, including preexposure prophylaxis or postexposure prophylaxis, to prior authorization or step therapy. Under existing law, a health care service plan or health insurer is not required to cover all the therapeutically equivalent versions of those drugs without prior authorization or step therapy if at least one is covered without prior authorization or step therapy. This bill would prohibit a health care service plan or health insurer from subjecting antiretroviral drugs, devices, or products that are either approved by the United States Food and Drug Administration (FDA) or recommended by the federal Centers for Disease Control and Prevention (CDC) for the prevention of HIV/AIDS, to prior authorization or step therapy, but would authorize prior authorization or step therapy if at least one therapeutically equivalent version is covered without prior authorization or step therapy and the insurer provides coverage for a noncovered therapeutic equivalent antiretroviral drug, device, or product without cost sharing pursuant to an exception request. The bill would prohibit a nongrandfathered or grandfathered health care service plan contract or health insurance policy from imposing any cost-sharing or utilization review requirements for antiretroviral drugs, devices, or products that are either approved by the FDA or recommended by the CDC for the prevention of HIV/AIDS. The bill would require a nongrandfathered or grandfathered health care service plan contract or health insurance policy to provide coverage for those drugs, devices, or products, and would require a plan or insurer to provide coverage under the outpatient prescription drug benefit for those drugs, devices, or products, including by supplying participating providers directly with a drug, device, or product, as specified. Because a willful violation of these provisions by a health care service plan would be a crime, this bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimburse... (click bill link to see more).

Primary Sponsors

Anthony Portantino

Organizational Notes

Last edited by Joanne Campbell at Mar 27, 2023, 6:00 PM
California Association of Health Plans: Oppose

Title

Biomarker testing.

Description

SB 496, as amended, Limón. Biomarker testing. (1) Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law requires health care service plan contract or health insurance policy issued, amended, delivered, or renewed on or after July 1, 2000, to provide coverage for all generally medically accepted cancer screening tests, and prohibits that contract or policy issued, amended, delivered, or renewed on or after July 1, 2022, from requiring prior authorization for biomarker testing for certain enrollees or insureds. Existing law applies the provisions relating to biomarker testing to Medi-Cal managed care plans, as prescribed. This bill would require a health care service plan contract or health insurance policy issued, amended, or renewed on or after July 1, 2024, to provide coverage for medically necessary biomarker testing, as prescribed, including whole genome sequencing, for the purposes of diagnosis, treatment, appropriate management, or ongoing monitoring of an enrollee's or insured's disease or condition to guide treatment decisions, as prescribed. The bill would specify that it does not require a health care service plan or health insurer to cover biomarker testing for screening purposes unless otherwise required by law. The bill would subject restricted or denied use of biomarker testing for the purpose of diagnosis, treatment, or ongoing monitoring of a medical condition to state and federal grievance and appeal processes. This bill would apply these provisions relating to biomarker testing to the Medi-Cal program, including Medi-Cal managed care plans, as specified. Because a willful violation of these provisions by a health care service plan would be a crime, the bill would impose a state-mandated local program.(2) Existing law provides for the Medi-Cal program, administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services pursuant to a schedule of benefits. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law includes Rapid Whole Genome Sequencing as a covered benefit for any Medi-Cal beneficiary who is one year of age or younger and is receiving inpatient hospital services in an intensive care unit. Subject to the extent that federal financial participation is available and not otherwise jeopardized, and any necessary federal approvals have been obtained, this bill, by July 1, 2024, would expand the Medi-Cal... (click bill link to see more).

Primary Sponsors

Monique Limon

Organizational Notes

Last edited by Joanne Campbell at Mar 27, 2023, 6:00 PM
California Association of Health Plans: Oppose

Title

Medi-Cal: children: mobile optometric office.

Description

SB 502, as amended, Allen. Medi-Cal: children: mobile optometric office. Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions, with specified coverage for eligible children and pregnant persons funded by the federal Children's Health Insurance Program (CHIP). Existing federal law authorizes a state to provide services under CHIP through a Medicaid expansion program, a separate program, or a combination program. Existing federal CHIP provisions require federal payment to a state with an approved child health plan for expenditures for health services initiatives (HSI) under the plan for improving the health of children, as specified. As part of limitations on expenditures not used for Medicaid or health insurance assistance, existing federal law, with exceptions, prohibits the amount of payment that may be made for a fiscal year for HSI expenditures and other certain costs from exceeding 10% of the total amount of CHIP expenditures, as specified. Pursuant to existing state law, the department established a 3-year pilot program, from 2015 through 2017, in the County of Los Angeles that enabled school districts to allow students enrolled in Medi-Cal managed care plans to receive vision care services at the schoolsite through the use of a mobile vision service provider, limited to vision examinations and providing eyeglasses. Existing law authorizes an applicant or provider that meets the requirements to qualify as a mobile optometric office to be enrolled in the Medi-Cal program as either a mobile optometric office or within any other provider category for which the applicant or provider qualifies. Existing law defines "mobile optometric office" as a trailer, van, or other means of transportation in which the practice of optometry is performed and which is not affiliated with an approved optometry school in the state. Under existing law, the ownership and operation of a mobile optometric office is limited to a nonprofit or charitable organization, as specified, with the owner and operator registering with the State Board of Optometry. This bill would require the department to file all necessary state plan amendments to exercise the HSI option made available under CHIP provisions to cover vision services provided to low-income children statewide through a mobile optometric office, as specified. The bill would condition implementation of these provisions on receipt of any necessary federal approvals and the availability of federal financial participation. Under the bill, the federal financial... (click bill link to see more).

Primary Sponsors

Ben Allen

Title

Minimum wage: health care workers.

Description

SB 525, as amended, Durazo. Minimum wage: health care workers. Existing law generally requires the minimum wage for all industries to not be less than specified amounts to be increased until it is \$15 per hour commencing January 1, 2022, for employers employing 26 or more employees and commencing January 1, 2023, for employers employing 25 or fewer employees. Existing law makes a violation of minimum wage requirements a misdemeanor. Commencing June 1, 2024 and until June 1, 2025, this bill would require a health care worker minimum wage of \$21 per hour for hours worked in covered health care employment, as defined. Commencing June 1, 2025, the bill would require a health care minimum wage of \$25 per hour for hours worked in covered health care employment, as defined, subject to adjustment, as prescribed. The bill would provide that the health care worker minimum wage constitutes the state minimum wage for covered health care employment for all purposes under the Labor Code and the Wage Orders of the Industrial Welfare Commission. The health care worker minimum wage would be enforceable by the Labor Commissioner or by a covered worker through a civil action, through the same means and with the same relief available for violation of any other state minimum wage requirement. By establishing a new minimum wage, the violation of which would be a crime, the bill would impose a state-mandated local program. This bill would require, for covered health care employment where the employee is paid on a salary basis, that the employee earn a monthly salary equivalent to no less than 150% of the health care worker minimum wage for full-time employment in order to qualify as exempt from the payment of minimum wage and overtime. This bill would make legislative findings and declarations as to the necessity of a special statute for health care workers. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

Primary Sponsors

Maria Durazo

Title

Sexual health: contraceptives: immunization.

Description

SB 541, as amended, Menjivar. Sexual health: contraceptives: immunization. (1) Existing law, the California Healthy Youth Act, requires school districts, defined to include county boards of education, county superintendents of schools, the California School for the Deaf, the California School for the Blind, and charter schools, to ensure that all pupils in grades 7 to 12, inclusive, receive comprehensive sexual health education and human immunodeficiency virus (HIV) prevention education, as specified. This bill would, in order to prevent and reduce unintended pregnancies and sexually transmitted infections, on or before the start of the 2024–25 school year, require each public school, including schools operated by a school district or county office of education, charter schools, and state special schools, to make internal and external condoms available to all pupils in grades 9 to 12, inclusive, free of charge, as provided. The bill would require these public schools to, at the beginning of each school year, inform pupils through existing school communication channels that free condoms are available and where the condoms can be obtained on school grounds. The bill would require a public school to post at least one notice regarding these requirements, as specified. The bill would require this notice to include certain information, including, among other information, information about how to use condoms properly. The bill would require each public school serving any of grades 7 to 12, inclusive, to allow the distribution of condoms during the course of, or in connection with, educational or public health programs and initiatives, as provided. The bill would authorize a state agency, the State Department of Education, or a public school to accept gifts, grants, and donations from any source for the support of a public school carrying out these provisions, including, but not limited to, the acceptance of condoms from a manufacturer or wholesaler. The bill would, in order to comply with these provisions, encourage public schools to explore partnerships, including, but not limited to, partnerships with local health jurisdictions, as defined, community health centers, nonprofit organizations, and the State Department of Public Health. By imposing additional duties on public schools, the bill would impose a state-mandated local program. The bill would additionally prohibit a public school, as defined, maintaining any combination of classrooms from grades 7 to 12, inclusive, a school district, the State Department of Education, or a county office of education from prohibiting certain school-based health centers, as defined, from making internal and external condoms available and easily accessible to pupils at the school-ba... (click bill link to see more).

Primary Sponsors

Caroline Menjivar

Title

Health information.

Description

SB 582, as amended, Becker. Health information. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law requires health care service plans and health insurers to establish and maintain specified application programming interfaces (API), including patient access API, to facilitate patient and provider access to health information and for the benefit of enrollees, insureds, and contracted providers. Existing law authorizes the departments to require a plan or insurer to establish and maintain specified API, including provider access API. This bill would instead require the departments to require the plans and insurers to establish and maintain these specified API. The bill would exclude from the requirements of these provisions dental or vision benefits offered by a plan or insurer, including a specialized plan or insurer. Because a willful violation of these provisions by a health care service plan would be a crime, the bill would impose a state-mandated local program. Existing law establishes the California Health and Human Services Agency (CHHSA), which includes departments charged with administration of health, social, and human services. Existing law establishes the California Health and Human Services Data Exchange Framework that includes a single data sharing agreement and common set of policies and procedures that govern and require the exchange of health information among health care entities and government agencies in California. Existing law requires specified entities to execute the framework data sharing agreement on or before January 31, 2023. This bill would, contingent on the stakeholder advisory group developing standards for including EHR vendors, as defined, require EHR vendors to execute the framework data sharing agreement. The bill would require any fees charged by an EHR vendor to enable compliance with the framework to comply with specified federal regulations and to be sufficient to include the cost of enabling the collection and sharing of all data required, as specified. The bill would authorize CHHSA to establish administrative oversight and enforcement authority, including fines, if fees charged by EHR vendors to specified entities are not in compliance with federal standards. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbur... (click bill link to see more).

Primary Sponsors

Josh Becker

Health care coverage: prior authorization.

Description

SB 598, as amended, Skinner. Health care coverage: prior authorization. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law generally authorizes a health care service plan or health insurer to use prior authorization and other utilization review or utilization management functions, under which a licensed physician or a licensed health care professional who is competent to evaluate specific clinical issues may approve, modify, delay, or deny requests for health care services based on medical necessity. Existing law requires a health care service plan or health insurer, including those plans or insurers that delegate utilization review or utilization management functions to medical groups, independent practice associations, or to other contracting providers, to comply with specified requirements and limitations on their utilization review or utilization management functions. Existing law requires the criteria or guidelines used to determine whether or not to authorize, modify, or deny health care services to be developed with involvement from actively practicing health care providers. On or after January 1, 2025, this bill would prohibit a health care service plan or health insurer from requiring a contracted health professional to complete or obtain a prior authorization for any covered health care services if the plan or insurer approved or would have approved not less than 90% of the prior authorization requests they submitted in the most recent one-year contracted period. The bill would set standards for this exemption and its denial, rescission, and appeal. The bill would authorize a plan or insurer to evaluate the continuation of an exemption not more than once every 12 months, and would authorize a plan or insurer to rescind an exemption only at the end of the 12-month period and only if specified criteria are met. The bill would require a plan or insurer to provide an electronic prior authorization process. The bill would also require a plan or insurer to have a process for annually monitoring prior authorization approval, modification, appeal, and denial rates to identify services, items, and supplies that are regularly approved, and to discontinue prior authorization on those services, items, and supplies that are approved 95% of the time. Because a willful violation of the bill's requirements relative to health care service plans would be a crime, the bill would impose a state-mandated local program. The California Constitution requ... (click bill link to see more).

Primary Sponsors

Nancy Skinner

Organizational Notes

Last edited by Joanne Campbell at Jun 5, 2023, 8:59 PM
Local Health Plans of California: Oppose Unless Amended

Last edited by Joanne Campbell at Apr 17, 2023, 4:46 PM
California Association of Health Plans: Oppose

Title

Health care coverage: biosimilar drugs.

Description

SB 621, as amended, Caballero. Health care coverage: biosimilar drugs. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law authorizes a health care service plan or health insurer that provides coverage for prescription drugs to require step therapy if there is more than one drug that is clinically appropriate for the treatment of a medical condition, but requires a plan or insurer to expeditiously grant a step therapy exception request if specified criteria are met. Existing law does not prohibit a plan, insurer, or utilization review organization from requiring an enrollee or insured to try an AB-rated generic equivalent or interchangeable biological product before providing coverage for the equivalent branded prescription drug. This bill would specify that a plan, insurer, or utilization review organization is also not prohibited from requiring an enrollee or insured to try a biosimilar before providing coverage for the equivalent branded prescription drug, but that the requirement to try biosimilar, generic, and interchangeable drugs does not prohibit or supersede a step therapy exception request.

Primary Sponsors

Anna Caballero

Title

State Healthy Food Access Policy.

Description

SB 628, as amended, Hurtado. State Healthy Food Access Policy. Existing law establishes various food assistance programs, including, among others, the federal Supplemental Nutrition Assistance Program (SNAP), known in California as CalFresh, under which supplemental nutrition assistance benefits allocated to the state by the federal government are distributed to eligible individuals by each county. This bill would declare that it is the established policy of the state that every human being has the right to access sufficient affordable and healthy food. The bill would require all relevant state agencies to consider this state policy when revising, adopting, or establishing policies, regulations, and grant criteria when those policies, regulations, and grant criteria are pertinent to the distribution of sufficient affordable food. The bill would also require, by January 1, 2026, the State Department of Social Services, in consultation with the Department of Food and Agriculture and the Department of Conservation, to submit a report to the Legislature relating to food access and recommendations to increase the availability of sufficient affordable and healthy food, and to consult with higher education institutions and collect relevant data for purposes of preparing that report.

Primary Sponsors

Melissa Hurtado

Title

Healing arts: pregnancy and childbirth.

Description

SB 667, as amended, Dodd. Healing arts: pregnancy and childbirth.
(1) Existing law, the Nursing Practice Act, establishes the Board of Registered Nursing within the Department of Consumer Affairs for the licensure and regulation of the practice of nursing. A violation of the act is a crime. Existing law requires the board to issue a certificate to practice nurse-midwifery to a person who meets specified qualifications. Existing law authorizes a certified nurse-midwife to attend cases of low-risk pregnancy and childbirth and to provide prenatal, intrapartum, and postpartum care, including interconception care, family planning care, and immediate care for the newborn, as specified. Existing law authorizes a certified nurse-midwife to practice with a physician and surgeon under mutually agreed-upon policies and protocols, as specified, to provide a patient with care outside of that scope of services or to provide intrapartum care to a patient who has had a prior cesarean section or surgery that interrupts the myometrium. This bill would revise and recast those provisions to, among other things, authorize a certified nurse-midwife, pursuant to policies and protocols that are mutually agreed upon with a physician and surgeon, as specified, to provide a patient with care outside of that scope of services, to provide intrapartum care to a patient who has had a prior cesarean section or surgery that interrupts the myometrium, or to furnish or order a Schedule II or III controlled substance, as specified. The bill would include care for common gynecologic conditions, as specified, in the scope of services a certified nurse-midwife is authorized to perform without policies and protocols that are mutually agreed upon with a physician and surgeon. The bill would additionally authorize a general acute care hospital, as defined, or a special hospital specified as a maternity hospital, as defined, to grant privileges to a certified nurse-midwife, allowing them to admit and discharge patients upon their own authority if in accordance with organized medical staff bylaws of that facility and within the nurse-midwife's scope of practice. Existing law generally authorizes a certified nurse-midwife to furnish drugs or devices incidentally to the provision of care and services described above that the certified nurse-midwife is authorized to perform and care rendered to persons within certain settings, subject to specified requirements and exceptions. Among those requirements is that a certified nurse-midwife follow standardized procedures or protocols if they furnish or order Schedule IV or V controlled substances or drugs or devices for services other than attending cases of low-risk pregnancy and childbirth or providing prenatal, intrapart... (click bill link to see more).

Primary Sponsors

Bill Dodd

Organizational Notes

Last edited by Joanne Campbell at Mar 27, 2023, 5:48 PM
Local Health Plans of California: Support

Title

Medi-Cal: self-measured blood pressure devices and services.

Description

SB 694, as amended, Eggman. Medi-Cal: self-measured blood pressure devices and services. Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law sets forth a schedule of benefits under the Medi-Cal program, including pharmacy benefits (Medi-Cal Rx) and durable medical equipment. The department announced that, effective June 1, 2022, personal home blood pressure monitoring devices, and blood pressure cuffs for use with those devices, are a covered benefit under Medi-Cal Rx as a pharmacy-billed item. This bill would make self-measured blood pressure (SMBP) devices and SMBP services, as defined, covered benefits under the Medi-Cal program subject to utilization controls. The bill would state the intent of the Legislature that those covered devices and services be no less in scope than the devices and services that are recognized under specified existing billing codes or their successors. The bill would condition implementation of that coverage on receipt of any necessary federal approvals and the availability of federal financial participation.

Primary Sponsors

Susan Eggman

Title

Health care coverage: treatment for infertility and fertility services.

Description

SB 729, as amended, Menjivar. Health care coverage: treatment for infertility and fertility services. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law provides for the regulation of disability insurers by the Department of Insurance. Existing law imposes various requirements and restrictions on health care service plans and disability insurers, including, among other things, a requirement that every group health care service plan contract or disability insurance policy that is issued, amended, or renewed on or after January 1, 1990, offer coverage for the treatment of infertility, except in vitro fertilization. This bill would require large group, small group, and individual health care service plan contracts and disability insurance policies issued, amended, or renewed on or after January 1, 2024, to provide coverage for the diagnosis and treatment of infertility and fertility services. The bill would revise the definition of infertility, and would remove the exclusion of in vitro fertilization from coverage. The bill would also delete a requirement that a health care service plan contract and disability insurance policy provide infertility treatment under agreed-upon terms that are communicated to all group contractholders and policyholders. The bill would prohibit a health care service plan or disability insurer from placing different conditions or coverage limitations on fertility medications or services, or the diagnosis and treatment of infertility and fertility services, than would apply to other conditions, as specified. With respect to a health care service plan, the bill would not apply to a specialized health care service plan contract or Medi-Cal managed care health care service plan contracts or any entity that enters into a contract with the State Department of Health Care Services for the delivery of health care services pursuant to specified provisions. With respect to a disability insurer, the bill would not apply to accident-only, specified disease, hospital indemnity, Medicare supplement, or specialized disability insurance policies. Because the violation of these provisions by a health care service plan would be a crime, the bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

Primary Sponsors

Caroline Menjivar, Buffy Wicks

Organizational Notes

Last edited by Joanne Campbell at Mar 27, 2023, 6:01 PM
California Association of Health Plans: Oppose

Title

Health care: unified health care financing.

Description

SB 770, as amended, Wiener. Health care: unified health care financing. Prior state law established the Healthy California for All Commission for the purpose of developing a plan towards the goal of achieving a health care delivery system in California that provides coverage and access through a unified health care financing system for all Californians, including, among other options, a single-payer financing system. This bill would direct the Secretary of the California Health and Human Services Agency to pursue waiver discussions with the federal government with the objective of a unified health care financing system that incorporates specified features and objectives, including, among others, a comprehensive package of medical, behavioral health, pharmaceutical, dental, and vision benefits, and the absence of cost sharing for essential services and treatments. The bill would further require the secretary to establish a Waiver Development Workgroup comprised of members appointed by the Governor, Speaker of the Assembly, and President Pro Tempore of the Senate, as specified. The bill would require the workgroup to include stakeholders representing various specified interests, including consumers, patients, health care professionals, labor unions, government agencies, and philanthropic organizations. The bill would require the secretary to provide quarterly reports to the chairs of the Assembly and Senate Health Committees on the status and outcomes of waiver discussions with the federal government and the progress of the workgroup. The bill would also require the secretary to submit a complete set of recommendations regarding the elements to be included in a formal waiver application, as specified, by no later than June 1, 2024. The bill would also include findings and declarations of the Legislature related to the implementation of a unified health care financing system.

Primary Sponsors

Scott Wiener, Mike McGuire

Organizational Notes

Last edited by Joanne Campbell at Mar 27, 2023, 6:17 PM
California Association of Health Plans: Oppose

Title

Health care coverage: pervasive developmental disorders or autism.

Description

SB 805, as amended, Portantino. Health care coverage: pervasive developmental disorders or autism. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law requires a health care service plan contract or a health insurance policy to provide coverage for behavioral health treatment for pervasive developmental disorder or autism, and defines "behavioral health treatment" to mean specified services and treatment programs, including treatment provided pursuant to a treatment plan that is prescribed by a qualified autism service provider and administered either by a qualified autism service provider or by a qualified autism service professional or qualified autism service paraprofessional who is supervised as specified. Existing law defines a "qualified autism service professional" to refer to a person who meets specified educational, training, and other requirements and is supervised and employed by a qualified autism service provider. Existing law defines a "qualified autism service paraprofessional" to mean an unlicensed and uncertified individual who meets specified educational, training, and other criteria, is supervised by a qualified autism service provider or a qualified autism service professional, and is employed by the qualified autism service provider. This bill would expand the criteria for a qualified autism service professional to include a behavioral health professional and a psychology associate, an associate marriage and family therapist, an associate clinical social worker, or an associate professional clinical counselor, as specified. The bill would expand the criteria for a qualified autism service paraprofessional to include a behavioral health paraprofessional, as specified. Existing law, the Lanterman Developmental Disabilities Services Act, requires the State Department of Developmental Services to contract with regional centers to provide services and supports to individuals with developmental disabilities and their families. Existing law defines developmental disability for these purposes to include, among other things, autism. This bill would require the department to adopt emergency regulations to address the use of behavioral health professionals and behavioral health paraprofessionals in group practice provider behavioral intervention services. The bill would require the department to establish rates and the educational or experiential qualifications and professional supervision requirements necessary for these p... (click bill link to see more).

Primary Sponsors

Anthony Portantino

Title

Medi-Cal: certification.

Description

SB 819, as amended, Eggman. Medi-Cal: certification. Existing law requires the State Department of Public Health to license and regulate clinics. Existing law exempts from those licensing provisions certain clinics that are directly conducted, maintained, or operated by federal, state, or local governmental entities, as specified. Existing law also exempts from those licensing provisions a clinic that is operated by a primary care community or free clinic, that is operated on separate premises from the licensed clinic, and that is only open for limited services of no more than 40 hours per week. Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services (department) and under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law sets forth various procedures, including the submission of an application package, for providers to enroll in the Medi-Cal program. Under existing law, an applicant or provider that is a government-run license-exempt clinic as described above is required to comply with those Medi-Cal enrollment procedures. Under existing law, an applicant or provider that is operated on separate premises and is license exempt, including an intermittent site or mobile health care unit that is operated by a licensed primary care clinic that provides all staffing, protocols, equipment, supplies, and billing services, is not required to enroll in the Medi-Cal program as a separate provider or comply with the above-described enrollment procedures, if the licensed primary care clinic has notified the department of its separate locations, premises, intermittent sites, or mobile health care units. This bill would additionally exempt from the Medi-Cal enrollment procedures an intermittent site or mobile health care unit that is operated by the above-described government-run license-exempt clinic if that clinic has notified the department of its separate locations, premises, sites, or units. The bill would make legislative findings stating that this bill is declaratory of existing law, as specified.

Primary Sponsors

Susan Eggman

Title

Prescription drugs: cost sharing.

Description

SB 873, as introduced, Bradford. Prescription drugs: cost sharing.

(1) Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care under authority of the Director of the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance under the authority of the Insurance Commissioner. Existing law limits the maximum amount an enrollee or insured may be required to pay at the point of sale for a covered prescription drug to the lesser of the applicable cost-sharing amount or the retail price. This bill, commencing no later than January 1, 2025, would require an enrollee's or insured's defined cost sharing for each prescription drug to be calculated at the point of sale based on a price that is reduced by an amount equal to 90% of all rebates received, or to be received, in connection with the dispensing or administration of the drug. The bill would require a health care service plan or health insurer to, among other things, pass through to each enrollee or insured at the point of sale a good faith estimate of the enrollee's or insured's decrease in cost sharing. The bill would require a health care service plan or health insurer to calculate an enrollee's or insured's defined cost sharing and provide that information to the dispensing pharmacy, as specified. The bill would require the department and the commissioner to submit an annual report on the impact of these provisions to the appropriate policy committees of the Legislature, as specified. The bill would make these provisions inoperative on January 1, 2027.

(2) Existing law requires a health care service plan or health insurer that files certain rate information to report to the appropriate department specified cost information regarding covered prescription drugs, including generic drugs, brand name drugs, and specialty drugs, dispensed as provided. This bill, until January 1, 2027, would require a health care service plan or health insurer to report additional information on the above-described point of sale provision.

(3) Because a willful violation of the bill's provisions by a health care service plan would be a crime, the bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

Primary Sponsors

Steve Bradford

Organizational Notes

Last edited by Joanne Campbell at Apr 17, 2023, 4:06 PM
California Association of Health Plans: Oppose

Bill Number
HR 3068

Status
In House

Position
Support

Title
Equal Health Care for All Act

Primary Sponsors
Adam Schiff

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FiscalNote

**July 2023
Grants & Sponsorships Report
Sept 2023 Board of Governors Meeting**

#	Organization Name	Project Description	Grant/ Sponsorship Approval	Grant Category/ Sponsorship	Grant Amount*	Sponsorship Amount	FY CHIF & Sponsorships Cumulative Total
1	Asian Pacific Health Care Venture	To recruit one Licensed Nurse Practitioner to increase well child visit rate, for Hispanic patients, and serve 300 new, unique patients.	7/15/2023	Tranquada XIV Grant	\$ 160,000	\$ -	\$ 160,000
2	Garfield Health Center	To recruit one Licensed Family Nurse Practitioner to improve uncontrolled diabetes and uncontrolled hypertension in Medi-Cal Latino and Asian patients, and serve 1,225 new, unique patients.	7/15/2023	Tranquada XIV Grant	\$ 175,000	\$ -	\$ 275,000
3	Harbor Community Health Centers	To recruit two Licensed Clinical Social Workers to improve mental health care access for Latinx patients, assess low-income or unhoused patients for Substance Use Disorder, and serve 130 new unique patients.	7/15/2023	Tranquada XIV Grant	\$ 175,000	\$ -	\$ 175,000
4	Los Angeles Christian Health Center	To recruit one Licensed Advanced Practice Provider to increase colon cancer screenings for patients at homeless care and public housing sites, and serve 273 new unique patients.	7/15/2023	Tranquada XIV Grant	\$ 175,000	\$ -	\$ 175,000
5	Northeast Valley Health Corporation	to recruit a Licensed Registered Nurse to improve access and health outcomes for patients. Will enroll 30 new, unique patients, and 65% will be retained by receiving MAT services after 30 days of initial treatment.	7/15/2023	Tranquada XIV Grant	\$ 175,000	\$ -	\$ 275,000
6	QueensCare Health Centers	To recruit a Registered Dietitian Nutritionist to increase controlled levels of diabetes in Latino patients with uncontrolled diabetes for six months, and serve 1,000 new, unique patients.	7/15/2023	Tranquada XIV Grant	\$ 175,000	\$ -	\$ 175,000

7	San Fernando Community Health Center	To recruit a Licensed Registered Nurse and a Certified Community Health Worker to reduce Body Mass Index in Hispanic/Latino patients.	7/15/2023	Tranquada XIV Grant	\$ 175,000	\$ -	\$ 175,000
8	Southern California Medical Center	To recruit two Licensed Nurse Practitioners to increase depression and HIV screening in Latinx and Cambodian patients, and serve 4,500 new, unique patients.	7/15/2023	Tranquada XIV Grant	\$ 175,000	\$ -	\$ 175,000
9	St. John's Community Health	To recruit one Licensed Nurse Practitioner to provide IBH developmental services for children 0-5 that screen positive for developmental disorders or delays.	7/15/2023	Tranquada XIV Grant	\$ 175,000	\$ -	\$ 400,000
10	The Achievable Foundation	To recruit one Community Health Worker to reduce the percentage of Latinx patients with uncontrolled diabetes, and serve 200 new, unique patients.	7/15/2023	Tranquada XIV Grant	\$ 140,000	\$ -	\$ 140,000
11	Venice Family Clinic	To recruit one Licensed Registered Nurse to increase percentage and serve 667 new, unique patients.	7/15/2023	Tranquada XIV Grant	\$ 175,000	\$ -	\$ 275,000
12	Via Care Community Health Center	To recruit one Licensed Family Nurse Practitioner and one Licensed Registered Nurse to reduce wait time by 10 minutes, and serve 1,800 new, unique patients.	7/15/2023	Tranquada XIV Grant	\$ 175,000	\$ -	\$ 275,000
13	CA Association of Food Banks	To support up to ten nonprofits in providing CalFresh outreach and enrollment assistance to 5,000 eligible households, and to establish a Los Angeles County based CalFresh Coalition in fiscal (FY) 2022-23	7/27/2023	Grant - Ad Hoc	\$ 1,300,000	\$ -	\$ 1,300,000
14	Sole of the CommUNITY	Backpack Giveaway/Fashion Show	7/18/2023	Sponsorship	\$ -	\$ 5,000	\$ 5,000
15	Eisner Health	National Health Center Week + Yearly Events	7/18/2023	Sponsorship	\$ -	\$ 30,000	\$ 30,000
16	County Health Executives Association of California	2023 CHEAC Annual Meeting	7/18/2023	Sponsorship	\$ -	\$ 5,000	\$ 5,000
17	South Central Family Health Center	SCFHC Family Health Day	7/18/2023	Sponsorship	\$ -	\$ 10,000	\$ 10,000

18	Black Women for Wellness	Reproductive Justice Conference	7/18/2023	Sponsorship	\$ -	\$ 10,000	\$ 10,000
19	QueensCare Family Clinics	Bridging the Gaps: Community Health Event and Press Conference	7/18/2023	Sponsorship	\$ -	\$ 5,000	\$ 5,000
20	Northeast Valley Health Corporation	National Health Center Week: The Road Map to Healthier Communities	7/18/2023	Sponsorship	\$ -	\$ 2,500	\$ 2,500
21	Harbor Community Clinic	Back to School Fair	7/18/2023	Sponsorship	\$ -	\$ 1,000	\$ 1,000
22	Valley Community Healthcare	Back to School Event	7/18/2023	Sponsorship	\$ -	\$ 5,000	\$ 5,000
23	Health Management Associates dba State of Reform	2023 Southern California State of Reform Health Policy Conference	7/18/2023	Sponsorship	\$ -	\$ 16,250	\$ 16,250
24	Rainbow Promotions LLC	Long Beach Jazz Festival	7/18/2023	Sponsorship	\$ -	\$ 30,000	\$ 30,000
25	Venice Family Clinic	2023 National Health Center Week (NHCW)	7/21/2023	Sponsorship	\$ -	\$ 5,000	\$ 5,000
Total of grants and sponsorships approved in June 2023					\$ 3,350,000	\$ 124,750	\$ 3,975,000

**CHIEF
MEDICAL
OFFICER'S
REPORT**



Chief Medical Officer Report August 2023

Care Management/Utilization Management / MLTSS Departments

Care Management (CM)

Enhanced Care Management (ECM)

Noah Ng, the new Director of ECM, has been conducting a full assessment of staff roles, technology, and processes against the December 2022 revision of the Department of Healthcare Services (DHCS) ECM Policy Guide. While some aspects of the assessment continue, numerous operational, compliance and financial improvements have started.

- **Data Integrity**

- Issue: System and process issues affect the accuracy of member enrollment. Monitoring and reconciliation reporting has been difficult in our current systems.
- Actions Taken
 - Revised process went live in June to help track ECM enrollment data
 - Coordinators from CM team are correcting enrollments to be complete by August 4.
 - Creating code sets to assist with accuracy and completeness of enrollment data
 - Developing Referral and Enrollment KPI for internal use and for DHCS reporting

- **Payment Model**

- Issues: 1) The current system requires a complicated data and reconciliation process that lacks the incentive for providers to have high engagement and face-to-face interactions with our highest risk members. 2) In July, DHCS updated the ECM policy guide update to require MCPs pay providers for outreach regardless of member enrollment. To address this we will need to pay providers Fee-for-Services (FFS) for all outreach claims.
- Actions Taken
 - Collaborations with Finance team to conduct a full payment reconciliation on CY 2022 and Q1 2023 by end of Q3.
 - Working with Actuary to develop a FFS rate structure for ECM with the goal of moving from capitation to FFS by Q1 2024.
 - Actuary developed outreach rate. PNM is reviewing contracts and working with our configuration team to ensure we can start paying providers for all ECM outreach

- **Clinical Oversight**

- Issue: As we mature our ECM system, we need to enhance our clinical oversight of the network with clear consequences for providers with poor clinical performance or noncompliance with requirements.
- Actions Taken:
 - Clinical staff have been relieved of non-clinical tasks to create capacity for oversight activities.
 - A new audit tool has been developed and is being tested; established audit case volume and frequency for clinical staff.

- Developing reports to assess provider performance such as average time from referral to enrollment and rates of face-to-face interventions
- **Network**
 - Issue: Need to improve our continuous evaluation of the adequacy and fit of the ECM network.
 - Action Taken: Working with IT to develop a dashboard that overlays the provider network expertise and capacity with our ECM eligible membership.
- **Regulatory Notifications**
 - Issue: Improve speed of member notifications.
 - Actions Taken
 - Compliant Notice of Action letter in approvals process prior to loading in core system
 - Termination reasons have been created and confirmed to meet readability standards
- **Staffing**
 - Issue: Insufficient staffing of ECM for a growing program. Need to advance our training efforts.
 - Actions Taken
 - Job aids and reference guides have been developed to establish new or updated processes.
 - Staff have been trained accordingly and received coaching on correct processes.
 - A Director-level consultant from Toney Healthcare is directly supporting multiple assessment and remediation efforts.
 - Functions/tasks have been assigned to more appropriate personnel (e.g. nonclinical tasks to coordinators) or have been discontinued
 - We are assessing productivity and capacity with new functions to develop a new staffing model
- **Documentation**
 - Issue: Clinical staff were documenting in multiple systems.
 - Actions Taken
 - New SharePoint Intake Form went live in July which reduces need for manual entry by loading them directly in the core system
 - Staff have been instructed to put all documentation in core system and discontinue use of shared drives; compliance will be monitored.

Transitional Care Services (TCS)

CM team began implementing the TCS program in Q1 2023 using Care Managers (CM) and Community Health Workers (CHWs). In Q2, four CHWs who had been part of a similar Transition of Care pilot in the Social Services department moved to the CM department and were trained on the TCS model. The RRB approved forty-five additional CHW positions. To date, 14 have been hired.

According to the DHCS Population Health Policy Guide, in 2023 health plans are required to provide TCS for all high risk members with qualifying admissions to hospitals and skilled nursing facilities and in 2024 expand to all members with qualifying admissions or certain emergency room visits. Ramping up the program has been difficult due to the sheer volume of admissions spread across over 100 hospitals and 400 SNFs. One challenge comes in knowing which members have been admitted and discharged since local health information exchanges (HIEs) lack complete coverage of all facilities in scope. Secondly, whether this program is staffed by the health plan, hospitals, PPGs, ECM providers, external vendors or some combination, the health plans in Los Angeles and other high population counties have found it difficult to find and hire sufficiently skilled case managers, CHWs and care coordinators to meet the outlined requirements. Additionally, our efforts have met resistance from hospitals who are now required to provide members with discharge instructions that include specific information, including the name and number of the assigned TCS staff. Finally, while L.A. Care sends a weekly list of admissions from one of the Health Information Exchanges to ECM providers, we need to increase the

frequency and comprehensiveness of the files or ensure ECM providers register for the HIEs to get real-time, direct notifications.

While the above is not an exhaustive list of the challenges, they represent critical points that L.A. Care has been communicating to DHCS regularly since 2022. We have advocated through multiple methods: directly in established forums such as CEO/CFO meetings, in DHCS ad-hoc surveys, in letters and discussions facilitated by trade associations Local Health Plans of California and the California Association of Health Plans. DHCS has now indicated they are willing to modify and reissue the guidance. L.A. Care has provided our recommended changes. While we await formal updates, we have adjusted to reduce provider abrasion and modified recruitment efforts.

General CM

- CM continues to work on adopting and implementing new PHM requirements from DHCS. These efforts include significant IT work.
- Cal-MediConnect to DSNP transition – We are continuing to work on operational and regulatory reports required for completion of Health Risk Assessments (HRAs), in order to reduce manual workarounds.
- New HRA requirements have been incorporated and are in the internal review process prior to undergoing system configuration. Reporting configuration will have to be updated before the new HRA can be used.
- Cognizant QNXT/CCA upgrade slated for Q1 2024 will bring needed functionality. CM recently submitted preliminary requirements for the vendor’s review.
- CCS
 - UM System SyntraNet will be updated to display dates of birth in the work queues or dashboards that would allow team members to identify members under 21 that will facilitate referrals to CCS and to CM/ECM. Requirements have been written and approved, exact implementation date TBD.
 - Our current MOU with county CCS agency is from 1999. In July, DHCS released a new MOU template with a draft All Plan Letter. The team is reviewing and will work with other departments to implement on TBD schedule.

Utilization Management

Timeliness Corrective Action Plans (relates to June 2021 regulatory disclosure, 2021 DHCS Audit and 2022 Enforcement Action). UM has made extraordinary progress in this area!

- Compliance Scorecard measures – Q2 2023 most recent available
 - Overall performance for all Lines of Business
 - 38/46 measures > 95%
 - 43/46 measures > 90%
 - Three measures between 85-89% are for member notification timeliness. Corrective actions in flight include:
 - ✓ Reducing delays due to foreign language translations with a solution between SyntraNet and translation vendor to automate multiple steps in the process. UpHealth is reviewing requirements.
 - ✓ In April we established a dedicated letter team with subject matter expertise and focus on letter timeliness.
 - ✓ In August we will start additional pick-ups and mailing by our fulfillment vendor. The three times per day schedule should help reduce untimely notices.
 - ✓ Letter automation went into production 7/28. With approval letters automated, the letter team will be able to more quickly process the lower volume of adverse determination notices.
 - Direct Network only (Medi-Cal subset)
 - 15/20 measures > 95%
 - 17/20 measures > 90%

- 3 measures between 75%-80%, all member notifications
- Corrective actions same as above (Direct Network is a subset)
- LAC continues to submit Direct Network scores and narratives on process enhancements and staffing levels to DMHC via quarterly undertakings.

UM Team Development

Since January 1, 2023, 42 new FTEs have been hired

- Nearly all Leadership positions are filled
- Physicians
 - In May the RRB approved five additional positions to address volume of work as well as to address numerous clinical gaps identified during the DHCS audit. A new Medical Director started July 31 and recruitment continues for the remaining positions.
 - Our Medical Director with pediatric and CCS expertise returned from maternity leave in July and will provide subject matter expertise in development of pediatric-focused efforts.
 - Recruitment is ongoing for the Senior Medical Director position
- The Quality team now has seven auditors (five clinical, two nonclinical), two clinical trainers, a policy nurse and is recruiting for two nonclinical trainers and a program manager.
- The ER/Admit team phone queue went live in mid-May, but has three openings which are difficult to fill, especially evening and night shifts. This has also been a tough team to keep staffed as the calls can be challenging. Maintaining management coverage for nights and weekends has also been difficult and may require creative thinking to solve.
- The Discharge planning team has been slow to staff but will have 5/6 positions filled by August. Because this team will handle both inpatient and outpatient requests, the training is extensive. Our goal is for a soft-opening in the Fall with limited hours that will expand to 7-day a week coverage as additional staff complete training.
- The PDR team that handles the clinical portion of claim disputes is fully staffed. They will soon take over adjacent work to provide documents and analysis in support of claims disputed via litigation, previously worked by UM Quality team.
- A UM-focused data analyst came on in June and is already helping to assess productivity, projecting staff capacity and will soon start on enhancing metrics and developing over/under utilization assessments.

UM System SyntraNet

- In May, vendor UpHealth restarted work on open tickets. They have engaged a third party, Excell, to assist with project management including ticket tracking and transparency, coordinating work groups and developing training materials.
- UpHealth has allowed the LAC configuration team in IT to take over much of the process related to letters. As a result, many letters that have been pending for months will be available in the system by the end of Q3.

DHCS Audit Focus Areas

- Coordination between UM and Grievance & Appeals
 - The two teams along with the Quality Medical Director have been having at least monthly collaboration meetings since March of this year.
 - A new process was developed for Medical Directors to review grievances that appear to have quality of care concerns ASAP after receipt; Medical Director training to be scheduled.
 - The Medical Directors will be receiving training in the PCT system so that their appeals work will be submitted directly to the A&G team where other appeals documentation is housed.
 - A new Medical Director starts July 31 and will increase physician capacity to support A&G functions.

- A framework for metrics and reported was developed to track denials rates, appeal rates, uphold/overtake rates and break down by entity (e.g. LAC, PPG). The business case is under review with the IT reporting team.
- The Appeals nurses will be training on MCG with the UM team and will participate in the annual Inter-rater Reliability exercise this Fall.
- Developing and implementing audit tools and protocols. Tools have been developed for all functional areas (inpatient, outpatient, nonclinical) On the clinical side, the emphasis is on accuracy and consistency of decision making by nurses and physicians, approvals and adverse decisions
- Letters for Continuity of Care are being configured with expected deployment of Mid-August.
- With the hiring of our UM data analyst, work will resume in the following areas
 - Unused authorizations
 - Auth tracking, trending
 - Enhanced reporting to Utilization Management Committee
 - Expansion of over/underutilization
- Under/overutilization
 - We have been actively working to monitor and address overutilization of hospice. This has been an ongoing effort among our clinical analytics department in collaboration with the SIU, PNM and Legal. The bulk of the work has focused on claims date and we recently expanded to include prior authorizations. Medical Directors and prior auth nurses have received several trainings to identify suspicious hospice referrals and to redirect OON requests to contracted agencies. A cross-functional team meets weekly to review results of data analyses and determine next steps. The efforts of this group has already resulted in a number of recovery letters delivered to hospice agencies for repayment of fees inappropriately billed.
 - In April, we asked to discuss our concerns with DHCS and had a meeting in mid-June. Given that our findings matched those found by a 2022 State Auditor report, we used those for context. We presented L.A. Care data from 2022 and explained that our preliminary analysis for 2023 suggests continued trends in the wrong direction.

State Auditor Finding*	L.A. Care Experience
Unusually large number of hospice agencies doing business in LA County	700+ unique hospice agency NPIs billing for services
Low census	Only 138 of the 700 NPIs had 10 or more
Excessive geographic clustering	Glendale (63), North Hollywood (59), Van Nuys (116)
Long lengths of service	85% of cases in 2022 over 6 months
High live discharge rates	Four times the rate of deaths (~3700 vs. 1000 who died)
Employees working for large number of hospice agencies	Physicians who have connections to large numbers of hospices
Stolen Identities of medical personnel	Suspicious cases identified for further investigation
Owners/administrators with multiple hospices	One with over 30, at least 4 of which L.A. Care has paid claims https://opencorporates.com/officers/us_ca?page=1&q=BIBI+MOHAMMED

Ineligible patients	Tracking and investigating hospices with high proportion of members who are young and/or with questionable terminal illnesses (heart disease, hypertension)
N/A	Improper billing
N/A	High number of patient handoffs between agencies at 6 month intervals

* <https://www.auditor.ca.gov/pdfs/reports/2021-123.pdf>

- L.A. Care requested DHCS consider the following as part of the review and update of APL 13-014 Hospice Services and Medi-Cal Managed Care:
 - Option to require prior authorization, particularly for non-contracted (out-of-network) hospices.
 - Align with Medicare clinical LCD requirements (Local Coverage Determinations)
 - Reimbursement model in alignment with Medicare
 - Expansion of pre-payment review options
 - Requirements to submit medical records in addition to Certification of Terminal Illness
 - Contracting options to expeditiously cull the excess providers in the network, and/or additional guidance for adding or maintaining entities at a certain threshold above network adequacy
- Also, we asked DHCS to consider whether any of the above options may be made available on a short-term, temporary basis to health plans in Los Angeles County (or others with similar trends) while longer-term solutions are evaluated. DHCS thanked us for the information and suggestions and said they would review and get back to us. We followed up in July and they said it was still under review.

Hospital agitation/abrasion

Three provider summits were held over the last few months with selected hospital and SNF systems as well as Plan Partners to brainstorm and collaborate on solutions to assist in the appropriate and timely transitions of members with complex needs. Accomplishments to date include:

- Contract related
 - Drafting new contract terms for admin days and observation
 - Updating of legacy contracts (2014)
 - Review of use and effectiveness of carve out payments
- Facility education on
 - Transportation options, escalations process
 - Enhanced Complex Discharge Planning support offered by UM
 - Availability of ECM, CCM, TCS, Community Support Services and Managed Long Term Services & Supports programs
- Developed a template for hospitals to use in seeking skilled nursing placements to meet the member’s needs. The template will be used on a pilot basis with one hospital system and one SNF system collaborating with UM to evaluate whether it expedites discharges, before rolling out more broadly. The pilot starts in August and is slated to last two months.
- Regular meetings with hospitals
 - The inpatient team meets regularly with several hospitals to facilitate coordination and discharge of complex members; some are daily check-ins and others are weekly. Facilities include MLK, Cedars, Providence, and Dignity. The team is planning additional weekly discharge rounds with high volume hospitals to review difficult placement cases.
 - Leaders from UM also participated in numerous hospital Joint Operations Meetings (JOM). For example, in July JOMs included UCLA, City of Hope, Providence, Adventist and Alhambra. Provider Network Management is in the process of revamping the JOM schedule and content with the goal to have bi-monthly JOMs with highest volume hospitals to review and address operational challenges.

Managed Long Term Services & Supports (MLTSS)

Since January 2022, the MLTSS team has grown from administering six categories of benefits and services to what will be 15 by 2024. In order to maintain current operations and implement new ones from CalAim, 19 additional staff were approved in June and are currently in recruitment.

Community Based Adult Services (CBAS)

- As part of the post-COVID transition to in-center attendance, the state allowed for some out-of-center services to continue on a limited basis under Emergency Remote Service (ERS) provisions. The CBAS team has been reviewing all ERS requests as they come up for renewal to ensure members are returning to the center for in-person services (core to the CBAS model) or are discharged from the program. Site visits to some centers have shown lack of compliance and LAC has advised the California Dept. of Aging (CDA). CDA noted in a recent meeting that ERS policy will be reviewed and reinforced via training that will include input from plans.
- In June, the RRB approved two additional nurses to conduct UM activities. The additional staff will focus on reviewing requests to determine the appropriate visit frequency for the member's condition and identify overutilization.

CalAIM & Community Supports (CS)

Planning is in swing for future Community Supports (CS) that will be managed by MLTSS.

- Intermediate Care Facility For Developmentally Disabled (ICF-DD) Long-Term Care Carve-In from FFS Medi-Cal (benefits are administered by Regional Centers). January 2024 effective.
 - An enterprise project manager was assigned in June to assist in coordinating and tracking this cross-functional implementation and a work plan is being developed
 - In August, the team will start the IT workstream which is pending alignment with other health plans on process and the Regional Center's role.
 - Staff attend DHCS Workgroups. During the July call, representatives from Regional Centers and the ICF-DD operators expressed numerous concerns about the transition including network preparedness, enrollment, claims, credentialing and contracting.
 - Critical info has not been provided to plans yet which increases risk for implementation challenges: DHCS says they have an APL planned for August but that enrollment files with membership numbers won't be sent until November. Also pending from DHCS are model contract language and credentialing requirements. They have indicated they will push the network readiness initial submission due date to the end of September.
- Nursing Facility Transitions/Diversion to Assisted Living Facilities (Transitioning members who meet program and medical criteria for transition out of LTC.) and Community Transition Services/Nursing Facility Transition to a Home. Both launch January 2024.
 - Preparations are on track with multiple weekly sessions with the IT Solutions Delivery Team.
 - Submitted completed policies and SOWs to DHCS.
 - Workflows completed in May. Service Authorization Requests drafted and are pending engagement with UpHealth.
 - Concluded review of 25 provider LOIs for Community Transitions in July; five invited to proceed to complete the certification application.
- Staffing
 - A new clinical manager came on board in June to oversee Palliative Care, Community Supports, and CalAIM benefits within MLTSS.
 - In June, the RRB approved the following to support CalAim functions
 - Six additional nurses
 - Six coordinators
 - A non-clinical Supervisor
 - Program Manager and Senior Manager

- Analyst

Palliative Care

- Palliative Care SB 1004 (APLs 17-015 and 18-020) benefit is currently for full-benefit-only Medi-Cal members (excludes partial and full duals). Benefit expands to full duals in DSNP – under Medi-Cal on January 1, 2024
- Resource request for dedicated Palliative Care RN approved in June and in recruitment. Goal to expand and grow the program
- Program awareness has been promoted via webinars
 - PPGs, hospital, County DHS and ECM providers in May
 - SNF and CBAS facilities June
- Team met with peers at Inland Empire Health Plan (IEHP) on palliative care strategies. IEHP enlists their providers to successfully garner enrollments. LAC will look to operationalize a similar approach.

Community Health

Social Services

- As of July 1 LAC is taking recuperative care referrals from the Emergency Department.
- LAC made several changes to the Recuperative Care Community Supports Program to lower the threshold and increase access to receive the services.
- Our CES Liaison staff, hired to support community homeless providers, has started attending community meetings addressing homeless services.

Behavioral Health

- Targeted efforts are in progress to develop behavioral health interventions specifically designed to support individuals with substance use or mental health illnesses upon discharge from the Emergency Department. The primary objective is to ensure that members receive appropriate follow-up care to improve health outcomes.
- Between Q1 and Q2 of 2023, there was a 7.6% increase in the utilization of Behavioral Health Treatment (BHT) services among MCLA members under the age of 21, as compared to the same period in 2022. In response to this sustained growth, L.A. Care has taken a proactive approach by expanding its provider network through the invitation of additional providers.

Community Supports Operations & Reporting:

- CS staff worked alongside ECM team to resubmit revisions to DHCS for the Quarterly Implementation Monitoring Report (QIMR) for 2022 Q1-Q3. Plan partner data changed, and L.A. Care had more claims to support the reporting of Services Received.
- DHCS Member Information Sharing - CS staff are working with internal IT staff to build out the CS Authorization Status File (ASF) and prepare for processing the CS Return Transmission File (RTF) in accordance with DHCS requirements
- Developed draft of DHCS Supplement Data Request for Q1 2023 to provide information for provider payment rates

HHSS:

- As of July 28, 2023, just over 11,000 members are enrolled in HHSS
- Contracted provider network increased from 25 to 29 this quarter
- Claims Needed Report: CS staff have prepared the June Claims Needed Report for HHSS Providers. This report will help HHSS providers be more timely in submission of HHSS claims

- Member Information File (MIF) - provider responses from the June 2023 HHSS MIFs are currently being manually entered into SyntraNet by Cognizant
- Provider Capacity Report: Updated Provider Capacity Reports requested for Q1 2023
- Housing Assessment (HA) /Individualizing Housing Support Plan (IHSP):
 - Continuing to work with Cognizant for Housing Assessment (HA) /Individualizing Housing Support Plan (IHSP) upload
 - Community Health staff are working with DHS, IT, and UpHealth to build out a bulk upload process to receive outstanding HAs and IHSPs

HHIP:

- Report on Measurement Period 1 (MP1) metrics submitted 3/10
 - Full amount achievable - \$101,561,616
 - In January we estimated earnings \$78M → Revised to \$92M after MP1 report submission
 - 90% earned = \$91,405,454
- MP2 distribution of earned dollars will be based on implementation of HHIP priority programs (ADL expansion, unit acquisition)
 - CEO HI Agreement completed and target July/August for implementation of ADL expansion and unit acquisition
- For MP2:
 - Metric 2.1:
 - Develop relationships with Street Medicine providers to meet numerator increase
 - RFA was released: 9 applications received and 8 approved (pending revisions)
 - Metric 3.2:
 - Screening for high utilizers – currently developing strategy for screening

Street Medicine (SM):

- Healthcare In Action (HIA): Began providing care 4/1/2023
- Developing SM network:
 - L.A. Care members receiving SM, establishing SM workgroup, CCLALAC investment and collaboration, and operationalize and develop processes for SM (HIA)
- Street Medicine Provider Contracts:
 - Currently in development of Standard Contract. Draft of SOW has been developed and is in review & revision. Estimated completion in August.
- Work plan for Network Expansion:
 - Developing timeline and strategy for LA Care Street Medicine network and program. Work plan TBD upon SOW completion.
- Priority target list for SM providers and outreach process
 - Target list has been developed. Providers include FQHCs identified through CCLALAC and HHIP RFA agencies outreach for SM contracting

QUALITY IMPROVEMENT

- NCQA Agreed to roll the Discretionary Survey into the Triannual Health Plan Accreditation Survey.
- Direct Network Physician Advisory Committee first meeting was in June, and was a great success!
- QI All Staff meeting was virtual on 7/13/2023
- Health Equity and Practice Transformation Grant from DHCS have been announced. We are now preparing to handle applicants

- QI continues to support the FQHC Alternative Payment Model Program implementation including encounter data process challenges

Health Education & Cultural Linguistic Services (HECLS)

- Post-Discharge Meal Benefit for D-SNP integrated into medically tailored meals workflow. New referral form in place that includes Community Supports – Medically Tailored Meal and Post-Discharge Meal Benefit.
- Doula Benefit launched January 1, 2023 for Medi-Cal members and launched July 1, 2023 for LACC members.
 - Provider Recommendation Form posted on L.A. Care website.
 - Doulabenefit@lacare.org email-box established for doula/provider communication.
 - Doula benefit webinar for prospective doulas hosted by L.A. Care took place on May 23, 2023.
- The Registered Dietitian team expanded the in-person consults for high need members to four Community Resource Center (CRCs) locations.
- Fight the Flu Campaign 2023-24 launch scheduled for September 2023 with texting campaign, automated calls, and flu clinics at CRC's.
- Member race/ethnicity data remediation and alternative format projects are in flight.
 - Tentative target completion date for Race/Ethnicity data is April 18, 2024
 - Member demographic data governance workgroup convened for enterprise-wide data use and key decision-making
- New Diversity Equity and Inclusion training requirements for staff and providers. RFP for a training vendor will be issued in partnership with Health Equity.

Clinical Initiatives

- Initiatives is awaiting the new Quality Program requirements from Department of Health Care Services (DHCS) that will describe the type of reporting and actions that will be required to address the six measures that did not meet the minimum performance level (MPL) for Lead Screening in Children (LSC), Cervical Cancer Screening (CCS), Well Child Visits First 15 Months (W30A), Well Child Visits First 30 Months (W30B), Well Child Visit and Adolescent Well Care (WCV), and Follow-up After Emergency Department for Mental Illness (FUM).
- The Clinical Initiatives team is finalizing the Statement of Work (SOW) with at-home test kit vendor ixLayer. The three year contract total is \$5,400,000, targeting members not in compliance for the following measures and lines of business:
 - Hemoglobin A1c: L.A. Care Covered Californian (LACC), Dual Eligible Special Needs Plan (D-SNP) and Managed Care L.A. Care (MCLA) Black/African American disparity focus.
 - Kidney Health Evaluation: D-SNP and LACC
 - Comprehensive Diabetes Kit: Includes Kidney Health and A1c for LACC and D-SNP.
 - Colorectal Cancer Screening: LACC, D-SNP, MCLA Black/African American disparity focus.
- Activities for low performing measures:
 - Child Domain Measures
 - Well-Child Visits in the First 30 Months of Life; 0-15 months (W30 6+), Well-Child Visits in the First 30 Months of Life; 15-30 (W30 2+), Childhood Immunizations Status: Combination 10 (CIS-10)
 - ✓ Managed Care L.A. Care (MCLA) Chinese robocalls resumed on 5/26, thus concluding the W30 MCLA robocalls.
 - A social media campaign addressing well-child visits for infants and toddlers launched May 1, 2023. Analytics showed that paid postings did well compared to the organic postings.
 - W30 Member Incentive has been approved by DHCS.

- Healthy Baby: Robocall Script has been approved by DHCS and is ready for Spanish recording.
- Both W30 Text Messaging Campaign Scripts are currently under DHCS review.
- Child and Adolescent Well Care Visits for Children (WCV):
 - Three postcards (3-11 years old, 12-17 years old, and 18-21 years old) are currently in Podio for approvals.
 - Reminder well care visit robocalls for 3-21 year old members started mid-June.
 - Reminder text messages for 18-21 year old members will fall under the umbrella of the Adult's Access to Preventive/Ambulatory Care (AAP) text messaging campaign. This campaign script is currently going through DHCS approval.
- Lead Screening in Children (LSC)
 - LSC has surpassed Measurement Year (MY) 2021 rates, but still is under the Minimum Performance Level (MPL). The Blood Lead Screening Report continues to be uploaded to the L.A. Care Provider Portal every month. An attestation for Participating Physician Groups (PPG) titled "Acknowledgement and Adherence to L.A. Care Blood Lead Screening Guidelines" is in process. A social media campaign and Provider webinar on the topic of lead poisoning prevention are scheduled for fall 2023. The Clinical Initiatives Team is also in communication with community partners in order to possibly leverage their resources.
- Cervical Cancer Screening (CCS): Cervical Cancer Screening Letters, informing members about the importance of screening, launched in May. Cervical Cancer Screening Robocalls for MCLA Line of Business (LOB) launched in May 2023 in English, Spanish, Mandarin and Cantonese.
- Follow-up after ED Visit for Mental Illness (FUM): L.A. Care will be collaborating with Carelon on FUM efforts to further improve the FUM rate.
- Initiatives will produce automated health reminder calls in languages other than English and Spanish if there are more than a 100 members that need a particular language. Currently there is no State or Federal policy requirement regarding automated calls. This is in an effort to improve care and equity.

Practice Transformation Program

First 5LA/HMG LA

- Cohort 1 practices (APHCV + Kids & Teens MCG) have generated a 14% increase in screenings conducted and are now screening 25% of our members aged 0-5 years old.
- Cohort 2 practices (T.H.E., Bartz-Altadonna, Palmdale Pediatrics, + White Memorial CMC) have launched screenings and are reporting data.
- Completed 40 out of 60 early childhood development classes for the community/members with very positive feedback received.

Transform L.A.-Direct Network

- Current program enrollment: 23 practices, 138 providers, 14,000 DN members (34% of total DN members).
- Twelve practices (with pediatric members) out of 21 are now tracking CIS-10 as a required measure in addition to A1c>9% (Poor Control) and Controlling Blood Pressure.
- Provider Opportunity / Gaps in Care reports will be released at the practice level in July (revised from June), updated from practitioner level only.

Provider Engagement & Outreach workgroup

- Launched Direct Network Provider Advisory Collaborative meeting on 6/28 with 7 practices attending. QI teams provided overviews of each program area with excellent reviews/feedback from providers.

EQuIP LA – Direct Network

- Four DN practices enrolled: Centinela, Dr. Mallu Reddy, Gage Medical, and Pico Rivera Women’s.
- ### **Equity Practice Transformation Payments Program**
- DHCS released program information 6/30. Program team in place, launch plans underway.

Provider Quality Review (PQR)/Potential Quality Issues (PQI)

- **Aging PQI Cases:** As of June 2023, there were 3,213 cases open. All cases are within the timely aging category. 2946 cases in green (0-151 days), 244 cases in yellow (152-183 days), 23 in orange (184-213 days).
 - Ongoing risk mitigation activities are being performed regularly to ensure timely case closure.
 - Weekly reporting on aging of cases and case assignments
 - Shorter meeting times to allow more time to review cases
 - Monthly reporting to leadership as well as L.A. Care internal compliance committee
 - Working with RGP and Risk Management to mitigate untimely case findings
 - Additional grievance oversight to assist with proper identification of PQI’s
 - Paired specialist with triage nurses to identify unqualified PQI referrals.
- **PQR, Appeals, and Grievances Data Discrepancies:** PQR team received an additional 503 cases from Grievances in February 2023. A remediation plan to close the additional cases has been implemented in addition to monthly audits of A&G cases not sent to PQI, to ensure PQIs are being properly routed. As of June 31, 2023, 150 cases remain open from the new backlog; the goal is to complete cases in August 2023.
 - The risk management and operation support team is now engaged with A&G and PQR team to review the oversight/monitoring manual forwarding communication/reporting process for PQI cases.
- Joint meetings continue with Call the Car, DHS and selected PPGs to address ongoing optimization, issues, and CAPs.
- HR updates: A summer intern started on 7/3/23 to assist in preparing cases for PQI review. 13 re-classification and 6 new positions approved by RRB 6/13/2023:
 - Currently interviewing RN II (7).
 - Positions now in HR’s offering phase: RN Supervisor (1), Specialist III(1)
 - Final offer to RN III (1) and RN II (9) completed.

Quality Improvement (QI)-Accreditation:

National Committee for Quality Assurance (NCQA): Health Plan Accreditation

- NCQA approved L.A. Care’s request to hold the discretionary survey in tandem with the triannual Health Plan Accreditation (HPA) survey.
- NCQA survey submission was completed on June 13, 2023.
- NCQA File review survey was on July 31, 2023-August 1, 2023.

National Committee for Quality Assurance (NCQA): Health Equity Accreditation

- The Health Equity Accreditation contract has been revised due to NCQA’s Health Equity Pricing Policy. Since HEA survey takes place in December of 2023, we will need to adhere to the price increase.
- NCQA survey submission will be December 5, 2023.

STARS/HEDIS

- MY2023 performance is projected to round up to 3.5 but this is with risk. Year to Date, HEDIS overall domain performance is performing lower than last year and coupled with recent encounter processing issues, current Year End projected performance is too soon to estimate. Operations domain YTD overall has declined from 3.56 to 3.4 due primarily to poor performance in the “Compliant about the Health Plan”

domain; all other measures have significantly improved. Medication Adherence Pharmacy measures are slightly better than last year (up .82% to 1.26%) while the MTM measure is up by 11.29%.

- Root-cause analysis continues for Grievance and Appeals (timeliness and overturn rate) and complaints lodged directly with CMS through the Complaints Tracking Module (CTM) for MY2023 and MY2022. Outcome of efforts includes corrective actions and project management to ensure timely implementation of recommendations. An additional analysis has started that identifies if G&A and CTM have correlation that is impacting disenrollment.
- For the High Touch HEDIS / Pharmacy Call Center Outreach RFP, AdhereHealth was selected as the vendor of choice. Contract is currently in Legal and Procurement review with goal of obtaining signoff and approval by end of July and deployment around end of August / early September.
- Significant focus is on generating the automated Provider Opportunity Reports that will provide YTD performance vs YTD last year performance and gap closure needed to achieve the next Star Rating. Reporting will include overall PPG performance and detailed member compliance information. Goal is to get DSNP issued in early August.

Population Health Management (PHM)

- The PHM NCQA documentation for the 2023 audit has been submitted.
- The PHM team will develop the 2023 PHM Program Description in Q2-Q3 2023 and will include the CalAIM requirements. The CalAIM Strategy document is due October 2023.
- The PHM team is collecting the deliverables for the 2024 Medical Contract Phase III Readiness.
- L.A. Care is on track to develop the CalAIM Key Performance Indicators (KPIs) report that will be shared with DHCS August 15, 2023. It will also be built into a Tableau Dashboard for tracking.

Initial Health Assessment (IHA) transitioning to Initial Health Appointment

- The QI-047 IHA Policy and all related materials have been updated per APL 22-030.
- The IHA training is in development. PHM approved the Scope of Work 6/30/2023 and expects a completed provider training by September 2023.
- The IHA workgroup has drafted documentation on the root causes and corrective action plan (CAP) for the two potential DHCS Audit findings on IHA and is awaiting the final DHCS report.
 - CAPs include - enhancing the monitoring tool, possibly widening the sample and adding accountability to PPGs.
- All Network Providers (PPG and Direct Network) have access to monthly IHA due reports on the provider portal for use in ensuring all new enrollees have a complete initial health visit within 120 days. There is a provider communication being sent out monthly.

Annual Cognitive Health Assessment (ACHA) APL 22-025

- The Policy for APL 22-025 created by the PHM team, approved by DHCS, will go to QOC for internal approval in November.
- Configuration is reviewing the DHCS fee information to operationalize payment of providers.
- Provider Communications department has drafted a communication to send to PPGs.

Facility Site Review (FSR)

- The total Public Health Emergency (PHE) related backlog spanning March 15, 2020-December 31, 2021 is now down to **32**. To date three hundred and sixty nine (369) audits have been complete from the backlog.
- In Q2 2023, 31 FSR/MRR audits were conducted from the backlog.

- L.A. Care FSR is working with the LA County Collaborative regarding the backlog to be completed by 12/31/2023.
 - L.A. Care's FSR team developed a FSR tool for mobile units with a subgroup of the collaborative. We have also developed a workflow for FSR audits on mobile units and all MCPs are piloting the mobile unit tool in 2023. Feedback still pending.
 - FSR is working with internal business units and the LA County Collaborative on proposing a condensed version of the FSR/MRR for the APL 22-023 Street Medicine.

Population Health Informatics

Health Information Management (HIM) Analytics

- VIIP MY 2022 is underway. HEDIS and UM data is currently being ingested in, rolling up by provider type. We are presently ahead of schedule and planning to finish Medi-Cal VIIP prior to Thanksgiving.
- Modeling is currently being performed at the DSNP Physician-level to gauge the data viability of the program.
- The first phase of the STARS Dashboard is complete. This includes the live monitoring of HEDIS and Rx data by PPG. Phase 2, which includes Operations measures and trending is set to begin in the next week.
- HIM continues analytic support for Annual Cognitive Health Screening and IHAs for elderly and new members.
- Social Determinants of Health are being monitored and being developed further by HIM. Tracking is currently underway to monitor improved usage of SDOH z-codes. Additionally, screening codes have been incorporated into the analysis to verify that an SDOH screening occurred.

Health Information Exchange Ecosystem (HIEc)

- Currently discussing revisions to the Hospital Services Agreement (HSA), which will include a new mandate for hospital participation in Health Information Exchanges (HIEs). Contracted hospitals are being asked to confirm their compliance with CMS 9115 Hospital ADT notification requirements. They are also encouraged to participate in HIEs.
- The selection process for the Clinical Data Repository (CDR) vendor is underway and expected to be completed by July 14, 2023. Following that, contracting will take place with the aim of initiating real-time ADT ingestion through FHIR from LANES & CMT by the end of August 2023.
- Finance has approved a one-time \$2.8 million HIE Incentive proposal. The objective is to enhance HIE adoption among FQHCs and Small/Solo group providers, with incentives tied to achieving Data Exchange Framework (DXF) milestones. The incentive program will be active for a period of 3 years.
- The HIE Participation Measure for VIIP will become a payment measure starting this year. This measure is designed to promote HIE adoption among IPAs and to encourage their contracted providers to participate in HIEs.
- DHCS has released an APL (All-Plan Letter) related to the Data Exchange Framework (DXF), mandating MCPs to sign a DSA (Data Sharing Agreement) by January 31, 2023, and commenced exchanging Health and Social Services information by January 31, 2024. L.A.Care has fulfilled the DSA requirement and will initiate the DXF implementation to exchange the required information with LANES.

Incentives

- Final 2022 HEDIS and other Domain data are being retrieved for final processing to be used in the different P4P Programs.
- Meetings with Anthem and Blue Shield leadership and QI staff happened in July to discuss the newly revised Plan Partner Incentive Program. All parties agreed to the final proposed changes.

- The 2023 Action Plan Welcome Packets have been sent to IPAs. Initial Action Plans are due back to L.A. Care on July 21st.
- A new Hospital P4P Program is being designed and developed. Initial discussions occurred in the Inpatient Workgroup, with a set of measures agreed upon. A draft Program Description will be created in July. The goal is to launch the program with the next measurement year, 2024.
- Analysts completed first phase modeling of a physician-level incentive program for the Medicare Plus line of business. Results are being reviewed and will be discussed at the next Incentives and VIIP workgroups.

PHARMACY

Star Rating Metrics

- **Medication Adherence:** Our adherence STAR measures continue to trend higher than the same time last year. We are on track to meet our goal for CY2023.
 - Comprehensive Adherence Solutions Program (CASP): Targets DSNP members who are at risk of non-adherence in any of the 3 triple-weighted adherence measures. A business case for Salesforce was submitted to assist our efforts to increase member engagement and ensure compliance with the Telephone Consumer Protection Act (TCPA).
 - Vendor Collaboration: In order to target STARS metrics, Pharmacy and the STARS team are moving forward with two new vendors: CVS and Adhere Health.
 - There is a tentative launch date of September 1st for the CVS Adherence Program. We are awaiting Legal to arrive at final agreement terms and move to contract execution to meet this timeline.
 - Adhere Health has a tentative launch date of 2024. Pharmacy will assist the STARS team in this launch.
 - Participating Physician Group (PPG) Collaboration: Pharmacy is proactively pursuing collaboration opportunities with PPGs to improve medication adherence and statin measures. We will leverage PPG clinical pharmacists to facilitate timely initiation of refills and statin therapy. Successful initial meetings have been held with Optum and Altamed.
 - Formulary Team Expanded Rejected Claim & Transition Fill Outreach: Formulary team reviews daily rejected claims and transition fill reports for adherence medications, and conducts outreach to providers and members. Outreach is conducted to ensure appropriateness of rejections, resolve rejections, encourage utilization of preferred alternatives, and submission of coverage determinations as needed. As of 8/1/23, 233 claims identified for outreach were successfully addressed.
- **Medication Therapy Management (MTM) Program:** CMS requires health plans to offer MTM services to Medicare members, including an annual comprehensive medication review (CMR). Pharmacy, in collaboration with Navitus Clinical Engagement Center (MTM vendor) and CustomHealth pilot program, achieved 60% completion rate for eligible members in 2023 Q2. This was a significant improvement from 2022 Q2 (43%). We added OutcomesMTM as an additional vendor, during the June resubmission window.
- **Care for Older Adults (COA):** Pharmacy summer interns have been assisting with medication reviews for this measure. Medication reviews are reviewed by L.A. Care pharmacists and sent to the STARS team on a weekly basis. A newly hired clinical pharmacist will be taking over this process at the conclusion of their internship.
- **Statin Use in Persons with Diabetes (SUPD)/Statin Therapy for Patients with Cardiovascular Disease (SPC):** Pharmacy, in collaboration with Navitus Clinical Engagement Center, is in the final stages of developing a provider-facing intervention to ensure that eligible members are on appropriate statin therapy. New program will start in late August 2023.

California Right Meds Collaborative (CRMC)

- CRMC is an initiative with USC to establish a network of community pharmacies that provide comprehensive medication management (CMM) to members with chronic diseases, such as diabetes and cardiovascular disease. An average A1c reduction of 2% in patients with an average baseline A1c of 11.6% (2.7% reduction seen in ≥ 5 CMM visits) and an average reduction in systolic blood pressure (SBP) of 16.9 in patients with baseline blood pressure $>140/90$ mmHg and ≥ 3 visits is seen.
- Pharmacy will be sun setting the adherence cohort and transitioning to a bonus payment model for adherence. The CVD cohort will also be transitioning to a continuous enrollment model to help with expansion of the program.

Clinical Pharmacy Pilot Program (Ambulatory Care)

- A clinical pharmacist participates as part of the healthcare team once weekly at various FQHCs to improve medication use and safety for L.A. Care members with uncontrolled diabetes and/or uncontrolled hypertension. 334 medication therapy problems were identified across all patient visits. Current clinics include Wilmington Community Clinic (started 9/2022), APLA (started 12/2022), and Harbor Community Health Center (started 6/2023).
- Clinical pharmacist will be transitioning away from APLA to focus on other LA Care initiatives. CRMC pharmacists will provide medication management for APLA.

Community Resource Center (CRC) Flu Clinics

- Pharmacy is working closely with Health Education, CRC leadership, and North Star Alliances to plan for the upcoming flu season. Expanding from 4 events in 2022 to 10 events in 2023, hosted between September and October. USC Medical Plaza Pharmacy will offer health screenings (blood pressure and blood glucose), in addition to flu and COVID vaccines. Pharmacy is collaborating with USC, CRC leadership, and QPM to discuss a method to ingest health screening results as supplemental data to fill any gaps in care. Contract amendments are currently under review by L.A. Care Legal team.
- Locations, dates, and times have been decided. All Pharmacy Team members have volunteered to attend ≥ 2 events.

Week	CRC	Date	Time
Week 1 – 9/18-23	Lynwood	Fri, 9/22	10-2pm
	El Monte	Sat, 9/23	10-2pm
Week 2 – 9/25-9/30	Pomona	Fri, 9/29	12-4pm
	East L.A.	Sat, 9/30	10 - 2 p.m.
Week 3 – 10/2-10/7	Pacoima	Thurs, 10/5	12-4 p.m.
	Metro	Fri, 10/6	10 -2 p.m.
Week 4 – 10/9-10/14	Wilmington	Friday, 10/13	1:30-5pm
	Inglewood	Sat, 10/14	10am-2pm
Week 5 – 10/16-10/21	Long Beach	Mon, 10/16	12:30pm-4:30pm
	Palmdale	Fri, 10/20	10 -2 p.m.

MOTION FOR CONSIDERATION

L.A. Care Health Plan Retirement Benefit Plan

Financial analysis of proposed Plan changes

Craig Glyde

SEPTEMBER 7, 2023



Financial Impact - Total

Proposed Plan Change

- Remove requirement that a new employee must satisfy the one year of Eligibility Service requirement to receive:
 - 3.5% Additional Nonelective Employer Contributions
 - 100% Matching Contributions on Employee Deferrals up to maximum 4% of Compensation

Estimated Total Contribution Impact		
	Plan Year	
	2021	2022
Total Compensation ¹	\$ 145,300,000	\$ 155,200,000
Calculated Contribution (Current Plan)	\$ 8,680,000	\$ 8,620,000
Contribution as a percentage of Total Compensation	5.97%	5.55%
Additional Contribution with proposed change	\$ 890,000	\$ 1,720,000
Increase as a percentage of Total Compensation	0.61%	1.11%

1. Compensation limited by IRC Section 401(a)(17) compensation limit

- Additional cost will be dependent on compensation and deferral levels of new employees
 - 2022 had more new employees than 2021
 - These estimates assume individual deferral percentage is the greater of current individual deferral percentage and plan average deferral percentage
- Based on 2021 and 2022 data, the estimated cost is:
 - 0.61% - 1.11% of total compensation, or
 - about 6.9% of new employee's first year compensation

Financial Impact - Additional Nonelective Contributions

Proposed Plan Change

- Remove requirement that a new employee must satisfy the one year of Eligibility Service requirement to receive 3.5% Additional Nonelective Employer Contributions

Estimated Additional Nonelective Contribution Impact		
	Plan Year	
	2021	2022
Total Compensation ¹	\$ 145,300,000	\$ 155,200,000
Calculated Contribution (Current Plan)	\$ 4,680,000	\$ 4,580,000
Contribution as a percentage of Total Compensation	3.22%	2.95%
Additional Contribution with proposed change	\$ 400,000	\$ 850,000
Increase as a percentage of Total Compensation	0.28%	0.55%

1. Compensation limited by IRC Section 401(a)(17) compensation limit

- Additional cost will be dependent on compensation of new employees
 - 2022 had more new employees than 2021
- Based on 2021 and 2022 data, the estimated cost is:
 - 0.28% - 0.55% of total compensation, or
 - 3.5% of new employee's first year compensation

Financial Impact - Matching Contributions

Proposed Plan Change

- Remove requirement that a new employee must satisfy the one year of Eligibility Service requirement to receive 100% Matching Contributions on Employee Deferrals up to maximum 4% of Compensation

Estimated Matching Contribution Impact		
	Plan Year	
	2021	2022
Total Compensation ¹	\$ 145,300,000	\$ 155,200,000
Calculated Contribution (Current Plan)	\$ 4,000,000	\$ 4,040,000
Contribution as a percentage of Total Compensation	2.75%	2.60%
Additional Contribution with proposed change	\$ 490,000	\$ 870,000
Increase as a percentage of Total Compensation	0.34%	0.56%

1. Compensation limited by IRC Section 401(a)(17) compensation limit

- Additional cost will be dependent on compensation and deferral levels of new employees
 - 2022 had more new employees than 2021
 - These estimates assume individual deferral percentage is the greater of current individual deferral percentage and plan average deferral percentage
- Based on 2021 and 2022 data, the estimated cost is:
 - 0.34% - 0.56% of total compensation, or
 - about 3.4% of new employee's first year compensation

Statement of Reliance and Limitation

This presentation is intended as a high-level discussion of our letter dated June 16, 2023. The statements of reliance and limitations on the use of this material is reflected in that letter and also apply to this presentation.

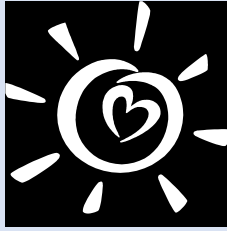
These statements include reliance on data provided, on actuarial certification, and on the purpose of the analysis.

Milliman's work product was prepared exclusively for L.A. Care Health Plan for a specific and limited purpose. It is not for the use or benefit of any third party for any purpose. Any third-party recipient of Milliman's work product who desires professional guidance should not rely upon Milliman's work product but should engage qualified professionals for advice appropriate to its own specific needs.

The results shown herein are based on one set of reasonable assumptions. However, it is almost certain that future experience will not exactly match the assumptions. It is therefore important to consider the potential impacts of these potential differences when making decisions that may affect the future financial health of the Plan, or the Plan's participants.



Thank you



L.A. Care
HEALTH PLAN

Board of Governors
MOTION SUMMARY

Date: September 7, 2023

Motion No. BOG 102.0923

Committee:

Chairperson: Alvaro Ballesteros, MBA

Issue: Retirement Benefit Plan

New Contract **Amendment** **Sole Source** **RFP/RFQ was conducted**

Background: L.A. Care maintains the L.A. Care Health Plan Retirement Benefit Plan (the Plan), a qualified defined contribution money purchase pension plan, for the benefit of its eligible employees and their beneficiaries. The Plan was most recently restated effective January 1, 2020.

Currently, the Plan requires eligible employees to complete one year of service in order to become eligible to participate in the additional employer non-elective contribution equal to 3.5% of compensation and the employer matching contribution equal to 100% of the participant's elective contributions to the Deferred Compensation Plan up to 4% of Compensation.

In order to better attract qualified employees, staff proposes to amend the Plan to eliminate the one-year-of-service requirement for eligibility to participate in the additional employer non-elective contribution and employer matching contribution.

The statements in the motion today comply with requirements for public notice of this action. After the required waiting period, final approval can be considered by the Executive Committee at its next meeting. This motion seeks approval to delegate authority to the Executive Committee to review and, if it decides to do so, approve the future costs of, and approve an amendment to the Plan to allow for, that change.

Member Impact:

Budget Impact: The actuarial firm of Milliman has provided a detailed analysis of the cost impact to the Board.

Board of Governors
MOTION SUMMARY

- Motion:** To delegate authority to the Executive Committee to review and make the final decision whether to approve the future costs of the elimination of the one-year-of-service requirement to participate in the additional employer non-elective contribution and employer matching contribution under the L.A. Care Health Plan Retirement Benefit Plan and authorize any necessary or appropriate actions to implement its decision, and to express a preference that if it decides to do so, then it consider the following actions:
1. Approve the amendment of the L.A. Care Health Plan Retirement Plan to eliminate the one-year-of-service requirement for eligibility to participate in the additional employer non-elective contribution and employer matching contribution.
 2. Authorize and direct the Chief Executive Officer to execute the amendment to the Plan to eliminate that requirement and take all other actions necessary or appropriate to implement the foregoing resolutions.

**SECOND AMENDMENT
TO THE
L.A. CARE HEALTH PLAN RETIREMENT BENEFIT PLAN**

WHEREAS, L.A. Care Health Plan (the "Employer") maintains the L.A. Care Health Plan Retirement Benefit Plan (the "Plan"); and

WHEREAS, the Plan was most recently restated effective January 1, 2020; and

WHEREAS, Section 11.1 of the Plan authorizes the Executive Committee or the Board of Governors ("Board") to amend the Plan; and

WHEREAS, the Board wishes to amend the Plan to eliminate the one year of service requirement for eligibility to participate in employer matching contributions and additional nonelective contributions.

NOW THEREFORE, the L.A. Care Health Plan Retirement Benefit Plan is hereby amended, effective January 1, 2024 as follows:

1. Section 2.10 of the Plan is amended to read as follows:

2.10 [Reserved.]

2. Section 3.1(c) of the Plan is amended to read as follows:

(c) Matching Contributions and Additional Nonelective Contributions. Effective January 1, 2024 ("Effective Date"), each Employee will become a Participant for purposes of Matching Contributions and Additional Nonelective Contributions as follows. Each Eligible Employee on the Effective Date who was a Participant on the preceding day will remain a Participant on the Effective Date. Each Eligible Employee on the Effective Date who was not a Participant on the preceding day, will become a Participant on the Effective Date. Each other Employee will become a Participant on the date he or she becomes an Eligible Employee.

3. Section 3.3 of the Plan is amended to read as follows:

3.3 Reemployment.

A Participant who has a Severance From Employment will, upon reemployment with the Employer as an Eligible Employee, again become a Participant with respect to each type of contribution for which he or she is an Eligible Employee.

An Eligible Employee who has a Severance From Service with the Employer, and who is subsequently reemployed by the Employer as an Eligible Employee and resumes participation in the Plan is considered a new member of the Plan for purposes of determining whether his or her employment is covered under the Old Age, Survivors, and Disability Insurance portion of Social Security upon reemployment.

4. Section 4.1 of the Plan is amended to read as follows:

4.1 [Reserved.]

5. Section 4.9 of the Plan is amended to read as follows:

4.9 Leased Employees.

Despite any contrary Plan provision, an Employee's Vesting Service will include service performed for the Employer pursuant to an agreement between the Employer and a leasing organization for more than 30 calendar days before he or she became an Employee. For this purpose, the Employee's Employment Commencement Date will be adjusted to reflect inclusion of such period of service in the Employee's Vesting Service.

IN WITNESS WHEREOF, this Second Amendment to the L.A. Care Health Plan Retirement Benefit Plan is adopted by L.A. Care Health Plan on the date set forth below.

L.A. CARE HEALTH PLAN

By: _____
Alvaro Ballesteros, MBA
Chairperson, Board of Governors

Date: _____

EXECUTIVE COMMITTEE

BOARD OF GOVERNORS
Executive Committee

Meeting Minutes – June 28, 2023

1055 West 7th Street, 10th Floor, Los Angeles, CA 90017



L.A. Care
 HEALTH PLAN

Members

- Al Ballesteros, *Chairperson*
- Ilan Shapiro MD, MBA, FAAP, FACHE, *Vice Chairperson **
- Stephanie Booth, MD, *Treasurer*
- John G. Raffoul, *Secretary*
- Hilda Perez ******

* *Absent*

** *Via Teleconference*

Management/Staff

- John Baackes, *Chief Executive Officer*
- Sameer Amin, MD, *Chief Medical Officer*
- Terry Brown, *Chief of Human Resources*
- Augustavia Haydel, *General Counsel*
- Jeff Ingram, *Deputy Chief Financial Officer*
- Tom MacDougall, *Chief Technology & Information Officer*
- Thomas Mapp, *Chief Compliance Officer*
- Noah Paley, *Chief of Staff*

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
CALL TO ORDER	<p>Alvaro Ballesteros, <i>Chairperson</i>, called to order the regular meetings of the L.A. Care Executive Committee and the L.A. Care Joint Powers Authority Executive Committee regular meetings at 2:27 p.m. The meetings were held simultaneously. He welcomed everyone to the meetings.</p> <ul style="list-style-type: none"> • For those who provided public comment for this meeting by voice message or in writing, L.A. Care is glad that they provided input today. The Committee will hear their comments and the Committee also needs to finish the business on the Agenda today. • For people who have access to the internet, the meeting materials are available at the lacare.org website. If anyone needs information about how to locate the meeting materials, they can reach out to L.A. Care staff. • Information for public comment is on the Agenda available on the web site. Staff will read the comment received in writing from each person for up to three minutes. • Public comment will be heard before the Committee discusses an item. If the comment is not on a specific agenda item, it will be read at the general Public Comment. <p>He provided information on how to submit a comment in-person, or using the “chat” feature.</p>	

APPROVED

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
APPROVE MEETING AGENDA	The Agenda for today’s meeting was approved.	Approved unanimously by roll call. 4 AYES (Ballesteros, Booth, Perez, and Raffoul)
PUBLIC COMMENT	There were no public comments.	
APPROVE MEETING MINUTES	The minutes of the May 24, 2023 meeting were approved as submitted.	Approved unanimously by roll call. 4 AYES
CHAIRPERSON’S REPORT	There was no Chairperson’s report.	
CHIEF EXECUTIVE OFFICER REPORT	<p>John Baackes, <i>Chief Executive Officer</i>, noted he was not attending in person as he was in Sacramento for the California Safety Net Coalition (CSNC) meeting. CSNC is the organization that grew out of efforts made at L.A. Care over a year ago to create a Los Angeles County safety net coalition for the purpose of increasing the State share in Medi-Cal funds and increase reimbursement to providers.</p> <p>California Legislators adopted the Governor’s Budget for 2023-24, with 100% bipartisan support for a provision in the budget to reinstitute the Managed Care Organization (MCO) tax. That provision will provide \$2.6 billion annually in additional Medi-Cal funding. The prime goal of CSNC is to increase Medi-Cal funding using the MCO tax. CSNC represents a coalition of a variety of stakeholders in the healthcare field, including hospitals, doctors, federally qualified health clinics (FQHCs), health plans, and SEIU workers. CSNC participants are delighted and all are in support of this initiative. The adoption of the MCO in the Budget is considered historic because the State has not increased the base rate for Medi-Cal in over 20 years.</p> <p>At the CSNC meeting today, participants re-affirmed the goal of seeking a ballot initiative in November 2024 to make this a permanent change in Medi-Cal funding. Having it adopted as part of the budget is a victory, but it means that next year’s legislature could make a decision to reverse and divert the money. In previous reiterations, the MCO tax was used to draw down matching federal funds for the general fund. The goal of the CSNC was to reinstitute the MCO tax on managed care organizations and use the money to supplement Medi-Cal funding. CSNC is going ahead with the ballot initiative. Once accomplished, it will make a permanent</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>improvement in Medi-Cal funding. This is only the beginning, this is not a fantasy, but it will not solve all the problems. Not all participants in the coalition are treated equally in a sense because not every constituent group got something out of this. Mr. Baackes added that he thinks that everyone realized that as a result of the CSNC participants coming together and getting this far, they should stick together to take this to an even better solution – by doing it through a ballot initiative.</p> <p>The Medi-Cal eligibility redetermination process started with beneficiaries that have June renewal dates. Those that did not requalify or failed to return the application will be terminated as of July 1. Preliminary data showed that L.A. Care may have a net loss of between 19-30,000 members (which is 13% as budgeted in L.A. Care’s forecast). Of those 19-30,000 members, there may be many who are able to reclaim eligibility during the next 90 days. Once L.A. Care gets the list of the terminated members, L.A. Care will conduct outreach to help them complete the process and restore their benefits, retroactive to July 1. The terminations will appear in the data L.A. Care receives from the state and those members will be on hold for 90 days. L.A. Care is encouraged by the first numbers, but we don’t know how many of them will fail to complete the process and fall into what is called “procedural disenrollment”. Up to 45% of people in Los Angeles County who had June renewal dates were automatically re-determined in an ex parte process by the Los Angeles County Department of Public Social Services (DPSS). DPSS has access to other databases that can support eligibility, and those members do not have to go through the process.</p> <p>Board Member Booth asked if L.A. Care received the recognition for its effort for getting the rate increase. Mr. Baackes noted that the Chair of CSNC and all the participants in the coalition acknowledged L.A. Care’s leadership for getting this started. Mr. Baackes added that L.A. Care is getting credit for its efforts.</p>	
<ul style="list-style-type: none"> Community Health Investment Fund Annual Summary FY 2021-22 	<p>Mr. Baackes asked Shavonda Webber-Christmas, <i>Director, Community Benefits</i>, to present the Community Health Investment Fund (CHIF) Annual Summary FY 2021-22. <i>(A copy of the report may be requested by contacting Board Services.)</i></p> <p>In FY 2021-22, the Board approved four new priorities to support elimination of health disparities. Staff launched the Generating African American Infant and Nurturers’ Survival (GAAINS) initiative as the core funding initiative under the End Disparities portfolio. Other initiatives were poised to address the continued effects of COVID-19 pandemic.</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Annual grant making investments shifted as the needs of the communities changed throughout the COVID-19 pandemic. In 2019-20, there was substantial demand to reach and educate hard hit communities of color, provide personal protective equipment and address the needs of people experiencing homelessness. In 2020-21, vaccine administration was underway while many communities were hesitant, and because few dental clinics were open, Oral Health funding was suspended. By 2021-22, many organizations returned to in-person service delivery and deep investments were required to help providers restore and maintain staffing levels.</p> <p>These priorities shape CHIF’s grant portfolios, guide the design of Request for Applications, and influence the selection of projects for each initiative.</p> <ol style="list-style-type: none"> 1. Support the health care safety net to improve infrastructure and address racial inequities/Healthcare Infrastructure 2. Address social determinants of health that result in inequities/Address Social Determinants 3. Close Health Disparities Gaps/End Disparities 4. Empower and invest in health and social determinants of health related organizations that address systemic racism/Address Systemic Racism <p><u>CHIF Grant Approval and Administrative Processes</u></p> <ul style="list-style-type: none"> • CHIF applications undergo a rigorous process that includes submission of standardized applications and internal vetting. • Initiatives are evaluated by a panel of 24 community and internal evaluators. Ad hoc applications are also vetted and reviewed by an internal committee. • CHIF awards are approved by the Board of Governors, in accordance with Grants and Sponsorships Policy 603, including potential conflicts of interests. • Recommendations for all grant awards up to \$250,000 were referred to L.A. Care’s CEO for approval. Award recommendations above \$250,000 were brought to the Board of Governors for approval. • Community Benefits work with internal business units to ensure that awards are executed based on contracting standards and terms. They also follow organizational protocols to ensure award disbursement is timely, accurately issued, and expenses are in compliance with allocations. <p>In FY 2021-22, Community Benefits managed a cumulative CHIF portfolio in the amount of \$30,652,150 and executed 166 grants.</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>L.A. Care's grant making has made an impact with small and large organizations. The approaches provide opportunities to launch new programs and/or sustain critical services for at-risk populations. 83% of grantees surveyed and interviewed were very satisfied with the program structure.</p> <p>Board Member Perez asked of the CBOs that applied for grants, how many received the funding, and would L.A. Care provide more funding to the same agencies or extend the fund to benefit more agencies.</p> <p>Ms. Webber-Christmas responded that the data is not readily available, and Staff will get back to her with the data. Over 75% of those that applied for grants received a grant. Staff wants to make sure that the grant funding is used efficiently and to make sure L.A. Care is awarding the grant to organizations that will successfully do the right thing with the funds.</p> <p>Board Member Perez asked if staff is following up on the effectiveness of the funding for the projects they submitted. Ms. Webber-Christmas responded the organizations are required to submit a progress report every six months.</p> <p>Board Member Perez asked if grantees are asked to survey members how they are benefitting from the services. Ms. Webber-Christmas responded that there are some grant awardees that survey their programs as part of an evaluation. The grantees report on those surveys, but L.A. Care does not require grant awardees to survey their clients on the impact of their services to the community members they serve.</p> <p>Board Member Booth thanked Ms. Webber-Christmas and noted that she felt this report was much improved over previous reports because it clearly showed what the grantees do and how the money was spent. Board Member Booth noted that she does not think that L.A. Care received data on how the grant money was spent. The report is not specific to L.A. Care's awarded grant, but shows what the organization did in the past six months. Board Member Booth added that the Board could discuss further what was learned from the grant initiative.</p> <p>Mr. Baackes noted that the report that L.A. Care required was specific to the grant awarded.</p> <p>Board Member Perez asked how L.A. Care is following up with grantees regarding the use of the grant money. An organization can come up with a report, but when you survey members, it can be a different story.</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Mr. Baackes objected to Board Member Perez’ statements as they do not reflect how this program is being administered. There is a very diligent process in awarding grants and following up with the grantors about what they did with the money. Mr. Baackes thought that the comments characterize unethical practice, and this is not a hallmark of this program. When L.A. Care awards a grant, such as dental chairs and accessible equipment for exam rooms for FQHCs, you can see the equipment which result from the grant.</p> <p>Board Member Perez stated that her statements were whether L.A. Care has the opportunity to check on the results. Mr. Baackes responded that L.A. Care does go to these organizations to inspect results.</p> <p>Board Member Perez responded she did not know that, and asked the extent L.A. Care attempts make sure that the money is being utilized effectively. She added that her questions and comments are on behalf of the members, not her personal point of view. She added that she’s seen funding allocated to agencies and when she talks to the members, their observations do not correlate with the report. Her comments are on behalf of the members and in an effort to make sure that the money is well allocated and is well utilized.</p> <p>Mr. Baackes noted that L.A. Care does a good job at awarding and overseeing grant making. L.A. Care does not just hand out money without following up.</p> <p>Board Member Booth thanked Ms. Webber-Christmas for the great report. She added that Board Member Perez is asking how follow up is done to make sure that the money is awarded effectively.</p> <p>Board Chairperson Ballesteros noted that before L.A. Care makes subsequent payments, grantees must be compliant in reporting the initial funding before they get additional funding. L.A. Care is doing a great job in tracking and ensuring that the dollars are being spent in the proper manner.</p> <p>Board Chairperson Ballesteros acknowledged the hard work and the good job by Ms. Webber-Christmas and her team. The health centers that he interacts with very much appreciate this program. All these grants can make a big difference. Some of the health centers utilize it in ways that they would not have an opportunity to, if this program did not exist.</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Board Member Raffoul commented on the great job done with L.A. Care’s grant funding program. He suggested that maybe L.A. Care can invite some of the grantees and showcase what have they done with the grant award.</p> <p>Mr. Baackes thanked Mr. Raffoul for the great idea for future meetings at the Board of Governors meeting and the Consumer Advisory Committees.</p>	
COMMITTEE ISSUES		
Government Affairs Update	<p>Cherie Compartore, <i>Senior Director, Government Affairs</i>, reported:</p> <p><u>State Budget</u></p> <ul style="list-style-type: none"> • The budget trailer bills maintains most of what was contained in the May Revise. The budget provided \$15 million to Los Angeles County for the care court implementation cost. L.A. Care advocated with Los Angeles County for some additional funding but there is not additional money for care court specific to Los Angeles County. However, they doubled the hours of legal services for participants to get 40 hours, instead of 20 that was contained in the prior budget. There are some additional requirements for counties to have to report information on various cases as a result of care court implementation. As a reminder, Los Angeles County does not go live until the end of the year. • Covered California Individual Mandate Penalty Revenue Fund. In 2019, California created a fine for those that did not have health insurance to be put it in a reserve fund. The agreement between the Legislature and the Governor was that the funds will used to offset state subsidies and future costs in Covered California. However, the Governor wanted to take the majority of the reserve fund to offset the General Fund. After negotiations with the Legislature, it was decided that the reserve fund will loan the administration, \$600 million to help backfill the general fund with that loan repayment due in 25-26 years. Covered CA will retain the \$334 million in the reserve fund to help the state subsidies in future years. As a reminder, the federal enhanced subsidies are currently set to expire in December 31, 2025. • The budget contains additional funding in Covered California for the following: <ul style="list-style-type: none"> ○ \$2 million to support striking workers that are in a labor dispute to allow them enroll in Covered CA if their employer terminates their health care coverage which they are allowed to do in some instances in California. ○ \$350 million for the \$1 PMPM to cover the California Premium credit cost 	

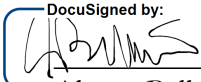
AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Not part of the budget, there are two bills making their way through the Legislature that would create a housing component for a bond in the March 2024 ballot that will create 10,000 new behavioural health clinics beds in order to serve those with severe mental needs, substance abuse disorders, and homeless, and with specific inclusion for veterans.</p> <p>The other bill basically repeals Prop 63, the mental health services act language. This ballot initiative was passed nearly 20 years ago. They want to revise the legislation to reflect current behavioural health needs and the environment we are in. This would be in the March 2024 ballot initiative.</p> <p><u>Redeterminations and State Fair Hearings</u> Centers for Medicaid/Medicare Services (CMS) approved California’s request that extends the timeframe for Medi-Cal beneficiaries to request a state fair hearing from the current 90-day requirement to 120 days, to be able to file a state fair hearing if it was determined that a member does not agree with the termination of Medi-Cal, or any other type of state fair hearing, retroactive to April 1, 2023. This was done because of the huge amount of redeterminations that they are anticipating as a result of all the people being redetermined. This extension will be terminated on of October 1, 2024.</p> <p>The Department of Healthcare Services (DHCS) is also applying for CMS to consider some additional flexibilities related to huge caseload due to redetermination. They are asking for ex parte renewals for those that are under a 100% of the federal poverty level. And they want to suspend the requirement to apply for other benefits as a condition of eligibility and to re-instate Medi-Cal back to the date of disenrollment during the 90-day cure period.</p>	
<p>Approve Revision to Human Resources Policy & Procedure HR 108 (Holidays)</p>	<p>Terry Brown, <i>Chief Human Resources Officer</i>, presented the revised Human Resources Policy HR 108 (Holidays). L.A. Care provides a work environment where time off is allowed for the observance of L.A. Care recognized holidays. L.A. Care currently observes 11 holidays when the offices are normally closed to official business. Staff is requesting approval to revise Human Resources Policy & Procedure HR-108 (Holidays), adding Cesar Chavez Day and Veterans’ Day as additional holidays for eligible employees. These two additional holidays will bring L.A. Care to total of 13 holidays, consistent with our Local Initiative peers and Los Angeles County.</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN																								
	<p>Motion EXE A.0623 To approve the Human Resources Policy & Procedure HR 108 (Holidays), as presented.</p>	<p>Approved unanimously by roll call. 4 AYES</p>																								
<p>Approve Revisions to Human Resources Policies HR 203 (Attendance & Punctuality), HR 232 (Bereavement Leave), HR 302 (Employment-General Statement), HR 306 (Equal Employment Opportunity) and HR 308 (Job Posting)</p>	<p>Mr. Brown summarized the revised policies. L.A. Care Policy HR-501 requires that the Executive Committee annually review substantial changes to the Human Resources Policies. The revised policies are written to comply with changes to Regulatory, Legislative and Judicial changes, and reflect changes in L.A. Care’s practices.</p> <table border="1" data-bbox="510 451 1566 1320"> <thead> <tr> <th>Policy Number</th> <th>Policy</th> <th>Section</th> <th>Description of Modification</th> </tr> </thead> <tbody> <tr> <td>HR-203</td> <td>Attendance and Punctuality</td> <td>Employee Relations</td> <td>Occurrence chart added and new definitions added Tardy, Pattern Attendance and KinCare.</td> </tr> <tr> <td>HR-232</td> <td>Bereavement Leave</td> <td>Employee Relations</td> <td>Revision: AB1949 signed into law by Governor Newsom on September 29, 2022 indicate that eligible employees will receive up to 5 days of bereavement leave (3 paid and 2 unpaid) and that employees may use PTO for any unpaid bereavement time off.</td> </tr> <tr> <td>HR-302</td> <td>Employment – General Statement</td> <td>Employment</td> <td>DEI statement added due to NCQA standards</td> </tr> <tr> <td>HR-306</td> <td>Equal Employment Opportunity</td> <td>Employment</td> <td>DEI statement added due to NCQA standards</td> </tr> <tr> <td>HR-308</td> <td>Job Posting</td> <td>Employment</td> <td>pay range and gender neutrality requirements added to fulfill NCQA standards</td> </tr> </tbody> </table> <p>Motion EXE B.0623 To approve the above Human Resources Policies as presented.</p>	Policy Number	Policy	Section	Description of Modification	HR-203	Attendance and Punctuality	Employee Relations	Occurrence chart added and new definitions added Tardy, Pattern Attendance and KinCare.	HR-232	Bereavement Leave	Employee Relations	Revision: AB1949 signed into law by Governor Newsom on September 29, 2022 indicate that eligible employees will receive up to 5 days of bereavement leave (3 paid and 2 unpaid) and that employees may use PTO for any unpaid bereavement time off.	HR-302	Employment – General Statement	Employment	DEI statement added due to NCQA standards	HR-306	Equal Employment Opportunity	Employment	DEI statement added due to NCQA standards	HR-308	Job Posting	Employment	pay range and gender neutrality requirements added to fulfill NCQA standards	<p>Approved unanimously by roll call. 4 AYES</p>
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AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
Approve Consent Agenda	Approve the list of items that will be considered on a Consent Agenda for the July 27, 2023 Board of Governors Meeting. <ul style="list-style-type: none"> • June 1, 2023 Board of Governors Meeting Minutes • North Star Alliances Contract Amendment • CCI Network Services Contract • Infosys Limited Contract Amendment • Cognizant Technology Solutions Contract Amendment 	Approved unanimously by roll call. 4 AYES
PUBLIC COMMENTS	There were no public comments.	
ADJOURN TO CLOSED SESSION	<p>The Joint Powers Authority Executive Committee meeting adjourned at 3:20 pm.</p> <p>Augustavia J. Haydel, Esq., <i>General Counsel</i> announced the items to be discussed in closed session. She announced there is no report anticipated from the closed session. The meeting adjourned to closed session at 3:22 pm.</p> <p>CONTRACT RATES Pursuant to Welfare and Institutions Code Section 14087.38(m)</p> <ul style="list-style-type: none"> • Plan Partner Rates • Provider Rates • DHCS Rates • Plan Partner Services Agreement <p>REPORT INVOLVING TRADE SECRET Pursuant to Welfare and Institutions Code Section 14087.38(n) Discussion Concerning New Service, Program, Business Plan Estimated date of public disclosure: <i>June 2025</i></p> <p>CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION Pursuant to Section 54956.9(d)(1) of the Ralph M. Brown Act</p> <ul style="list-style-type: none"> • L.A. Care Health Plan’s Notice of Contract Dispute under Contract No. 04-36069 Department of Health Care Services (Case No. Unavailable) <p>CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION Significant exposure to litigation pursuant to Section 54956.9(d)(2) of Ralph M. Brown Act: Four Potential Cases</p> <p>CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Pursuant to Section 54956.9(d)(1) of the Ralph M. Brown Act</p> <ul style="list-style-type: none"> • Department of Managed Health Care Enforcement Matter Numbers: 18-799, 20-063, 21-428, 21-509, 21-680 • Department of Health Care Services, Office of Administrative Hearings and Appeals, In the matter of: L.A. Care Health Care Plan Appeal No. MCP22-0322-559-MF <p>PUBLIC EMPLOYEE PERFORMANCE EVALUATION Pursuant to Section 54957 of the Ralph M. Brown Act Title: Chief Executive Officer</p> <p>CONFERENCE WITH LABOR NEGOTIATOR Pursuant to Section 54957.6 of the Ralph M. Brown Act Agency Designated Representative: Alvaro Ballesteros, MBA Unrepresented Employee: John Baackes</p>	
RECONVENE IN OPEN SESSION	The meeting reconvened in open session at 4:25 pm. No reportable actions were taken during the closed session.	
ADJOURNMENT	The meeting adjourned at 4:26 pm.	

Respectfully submitted by:
Linda Merkens, *Senior Manager, Board Services*
Malou Balones, *Board Specialist III, Board Services*
Victor Rodriguez, *Board Specialist II, Board Services*

APPROVED BY:
DocuSigned by:

Alvaro Ballesteros, MBA, *Board Chairperson*
Date: 8/24/2023 | 1:52 PM PDT

**FINANCE
&
BUDGET
COMMITTEE**



FY 2022-23 9+3 Forecast

FY 2023-24 Budget

Board of Governors Meeting
September 7, 2023



Agenda

FY 2022-23 YTD Performance

- June 2022 Membership & Performance
- 3+9 Forecast vs. 9+3 Forecast

FY 2022-23 9+3 Forecast & FY 2023-24 Budget

- Membership Trend, Assumptions, and Projections
- Budget Assumptions – Revenue & Healthcare Costs
- Financial Performance Comparison
- Shared Risk and Provider Incentive Assumptions
- Administrative Expenses by Category
- Community Programs
- Operating Margin by Segment
- Opportunities and Risks
- Balance Sheet Comparison
- TNE & Days of Cash On-Hand Comparison

FY 2023-24 Capital Projects and Programs

Informational Items

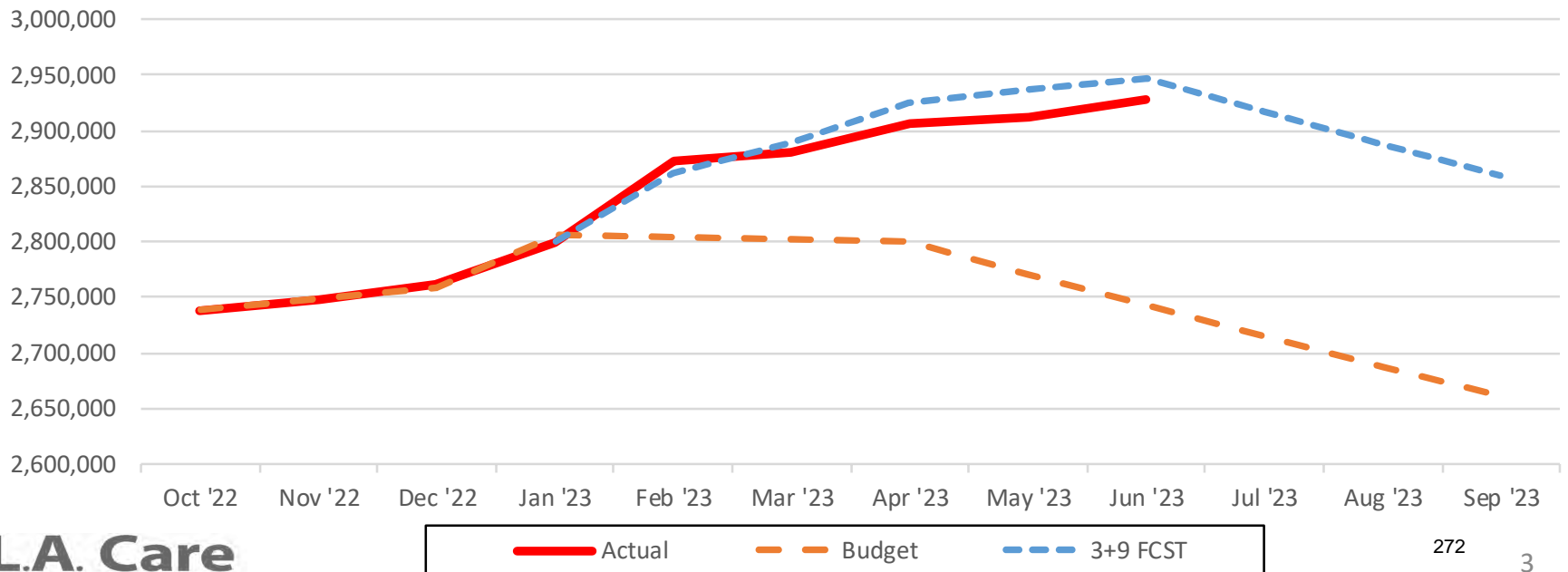
- Monthly Investment Transactions
- Quarterly Internal Policy Reports

Membership

for the 9 months ended June 2023

Sub-Segment	June 2023			Year-to-Date		
	Actual	3+9 FCST	Variance	Actual	3+9 FCST	Variance
Medi-Cal	2,752,752	2,772,760	(20,008)	23,961,047	24,028,566	(67,519)
CMC	-	-	-	51,321	51,081	240
D-SNP	18,181	17,742	439	107,239	106,284	955
Commercial	175,455	174,292	1,163	1,536,500	1,528,242	8,258
*Elimination	(18,181)	(17,742)	(439)	(107,239)	(106,284)	(955)
Consolidated	2,928,207	2,947,052	(18,845)	25,548,868	25,607,889	(59,021)

*D-SNP members included in MCLA membership under CCI beginning in January 2023



Consolidated Financial Performance

for the month of June 2023

(\$ in Thousands)	Actual	3+9 FCST	Variance
Member Months	2,928,207	2,947,052	(18,845)
Total Revenues	\$999,376	\$975,878	\$23,498
Total Healthcare Expenses	\$928,177	\$898,504	(\$29,673)
Operating Margin	\$71,198	\$77,374	(\$6,175)
<i>Operating Margin (excl HHIP/IPP)</i>	\$71,198	\$81,267	(\$10,068)
Total Admin Expenses	\$45,153	\$45,005	(\$148)
Income/(Loss) from Operations	\$26,045	\$32,368	(\$6,323)
Non-Operating Income (Expense)	(\$7,116)	\$1,306	(\$8,422)
Net Surplus	\$18,929	\$33,674	(\$14,745)
<i>Net Surplus (excl HHIP/IPP)</i>	\$18,980	\$38,022	(\$19,042)

Consolidated Financial Performance

for the 9 months ended June 2023

(\$ in Thousands)	Actual	3+9 FCST	Variance
Member Months	25,548,868	25,607,889	(59,021)
Total Revenues	\$8,422,951	\$8,379,038	\$43,914
Total Healthcare Expenses	\$7,719,745	\$7,726,915	\$7,170
Operating Margin	\$703,206	\$652,122	\$51,084
<i>Operating Margin (excl HHIP/IPP)</i>	\$593,299	\$564,929	\$28,369
Total Admin Expenses	\$389,932	\$400,198	\$10,266
Income/(Loss) from Operations	\$313,274	\$251,924	\$61,350
Non-Operating Income (Expense)	\$36,691	\$19,292	\$17,399
Net Surplus	\$349,965	\$271,216	\$78,749
<i>Net Surplus (excl HHIP/IPP)</i>	<i>\$240,678</i>	<i>\$185,804</i>	<i>\$54,874</i>

Consolidated Financial Performance

9+3 Forecast vs. 3+9 Forecast

(\$ in Thousands)	FY 2022-23		Variance
	9+3 FCST	3+9 FCST	
Member Months	34,165,096	34,272,613	(107,517)
Total Revenues	\$11,297,646	\$11,250,348	\$47,298
Total Healthcare Expenses	\$10,404,292	\$10,421,027	\$16,736
Operating Margin	\$893,354	\$829,321	\$64,033
<i>Operating Margin (excl HHIP/IPP)</i>	\$796,169	\$754,741	\$41,428
Total Admin Expenses	\$522,720	\$532,993	\$10,274
Income/(Loss) from Operations	\$370,635	\$296,327	\$74,307
Non-Operating Income (Expense)	\$19,542	\$2,144	\$17,399
Net Surplus	\$390,177	\$298,471	\$91,706
<i>Net Surplus (excl HHIP/IPP)</i>	<i>\$294,077</i>	<i>\$226,137</i>	<i>\$67,940</i>

Variance Walk – 3+9 Forecast vs 9+3 Forecast (excl HHIP/IPP)

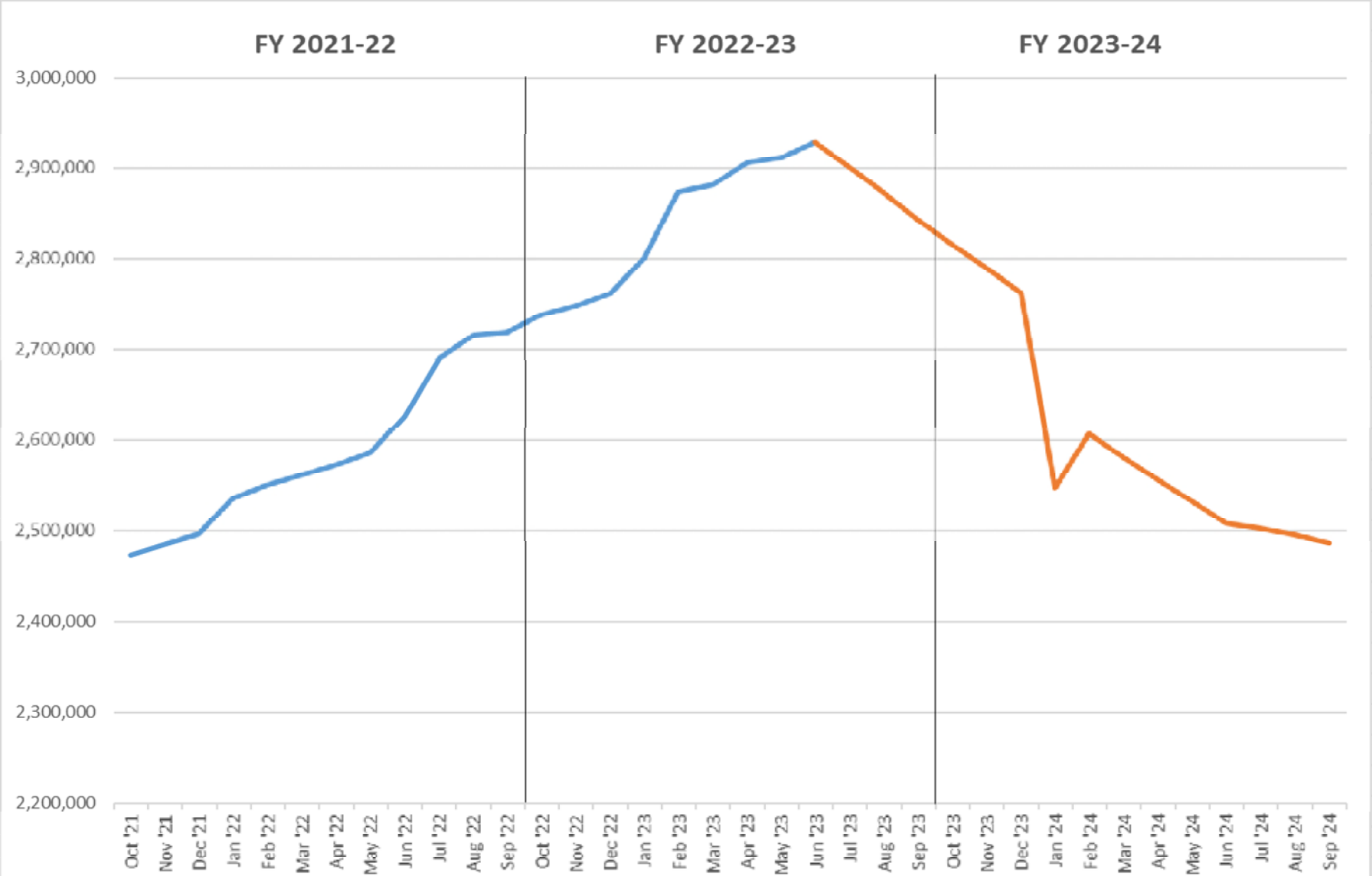
	Revenue	Healthcare Costs	Admin/Non-Ops	Net Surplus
3+9 Forecast	\$11,120,732	\$10,365,992	\$528,604	\$226,137
Volume Impact on Operating Margin	(\$22,430)	\$23,899	\$0	\$1,469
CCI Membership Error	(\$55,958)	\$59,870	\$0	\$3,912
LTC variance from Forecast	\$74,016	(\$50,916)	\$0	\$23,100
Retro Revenue Adjustments	\$57,028	(\$23,306)	(\$13,337)	\$20,384
Risk Corridor/Shared Risk Adjustments	(\$37,469)	\$57,441	\$0	\$19,972
Supplemental Adjustments	\$10,871	\$19,706	\$0	\$30,577
Incentives	\$14,669	(\$3,912)	\$0	\$10,758
Incurred Claims	\$0	(\$83,091)	\$0	(\$83,091)
Administrative Expense	\$0	\$0	\$9,113	\$9,113
Non-Operating Income	\$0	\$0	\$30,736	\$30,736
Other	\$5,533	(\$4,522)	\$0	\$1,011
Total Variance	\$46,259	(\$4,831)	\$26,512	\$67,940
9+3 Forecast	\$11,166,992	\$10,370,823	\$502,092	\$294,077



FY 2023-24 Budget



Membership Trend



FY 2023-24 Budget Assumptions - Membership

- FY 2023-24 Budget assumes 13% annual decline in Medi-Cal membership from previous year to continue through June 2024. (1.08% p/month).
- Effective Jan 2024, Kaiser population will no longer be part of L.A. Care and was removed from the budget (~270,000 members).
- These losses will be offset somewhat by the enrollment of 150,000 additional members due to expansion of coverage to undocumented adults 26-49. Membership is spread out over Jan-Feb 2024.
- LACC & D-SNP are modeled to include retention and new membership driven by same competitive position, including broker rates, as previous fiscal year.
- The projected membership loss for FY 2023-24 Budget vs FY 2022-23 9+3 Forecast is expected to be 355,000 members or 12.5 percent, with member months falling approximately 2.98 million or 8.7 percent.

Membership: 2023-24 Projections

Segment	Membership				Member Months			
	FY 2022-23 9+3 Forecast	FY 2023-24 Budget	Variance	%	FY 2022-23 9+3 Forecast	FY 2023-24 Budget	Variance	%
Medi-Cal	2,664,523	2,289,506	(375,017)	-14.1%	32,042,206	28,861,501	(3,180,704)	-9.9%
CMC	0	0	0	0.0%	51,321	0	(51,321)	-100.0%
DSNP	18,369	19,457	1,089	5.9%	162,213	227,253	65,040	40.1%
LACC	129,514	149,923	20,409	15.8%	1,479,324	1,742,491	263,168	17.8%
PASC-SEIU	48,954	48,115	(839)	-1.7%	592,246	581,980	(10,265)	-1.7%
Elimination*	(18,369)	(19,457)	(1,089)		(162,213)	(227,253)	(65,040)	
Total	2,842,991	2,487,544	(355,447)	-12.5%	34,165,096	31,185,973	(2,979,123)	-8.7%

*D-SNP members included in MCLA membership for Medi-Cal under CCI beginning January 2023

FY 2023-24 Budget Assumptions - Revenue

- Medi-Cal
 - UIS|SIS break-out
 - CY2023 aligned with revised final DHCS rates
 - CY2024 assumes conservative reduction
 - CBAS reduction to reflect experience
- LACC
 - CY2023 no change; CY2024 rate increase of 6%
 - CY2023 and CY2024 RAF using current experience
- D-SNP
 - Revenue in line with mid-year RAF adjusted rates
 - CY2024 in line with Bid
- PASC
 - CY2023 no rate change; CY2024: assumed rate increase 1/1/2024

FY 2023-24 Budget Assumptions – Healthcare Costs

- Global Subcapitation & Capitation
 - Expense updated to reflect CY 2023 and CY 2024 revenue rate assumptions
 - LACC includes updated RAF score to align with revenue
 - D-SNP reflects trended revenue assumption for CY 2024

- Fee-For-Service (FFS) Cost
 - FFS Costs were developed using a base period of CY 2022 and trended to the budget period impacting Inpatient, Outpatient, Long Term Care and Pharmacy.

- CBAS based on Oct '22 to Mar '23 to reflect trend changes associated with members returning to centers.

- Additional adjustments were made for:
 - New Public Provider-Ground Emergency Medical Transportation (PP-GEMT)
 - New Community Supports
 - New Pharmacy Copay Max program
 - Implementation of COBA program
 - End of the LTC 10% Increase

FY 2022-23 9+3 vs FY 2023-24 Budget (excl HHIP/IPP)

(\$ in thousands)	FY 2022-23		FY 2023-24		Budget	
	9+3 Forecast	PMPM	Budget	PMPM	Fav/(Unfav)	PMPM
Member Months	34,165,096		31,185,973		(2,979,123)	
Revenue						
Capitation Revenue	\$11,166,992	\$326.85	\$10,836,914	\$347.49	(\$330,078)	\$20.64
Total Revenues	\$11,166,992	\$326.85	\$10,836,914	\$347.49	(\$330,078)	\$20.64
Healthcare Expenses						
Capitation Expense	\$5,964,322	\$174.57	\$5,668,251	\$181.76	\$296,071	(\$7.18)
Inpatient Claims	\$1,501,981	\$43.96	\$1,481,472	\$47.50	\$20,509	(\$3.54)
Outpatient Claims	\$1,237,963	\$36.23	\$1,206,771	\$38.70	\$31,192	(\$2.46)
In-Home Supportive Services	(\$31,449)	(\$0.92)	\$0	\$0.00	(\$31,449)	(\$0.92)
Skilled Nurse Facility	\$1,130,509	\$33.09	\$1,125,698	\$36.10	\$4,810	(\$3.01)
Community-Based Adult Services	\$227,684	\$6.66	\$200,519	\$6.43	\$27,166	\$0.23
Multipurpose Senior Services Program	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00
Pharmacy	\$138,920	\$4.07	\$162,148	\$5.20	(\$23,228)	(\$1.13)
Shared Risk	\$23,226	\$0.68	\$21,350	\$0.68	\$1,876	(\$0.00)
Provider Incentive	\$76,719	\$2.25	\$110,636	\$3.55	(\$33,917)	(\$1.30)
Medical Administrative Expenses	\$100,947	\$2.95	\$119,604	\$3.84	(\$18,658)	(\$0.88)
Total Medical Expenses	\$10,370,823	\$303.55	\$10,096,449	\$323.75	\$274,373	(\$20.20)
MCR (%)	92.9%		93.2%		-0.3%	
Operating Margin	\$796,169	\$23.30	\$740,465	\$23.74	(\$55,705)	\$0.44

FY 2022-23 9+3 vs FY 2023-24 Budget (excl HHIP/IPP)

(\$ in thousands)	FY 2022-23		FY 2023-24		Budget	
	9+3 Forecast	PMPM	Budget	PMPM	Fav/(Unfav)	PMPM
Member Months	34,165,096		31,185,973		(2,979,123)	
Operating Expenses						
Salaries and Benefits	\$277,708	\$8.13	\$315,730	\$10.12	(\$38,022)	(\$2.00)
Temporary Labor and Recruitment	\$3,222	\$0.09	\$2,902	\$0.09	\$320	\$0.00
Professional Fees	\$23,055	\$0.67	\$25,460	\$0.82	(\$2,405)	(\$0.14)
Purchased Services	\$155,099	\$4.54	\$156,554	\$5.02	(\$1,456)	(\$0.48)
Advertising and Promotions	\$9,623	\$0.28	\$12,670	\$0.41	(\$3,046)	(\$0.12)
Business Fees and Insurance	\$54,916	\$1.61	\$58,738	\$1.88	(\$3,823)	(\$0.28)
Occupancy and Leases	\$8,250	\$0.24	\$7,807	\$0.25	\$443	(\$0.01)
Supplies and Other	\$47,990	\$1.40	\$49,462	\$1.59	(\$1,472)	(\$0.18)
Medical Administrative Expenses	(\$92,984)	(\$2.72)	(\$112,548)	(\$3.61)	\$19,564	\$0.89
Depreciation and Amortization	\$34,756	\$1.02	\$40,400	\$1.30	(\$5,644)	(\$0.28)
Corporate Allocation	(\$0)	(\$0.00)	(\$0)	(\$0.00)	\$0	(\$0.00)
				\$0.00		
Operating Expenses	\$521,635	\$15.27	\$557,176	\$17.87	(\$35,541)	(\$2.60)
Admin Ratio(%)	4.7%		5.1%		-0.5%	
Income (Loss) from Operations	\$274,534	\$8.04	\$183,289	\$5.88	(\$91,246)	(\$2.16)
Margin before Non-Operating Inc (Exp) (%)	2.5%		1.7%		-0.8%	
Non-Operating Income (Expense)						
Other Income (Expense)	(\$67,349)	(\$1.97)	(\$36,378)	(\$1.17)	\$30,971	\$0.80
Interest Income, net	\$81,778	\$2.39	\$59,707	\$1.91	(\$22,071)	(\$0.48)
Realized Gain/(Loss) on Invest	(\$1,562)	(\$0.05)	\$0	\$0.00	\$1,562	\$0.05
Unrealized Gain/ (Loss) on Invest	\$6,675	\$0.20	\$0	\$0.00	(\$6,675)	(\$0.20)
Total Non-Operating Income (Expense)	\$19,542	\$0.57	\$23,329	\$0.75	\$3,787	\$0.18
Net Surplus (Deficit)	\$294,077	\$8.61	\$206,618	\$6.63	(\$87,459)	(\$1.98)
Margin (%)	2.6%		1.9%		-0.7%	

FY 2023-24 Shared Risk and Provider Incentive (excl HHIP/IPP)

- PPG Shared Risk: \$21.3M expense

Provider Incentive Fiscal Year 2023-24 Budget					
Incentive Level Programs (\$ in thousands)	Segments				
	Plan Partners ⁽¹⁾	Total MCLA ⁽²⁾	Commercial	D-SNP	Total ⁽³⁾
Plan Partners	\$11,636	\$0	\$0	\$0	\$11,636
Hospital	-	25,760	1,960	280	28,000
PPG	9,458	14,860	(1,960)	(280)	22,078
Physician	11,054	23,734	-	-	34,788
Member	-	3,227	-	-	3,227
Total	\$32,148	\$67,581	\$0	\$0	\$99,729

Note:

- Excludes Kaiser
- CCI members not eligible for Incentive Level Programs
- Provider Incentive excludes Incentive Payment Program (IPP) & Housing and Homelessness Incentive Program (HHIP)

FY 2023-24 Admin Expenses by Category (excl HHIP/IPP)

(\$ in thousands)	FY 2022-23		FY 2023-24		Variance	PMPM
	9+3 Forecast	PMPM	Budget	PMPM		
FTEs (at year end)	2,269		2,407		138	
Salaries and Benefits	\$277,708	\$8.13	\$315,730	\$10.12	(\$38,022)	(\$2.00)
Temporary Labor and Recruitment	3,222	0.09	2,902	0.09	\$320	\$0.00
Professional Fees	23,055	0.67	25,460	0.82	(\$2,405)	(\$0.14)
Purchased Services	155,099	4.54	156,554	5.02	(\$1,456)	(\$0.48)
Advertising and Promotions	9,623	0.28	12,670	0.41	(\$3,046)	(\$0.12)
Business Fees and Insurance	54,916	1.61	58,738	1.88	(\$3,823)	(\$0.28)
Occupancy and Leases	8,250	0.24	7,807	0.25	\$443	(\$0.01)
Supplies and Other	47,990	1.40	49,462	1.59	(\$1,472)	(\$0.18)
Depreciation and Amortization	34,756	1.02	40,400	1.30	(\$5,644)	(\$0.28)
Medical Administrative Expenses	(92,984)	(2.72)	(112,548)	(3.61)	\$19,564	\$0.89
		-				
Total*	\$521,635	\$15.27	\$557,176	\$17.87	(\$35,541)	(\$2.60)
Admin Ratio %	4.7%		5.1%		-0.5%	

*Total excludes Incentive Payment Program (IPP) & Housing and Homelessness Incentive Program (HHIP)

FY 2023-24 Community Programs

(\$ in thousands)	FY 2022-23 9+3 Forecast	FY 2023-24 Budget
Community Health Investment Fund (CHIF)	\$13,337	\$10,000
Elevating the Safety Net	8,062	11,422
Blue Shield Promise Grant	4,537	9,077
Community Resource Centers	15,442	21,912
First 5 L.A. Grant	425	321
Community Programs	2,089	1,648
Community Clinic Program/SCOPE Plan	100	250
Community Benefits Program	874	887
Promotoras/Health Promoters Program	218	374
Sponsorships/In-Kind	897	138
Total	\$43,891	\$54,379

FY 2023-24 Operating Margin by Segment

(\$ in Thousands)

	Medi-Cal	D-SNP	LACC	PASC	HHIP/IPP	Total	Total (excl HHIP/IPP)
Revenue	\$9,670,928	\$328,770	\$577,020	\$260,197	\$198,667	\$11,035,582	\$10,836,915
Healthcare Exp.	\$9,063,357	\$293,405	\$473,062	\$266,625	\$102,333	\$10,198,782	\$10,096,449
Operating Margin	\$607,571	\$35,365	\$103,958	(\$6,429)	\$96,334	\$836,799	\$740,465
Budget MCR %	93.7%	89.2%	82.0%	102.5%	N/A	92.4%	93.2%
9+3 FCST MCR%	93.2%	84.2%	87.8%	96.2%	N/A	92.1%	92.9%

Opportunities & Risks

Opportunities

- Claims expenses are lowered through contracting and UM
- Higher than expected LACC membership growth due to pricing position
- Move more members into Dual Risk pods
- Increased focus on encounter data quality leads to higher Medi-Cal and Covered California revenue

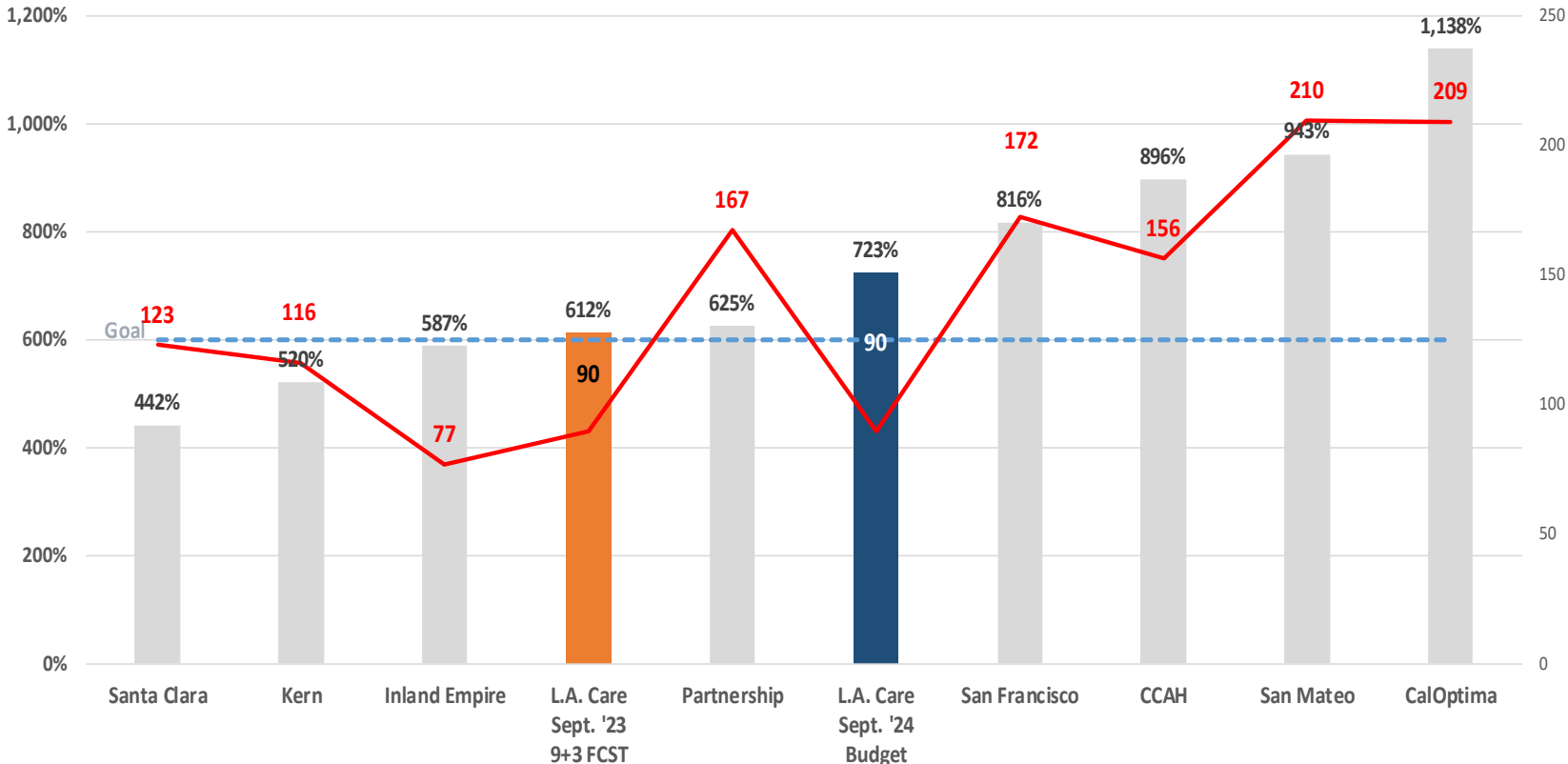
Risks

- Additional unknown COVID-19 expenses from prior periods
- Higher FFS trend than assumed
- Capitation costs higher than projected
- Increases in cost due to changes in Medi-Cal Fee Schedule above additional revenue

Balance Sheet Comparison

	FY 2022-23 9+3 Forecast	FY 2023-24 Budget	Variance
(\$ in thousands)			
Current Assets			
Cash & cash equivalents	\$ 1,709,481	\$ 1,659,481	\$ (50,000)
Investments, at fair value	1,434,117	1,444,809	10,691
Other current assets	3,249,934	3,076,956	(172,978)
Total current assets	6,393,532	6,181,246	(212,287)
Capital and non-current assets	161,896	171,496	9,600
Total Assets	\$ 6,555,428	\$ 6,352,742	\$ (202,686)
Current Liabilities			
Medical and providers payable	3,751,959	3,250,359	(501,601)
Reserves for claims	913,224	910,224	(3,000)
Other current liabilities	356,540	360,140	3,600
Total current liabilities	5,021,723	4,520,723	(501,001)
Non-Current Liabilities	56,174	52,574	(3,600)
Total Liabilities	5,077,897	4,573,297	(504,601)
Fund Equity			
Invested in Capital Assets	161,455	171,055	9,600
Board Designated Funds	90,003	79,603	(10,400)
Unrestricted Net Assets	984,661	1,282,606	297,945
TNE (130% of Required)	241,412	246,181	4,769
Total Fund Equity	1,477,531	1,779,445	301,914
Total Liabilities and Fund Equity	\$ 6,555,428	\$ 6,352,742	\$ (202,687)

Tangible Net Equity & Days of Cash On-Hand



• As of March 2023 Quarterly filings, unless noted otherwise.



FY 2023-24 Capital Projects and Programs

FY 2023-24 Capital Projects and Programs

L.A. Care Health Plan Capital Projects Fiscal Year 2023-24 (\$ in thousands)				
Project Description	Business Owner	Capital Expense	Operating Expense	Total
Artificial Intelligence	I.T.	\$ 400	\$ 100	\$ 500
Care Catalyst - New HS Clinical System	Health Services	6,000	1,500	7,500
Clinic Based Assignment and FQHC APM	Provider	1,252	58	1,311
CMS Interoperability Mandate	I.T.	1,025	496	1,521
Data Exchange Program	Health Services	1,347	337	1,684
DSNP Product Launch & Annual Regulatory Enhancements	Product	575	144	718
Edifecs Program	Operations	1,060	265	1,325
I.T. Member Experience Program	I.T.	3,643	911	4,554
Performance Optimization Program (Enterprise & Network)	Compliance	3,363	637	4,000
Provider Roadmap	Provider	3,410	1,262	4,672
QNXT Upgrade & Transformation	I.T.	3,753	941	4,693
SAP/ERP	Finance	3,200	800	4,000
Security Enhancements Initiative	I.T.	476	141	617
VOICE - CRM & Telecom	I.T. & Operations	11,295	3,275	14,570
Leasehold Improvements	Facilities	77,284	-	77,284
Total Capital Projects		\$ 118,083	\$ 10,867	\$ 128,950

Portfolio Program Descriptions

Artificial Intelligence

This initiative is to support discovery, assessment, and initial implementation of AI solutions to improve enterprise efficiency and performance.

Care Catalyst – New Health Services Clinical System

A multi-year program created to optimize the use of systems and tools to support Health Services' operational and foundational needs. Care Catalyst aims to improve how L.A. Care manages the health of member by providing member-centric services and care tailored to meet the needs of varied populations. This program is focused on addressing foundational gaps in governance structure, training, decision support and workflow re-engineering. Current work focuses on platform optimizations for added efficiency and scalability. Population health management (PHM) and enhancements to improve L.A. Care's ability to support the Direct Network are areas of upcoming focus.

Clinic Based Assignment and FQHC APM

This initiative is to better manage the association between health plan members and their community clinic providers in L.A. Care's systems. This improved member assignment functionality is foundational to implementation of the Alternative Payment Methodology (APM), which is a State mandate effective in 2024. Under APM, L.A. Care will change how it pays participating FQHC community clinics to include the Prospective Payment System (PPS) rate for Medi-Cal services that has previously been paid to clinics by the State.



Portfolio Program Descriptions

CMS Interoperability Mandate

L.A. Care continues its multi-phase investment in electronic provider and member data portability in accordance with CMS requirements. Investments focus on payer-to-payer interfaces to ensure timely and efficient benefits coordination and transitions, as well as functionality for electronic prior authorizations.

Data Exchange Framework (DXF)

The California Health and Human Services Data Exchange Network (DXF) reflects a statewide agreement to facilitate sharing of health information among healthcare entities, government agencies, and social service programs. This initiative is to implement the data sharing capabilities of the agreement, and targets improved coordination of care.

DSNP Product Launch

With the successful development and deployment of a fully-integrated D-SNP product and the concurrent effort to sunset L.A. Care's existing CMC product, there are continued enhancements targeted in the upcoming fiscal year. Efforts will focus on implementing new Federal and State regulatory requirements for plan years 2024 and 2025.

EDIFECS Program

This multi-year program is enhancing L.A. Care's encounter data management system. Upcoming improvements focus on improved extraction of encounter data for risk adjustment, regulatory audiences, and internal end-users, as well as the availability of end-to-end encounter reconciliation reporting, and enterprise-level access to a source-of-truth for encounter data. The program includes an upgrade of the current EDIFECS platform to ensure optimal performance and functionality.



Portfolio Program Descriptions

I.T Member Experience Program

This initiative is composed of three multi-year, cross-functional programs to modernize data systems and I.T. tools to support an optimized member experience. These foundational technology efforts will enable L.A. Care to more proactively manage the member life cycle (from enrollment through care delivery). Work streams in this initiative include Data Architecture Modernization, which improves how enterprise data is organized, managed, and stored; and a Clinical Data Repository (CDR) to better organize clinical experience data in support of care coordination, operational planning, and regulatory reporting. A Member Data Master work stream will additionally improve the consistency of member demographic, clinical, and other data for the organization through a structured data governance process. These investments will enable L.A. Care to deliver future technology initiatives more effectively, and significantly improve the ability of business areas inside L.A. Care to serve member needs.

Performance Optimization Program (Enterprise & Network)

This multi-year initiative is building data management and dashboard reporting tailored to L.A. Care's Enterprise Performance Optimization Program (EPOP) and Network Performance Optimization Program (NPOP). EPOP improves monitoring and oversight of the performance of non-delegated enterprise functions, while NPOP oversees the performance of all entities in L.A. Care's service delivery model across lines of business. This initiative is improving data sources and reporting for numerous Key Performance Indicators (KPIs) for L.A. Care.

Portfolio Program Descriptions

Provider Roadmap

This is a multi-year, cross-functional program focused on improving L.A. Care's provider data quality and management, including enhancements to data intake, standardization and validation, storage, reporting, and operational use. Improvements are targeted at both technical infrastructure and business processes.

QNXT Upgrade & Transformation

L.A. Care is making progressive investments in its core claims platform (QNXT), with current work focused on the scalability and flexibility of internal development and test environments, as well as data de-identification to improve data security. This initiative also includes a generational upgrade to the latest QNXT claims platform. These improvements will enable efficiencies in L.A. Care's claims processing, and will provide health plan members new visibility into cost sharing and out-of-pocket expenditures.

SAP/ERP

L.A. Care is continuing its implementation of SAP for financial management functions. Upcoming efforts focus on the implementation of Arriba, a tool designed to integrate with current SAP procurement solutions. This spend management solution will enable improvements in areas such as electronic order and invoice routing, user and role management functionalities, as well as contract and vendor management. Other work includes the implementation of Callidus, a commission software solution for managing incentives and compensation programs for brokers.



Portfolio Program Descriptions

VOICE – CRM & Telecom

This multi-year program is implementing several solutions for improved customer service for L.A. Care members and providers. One significant area of investment is a Customer Relationship Management (CRM) platform, which provides tools and workflows for sustaining member, provider, broker, and community relationships. A second area of investment is in call center technology. This includes the modernization of the enterprise phone system used by the Call Center, as well as improvements to routing of customer calls and caller authentication. The initiative is also making investments in capturing and managing member data as required by State and Federal regulators.

Leasehold Improvements

The budget includes funds to support construction associated with two new Community Resource Centers (CRC), South L.A. and Lincoln Heights, miscellaneous upgrades to existing CRCs and an initial budget estimate for the build-out of the 1200 E. 7th Street lease space to support the return to work effort slated for September 2024.



Questions & Considerations

Motion FIN 104

- To accept the Financial Report for the nine months ended June 30, 2023.

Motion FIN 105

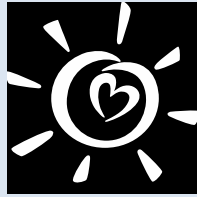
- To recommend the draft FY 2023-24 Capital and Operating Budget for Board Consideration.

Informational Items

Investment Transactions

- As of June 30, 2023, L.A. Care's total investment market value was \$2.5B
 - \$2.4 billion managed by Payden & Rygel
 - \$35 million in Local Agency Investment Fund
 - \$78 million in Los Angeles County Pooled Investment Fund

Quarterly Internal Policies Report



L.A. Care
HEALTH PLAN®

Board of Governors
MOTION SUMMARY

Date: September 7, 2023

Motion No. FIN 104.0923

Committee: Finance & Budget

Chairperson: Stephanie Booth, MD

New Contract **Amendment** **Sole Source** **RFP/RFQ was conducted**

Issue: Acceptance of the Financial Reports for June 2023.

Background: N/A

Member Impact: N/A

Budget Impact: N/A

Motion: **To accept the Financial Reports for June 2023, as submitted.**



L.A. Care
HEALTH PLAN®

Financial Performance
June 2023
(Unaudited)

Overall

The combined member months are 25.5 million year-to-date, which is (59,021) unfavorable to the 3+9 forecast. The performance is a surplus of \$350.0 million or 4.2% of revenue and is \$78.7 million favorable to the forecast. The favorable surplus is driven by prior period program reconciliation adjustments, prior period revenue rate and RAF adjustments, lower skilled nursing facility costs, pharmacy costs, and provider incentives expenses due to timing. Overall favorability is offset by prior period COVID-19 related expenses. Operating expenses are favorable to the forecast due to added funding to the forecast and timing in vendor spending. Higher interest income, higher unrealized investment gains and timing in grant spending also contributed to higher surplus.

Medi-Cal

Medi-Cal consists of members through our contracted providers and our contracted health plans ("Plan Partners"). The member months are 24.0 million, which is (67,519) unfavorable to the forecast. The performance is a surplus of \$261.5 million and is \$38.9 million favorable to the forecast. The favorability in net surplus is driven by prior period program reconciliation adjustments, prior period revenue rate adjustments and lower skilled nursing facility costs. Overall favorability is offset by prior period COVID-19 related expenses. Also contributed to the favorable variance in surplus are lower operating and non-operating expenses as discussed in the Overall section above.

Cal MediConnect (CMC)

The member months are 51,321, which is 240 favorable to the forecast. The performance is a deficit of \$9.3 million which is unfavorable to the forecast by \$4.5 million driver by a provider shared risk adjustment. Effective January 1, 2023, members enrolled in CMC have been transitioned to our D-SNP plan. The net deficit of \$9.3 million is primarily driven by the shared risk adjustment and operating expenses incurred through YTD December 2022 prior to the transition.

D-SNP

January 2023 is the first month of the D-SNP plan as the CMC members were transitioned into this product. For YTD June 2023, the member months are 107,239, which is 955 favorable to the forecast. The performance is a surplus of \$20.3 million which is \$17.5 million favorable to the forecast driven by higher revenue due to RAF and risk share adjustments, better than forecasted capitation expenses and timing in provider incentives and shared risk. Lower operating expenses also contributed to the favorable variance in net surplus.

Commercial

L.A. Care Commercial consists of LACC and PASC-SEIU. The member months are 1.5 million, which is 8,258 favorable to the forecast. The performance is a deficit of \$17.4 million and is \$13.9 million unfavorable to the forecast driven by higher inpatient claims, prior period COVID-19 related expenses, but partially offset by a retro RAF adjustment, lower provider incentives and shared risk due to timing. Higher operating expenses also contributed to the unfavorable variance in net deficit.

Incentive Programs

L.A. Care Incentive Programs consist of CalAIM Incentive Payment Program (IPP) and Housing and Homelessness Incentive Program (HHIP). The YTD surplus of \$109.3 million, which is \$23.9 million favorable to the forecast, is driven by the recognition of revenue for the submission of our investment plan to DHCS and revenue earned from measurement period 1. The favorable variance is driven by the timing in provider incentive spending for HHIP and the expenditures related to this program will be expensed when incur in future periods.



Consolidated Operations Income Statement (\$ in thousands)

June 2023

Current Actual		Current Forecast		Fav(Unfav) Forecast		YTD Actual		YTD Forecast		Fav(Unfav) Forecast		
\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	
2,928,207		2,947,052		(18,845)								
						Membership						
						Member Months	25,548,868	25,607,889	(59,021)			
						Revenue						
\$ 999,376	\$ 341.29	\$ 975,878	\$ 331.14	\$ 23,498	\$ 10.16	Capitation	\$ 8,422,951	\$ 329.68	\$ 8,379,038	\$ 327.21	\$ 43,914	\$ 2.47
\$ 999,376	\$ 341.29	\$ 975,878	\$ 331.14	\$ 23,498	\$ 10.16	Total Revenues	\$ 8,422,951	\$ 329.68	\$ 8,379,038	\$ 327.21	\$ 43,914	\$ 2.47
						Healthcare Expenses						
\$ 523,688	\$ 178.84	\$ 511,320	\$ 173.50	\$ (12,367)	\$ (5.34)	Capitation	\$ 4,460,868	\$ 174.60	\$ 4,463,558	\$ 174.30	\$ 2,690	\$ (0.30)
\$ 132,470	\$ 45.24	\$ 128,028	\$ 43.44	\$ (4,442)	\$ (1.80)	Inpatient Claims	\$ 1,129,467	\$ 44.21	\$ 1,113,411	\$ 43.48	\$ (16,056)	\$ (0.73)
\$ 120,043	\$ 41.00	\$ 122,327	\$ 41.51	\$ 2,284	\$ 0.51	Outpatient Claims	\$ 1,019,030	\$ 39.89	\$ 1,005,956	\$ 39.28	\$ (13,075)	\$ (0.60)
\$ 98,142	\$ 33.52	\$ 103,920	\$ 35.26	\$ 5,778	\$ 1.75	Skilled Nursing Facility	\$ 839,956	\$ 32.88	\$ 875,073	\$ 34.17	\$ 35,117	\$ 1.30
\$ 14,668	\$ 5.01	\$ 11,849	\$ 4.02	\$ (2,819)	\$ (0.99)	Pharmacy	\$ 102,452	\$ 4.01	\$ 102,599	\$ 4.01	\$ 147	\$ (0.00)
\$ 28,987	\$ 9.90	\$ 11,388	\$ 3.86	\$ (17,599)	\$ (6.03)	Provider Incentives and Shared Risk	\$ 93,839	\$ 3.67	\$ 86,191	\$ 3.37	\$ (7,647)	\$ (0.31)
\$ 10,180	\$ 3.48	\$ 9,672	\$ 3.28	\$ (508)	\$ (0.19)	Medical Administrative Expenses	\$ 74,134	\$ 2.90	\$ 80,128	\$ 3.13	\$ 5,994	\$ 0.23
\$ 928,177	\$ 316.98	\$ 898,504	\$ 304.88	\$ (29,673)	\$ (12.10)	Total Healthcare Expenses	\$ 7,719,745	\$ 302.16	\$ 7,726,915	\$ 301.74	\$ 7,170	\$ (0.42)
92.9%		92.1%		-0.8%		MCR(%)	91.7%		92.2%		0.6%	
\$ 71,198	\$ 24.31	\$ 77,374	\$ 26.25	\$ (6,175)	\$ (1.94)	Operating Margin	\$ 703,206	\$ 27.52	\$ 652,122	\$ 25.47	\$ 51,084	\$ 2.06
\$ 45,153	\$ 15.42	\$ 45,005	\$ 15.27	\$ (148)	\$ (0.15)	Total Operating Expenses	\$ 389,932	\$ 15.26	\$ 400,198	\$ 15.63	\$ 10,266	\$ 0.37
4.5%		4.6%		0.1%		Admin Ratio(%)	4.6%		4.8%		0.1%	
\$ 26,045	\$ 8.89	\$ 32,368	\$ 10.98	\$ (6,323)	\$ (2.09)	Income (Loss) from Operations	\$ 313,274	\$ 12.26	\$ 251,924	\$ 9.84	\$ 61,350	\$ 2.42
\$ (15,504)	\$ (5.29)	\$ (3,795)	\$ (1.29)	\$ (11,708)	\$ (4.01)	Other Income/(Expense), net	\$ (34,874)	\$ (1.36)	\$ (29,054)	\$ (1.13)	\$ (5,819)	\$ (0.23)
\$ 10,636	\$ 3.63	\$ 5,101	\$ 1.73	\$ 5,535	\$ 1.90	Interest Income, net	\$ 66,451	\$ 2.60	\$ 44,139	\$ 1.72	\$ 22,312	\$ 0.88
\$ (235)	\$ (0.08)	\$ -	\$ -	\$ (235)	\$ (0.08)	Realized Gain / Loss	\$ (1,562)	\$ (0.06)	\$ (842)	\$ (0.03)	\$ (720)	\$ (0.03)
\$ (2,013)	\$ (0.69)	\$ -	\$ -	\$ (2,013)	\$ (0.69)	Unrealized Gain / Loss	\$ 6,675	\$ 0.26	\$ 5,050	\$ 0.20	\$ 1,626	\$ 0.06
\$ (7,116)	\$ (2.43)	\$ 1,306	\$ 0.44	\$ (8,422)	\$ (2.87)	Total Non-Operating Income (Expense)	\$ 36,691	\$ 1.44	\$ 19,292	\$ 0.75	\$ 17,399	\$ 0.68
\$ 18,929	\$ 6.46	\$ 33,674	\$ 11.43	\$ (14,745)	\$ (4.96)	Net Surplus (Deficit)	\$ 349,965	\$ 13.70	\$ 271,216	\$ 10.59	\$ 78,749	\$ 3.11
1.9%		3.5%		-1.6%		Margin(%)	4.2%		3.2%		0.9%	



Total Medi-Cal Income Statement (\$ in thousands)

June 2023

Current Actual		Current Forecast		Fav(Unfav) Forecast	
\$	PMPM	\$	PMPM	\$	PMPM
2,752,752		2,772,760		(20,008)	
\$ 890,949	\$ 323.66	\$ 895,699	\$ 323.04	\$ (4,750)	\$ 0.62
\$ 890,949	\$ 323.66	\$ 895,699	\$ 323.04	\$ (4,750)	\$ 0.62
\$ 484,249	\$ 175.91	\$ 480,797	\$ 173.40	\$ (3,453)	\$ (2.51)
\$ 113,348	\$ 41.18	\$ 112,905	\$ 40.72	\$ (443)	\$ (0.46)
\$ 107,923	\$ 39.21	\$ 111,379	\$ 40.17	\$ 3,456	\$ 0.96
\$ 97,640	\$ 35.47	\$ 103,920	\$ 37.48	\$ 6,280	\$ 2.01
\$ (5)	\$ (0.00)	\$ -	\$ -	\$ 5	\$ 0.00
\$ 35,241	\$ 12.80	\$ 5,361	\$ 1.93	\$ (29,880)	\$ (10.87)
\$ 8,827	\$ 3.21	\$ 8,636	\$ 3.11	\$ (190)	\$ (0.09)
\$ 847,223	\$ 307.77	\$ 822,997	\$ 296.82	\$ (24,225)	\$ (10.96)
95.1%		91.9%		-3.2%	
\$ 43,726	\$ 15.88	\$ 72,702	\$ 26.22	\$ (28,976)	\$ (10.34)
\$ 36,553	\$ 13.28	\$ 36,422	\$ 13.14	\$ (131)	\$ (0.14)
4.1%		4.1%		0.0%	
\$ 7,173	\$ 2.61	\$ 36,280	\$ 13.08	\$ (29,107)	\$ (10.48)
\$ (4,693)	\$ (1.70)	\$ 4,621	\$ 1.67	\$ (9,315)	\$ (3.37)
\$ 2,479	\$ 0.90	\$ 40,901	\$ 14.75	\$ (38,421)	\$ (13.85)
0.3%		4.6%		-4.3%	

	YTD Actual		YTD Forecast		Fav(Unfav) Forecast	
	\$	PMPM	\$	PMPM	\$	PMPM
Membership						
Member Months	23,961,047		24,028,566		(67,519)	
Revenue						
Capitation	\$ 7,573,059	\$ 316.06	\$ 7,567,231	\$ 314.93	\$ 5,828	\$ 1.13
Total Revenues	\$ 7,573,059	\$ 316.06	\$ 7,567,231	\$ 314.93	\$ 5,828	\$ 1.13
Healthcare Expenses						
Capitation	\$ 4,195,916	\$ 175.11	\$ 4,199,423	\$ 174.77	\$ 3,507	\$ (0.35)
Inpatient Claims	\$ 978,140	\$ 40.82	\$ 975,868	\$ 40.61	\$ (2,272)	\$ (0.21)
Outpatient Claims	\$ 917,002	\$ 38.27	\$ 911,074	\$ 37.92	\$ (5,928)	\$ (0.35)
Skilled Nursing Facility	\$ 828,740	\$ 34.59	\$ 867,525	\$ 36.10	\$ 38,785	\$ 1.52
Pharmacy	\$ 401	\$ 0.02	\$ (162)	\$ (0.01)	\$ (563)	\$ (0.02)
Provider Incentives and Shared Risk	\$ 69,622	\$ 2.91	\$ 40,249	\$ 1.68	\$ (29,373)	\$ (1.23)
Medical Administrative Expenses	\$ 69,641	\$ 2.91	\$ 73,541	\$ 3.06	\$ 3,900	\$ 0.15
Total Healthcare Expenses	\$ 7,059,461	\$ 294.62	\$ 7,067,518	\$ 294.13	\$ 8,057	\$ (0.49)
MCR(%)	93.2%		93.4%		0.2%	
Operating Margin	\$ 513,598	\$ 21.43	\$ 499,713	\$ 20.80	\$ 13,885	\$ 0.64
Total Operating Expenses	\$ 310,813	\$ 12.97	\$ 323,492	\$ 13.46	\$ 12,679	\$ 0.49
Admin Ratio(%)	4.1%		4.3%		0.2%	
Income (Loss) from Operations	\$ 202,785	\$ 8.46	\$ 176,221	\$ 7.33	\$ 26,564	\$ 1.13
Total Non-Operating Income (Expense)	\$ 58,715	\$ 2.45	\$ 46,334	\$ 1.93	\$ 12,381	\$ 0.52
Net Surplus (Deficit)	\$ 261,499	\$ 10.91	\$ 222,555	\$ 9.26	\$ 38,945	\$ 1.65
Margin(%)	3.5%		2.9%		0.5%	



D-SNP Income Statement (\$ in thousands)

June 2023

Current Actual		Current Forecast		Fav(Unfav) Forecast		YTD Actual		YTD Forecast		Fav(Unfav) Forecast		
\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	
18,181		17,742		439								
\$ 25,005	\$ 1,375.32	\$ 24,597	\$ 1,386.34	\$ 408	\$ (11.02)					\$ 10,873	\$ 89.05	
\$ 25,005	\$ 1,375.32	\$ 24,597	\$ 1,386.34	\$ 408	\$ (11.02)					\$ 10,873	\$ 89.05	
\$ 11,272	\$ 620.01	\$ 10,733	\$ 604.94	\$ (539)	\$ (15.07)	Membership						
\$ 7,720	\$ 424.63	\$ 6,223	\$ 350.72	\$ (1,498)	\$ (73.91)	Member Months	107,239	106,284	955			
\$ 3,039	\$ 167.18	\$ 2,680	\$ 151.06	\$ (359)	\$ (16.12)							
\$ 469	\$ 25.80	\$ -	\$ -	\$ (469)	\$ (25.80)	Revenue						
\$ 517	\$ 28.42	\$ 1,247	\$ 70.27	\$ 730	\$ 41.85	Capitation	\$ 158,219	\$ 1,475.39	\$ 147,346	\$ 1,386.34	\$ 10,873	\$ 89.05
\$ 1,544	\$ 84.90	\$ 913	\$ 51.43	\$ (631)	\$ (33.47)	Total Revenues	\$ 158,219	\$ 1,475.39	\$ 147,346	\$ 1,386.34	\$ 10,873	\$ 89.05
\$ 566	\$ 31.16	\$ 509	\$ 28.71	\$ (57)	\$ (2.45)	Healthcare Expenses						
\$ 25,128	\$ 1,382.10	\$ 22,305	\$ 1,257.13	\$ (2,823)	\$ (124.97)	Capitation	\$ 59,464	\$ 554.50	\$ 64,296	\$ 604.94	\$ 4,832	\$ 50.45
100.5%		90.7%		-9.8%		Inpatient Claims	\$ 38,654	\$ 360.44	\$ 37,276	\$ 350.72	\$ (1,378)	\$ (9.72)
\$ (123)	\$ (6.79)	\$ 2,292	\$ 129.20	\$ (2,416)	\$ (135.99)	Outpatient Claims	\$ 16,120	\$ 150.32	\$ 16,025	\$ 150.77	\$ (95)	\$ 0.45
\$ 1,417	\$ 77.93	\$ 1,798	\$ 101.31	\$ 381	\$ 23.38	Skilled Nursing Facility	\$ 2,914	\$ 27.17	\$ -	\$ -	\$ (2,914)	\$ (27.17)
5.7%		7.3%		1.6%		Pharmacy	\$ 6,278	\$ 58.54	\$ 7,469	\$ 70.27	\$ 1,191	\$ 11.73
\$ (1,540)	\$ (84.72)	\$ 495	\$ 27.89	\$ (2,035)	\$ (112.61)	Provider Incentives and Shared Risk	\$ 4,126	\$ 38.47	\$ 5,467	\$ 51.43	\$ 1,341	\$ 12.96
\$ -	\$ -	\$ 163	\$ 9.17	\$ (163)	\$ (9.17)	Medical Administrative Expenses	\$ 1,026	\$ 9.57	\$ 2,704	\$ 25.45	\$ 1,679	\$ 15.88
\$ (1,540)	\$ (84.72)	\$ 658	\$ 37.06	\$ (2,198)	\$ (121.78)	Total Healthcare Expenses	\$ 128,581	\$ 1,199.01	\$ 133,237	\$ 1,253.59	\$ 4,656	\$ 54.57
-6.2%		2.7%		-8.8%		<i>MCR(%)</i>	81.3%	90.4%	9.2%			
						Operating Margin	\$ 29,638	\$ 276.37	\$ 14,109	\$ 132.75	\$ 15,529	\$ 143.62
						Total Operating Expenses	\$ 9,316	\$ 86.87	\$ 12,221	\$ 114.99	\$ 2,905	\$ 28.11
						<i>Admin Ratio(%)</i>	5.9%	8.3%	2.4%			
						Income (Loss) from Operations	\$ 20,322	\$ 189.50	\$ 1,888	\$ 17.76	\$ 18,434	\$ 171.74
						Total Non-Operating Income (Expense)	\$ -	\$ -	\$ 972	\$ 9.15	\$ (972)	\$ (9.15)
						Net Surplus (Deficit)	\$ 20,322	\$ 189.50	\$ 2,860	\$ 26.91	\$ 17,462	\$ 162.59
						<i>Margin(%)</i>	12.8%	1.9%	10.9%			



Commercial Income Statement (\$ in thousands)

June 2023

Current Actual		Current Forecast		Fav(Unfav) Forecast	
\$	PMPM	\$	PMPM	\$	PMPM
175,455		174,292		1,163	
\$ 79,750	\$ 454.53	\$ 53,748	\$ 308.38	\$ 26,002	\$ 146.16
\$ 79,750	\$ 454.53	\$ 53,748	\$ 308.38	\$ 26,002	\$ 146.16
\$ 27,809	\$ 158.49	\$ 18,921	\$ 108.56	\$ (8,888)	\$ (49.94)
\$ 12,794	\$ 72.92	\$ 8,900	\$ 51.07	\$ (3,894)	\$ (21.86)
\$ 9,321	\$ 53.12	\$ 7,381	\$ 42.35	\$ (1,940)	\$ (10.77)
\$ 156	\$ 0.89	\$ -	\$ -	\$ (156)	\$ (0.89)
\$ 14,157	\$ 80.69	\$ 10,602	\$ 60.83	\$ (3,555)	\$ (19.86)
\$ 1,087	\$ 6.19	\$ 1,205	\$ 6.91	\$ 118	\$ 0.72
\$ 592	\$ 3.37	\$ 466	\$ 2.67	\$ (126)	\$ (0.70)
\$ 65,916	\$ 375.68	\$ 47,475	\$ 272.39	\$ (18,441)	\$ (103.30)
82.7%		88.3%		5.7%	
\$ 13,834	\$ 78.85	\$ 6,273	\$ 35.99	\$ 7,562	\$ 42.86
\$ 6,661	\$ 37.97	\$ 6,079	\$ 34.88	\$ (582)	\$ (3.09)
8.4%		11.3%		3.0%	
\$ 7,173	\$ 40.88	\$ 193	\$ 1.11	\$ 6,980	\$ 39.77
\$ (586)	\$ (3.34)	\$ 317	\$ 1.82	\$ (903)	\$ (5.16)
\$ 6,587	\$ 37.54	\$ 510	\$ 2.93	\$ 6,077	\$ 34.62
8.3%		0.9%		7.3%	

	YTD Actual		YTD Forecast		Fav(Unfav) Forecast	
	\$	PMPM	\$	PMPM	\$	PMPM
Membership						
Member Months	1,536,500		1,528,242		8,258	
Revenue						
Capitation	\$ 488,248	\$ 317.77	\$ 463,806	\$ 303.49	\$ 24,442	\$ 14.28
Total Revenues	\$ 488,248	\$ 317.77	\$ 463,806	\$ 303.49	\$ 24,442	\$ 14.28
Healthcare Expenses						
Capitation	\$ 174,049	\$ 113.28	\$ 164,681	\$ 107.76	\$ (9,368)	\$ (5.52)
Inpatient Claims	\$ 87,290	\$ 56.81	\$ 75,689	\$ 49.53	\$ (11,601)	\$ (7.28)
Outpatient Claims	\$ 75,001	\$ 48.81	\$ 65,915	\$ 43.13	\$ (9,086)	\$ (5.68)
Skilled Nursing Facility	\$ 1,095	\$ 0.71	\$ 354	\$ 0.23	\$ (741)	\$ (0.48)
Pharmacy	\$ 99,543	\$ 64.79	\$ 94,095	\$ 61.57	\$ (5,448)	\$ (3.22)
Provider Incentives and Shared Risk	\$ 3,356	\$ 2.18	\$ 8,999	\$ 5.89	\$ 5,643	\$ 3.70
Medical Administrative Expenses	\$ 1,636	\$ 1.06	\$ 2,587	\$ 1.69	\$ 951	\$ 0.63
Total Healthcare Expenses	\$ 441,970	\$ 287.65	\$ 412,320	\$ 269.80	\$ (29,650)	\$ (17.85)
<i>MCR(%)</i>	90.5%		88.9%		-1.6%	
Operating Margin	\$ 46,278	\$ 30.12	\$ 51,486	\$ 33.69	\$ (5,208)	\$ (3.57)
Total Operating Expenses	\$ 64,527	\$ 42.00	\$ 57,740	\$ 37.78	\$ (6,787)	\$ (4.21)
<i>Admin Ratio(%)</i>	13.2%		12.4%		-0.8%	
Income (Loss) from Operations	\$ (18,248)	\$ (11.88)	\$ (6,253)	\$ (4.09)	\$ (11,995)	\$ (7.78)
Total Non-Operating Income (Expense)	\$ 848	\$ 0.55	\$ 2,719	\$ 1.78	\$ (1,871)	\$ (1.23)
Net Surplus (Deficit)	\$ (17,401)	\$ (11.32)	\$ (3,535)	\$ (2.31)	\$ (13,866)	\$ (9.01)
<i>Margin(%)</i>	-3.6%		-0.8%		-2.8%	



Comparative Balance Sheet

(Dollars in thousands)	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
ASSETS												
CURRENT ASSETS												
Total Current Assets	\$4,936,270	\$4,820,099	\$5,663,469	\$5,084,708	\$5,172,416	\$5,211,120	\$5,469,816	\$5,452,064	\$7,027,117	\$5,699,958	\$5,932,683	\$5,763,647
Capitalized Assets - net	\$102,369	\$104,591	\$98,723	\$98,849	\$98,849	\$92,230	\$95,333	\$96,465	\$99,515	\$100,173	\$99,824	\$102,476
NONCURRENT ASSETS												
	\$2,363	\$2,230	\$2,129	\$2,006	\$1,946	\$1,946	\$1,531	\$1,033	\$1,556	\$1,401	\$1,288	\$1,191
TOTAL ASSETS	\$5,046,815	\$4,926,919	\$5,833,900	\$5,255,144	\$5,342,529	\$5,377,377	\$5,635,100	\$5,616,811	\$7,193,822	\$5,865,711	\$6,096,530	\$5,928,393
LIABILITIES AND FUND EQUITY												
CURRENT LIABILITIES												
Total Current Liability	\$3,964,303	\$3,857,575	\$4,746,546	\$4,148,776	\$4,249,831	\$4,253,401	\$4,493,204	\$4,388,975	\$5,909,168	\$4,500,566	\$4,680,664	\$4,493,604
Long Term Liability	\$2,429	\$2,476	\$0	(\$9)	\$38	(\$2,775)	(\$2,781)	(\$2,731)	(\$2,681)	(\$2,575)	(\$2,524)	(\$2,530)
Total Liabilities	\$3,966,733	\$3,860,051	\$4,746,546	\$4,148,767	\$4,249,869	\$4,250,626	\$4,490,424	\$4,386,245	\$5,906,488	\$4,497,992	\$4,678,140	\$4,491,073
FUND EQUITY												
Invested in Capital Assets, net of related debt	\$102,369	\$104,591	\$98,723	\$98,849	\$98,849	\$92,230	\$95,333	\$96,465	\$99,515	\$100,173	\$99,824	\$102,476
Restricted Equity	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600
Minimum Tangible Net Equity	\$204,167	\$204,247	\$207,029	\$206,981	\$206,981	\$208,364	\$212,637	\$214,911	\$218,383	\$219,432	\$230,007	\$234,133
Board Designated Funds	\$108,737	\$106,837	\$104,822	\$113,719	\$107,669	\$106,809	\$103,706	\$100,888	\$98,646	\$94,807	\$92,624	\$98,903
Unrestricted Net Assets	\$664,209	\$650,594	\$676,180	\$686,228	\$678,561	\$718,747	\$732,399	\$817,702	\$870,190	\$952,707	\$995,335	\$1,001,207
Total Fund Equity	\$1,080,082	\$1,066,868	\$1,087,354	\$1,106,377	\$1,092,660	\$1,126,751	\$1,144,676	\$1,230,566	\$1,287,334	\$1,367,719	\$1,418,390	\$1,437,319
TOTAL LIABILITIES AND FUND EQUITY	\$5,046,815	\$4,926,919	\$5,833,900	\$5,255,144	\$5,342,529	\$5,377,377	\$5,635,100	\$5,616,811	\$7,193,822	\$5,865,711	\$6,096,530	\$5,928,393
Solvency Ratios												
Working Capital Ratio	1.25	1.25	1.19	1.23	1.22	1.23	1.22	1.24	1.19	1.27	1.27	1.28
Cash to Claims Ratio	0.52	0.49	0.63	0.46	0.48	0.48	0.54	0.51	0.88	0.64	0.67	0.68
Tangible Net Equity Ratio	5.29	5.22	5.25	5.35	5.28	5.41	5.38	5.73	5.89	6.23	6.17	6.14



Cash Flows Statement (\$ in thousands)

June 2023

	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	YTD
Cash Flows from Operating Activities:										
Capitation Revenue	\$ 763,710	\$ 817,194	\$ 840,632	\$ 1,017,855	\$ 803,604	\$ 1,185,273	\$ 969,307	\$ 1,069,372	\$ 1,074,209	\$ 8,541,156
Other Income (Expense), net	\$ 6,284	\$ (1,516)	\$ 6,286	\$ 788	\$ 3,433	\$ 2,910	\$ 10,472	\$ 5,794	\$ 3,259	\$ 37,710
Healthcare Expenses	\$ (737,336)	\$ (716,891)	\$ (781,483)	\$ (839,834)	\$ (651,002)	\$ (878,499)	\$ (672,951)	\$ (908,413)	\$ (1,180,804)	\$ (7,367,213)
Operating Expenses	\$ (29,792)	\$ (36,802)	\$ (54,221)	\$ (29,955)	\$ (37,060)	\$ (48,926)	\$ (31,299)	\$ (51,083)	\$ (41,596)	\$ (360,734)
Net Cash Provided By Operating Activities	\$ 2,866	\$ 61,985	\$ 11,214	\$ 148,854	\$ 118,975	\$ 260,758	\$ 275,529	\$ 115,670	\$ (144,932)	\$ 850,919
Cash Flows from Investing Activities										
Purchase of investments - Net	\$ (65,406)	\$ (114,037)	\$ (94,704)	\$ (57,274)	\$ (57,555)	\$ 152,854	\$ (9,712)	\$ (127,718)	\$ (17,103)	\$ (390,655)
Purchase of Capital Assets	\$ (2,036)	\$ (1,650)	\$ (1,538)	\$ (2,652)	\$ (3,361)	\$ (4,585)	\$ (2,356)	\$ (1,632)	\$ (4,317)	\$ (24,127)
Net Cash Provided By Investing Activities	\$ (67,442)	\$ (115,687)	\$ (96,242)	\$ (59,926)	\$ (60,916)	\$ 148,269	\$ (12,068)	\$ (129,350)	\$ (21,420)	\$ (414,782)
Cash Flows from Financing Activities:										
Lease Payment - Capital & ROU	\$ -	\$ -	\$ -	\$ (2,833)	\$ (1,171)	\$ (1,713)	\$ (1,454)	\$ (1,444)	\$ (1,517)	\$ (10,132)
Gross Premium Tax (MCO Sales Tax) - Net	\$ (39,300)	\$ 25,277	\$ 16,069	\$ (34,639)	\$ 21,457	\$ (109)	\$ 15,639	\$ 33	\$ 17,670	\$ 22,097
Pass through transactions (AB 85, IGT, etc.)	\$ (575,356)	\$ 12	\$ (15,957)	\$ 135,967	\$ (131,768)	\$ 1,194,616	\$ (1,187,876)	\$ (4,944)	\$ (721)	\$ (586,027)
Net Cash Provided By Financing Activities	\$ (614,656)	\$ 25,289	\$ 112	\$ 98,495	\$ (111,482)	\$ 1,192,794	\$ (1,173,691)	\$ (6,355)	\$ 15,432	\$ (574,062)
Net Increase in Cash and Cash Equivalents	\$ (679,232)	\$ (28,413)	\$ (84,916)	\$ 187,423	\$ (53,423)	\$ 1,601,821	\$ (910,230)	\$ (20,035)	\$ (150,920)	\$ (137,925)
Cash and Cash Equivalents, Beginning	\$ 1,239,407	\$ 560,175	\$ 531,762	\$ 446,846	\$ 634,269	\$ 580,846	\$ 2,182,667	\$ 1,272,437	\$ 1,252,402	\$ 1,239,407
Cash and Cash Equivalents, Ending	\$ 560,175	\$ 531,762	\$ 446,846	\$ 634,269	\$ 580,846	\$ 2,182,667	\$ 1,272,437	\$ 1,252,402	\$ 1,101,482	\$ 1,101,482
Reconciliation of Income from Operations to Net Cash Provided By (Used In) Operating Activities:										
Excess of Revenues over Expenses	\$ 19,023	\$ (13,716)	\$ 34,090	\$ 17,925	\$ 85,890	\$ 56,768	\$ 80,385	\$ 50,671	\$ 18,929	\$ 349,965
Adjustments to Excess of Revenues Over Expenses:										
Depreciation	\$ 1,910	\$ 1,912	\$ 5,393	\$ 3,211	\$ 3,400	\$ 3,151	\$ 3,153	\$ 3,424	\$ 3,321	\$ 28,875
Realized and Unrealized (Gain)/Loss on Investments	\$ 2,065	\$ (5,545)	\$ (728)	\$ (4,096)	\$ 4,937	\$ (6,469)	\$ (1,493)	\$ 3,967	\$ 2,248	\$ (5,114)
Deferred Rent	\$ (9)	\$ 47	\$ (2,813)	\$ (6)	\$ 50	\$ 50	\$ 107	\$ 50	\$ (6)	\$ (2,530)
Gross Premium Tax provision	\$ (708)	\$ (778)	\$ (862)	\$ (2,376)	\$ 580	\$ 148	\$ (465)	\$ 5	\$ 13,340	\$ 8,884
Loss on Disposal of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3)	\$ 3	\$ -	\$ -	\$ -
Total Adjustments to Excess of Revenues over Expenses	\$ 3,258	\$ (4,364)	\$ 990	\$ (3,267)	\$ 8,967	\$ (3,123)	\$ 1,305	\$ 7,446	\$ 18,903	\$ 30,115
Changes in Operating Assets and Liabilities:										
Capitation Receivable	\$ (32,935)	\$ (3,386)	\$ (19,040)	\$ 32,496	\$ (95,242)	\$ (132,584)	\$ 329,870	\$ (107,655)	\$ 21,149	\$ (7,327)
Interest and Non-Operating Receivables	\$ 277	\$ (941)	\$ 3,653	\$ (1,790)	\$ (652)	\$ (3,553)	\$ 3,543	\$ (1,263)	\$ (4,579)	\$ (5,305)
Prepaid and Other Current Assets	\$ 5,448	\$ (1,775)	\$ (11,846)	\$ 7,691	\$ 2,710	\$ (2,922)	\$ 79,700	\$ (747)	\$ (14,514)	\$ 63,745
Accounts Payable and Accrued Liabilities	\$ 2,713	\$ 2,806	\$ (6,256)	\$ 4,546	\$ (2,255)	\$ (3,903)	\$ 4,517	\$ (4,260)	\$ 2,452	\$ 360
Subcapitation Payable	\$ 28,522	\$ 57,608	\$ 11,307	\$ 43,530	\$ 151,132	\$ (2,762)	\$ 62,977	\$ (20,456)	\$ (285,899)	\$ 45,959
MediCal Adult Expansion Payable	\$ 3	\$ (649)	\$ 1	\$ -	\$ 1	\$ -	\$ (31,083)	\$ -	\$ -	\$ (31,727)
Deferred Capitation Revenue	\$ (25,814)	\$ (1,348)	\$ 492	\$ 55,505	\$ (75,730)	\$ 340,273	\$ (322,939)	\$ 101,408	\$ 53,684	\$ 125,531
Accrued Medical Expenses	\$ (6,449)	\$ 4,176	\$ (2,080)	\$ 4,932	\$ 3,129	\$ 10,758	\$ 19,986	\$ 107,025	\$ 14,977	\$ 156,454
Reserve for Claims	\$ 7,512	\$ 16,195	\$ 22,490	\$ 12,240	\$ 40,128	\$ 5,392	\$ 31,621	\$ (20,321)	\$ 12,569	\$ 127,826
Reserve for Provider Incentives	\$ 421	\$ 5,561	\$ (22,425)	\$ (25,270)	\$ (403)	\$ (1,808)	\$ 13,478	\$ 4,384	\$ 17,825	\$ (8,237)
Grants Payable	\$ 887	\$ 1,818	\$ (162)	\$ 316	\$ 1,300	\$ (1,778)	\$ 2,169	\$ (562)	\$ (428)	\$ 3,560
Net Changes in Operating Assets and Liabilities	\$ (19,415)	\$ 80,065	\$ (23,866)	\$ 134,196	\$ 24,118	\$ 207,113	\$ 193,839	\$ 57,553	\$ (182,764)	\$ 470,839
Net Cash Provided By Operating Activities	\$ 2,866	\$ 61,985	\$ 11,214	\$ 148,854	\$ 118,975	\$ 260,758	\$ 275,529	\$ 115,670	\$ (144,932)	\$ 850,919



L.A. Care
HEALTH PLAN

Board of Governors
MOTION SUMMARY

Date: September 7, 2023

Motion No. FIN 105.0923

Committee: Finance & Budget

Chairperson: Stephanie Booth, MD

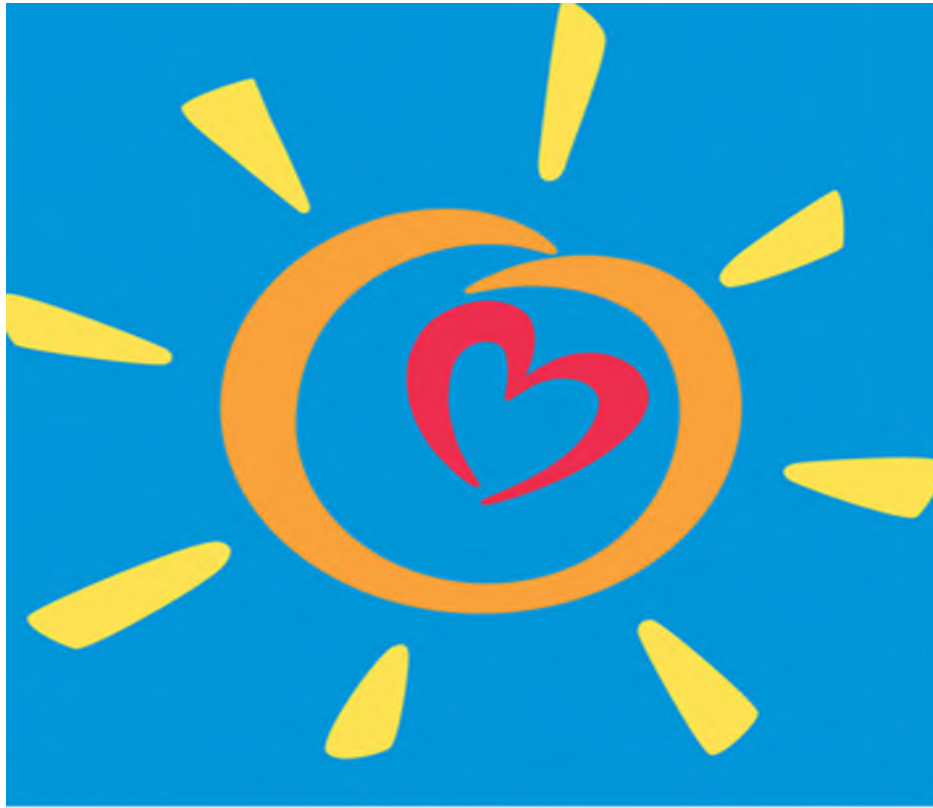
Issue: Recommend the draft FY 2023-24 Operating and Capital Budget for Board consideration.

Background: Please see the Budget documents for detailed information.

Member Impact: The annual Capital and Operating Budget outlines the appropriate use of revenue to provide access to quality health care for Los Angeles County's vulnerable and low-income communities and residents and to support the safety net required to achieve that purpose.

Budget Impact: Not applicable.

Motion: To approve the Fiscal Year 2023-24 Operating and Capital Budget, as submitted.



L.A. Care
HEALTH PLAN®

**OPERATING AND CAPITAL BUDGET
FISCAL YEAR 2023-24**

Board of Governors
September 1, 2023

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EXECUTIVE SUMMARY

Environmental Overview

The most significant environmental impacts on our budget for the upcoming year stem from the end of the Public Health Emergency (PHE), along with the ongoing implementation of California Advancing and Innovating Medi-Cal (CalAIM) and related initiatives.

Medi-Cal

During the COVID-related PHE, Medi-Cal redeterminations had been suspended, meaning that people who might have lost coverage during their renewal period were kept on Medi-Cal. With the end of the PHE, redeterminations are resuming. The Continuous Coverage unwinding period began on April 1, 2023 and continues through May 31, 2024 with disenrollments beginning July 1, 2023. We projected an annualized disenrollment rate of 13% for L.A. Care, a loss of about 350,000 members. L.A. County is automatically renewing members for whom they have relevant information (e.g. they are enrolled in another income-eligible program) which will help mitigate membership loss. However, based on early experience, 55% of members still need to complete the renewal packet. L.A. Care is conducting extensive outreach in multiple ways to assist members with the renewal process.

Despite redetermination-related membership losses, new Medi-Cal membership will result from other policy changes. Most fee-for-service members have been converted to Medi-Cal managed care as specified by the CalAIM initiative. In addition, the state has expanded Medi-Cal to income-eligible undocumented adults aged 26-49 beginning in 2024, meaning that undocumented individuals of all ages who meet income requirements can now enroll in Medi-Cal.

During the past fiscal year (FY), the state conducted its procurement process to select the commercial plans in Two-Plan model counties. Ultimately, Health Net was selected as the commercial plan for Los Angeles County, with Molina as a subcontracted plan. Although this represents status quo, the state has specified a 50-50 membership split between Health Net and Molina, dramatically changing the membership balance between the two plans. Though, details have not yet been solidified about how that membership assignment will occur. It is not clear how or whether this might affect L.A. Care's membership, but the new arrangement might lead to more robust competition for members. In addition, all Medi-Cal plans, including L.A. Care, will be subject to a new Medi-Cal contract with additional requirements.

The state's direct contract with Kaiser, beginning in 2024, will also affect L.A. Care's membership. Kaiser will no longer be L.A. Care's Plan Partner and will lose Kaiser's projected 270,000 members, along with the associated revenue and health care costs. Removing Kaiser from L.A. Care's quality score calculation may affect our overall quality rating which in turn affects auto-assignment. Although Kaiser's members comprise a small fraction of L.A. Care's total membership, its quality ratings are very high.

L.A. Care continues to implement provisions of CalAIM, the state's Medi-Cal transformation which began in FY 2021-22. CalAIM's goals are to manage member risk while addressing social determinants of health, reduce complexity and increase flexibility of Medi-Cal, and improve quality outcomes and the delivery system. As described above, the transition of members from fee-for-service to managed care has been implemented, along with other major components such as Enhanced Care Management (ECM) and Community Supports (CS). The state is providing managed care plans with the opportunity to earn Incentive Payment Program (IPP) funding, which provides plans with incentive funding to support the development of strong ECM and CS networks. The state is also providing plans with the opportunity to earn Housing and Homeless Incentive Program (HHIP) funding to support treatment and services to homeless members.

Providers are also expected to benefit from a proposed increase to Medi-Cal base rates in the Governor's budget for FY 2023-24. The budget calls for the reinstatement of the Managed Care Organization (MCO) tax, which can be used to ensure that Medi-Cal rates for primary care, maternity care and non-specialty mental health services are at 87.5% of Medicare. Although this is a welcome change, the California Safety Net Coalition is pursuing a ballot initiative for the November 2024 election that would make this formula permanent, as budget proposals change with administrations and budget conditions.

L.A. Care Covered

The COVID-19 emergency has also affected Covered California and our L.A. Care Covered product. Most significantly, the Inflation Reduction Act continued the increased premium assistance provided by the American Rescue Plan through the end of 2025. In many cases, members pay little to no premiums. As price is key a driver for members' plan selection, continuation of this assistance is important to L.A. Care and our current and prospective members.

Legislation from 2019, SB 260, created a process where people who lose Med-Cal coverage are automatically enrolled into Covered California qualified health plans. In most cases, people will be enrolled in the lowest cost silver plan in the member's rating region. L.A. Care has historically occupied that position so Medi-Cal membership loss may be partially offset by an L.A. Care Covered membership gain. It will be important for L.A. Care to maintain its lowest cost position for 2024 to benefit from this process.

Medicare

Fiscal year 2022-23 completed the sunset of Cal MediConnect, L.A. Care's previous product for dual-eligible members, replaced by our Dual Eligible Special Needs Plan (D-SNP), called L.A. Care Medicare Plus. Cal MediConnect members have been successfully transitioned to L.A. Care Medicare Plus and we are actively marketing to new members.

The Medicare Advantage (MA) Value-Based Insurance Design (VBID) Model was extended for calendar years 2025 through 2030. The MA VBID model is a CMS demonstration program designed to reduce Medicare program expenditures, enhance the quality of care for Medicare beneficiaries, including those with low incomes such as dual-eligibles, and improve the coordination and efficiency of health care service delivery. L.A. Care received a provisional approval to include the proposed VBID benefit in the 2024 benefit package.

Membership

L.A. Care has approximately 2.49 million members budgeted for FY 2023-24, 2.29 million of which are Medi-Cal. With the resumption of redeterminations, our product team has a heightened focus to work on strategies to promote member retention, outreach, and engagement including enhancing member informing materials and collaborating with County partners to explore opportunities to retain the maximum number of eligible members as possible.

Overall, the projected membership reduction between FY 2022-23 Forecast and FY 2023-24 Budget is expected to be 355,000 members or -12.5 percent, with member months decreasing by 2,979,000 or -8.7 percent. Combined segment membership is projected to be 2,487,543 at September 30, 2024.

Membership by Fiscal Year								
(\$ in thousands)	Membership		Change		Member Months		Change	
	FY 2022-23	FY 2023-24	Membership ⁽¹⁾	Percent	FY 2022-23	FY 2023-24	Member Months	Percent
	9+3 Forecast	Budget			9+3 Forecast	Budget		
Total Medi-Cal ⁽²⁾	2,665	2,290	(375)	(14.1%)	32,042	28,862	(3,181)	(9.9%)
D-SNP	18	19	1	5.9%	162	227	65	40.1%
Commercial	178	198	20	11.0%	2,072	2,324	253	12.2%
Elimination ⁽³⁾	(18)	(19)	(1)	5.9%	(162)	(227)	(65)	40.1%
Total	2,843	2,488	(355)	(12.5%)	34,114	31,186	(2,928)	(8.6%)

Note:

1. Membership is at year end

2. Plan Partners - Kaiser ends on December 31, 2023

3. Beginning January 2023, D-SNP members are included in both D-SNP & CCI under Total Medi-Cal since the funding comes from CMS & DHCS

Membership by Segment Fiscal Year 2023-24 Budget					
(\$ in thousands)	Total Medi-Cal	Commercial	D-SNP	Elimination*	Total
Oct-23	2,635,747	179,958	18,300	(18,300)	2,815,705
Nov-23	2,607,279	181,924	18,201	(18,201)	2,789,203
Dec-23	2,579,122	183,519	18,102	(18,102)	2,762,641
Jan-24	2,360,469	186,449	18,926	(18,926)	2,546,918
Feb-24	2,409,976	196,538	18,961	(18,961)	2,606,514
Mar-24	2,383,949	196,786	19,037	(19,037)	2,580,735
Apr-24	2,358,203	198,165	19,112	(19,112)	2,556,368
May-24	2,332,733	199,744	19,185	(19,185)	2,532,477
Jun-24	2,307,540	201,110	19,255	(19,255)	2,508,650
Jul-24	2,301,494	201,282	19,324	(19,324)	2,502,776
Aug-24	2,295,483	200,959	19,392	(19,392)	2,496,442
Sep-24	2,289,506	198,038	19,457	(19,457)	2,487,544
Total	28,861,501	2,324,472	227,252	(227,252)	31,185,973

*Beginning January 2023, D-SNP members are included in both D-SNP & CCI under Total Medi-Cal since the funding comes from CMS & DHCS

Combined Operations & Financials

Combined operations are budgeted to produce a net surplus of \$301.9 million, which includes the \$36.4 million in support of community investments and \$95.3 million in Incentive Programs. Adjusted net surplus excluding the Incentive Payment Program (IPP) and Homeless and Housing Incentive Program (HHIP) is expected to be \$206.6 million, or a 1.9% margin ratio.

Consolidated Statement of Operations						
Fiscal Year 2023-24 Budget						
(\$ in millions)	Total Medi-Cal	Commercial	D-SNP	Community Programs ⁽¹⁾	Incentive Programs ⁽²⁾	Total
Revenue	\$9,670.9	\$837.2	\$328.8	\$0.0	\$198.7	\$11,035.6
Healthcare Expenses	9,063.4	739.7	293.4	-	102.3	10,198.8
<i>MCR %</i>	<i>93.7%</i>	<i>88.4%</i>	<i>89.2%</i>	<i>n/a</i>	<i>n/a</i>	<i>92.4%</i>
Operating Margin	607.6	97.5	35.4	-	96.3	836.8
Operating Expenses	468.8	66.7	21.7	-	1.0	558.2
<i>Administrative Ratio %</i>	<i>4.8%</i>	<i>8.0%</i>	<i>6.6%</i>	<i>n/a</i>	<i>n/a</i>	<i>5.1%</i>
Gain/(Loss) from Operations	138.8	30.9	13.6	-	95.3	278.6
Community Investments	-	-	-	(36.4)	-	(36.4)
Managed Care Tax, net	-	-	-	-	-	-
Investment Income, net	53.1	4.7	1.8	-	-	59.7
Net Surplus/(Deficit)	\$191.9	\$35.6	\$15.5	(\$36.4)	\$95.3	\$301.9
Margin Ratio %	2.0%	4.3%	4.7%	<i>n/a</i>	<i>n/a</i>	2.7%

Note:

1. Includes Community Resource Centers, Blue Shield Promise Grant & First 4 LA Grant
2. Includes Incentive Payment Program (IPP) & Housing and Homelessness Incentive Program (HHIP)

Revenue

Medi-Cal Capitation Rates (Classic Rating & Duals Categories)

The revenue rates are based on calendar year (CY) 2023 rates from the California Department of Health Care Services (DHCS). The CY 2024 rates assumes a rate decrease across all categories of aid.

D-SNP

D-SNP revenue for October '23 – December '23 is based on CY 2023 rates and CY 2024 revenue is based on the bid submitted to CMS.

L.A. Care Covered

L.A. Care Covered revenue for October '23 – December '23 is based on the CY 2023 rates and the CY 2024 revenue is supported by the rates submitted to Covered California for the respective time period.

Healthcare Expenses

Consistent with a maturing health care delivery network, the utilization growth and the health care services delivery have become more complex. L.A. Care's management team remains focused on utilization management processes, provider contracting, and claims payment management. The fundamental goal is guided by the Institute for Healthcare Improvement's (IHI) Triple Aim Framework, (1) improve patient experience, (2) improve health outcomes, and (3) reduce unnecessary health care expenses.

L.A. Care has been building a direct network of contracted doctors. This allows a more direct dialogue with the physicians who are critical to our mission. Our goal is to support the physicians with actionable data to help them improve the quality outcomes for our members. Key leaders from multiple departments remain involved in supporting the infrastructure in order to create more capacity for additional members through the direct network.

Capitation

L.A. Care contracts with, and in many cases delegate specific services to, various Risk Bearing Organizations (RBOs) like Independent Practice Associations (IPAs) and Medical Groups, safety-net providers, Federally Qualified Health Centers, and Community Clinics to provide health care services to enrolled members. The risk arrangements with the RBOs vary between shared, dual, and full risk, which define different level of capitation arrangements based on the division of financial responsibility between the RBO and L.A. Care. As mentioned above, L.A. Care continues to develop our Direct Network, contracting directly with primary care physicians, specialty care physicians and provider groups either on a capitated or fee-for-service basis. The variety of network arrangements allows us to create alternatives to fit the unique needs of our members.

L.A. Care also contracts with three other Knox-Keene licensed health plans, referred to as Plan Partners (Anthem, Blue Shield Promise, and Kaiser), to which all managed care services are delegated. The Plan Partners are reimbursed on a capitated PMPM fee basis for each enrolled Medi-Cal member. Furthermore, both Anthem and Blue Shield Promise participate in the plan partner incentive program which rewards plan partners for performance based on targeted metrics. Kaiser will no longer be a Plan Partner in 2024 as they will have a direct contract with the state.

Shared Risk | Provider Incentives

Shared Risk

This healthcare expense category consists of the risk pool tied to the shared risk arrangements mentioned in the capitation section above. The shared risk pools are established to encourage appropriate levels of hospital service utilization. L.A. Care enters into a capitation agreement to delegate professional services, but retains the hospital services. Per member per month (PMPM) targets are established with each contracted provider group and the risk pool is calculated based on membership. At the end of each calendar year, L.A. Care compares the actual claims experience to the target pools and surplus amounts are split between the contracted provider groups and L.A. Care.

**Provider Incentive
Fiscal Year 2023-24 Budget**

Incentive Level Programs (\$ in thousands)	Segments				
	Plan Partners ⁽¹⁾	Total MCLA ⁽²⁾	Commercial	D-SNP	Total ⁽³⁾
Plan Partners	\$11,636	\$0	\$0	\$0	\$11,636
Hospital	-	25,760	1,960	280	28,000
PPG	9,458	14,860	3,450	-	27,768
Physician	11,054	23,734	35	3,956	38,779
Member	-	3,227	797	430	4,454
Total	\$32,148	\$67,581	\$6,242	\$4,666	\$110,636

Note:

1. Excludes Kaiser
2. CCI members not eligible for Incentive Level Programs
3. Provider Incentive excludes Incentive Payment Program (IPP) & Housing and Homelessness Incentive Program (HHIP)

L.A. Care Quality Score Investments (Incentives)

Provider incentives are an essential part of L.A. Care’s interventions strategy to advance provider performance, enhance the quality of clinical care and increase member satisfaction. They are designed to augment L.A. Care’s collaboration with key industry partners, and to align the quality improvement goals of plan partners, IPAs, clinics, physicians, and hospitals. These programs use standard metrics such as Healthcare Effectiveness Data and Information Set (HEDIS) to reward excellent performance and year-over-year improvement. The programs aim to create a business case for provider investment in quality improvement and promote accountability and value.

Plan Partner Quality Score Investments (Incentives)

The Plan Partner Incentive Program aligns the efforts of L.A. Care with those of its strategic partners as a critical point for improving the outcomes and satisfaction of members. The program rewards plan partners with a broad set of metrics, including HEDIS clinical quality, utilization management, encounter data and member experience. The Plan Partner Incentive Program is fully aligned with the IPA-level program, which provides a strong platform for performance measurement and promotes shared quality improvement strategies between health plans and IPAs.

IPA Quality Score Investments (Incentives)

The Value Initiative for IPA Performance + Pay-for-Performance (VIIP+P4P) Program aims to improve the quality of care for L.A. Care members by measuring, reporting and rewarding IPAs for performance in multiple domains that affect quality of care, including HEDIS, utilization management, encounter data, and member experience. The VIIP+P4P program also encourages and supports lower performing IPAs to develop action plans, which are performance improvement projects with measurable goals. These IPA action plans are reviewed by L.A. Care and plan partner subject matter experts, with updates provided throughout the year to track project progress and goal attainment.

Physician Quality Score Investments (Incentives)

The Physician Pay-for-Performance (P4P) Program provides financial rewards to eligible physicians and community clinics for outstanding performance and year-over-year improvement on multiple HEDIS measures. The program is closely aligned with incentives available to IPAs and plan partners and is designed to improve provider encounter data submission. Domains and measures related to physician- and clinic-level utilization management and member experience will be included in the next program year.

L.A. Care also operates a provider incentive in support of completing Medicare Annual Wellness Exams, with the goal of getting pertinent patient medical history to assess wellness and develop preventive care plans. A new Hospital P4P Program is under development along with a provider incentive for Health Information Exchange (HIE) adoption and use within the coming year. Additionally, L.A. Care operates member incentives to support the priorities related to obtaining vital medical services, to promote health education, and to increase positive member experiences.

Fee-for-Service Claims

L.A. Care's second largest healthcare expense type, behind capitation, is fee-for-service (FFS) expenses. The category includes inpatient, outpatient, skilled nursing facility, and community-based adult services related to TANF-MCE, SPD-CCI, D-SNP, LACC, and PASC-SEIU segments. The FY 2023-24 budget is based on CY 2022 (Jan-22 to Dec-22) cost levels. These costs were trended forward to the budget period with trends observed in the past year varying from zero to low positives (e.g. 0 percent to 10 percent). Various adjustments were made to account for differences from the base period to budget period, including new programs. FFS costs continue to be difficult to predict due to the constantly changing healthcare landscape affected by COVID-19, and any significant COVID developments could have an impact on FFS trends across all categories of service. There is additional uncertainty this year from the impact of the resumption of Medi-Cal redeterminations.

Pharmacy

The American Society of Health-System Pharmacist (ASHP) found that annual U.S. prescription drug spend trended higher than expected in 2022, increasing by 9.4 percent to a total of \$633.5 billion. The primary driver of this increase was due to a combination of a 5.9 percent increase in utilization and price hikes for a number of new drugs. L.A. Care Health Plan's pharmaceutical drug spend followed a similar overall trend.

According to the American Journal Health System Pharmacy, prescription drug spend is expected to rise by 6 – 8 percent in 2023. The latest annual Segal Health Plan Cost Trend Survey estimates annual outpatient prescription drug cost is expected to increase past 10 percent in 2023. This is mostly driven by price inflation and new-to-market specialty drug.

Specialty drugs account for nearly a third of LA Care's total drug spend. LA Care Health Plan's specialty drug spend remains lower than the national average. According to the Global Use of Medicines 2023 report from IQVIA, specialty drugs will represent about 43 percent of global drug spending by 2027, due to the high cost of new specialty drugs that are replacing lower-cost therapies. Most pharmaceutical pipeline drugs are specialty and orphan drugs, with more than 100 new oncology drugs. Oncology will be one of the biggest contributors to drug spending growth in the next five years, according to IQVIA. Oncology drug spend alone is expected to grow at a rate of 13 percent – 16 percent through 2027, driven by the continued introduction of more effective and expensive new drug therapies.

Non-specialty drug utilization has remained relatively stable, and is also expected to remain steady in 2023. However, the cost of non-specialty drugs is expected to increase due to price inflation. For non-specialty drugs, LA Care's largest drug spend category is antidiabetics, which has high brand-name utilization rates. Antidiabetic drug spend has soared over the past several years, increasing by 22.4 percent in 2022 and 21.9 percent in 2021, which are in line with national trends according to AJHP. The Inflation Reduction Act introduced by CMS in the second half of 2023 will attempt to lower the cost of insulins, but it will not offset the bulk of our rising cost of the Antidiabetic category. Insulin only accounts for 15 percent of total Antidiabetics cost each year. The majority of the Antidiabetics cost increase is due to newer drugs in the Incretin Mimetic Agents (GLP-1 Receptor Agonists) and Sodium-Glucose Co-Transporter 2 (SGLT2) classes. The rise in Antidiabetics utilization is also expected to correlate with increased efforts to improve medication adherence and quality metrics, such as STARS ratings.

Administrative Expenses

L.A. Care Health Plan General Administrative Cross-Walk Fiscal Year 2023-24 Budget			
(\$ in thousands)	FY 2022-23 9+3 Forecast	Additions/ (Reductions)	FY 2022-23 Budget
Base Line Operations	\$522,720		
Salaries and Benefits			
Increase due to higher budgeted FTEs before Vacancy Factor		45,655	
Increase in Vacancy Factor from 13.2% to 15.7%		(7,140)	
Temporary Labor and Recruitment			
Lower projected spending		(320)	
Professional Fees & Purchased Services			
Increase in printing & other contracted services		3,435	
Increase in IT Strategic Projects & staff augmentation		1,090	
Decrease in broker commissions		(1,369)	
Advertising and Promotions			
Increase in advertising expenses		3,046	
Business Fees & Occupancy and Leases			
Increase in DMHC Assessment & LACC participation fees		6,696	
Decrease in software licenses & maintenance expenses		(3,316)	
Supplies and Other			
Increase in external postage and fulfillment		1,467	
Depreciation and Amortization			
Increase in assets are not fully depreciated		5,644	
Medical Administrative Expenses			
Increase in Health Services programs		(19,385)	
Total Administrative Expenses	\$522,720	\$35,504	\$558,224

Note:

1. Admin includes Incentive Payment Program (IPP) & Housing and Homelessness Incentive Program (HHIP)

Comparative Administrative Cost – FY 2022-23 vs. FY 2023-24

L.A. Care continues to focus on administrative costs needed to support the evolving CalAIM Initiatives and to transform and upgrade our infrastructure. L.A. Care strives to efficiently manage the delivery of health care services and to comply with regulatory changes for the products we offer.

The following is a summary of the administrative forecast and budget between the fiscal years:

Administrative Expenses Comparative Statement				
(\$ in thousands)	FY 2022-23		FY 2023-24	
	9+3 Forecast	PMPM	Budget	PMPM
FTEs (at year end)	2,269		2,407	
Salaries and Benefits	\$278,003	\$8.14	\$316,519	\$10.15
Temporary Labor and Recruitment	3,222	0.09	2,902	0.09
Professional Fees	23,834	0.70	25,719	0.82
Purchased Services	155,283	4.55	156,554	5.02
Advertising and Promotions	9,623	0.28	12,670	0.41
Business Fees and Insurance	54,916	1.61	58,738	1.88
Occupancy and Leases	8,250	0.24	7,807	0.25
Supplies and Other	47,995	1.40	49,462	1.59
Depreciation and Amortization	34,756	1.02	40,400	1.30
Medical Administrative Expenses	(93,163)	(2.73)	(112,548)	(3.61)
Total*	\$522,720	\$15.30	\$558,224	\$17.90
Admin Ratio %	4.6%		5.1%	

**Total includes Incentive Payment Program (IPP) & Housing and Homelessness Incentive Program (HHIP)*

Last year, we established a budget target of a \$15.44 PMPM for administrative expenditures. The budget was increased to \$15.55 PMPM as part of the 3+9 Forecast to account for a lower than anticipated vacancy factor as well as additional costs associated with strategic projects. Our 9+3 forecast expects that we end the fiscal year at \$15.30 PMPM, or \$0.14 favorable to the original budget target. The favorability in PMPM is primarily driven by the favorable membership development as the delay in redeterminations lasted longer than anticipated.

FY 2023-24 administrative PMPM target is set at \$17.90 PMPM, which is \$2.60 higher than the FY 2022-23 9+3 Forecast and \$2.46 higher compared to the FY 2022-23 Budget. The increase in PMPM is attributable to an increase in administrative expenses as well as the decrease in enrollments tied to redeterminations. Total administrative expenses are expected to increase by \$35.5 million primarily due to an increase in Salaries & Benefits in addition to increased print and mailing efforts related to redetermination outreach efforts, increased fees related to DMHC and LACC and depreciation as capital projects are completed and placed in service. We will continue to seek opportunities to limit the administrative spending and implement cost-reduction activities, including re-negotiating vendor contracts and re-deploying FTEs. We will also continue to focus on areas to improve efficiencies to manage administrative expenses below the target. However, it is important to continue investing in technology in order to improve operational efficiencies. We aspire to continue to be a good partner to L.A. County and the

State in driving efficiency now that cost pressures have intensified. Our preparation and continued investments in our infrastructure position us for that goal.

Staffing and Total Cost of Labor

For FY 2023-24, the budgeted FTE totaled to 2,499 which includes actual vacancy factor at the department level but caps at a maximum of 15.7 percent. For FY 2022-23, the budgeted FTE totaled 2,280 which included a 13.2 percent vacancy factor, an increase in FTE of 219 year-over-year. For FY 2023-24, budgeted Salaries & Benefits totaled to \$316.5 million as compared to FY 2022-23 budget of \$271.7 million, an increase of \$44.5 million due to higher budgeted headcount. The budgets for FY 2023-24 and FY 2022-23 include a 4.5 percent merit increase for eligible staff.

In an effort to focus employees on organizational goals and objectives, L.A. Care will reward bonus incentives based on criteria established in its Organizational Incentive Program. The incentive program is not a guaranteed bonus for employees, but rather a reward for excellent performance, at the organizational level as well as at the individual level. Incentive compensation earned by an employee is paid as a lump sum and does not become a part of the employee's base pay rate.

The chart below shows the details of our budgeted staffing:

Full Time Employees			
	Budgeted Fiscal Year		
	2021-22	2022-23	2023-24
Beginning Total	2,033	1,911	2,280
Unfilled positions	-	669	566
Vacancy factor	(173)	(300)	(347)
Infrastructure support (other)	51	-	-
Total additions	(122)	369	219
Ending Total*	1,911	2,280	2,499

**Total includes CRCs, Community Benefits & Incentive Payment Program (IPP) & Housing Homelessness Incentive Program (HHIP)*

Full Time Employees Fiscal Year Trend		
	<u>at year end</u>	
	<u>Total FTEs ⁽¹⁾</u>	<u>FTEs per Membership in thousands</u>
FY 2019-20 (Actual)	2,059	0.89
FY 2020-21 (Actual)	1,902	0.77
FY 2021-22 (Actual)	2,046	0.75
FY 2022-23 (Forecast) ⁽²⁾	2,361	0.83
FY 2023-24 (Budget)	2,499	1.00

Note:

1. FTEs include CRCs, Community Benefits & Incentive Payment Program
2. FY 2022-23 9+3 Forecast

L.A. Care Segments

Plan Partners

The Plan Partners' budget consists of the operating revenue and costs required to support all aid categories under Medi-Cal, delivered through subcontracted Plan Partners' (Anthem Blue Cross, Blue Shield of California Promise Health Plan, and Kaiser Permanente) health care networks.

The fully delegated contracts with the three Plan Partners reflect both capitation rates for the Medi-Cal benefit and a performance incentive program. The agreements with Anthem and Blue Shield Promise were extended to September 2035. However, due to AB 2724, DHCS will contract directly with Kaiser for Medi-Cal managed care across the state. L.A. Care's contract with Kaiser will end effective January 1, 2024.

Plan Partners (with the exception of Kaiser) will be eligible for an incentive program based on measurement year 2023 (payable in 2024). The incentive is designed to align quality goals among L.A. Care and its subcontracted health plans and target specific performance measures that impact the managed care accountability set (MCAS), health care outcomes and patient satisfaction. Plan Partners are eligible for an annual per member per month financial incentive for meeting eligibility and performance criteria.

TANF-MCE

Medi-Cal is California's Medicaid program. It is a public health program which provides comprehensive, no cost/low cost health care services for qualifying low-income children, adults, families, seniors, persons with disabilities, children in foster care, pregnant women, and certain unsatisfactory immigration status populations, as well as other aid and risk categories. Beginning on January 1, 2024, all residents regardless of immigration status will be eligible for Medi-Cal.

Temporary Assistance for Needy Families (TANF) – TANF is a State-based federal cash assistance program for low-income families. TANF replaces the former program known as Aid to Families with Dependent Children (AFDC). CalWORKs is the name of California’s TANF program. TANF programs are designed to help low income families with children achieve economic self-sufficiency. This segment consists primarily of members in family-adult, family-child, and Breast and Cervical Cancer Treatment Program aid categories.

Medicaid or Medi-Cal Expansion (MCE) – Starting January 2014, the Affordable Care Act expanded Medi-Cal coverage to adults (age 19-64 years) without children. MCE eligibility is based on modified adjusted gross income (MAGI) and is available to those with an annual income lower than 138 percent of the federal poverty level. MCE also allows coverage for parents who would have lost coverage under current rules if their income slightly exceeds the federal poverty level.

SPD

Seniors and Persons with Disabilities (SPD) – As of June 1, 2011, Seniors and Persons with Disabilities (SPD) were transitioned from Medi-Cal fee-for-service into managed care. Individuals 65 years and older, and/or a person of any age with a disability may qualify for Medi-Cal under this category. SPD eligible members must meet one of the following requirements:

- Aged: Persons 65 years and older
- Blind: Persons who have been declared legally blind by the Social Security Administration or the State Programs – Disability and Adult Programs Division (SP-DAPD)
- Disabled: Persons who have been declared disabled by SP-DAPD

Individuals determined to be disabled under SP-DAPD are considered disabled under Medi-Cal. SPDs may be full scope or partial dual members. Partial dual eligibility means a person qualifies for a Medicare Savings Program (MSP), and a person who qualifies for partial dual eligibility may also qualify for a Dual Special Needs Plan (D-SNP).

L.A Care Health Plan						
*Total Medi-Cal Income Statement						
(\$ in thousands)	FY 2022-23		% of	FY 2023-24		% of
	9+3 Forecast	PMPM	Revenue	Budget	PMPM	Revenue
Member Months	32,042,206			28,861,502		
Revenue						
Capitation	\$10,202,155	\$318.40	100.0%	\$9,670,928	\$335.08	100.0%
Total Revenues	\$10,202,155	\$318.40	100.0%	\$9,670,928	\$335.08	100.0%
Healthcare Expenses						
Capitation	\$5,594,884	\$174.61	54.8%	\$5,215,072	\$180.69	53.9%
Inpatient Claims	\$1,305,975	\$40.76	12.8%	\$1,262,001	\$43.73	13.0%
Outpatient Claims	\$1,311,232	\$40.92	12.9%	\$1,237,400	\$42.87	12.8%
Skilled Nurse Facility	\$1,119,292	\$34.93	11.0%	\$1,125,698	\$39.00	11.6%
Pharmacy	\$401	\$0.01	0.0%	\$0	\$0.00	0.0%
Provider Incentives & Shared Risk	\$85,226	\$2.66	0.8%	\$106,632	\$3.69	1.1%
Medical Administrative Expenses	\$93,615	\$2.92	0.9%	\$116,553	\$4.04	1.2%
Total Healthcare Expenses	\$9,510,626	\$296.82	93.2%	\$9,063,357	\$314.03	93.7%
Operating Margin	\$691,530	\$21.58	6.8%	\$607,570	\$21.05	6.3%

*Total Medi-Cal consists of Plan Partners and Total MCLA

Dual Eligible Special Needs Plan (D-SNP)

The state of California implemented California Advancing and Innovating Medi-Cal (CalAIM), requiring Medi-Cal Managed Care Organizations to establish Dual Eligible Special Needs Plans (D-SNP) effective January 1, 2023. D-SNPs are a type of Medicare Advantage Plan with Part D (MAPD) and are available to those who are eligible for both Medicare and Medi-Cal services. These D-SNP Plans will be implemented with Exclusively Aligned Enrollment (EAE), where beneficiaries enrolled in the D-SNP for Medicare services will be aligned with the same parent organization to also receive their Medi-Cal services.

The Plan is designed to offer dual eligible beneficiaries (Medicare and Medicaid eligible) comprehensive, preventive, quality care through access to contracted health care providers and clinical care teams who are trained and experienced in caring for healthy individuals and individuals with chronic conditions or disabilities.

The plan covers all Medicare-covered Part A and B services, includes Part D benefits, as well as supplemental benefits including: fitness, home-delivered meals, an allowance for over-the-counter medication, supplies and nutritional, a companionship program, a personal emergency response system, vision, acupuncture, chiropractic services and worldwide emergency coverage, which are not available through traditional Fee-For-Service Medicare. Part D cost share will vary based on low income status; however, preferred generic drugs will have no copay.

L.A Care Health Plan D-SNP Income Statement						
(\$ in thousands)	FY 2022-23			FY 2023-24		
	9+3 Forecast	PMPM	% of Revenue	Budget	PMPM	% of Revenue
Member Months	162,213			227,253		
Revenue						
Capitation	\$234,431	\$1,445.21	100.0%	\$328,770	\$1,446.71	100.0%
Total Revenues	\$234,431	\$1,445.21	100.0%	\$328,770	\$1,446.71	100.0%
Healthcare Expenses						
Capitation	\$92,719	\$571.59	39.6%	\$125,883	\$553.93	38.3%
Inpatient Claims	\$57,934	\$357.15	24.7%	\$83,913	\$369.25	25.5%
Outpatient Claims	\$24,382	\$150.31	10.4%	\$51,073	\$224.74	15.5%
Skilled Nurse Facility	\$2,914	\$17.96	1.2%	\$0	\$0.00	0.0%
Pharmacy	\$10,141	\$62.52	4.3%	\$14,362	\$63.20	4.4%
Provider Incentives & Shared Risk	\$6,907	\$42.58	2.9%	\$17,005	\$74.83	5.2%
Medical Administrative Expenses	\$2,464	\$15.19	1.1%	\$1,169	\$5.14	0.4%
Total Healthcare Expenses	\$197,461	\$1,217.30	84.2%	\$293,405	\$1,291.09	89.2%
Operating Margin	\$36,970	\$227.91	15.8%	\$35,365	\$155.62	10.8%

California Advancing and Innovating Medi-Cal (Cal AIM) Initiative - Duals

Under CalAIM, the Department of Health Care Services (DHCS) transitioned the Cal MediConnect (CMC) and Coordinated Care Initiative (CCI) to a statewide Managed Long-Term Services (MLTSS) and D-SNP structure. In conjunction with mandatory Medi-Cal managed care enrollment, DHCS required statewide integration of long-term

care (LTC) into managed care plans for Medi-Cal populations beginning 2023. Full and partial-benefit duals in LTC facilities in counties or plans that do not already include LTC were enrolled in Medi-Cal managed care.

Commercial Products

PASC-SEIU program provides health care for the in-home supportive services (IHSS) workers in Los Angeles County. Among the administrative services provided are: claims processing, member services, and COBRA/Cal-COBRA billing and information technology services. The PASC-SEIU Homecare Workers Health Care Plan (PASC-SEIU Plan) transitioned from CHP to L.A. Care in February 2012.

L.A. Care Covered (LACC) program started in January 2014, L.A. Care Health Plan is one of many health plans designated to offer health insurance on the California State Exchange known as Covered California. L.A. Care Covered offers all metal coverage levels (Platinum, Gold, Silver, and Bronze) and a Catastrophic Plan for enrollees within Los Angeles County in Regions 15 and 16 on the Exchange. Consistent with its mission, L.A. Care focuses on outreach and enrollment activities to communities that are at or below 250 percent of the Federal Poverty Level (FPL).

Because of our number-one, price position on the Covered CA exchange for the third year in a row and coupled with our proactive management of our member experience throughout the year we have had several accomplishments in 2023:

- Enrolled over 24,000 new L.A. Care Covered members
- Renewed over 96% of our existing membership
- LACC membership for FY 2022-23 totaled over 130,000 members, the largest L.A. Care Covered membership enrollment since the inception of the product
- L.A. Care is the now largest managed care health plan in region 15 & 16, with 25.9% of the total enrollment among all seven plans offered in Los Angeles County

On August 16, 2022, President Biden signed an extension to the enhanced subsidies, which were first introduced under the American Rescue Plan (ARP) of 2021 and will remain in effect through December 31, 2025. The enhanced subsidies allow 42% of the existing LACC membership to have a zero monthly premium.

Senate Bill 260 (SB260) mandates that anyone who is redetermined as no longer eligible for Medi-Cal will be automatically enrolled onto the Covered CA Exchange. Enrollment will default to the lowest priced Silver plan in the region. If L.A. Care successfully retains the lowest priced Silver position for 2024, significant membership growth is anticipated.

**L.A Care Health Plan
Commercial Income Statement**

(\$ in thousands)	FY 2022-23		% of	FY 2023-24		% of
	9+3 Forecast	PMPM	Revenue	Budget	PMPM	Revenue
Member Months	2,071,569			2,324,471		
Revenue						
Capitation	\$653,087	\$315.26	100.0%	\$837,217	\$360.18	100.0%
Total Revenues	\$653,087	\$315.26	100.0%	\$837,217	\$360.18	100.0%
Healthcare Expenses						
Capitation	\$233,516	\$112.72	35.8%	\$327,297	\$140.80	39.1%
Inpatient Claims	\$114,679	\$55.36	17.6%	\$135,558	\$58.32	16.2%
Outpatient Claims	\$97,696	\$47.16	15.0%	\$118,816	\$51.12	14.2%
Skilled Nurse Facility	\$1,095	\$0.53	0.2%	\$0	\$0.00	0.0%
Pharmacy	\$132,149	\$63.79	20.2%	\$147,785	\$63.58	17.7%
Provider Incentives & Shared Risk	\$7,030	\$3.39	1.1%	\$8,349	\$3.59	1.0%
Medical Administrative Expenses	\$3,037	\$1.47	0.5%	\$1,882	\$0.81	0.2%
Total Healthcare Expenses	\$589,201	\$284.42	90.2%	\$739,687	\$318.22	88.4%
Operating Margin	\$63,885	\$30.84	9.8%	\$97,529	\$41.96	11.6%

Non-Travel Meeting, Food, and Other Expenses

L.A. Care Health Plan Non Travel Meals and Catering, and Other Expenses for the Fiscal Year 2023-2024							
Proposed Program		Non-Travel Food Expenses		Other	Total		
1	Behavioral Health Quality Committee (BHQC)	\$	716	\$	-	\$	716
2	Board of Governors Offsite Meetings - June and September 2024	\$	20,000	\$	-	\$	20,000
3	Catering for Board & Committee Meetings	\$	20,000	\$	-	\$	20,000
4	Catering for Health Promoters Program	\$	31,000	\$	-	\$	31,000
5	Catering for LAC Medicare Plus and Enrollee Advisory Committee(EAC) member meeting	\$	1,080	\$	4,800	\$	5,880
6	Catering for LA Care Consumer Advisory Council(CAC) Member Engagement Sessions	\$	4,320	\$	8,000	\$	12,320
7	Catering for LA Care Consumer Members (RCAC/ECAC/BOG)*	\$	68,300	\$	223,550	\$	291,850
8	CEO Business Development	\$	3,000	\$	3,000	\$	6,000
9	Community Benefit Grant Review Committee Meetings	\$	2,874	\$	22,000	\$	24,874
10	Customer Service and QI Performance Improvement Project (PIP) Trainings	\$	15,300	\$	-	\$	15,300
11	Equality and Quality at Independent Practices - EQUiP-LA	\$	1,800	\$	-	\$	1,800
12	Physician Advisory Collaborative Meetings - QI PE&O Workgroup	\$	2,040	\$	6,020	\$	8,060
13	Provider Continuing Education (PCE) Program	\$	43,700	\$	116,300	\$	160,000
14	Transform LA Program - Direct Network (DN) Practice Engagement	\$	9,360	\$	-	\$	9,360
15	Community Health Bi-Annual Community Engagement Meetings	\$	1,200	\$	600	\$	1,800
16	New Employee Orientation	\$	8,688	\$	-	\$	8,688
17	Dedicated Service Awards 2024	\$	8,878	\$	-	\$	8,878
18	Social Work Month	\$	2,645	\$	3,105	\$	5,750
19	Admin Day 2023	\$	2,530	\$	2,750	\$	5,280
20	Quarterly HR Job Fairs	\$	2,311	\$		\$	2,311
21	Help Me Grow LA Program	\$	2,800	\$		\$	2,800
22	Legislative Office Educational Briefing	\$	1,000	\$	1,200	\$	2,200
23	Community Health Bi-Annual Team Meetings	\$	1,200	\$	600	\$	1,800
Proposed Program Total		\$	254,741	\$	391,925	\$	646,666

Proposed Programs:

Provider Continuing Education (PCE) Program

L.A. Care Provider Continuing Education (PCE) Program is an accredited educational program with Continuing Medical Education (CME) for L.A. Care providers and other physicians, and Continuing Education (CE) for nursing staff and other healthcare professionals.

L.A. Care is an accredited CME Provider with commendation by the California Medical Association (CMA) for MDs, DOs, PAs, and also an accredited CE Provider by the California Board of Registered Nursing for NPs and RNs, and an accredited CE Provider by the California Association of Marriage and Family Therapists (CAMFT) for LCSWs, LMFTs, LPCCs, and LEPs. The PCE Program CME / CE activities and events specifically target the low performing primary care physicians related to their HEDIS scores and Star Performance to improve quality of patient care and physician-patient relationships. Other target audiences are high performing providers, new L.A. Care providers, L.A. Care staff, and other healthcare professionals.

The PCE Program will hold CME/CE activities throughout the year, with emphasis on the identified needs of L.A. Care providers and other healthcare professionals through conducted surveys and ongoing feedback. The PCE Program will coordinate four full-day CME/CE Conferences for in-depth content related to quality improvement of patient care, partnerships and best practices. It will also provide three evening CME/CE events to target Quality Improvement, HEDIS and other clinical improvement topics. There will also be eight online courses/webinars to reach hard-to-target L.A. Care network providers in L.A. County.

In addition, the program will offer online activities/online courses on content areas that are important for improving providers' competency, performance and patient outcomes. CME/CE Event expenses will include venue and food costs, and stipends for guest speakers to cover preparatory costs.

Meetings with Providers and Other External Stakeholders

Various mandatory, regulatory, and advisory meetings are held at L.A. Care's facilities, including committee meetings, trainings, and educational conferences. The goals of which are to support and strengthen L.A. Care's ability to provide a safety net for the communities we serve. The budget for FY 2023-24 is similar to FY 2022-23. Actual spending may be impacted as more meetings continue to be held in person.

Such meetings include:

- Board of Governors and other Governing Committees
- Behavioral Health Quality Committee (BHQC)
- Community Benefit Grant Review
- Quality Initiative trainings for PPGs and other clients to improve performance
- Equality and Quality at Independent Practices (EQuIP-LA)
- Physician Advisory Collaborative Meetings – QI Dept. Provider Engagement & Outreach Workgroup
- Transform LA Program – Direct Network Engagement
- Community Health Bi-Annual Community Engagement Meetings
- Help Me Grow LA Program

Business Development

Many community events are held annually to strengthen L.A. Care's relationship with its members. L.A. Care representatives are engaged in business development activities related to the sales and promotion of the various products offered. Collaborative meetings with sister health plans, the L.A. County Department of Health Services, providers, and members all contribute to the expansion of L.A. Care's Safety Net Initiatives. Continuation of these development activities are an integral part of the messaging and branding strategy in relationship building with providers, members, and external stakeholders. Planning anticipates that some of these events may be held in person, but most will be held virtually or will be suspended as the COVID-19 pandemic guidance updates.

Events and programs include:

- CEO Business Development
- Annual Strategic Planning Meeting
- L.A. Care Medicare Plus and Enrollee Advisory Committee (EAC) member meetings
- L.A. Care Consumer Advisory Council (CAC) member engagement sessions
- Health Promoters Program
- Community Outreach & Engagement Events including RCAC & ECAC meetings and RCAC Conferences

Staff Training, Recognition and Retention, and Extenuating Circumstances

Programs designed to support L.A. Care's staff have resumed after being suspended during the COVID-19 pandemic.

Such programs include:

- New Employee Orientations
- Quarterly Job Fairs
- Dedicated Service Awards
- Social Work Month

- Admin Day 2024
- Departmental Team-Building and Training events

Meals may be provided to employees working mandatory overtime in extenuating circumstances such as the Yearly Disaster Recovery Test, department moves/relocation, or in-person usability testing where employees work over the weekend.

Sales, Marketing, and Advertising Strategy

Advertising and Promotions

(\$ in thousands)	<u>Total*</u>
FY 2022-23 9+3 Forecast	\$8,706
FY 2023-24 Budget	\$12,639

**Total excludes sponsorships*

FY 2023-24 will see the Marketing team continue to grow our Brand Marketing and expand strategy to interconnect all other campaigns in market, with enhance targeting. We will also continue our products, CRCs, and Plan Partner campaigns. We will maximize tactical media elements with a goal of growing our consumer voice in the market and impact choice enrollment. We will modify D-SNP tactical campaign to be more tailored for direct engagement for AEP. We look to conduct more research and focus groups to obtain further insights for our corporate brand. Research and focus group will also be conducted for our co-marketing Plan Partner, Medi-Cal program. For our CRCs, due to the significant expansion/growth, Marketing will now approach the campaign efforts to be more targeted by region. In addition to traditional and digital media campaigns tasked with creating growth opportunities, marketing will also be introducing market data for more efficient advertising to support growth and retention. Marketing will continue to factor in miscellaneous advertising campaigns required for FY 2023-24.

The Marketing team will roll out three campaigns in the Fall which will aim at driving enrollment for the Medi-Cal, D-SNP, and L.A. Care Covered products. Our Plan Partner digital co-marketing program is set to begin in August 2023, carrying through to the end of the year, as an effort to continue growth in 2024. For our Medi-Cal line of business (including Plan Partners), we will factor in the change in the market dynamics with introduction of the Kaiser's direct contract set to begin in 2024. In addition, for Medi-Cal, Marketing will continue to support Redetermination efforts. Our Covered California Open Enrollment Campaign for L.A. Care Covered will begin in October 2023 and ramp up through January 2024. Our campaign efforts will employ traditional elements like Outdoor, Radio and TV, but will be paralleled by tactical digital programs. Marketing will then look to roll out a Spring and Summer campaign post the Fall/Winter period to refocus our advertising on our corporate Brand campaign, D-SNP, Medi-Cal, and the Community Resource Centers. Marketing will continue to leverage its Channel Performance reporting process that has helped us monitor and manage our Marketing Channels for optimization and performance improvement through a newly launched response dashboard.

Printing and Mailing

(\$ in thousands)	<u>Total</u>
FY 2022-23 9+3 Forecast	\$20,375
FY 2023-24 Budget	\$31,616

Marketing will serve as the center of material development, printing, and distribution through our relationships with local print and fulfillment vendors. The critical focuses in FY 2023-24 we will continue to enhance the tracking of all charges by cost center and to reflect those charges against each cost center's budget. This Marketing budget management will continue to include a level of transparency for all budget owners, allowing them to have a clear line of sight to their spending in real-time. The objective is to provide a clear understanding of all the projects produced annually and to understand their financial impact, and assess any gaps, inefficiencies, and redundancies in member communications.

Marketing will continue the effort of reducing costs through competitive bidding and leverage digital tools to enhance our current member communication. The project management system, Podio, continues to archive print estimates and invoices, which allows us to reference historical jobs to better bid and price projects for business units. In addition, the Marketing and Sales teams will leverage vendor portals for efficient print production workflows. We will continue to partner with the Member Services team to help grow our digital communications tools (Portal, Email, text messaging) so we can switch to these communication touchpoints upon regulatory approvals being granted. Marketing will also work with vendors to find a way to bring our member journey experience to an actionable and potentially automated outcome.

Additionally, Marketing will begin a vendor diversity exploration effort, in preparation for next year's planned RFP.

Broker Fees

(\$ in thousands)	<u>D-SNP</u>	<u>LACC</u>	<u>Total</u>
FY 2022-23 9+3 Forecast	\$2,187	\$30,835	\$33,021
FY 2023-24 Budget	\$4,297	\$27,356	\$31,652

Our broker partners continue to be instrumental in establishing net membership growth for our LACC and D-SNP products. We have steadily grown our D-SNP Certified Broker Agents to include over 600 agents, to serve as an extension of our Sales team, whom have contributed to 65% of our production, supporting our net membership growth over 18,000. As part of the CMS Commission Rate requirements, L.A. Care will pay residuals for Broker book of business beginning January 1, 2024.

The L.A. Care Covered broker network has also proved to be very valuable, helping us grow our product to nearly 130,000 members, whom are trending to contribute 65% of our entire membership. Due to our position in the market and necessary budgeting requirements, Admin Fees have been lowered from \$10 to \$8 PMPM, and Renewal Commissions have been lowered from \$20 to \$15 PMPM. Our focus will continue to be on partnerships, training, education and business development for the Broker Community, insuring we can give our agents the tools they need to benefit our providers, community-based organizations, members and prospective members. Being able to demonstrate the value of these partnerships is critical to the success of our sales strategy and tactics.

Community Health Improvement Programs

The proposed Community Health Improvement Program budget for FY 2023-24 allocates \$36.7 million of L.A. Care's financial reserves for selected projects to be funded throughout the fiscal year. Community Health Improvement Programs include the Community Health Investment Fund (CHIF), Elevating the Safety Net, Blue Shield Promise Grant, Community Resource Centers, First 5 L.A. Grant and Community Programs (which includes Community Clinic Program, Community Benefits Program, Promotoras and Sponsorships).

Community Health Improvement Programs							
Fiscal Year 2023-24 Budget							
(\$ in millions)	CHIF	Elevating the Safety Net	Blue Shield Promise Grant	Community Resource Centers	First 5 L.A. Grant	Community Programs*	Total
Revenue							
Community Investments - Revenue	\$0.0	\$0.0	\$17.4	\$0.0	\$0.3	\$0.0	\$17.7
Expense							
Community Investments - Expense	(\$10.0)	(\$11.4)	(\$9.1)	(\$21.9)	(\$0.3)	\$0.0	(\$52.7)
Administrative Expenses	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$1.6)	(\$1.6)
Net Surplus/(Deficit)	(\$10.0)	(\$11.4)	\$8.3	(\$21.9)	\$0.0	(\$1.6)	(\$36.7)

*Community Programs include Community Clinic Program, Community Benefits Program, Promotoras & Sponsorships

Community Health Improvement Programs		
Comparative Statement - Expenses Only		
(\$ in thousands)	FY 2022-23 9+3 Forecast	FY 2023-24 Budget
Community Health Investment Fund	\$13,337	\$10,000
Elevating the Safety Net	8,062	11,422
Blue Shield Promise Grant	4,537	9,077
Community Resource Centers	15,442	21,912
First 5 L.A. Grant	425	321
Community Programs	2,089	1,648
Community Clinic Program/SCOPE Plan	100	250
Community Benefits Program	874	887
Promotoras/Health Promoters Program	218	374
Sponsorships/In-Kind	897	138
Total	\$43,891	\$54,379

Community Health Investment Fund (CHIF)

\$10.0 Million

The Board of Governors established the Community Health Investment Fund (CHIF) program to improve access and quality of care by filling gaps and supporting infrastructure to benefit the underserved and the safety net that serves them. CHIF is managed by the Community Benefits Department. Its proposed overarching funding goals for FY 2023-24 include:

1. Support the health care safety net to improve infrastructure and address racial inequities,
2. Address social determinants of health that result in inequities,
3. Explore and resolve health disparities gap, and
4. Empower and invest in health/social determinants of health related organizations that address systemic racism.

Each year, staff presents to the Board a recommended budget allocation for CHIF grant making, which is divided between funds for predetermined initiatives and for those in response to external requests known as ad hocs. The CHIF budget for FY 2022-23 was \$10.0 million, and at least \$10.0 million is recommended for FY 2023-24.

A total of \$10.0 million is recommended to be invested in initiatives that improve community and public health, expand equitable access to healthcare, and strengthen whole person care, with a focus on rectifying health conditions frequently experienced at a disproportionately higher rate among under-resourced communities. This may include projects that improve clinical delivery systems, such as care coordination and integration of medical, behavioral health, and oral healthcare, in addition to projects that address social determinants of health, and attempt to stem their root causes, namely systemic racism. All CHIF strategies will be designed to improve health and health related issues that are evidenced to critically impact physical, social, and/or behavioral health to enable individuals and communities to experience optimal health.

Workforce Development Initiative/Elevating the Safety Net (ESN)

\$11.4 Million

L.A. Care's Elevating the Safety Net (ESN) initiative is a long-term initiative to recruit highly qualified primary care physicians into the Los Angeles County safety net. Since FY 2017-18, and in alignment with our mission to care for the most vulnerable people in Los Angeles County, the ESN initiative has invested over \$90 million of the \$155 million across ten programs to recruit, train and retain highly qualified primary care physicians who commit to practicing in our safety net. On May 5, 2022, L.A. Care's Board of Governors approved that we prioritize investing the remaining \$65 million in ESN initiative funds through FY 2026-27 across the key programs listed below.

Medical School Scholarship Program

\$3.4 Million

We will continue to offer full-tuition scholarships for eight students admitted to the Charles R. Drew University of Medicine and Science (four students) and the David Geffen School of Medicine at UCLA (four students). 'L.A. Care Scholars' are identified by each school based on their diversity and ethnic background, desire to work with vulnerable populations and demonstration of financial need.

Provider Loan Repayment Program

\$4.0 Million

We will continue to support physicians who commit to serving our Medi-Cal members and vulnerable communities by awarding them up to \$5,000.00 per month to assist with student loan debt repayment. This program will be administered by a nonprofit organization, Uncommon Good, and applicants will be selected based on a competitive application process.

Provider Recruitment Program

\$4.0 Million

Awards for up to \$125,000.00 will be granted to eligible clinics and practices to provide salary subsidies, sign-on bonuses, and/or relocation costs for new physicians or primary care psychiatrists recruited into the safety

net. Clinics and practices will apply to the program through a competitive application process based on their need and history with L.A. Care.

Blue Shield Promise Grant

\$9.1 Million

L.A. Care Health Plan and Blue Shield of California Promise Health Plan have committed a combined \$146 million over five years, to expand Resource Centers across Los Angeles County, both in terms of geographic footprint and services. Over five years, L.A. Care and Blue Shield Promise will jointly open seven new Resource Centers, remodel four existing centers and relocate three centers to larger locations, for a total of 14 centers. The co-branded facilities are called Community Resource Centers.

The Resource Centers will enhance community connections, address social needs and improve overall health outcomes for members and the entire community through free health screenings and on-site enrollment support for social service programs. Each jointly operated Resource Center will serve as a one-stop community destination, providing classes and services that will help keep center visitors active, healthy and informed.

While the Resource Centers are open to the public, L.A. Care and Blue Shield members will be able to access personalized health and wellness programs and services. The Resource Centers will serve as platforms to introduce health care technology such as telemedicine and health care mobile application support to help build L.A. Care and Blue Shield Promise members' capacity to manage their own health.

Community Resource Centers

\$21.9 Million

The Community Resource Centers are aimed at addressing health disparities by creating a single point of service where the community can turn to for help with health education, assistance with navigating the health care delivery system and available programs and resources. Dedicated L.A. Care staff and contracted health education vendors provide a number of activities for health plan members and other community residents including health education, disease prevention, promotion of self-management tools and education on establishing or maintaining health coverage. Twelve Community Resource Centers have successfully been launched in Boyle Heights, East L.A., Inglewood, Lynwood, Pacoima, Palmdale, Pomona, Metro L.A., Wilmington, El Monte, Norwalk and Long Beach and are operated jointly with Blue Shield of California Promise Health Plan. During FY 2021-22, full Community Resource Center operations were restored with the resumption of in-person programming and child supervision services at all locations.

Since the opening of the first Community Resource Center in November 2007, the initiative has been successful in delivering well-integrated health education resources and services that address important health topics such as asthma, diabetes, and obesity. Larger locations in Lincoln Heights and in Panorama City to replace centers in Boyle Heights and Pacoima respectively, and a new location in South L.A. are expected to be completed in FY 2023-24.

Help Me Grow: LA/First 5 LA

\$0.3 Million

First 5 LA awarded LAC a grant of more than \$1.2M as part of Help Me Grow: LA, for a four-year partnership that will help safety net practices and clinics across the county integrate developmental screenings and monitoring protocols into their workflows to support LAC members ages 0-5 years old. LAC will contribute \$600K in "in-kind" services for a total program budget of over \$1.8M.

The program offers an education campaign for both providers and families/caregivers of young children about the importance of developmental screenings and when needed, intervention services available in the community. Early childhood development classes are offered to the community and members at the CRCs which also have educational materials on the program available in eight languages. Several of these materials are available on the




member health education page on the company website. Three annual CME events for providers and care teams are scheduled for the program. In addition, the program includes a three year, ten practice pilot which provides on-site practice coach/facilitator support and a mini grant for up to \$5K per practice for achievement of the pilot program goals, namely increase the volume of developmental screenings and patient referrals by 15 percent for each metric.

Community Clinic Program/(SCOPE) Plan

\$ 0.3 Million

The Strengthening Clinic Operations and Patient Experience (SCOPE) initiative offers contracted Federally Qualified Health Centers and licensed community clinics opportunities to participate in and benefit from innovative programs and tailored services aimed at strengthening the delivery of high quality health care for our members.

Guided by IHI's Triple Aim Framework, the SCOPE Plan's three main objectives are to (1) improve patient experience, (2) improve health outcomes and (3) reduce unnecessary health care costs. Toward this end, current initiatives under the umbrella of our SCOPE plan focus on addressing several strategic areas:

-  Clinic Workforce Development and Leadership Training
-  Improved Patient Experience
-  Enhanced Operations and Sustainability

Examples of initiatives include:

- Provider Leadership Program
- Customer Service Training
- Readiness Support and Technical Assistance for FQHC Alternative Payment Methodology
- Capacity Building to support Medi-Cal Redetermination and Expansion
- Technical Assistance to support Clinical Operations and Managed Care activities

Community Benefits Program Administration

\$0.9 Million

The Community Benefits Department staff is responsible for managing all aspects of L.A. Care's CHIF grant making activities. Program initiatives are developed and announced to the community through request for applications (RFA), and proposals are reviewed by staff and external subject matter experts. Recommended proposals that meet RFA criteria are presented to the appropriate authority according to Policy 603, for award approval. Staff also oversee grant management through the term of the award, which includes reviewing semi-annual progress reports and providing technical support to ensure grantees meet programmatic and fiscal obligations. In some cases, funded programs or technical and operational functions require support from external entities and systems. It is expected that the department will continue to require support to manage grants through the Blackbaud Grantmaking subscription, at least two consulting firms in support of grantee projects, as well as an evaluator. Lastly, the department will require technical operational consultation and support for its grantmaking procedures. Every year L.A. Care commits a portion of its reserves to community benefit investments. Staff research gaps in healthcare and best practices for impacting the health of marginalized, under resourced, and uninsured individuals.

Capital Expenditures and Other Projects

The list reflects projects proposed and may include amounts to be spent over multiple fiscal years. Projects primarily support infrastructure and systems improvements while allowing L.A. Care the flexibility to achieve Strategic Goals.

L.A. Care Health Plan				
Capital Projects				
Fiscal Year 2023-24				
(\$ in thousands)				
Project Description	Business Owner	Capital Expense	Operating Expense	Total
Artificial Intelligence	I.T.	\$ 400	\$ 100	\$ 500
Care Catalyst - New HS Clinical System	Health Services	6,000	1,500	7,500
Clinic Based Assignment and FQHC APM	Provider	1,252	58	1,311
CMS Interoperability Mandate	I.T.	1,025	496	1,521
Data Exchange Program	Health Services	1,347	337	1,684
DSNP Product Launch & Annual Regulatory Enhancements	Product	575	144	718
Edifecs Program	Operations	1,060	265	1,325
I.T. Member Experience Program	I.T.	3,643	911	4,554
Performance Optimization Program (Enterprise & Network)	Compliance	3,363	637	4,000
Provider Roadmap	Provider	3,410	1,262	4,672
QNXT Upgrade & Transformation	I.T.	3,753	941	4,693
SAP/ERP	Finance	3,200	800	4,000
VOICE - CRM & Telecom	I.T. & Operations	11,771	3,416	15,188
Leasehold Improvements	Facilities	77,284	-	77,284
Total Capital Projects		\$ 118,083	\$ 10,867	\$ 128,950

Artificial Intelligence

This initiative is to support discovery, assessment, and initial implementation of AI solutions to improve enterprise efficiency and performance.

Care Catalyst – New Health Services Clinical System

A multi-year program created to optimize the use of systems and tools to support Health Services' operational and foundational needs. Care Catalyst aims to improve how L.A. Care manages the health of member by providing member-centric services and care tailored to meet the needs of varied populations. This program is focused on addressing foundational gaps in governance structure, training, decision support and workflow re-engineering. Current work focuses on platform optimizations for added efficiency and scalability. Population health management (PHM) and enhancements to improve L.A. Care's ability to support the Direct Network are areas of upcoming focus.

Clinic Based Assignment and FQHC APM

This initiative is to better manage the association between health plan members and their community clinic providers in L.A. Care's systems. This improved member assignment functionality is foundational to implementation of the Alternative Payment Methodology (APM), which is a State mandate effective in 2024. Under APM, L.A. Care will change how it pays participating FQHC community clinics to include the Prospective Payment System (PPS) rate for Medi-Cal services that has previously been paid to clinics by the State.

CMS Interoperability Mandate

L.A. Care continues its multi-phase investment in electronic provider and member data portability in accordance with CMS requirements. Investments focus on payer-to-payer interfaces to ensure timely and efficient benefits coordination and transitions, as well as functionality for electronic prior authorizations.

Data Exchange Framework (DXF)

The California Health and Human Services Data Exchange Network (DXF) reflects a statewide agreement to facilitate sharing of health information among healthcare entities, government agencies, and social service programs. This initiative is to implement the data sharing capabilities of the agreement, and targets improved coordination of care.

D-SNP Product Launch & Annual Regulatory Enhancements

With the successful development and deployment of a fully-integrated D-SNP product and the concurrent effort to sunset L.A. Care's existing CMC product, there are continued enhancements targeted in the upcoming fiscal year. Efforts will focus on implementing new Federal and State regulatory requirements for plan years 2024 and 2025.

EDIFECS Program

This multi-year program is enhancing L.A. Care's encounter data management system. Upcoming improvements focus on improved extraction of encounter data for risk adjustment, regulatory audiences, and internal end-users, as well as the availability of end-to-end encounter reconciliation reporting, and enterprise-level access to a source-of-truth for encounter data. The program includes an upgrade of the current EDIFECS platform to ensure optimal performance and functionality.

I.T. Member Experience Program

This initiative is composed of three multi-year, cross-functional programs to modernize data systems and I.T. tools to support an optimized member experience. These foundational technology efforts will enable L.A. Care to more proactively manage the member life cycle (from enrollment through care delivery). Work streams in this initiative include Data Architecture Modernization, which improves how enterprise data is organized, managed, and stored; and a Clinical Data Repository (CDR) to better organize clinical experience data in support of care coordination, operational planning, and regulatory reporting. A Member Data Master work stream will additionally improve the consistency of member demographic, clinical, and other data for the organization through a structured data governance process. These investments will enable L.A. Care to deliver future technology initiatives more effectively, and significantly improve the ability of business areas inside L.A. Care to serve member needs.

Performance Optimization Program (Enterprise & Network)

This multi-year initiative is building data management and dashboard reporting tailored to L.A. Care's Enterprise Performance Optimization Program (EPOP) and Network Performance Optimization Program (NPOP). EPOP improves monitoring and oversight of the performance of non-delegated enterprise functions, while NPOP oversees the performance of all entities in L.A. Care's service delivery model across lines of business. This initiative is improving data sources and reporting for numerous Key Performance Indicators (KPIs) for L.A. Care.

Provider Roadmap

This multi-year initiative centers on the implementation of a holistic provider network management system for L.A. Care's provider business functions. The scope includes improved provider data ingestion, validation, and management, as well as workflow tools and refined business processes. The initiative will enable improved provider data quality, and more efficient operations in contracting, credentialing, network management, provider relations, member assignment, and regulatory reporting.

QNXT Upgrade & Transformation

L.A. Care is making progressive investments in its core claims platform (QNXT), with current work focused on the scalability and flexibility of internal development and test environments, as well as data de-identification to improve data security. This initiative also includes a generational upgrade to the latest QNXT claims platform. These improvements will enable efficiencies in L.A. Care's claims processing, and will provide health plan members new visibility into cost sharing and out-of-pocket expenditures.

SAP/ERP

L.A. Care is continuing its implementation of SAP for financial management functions. Upcoming efforts focus on the implementation of Arriba, a tool designed to integrate with current SAP procurement solutions. This spend management solution will enable improvements in areas such as electronic order and invoice routing, user and role management functionalities, as well as contract and vendor management. Other work includes the implementation of Callidus, a commission software solution for managing incentives and compensation programs for brokers.

VOICE - CRM & Telecom

This multi-year program is implementing several solutions for improved customer service for L.A. Care members and providers. One significant area of investment is a Customer Relationship Management (CRM) platform, which provides tools and workflows for sustaining member, provider, broker, and community relationships. A second area of investment is in call center technology. This includes the modernization of the enterprise phone system used by the Call Center, as well as improvements to routing of customer calls and caller authentication. The initiative is also making investments in capturing and managing member data as required by State and Federal regulators.

Leasehold Improvements

The budget includes funds to support construction associated with two new Community Resource Centers (CRC), South L.A. and Lincoln Heights, miscellaneous upgrades to existing CRCs and an initial budget estimate for the build-out of the 1200 E. 7th Street lease space to support the return to work effort slated for September 2024.

FINANCIAL STATEMENTS

L.A Care Health Plan			
Comparative Income Statement			
(\$ in thousands)	FY 2022-23 Actual	FY 2022-23 Forecast ⁽¹⁾	FY 2023-24 Budget
Member Months	25,548,868	34,165,096	31,185,973
Revenue			
Capitation	\$8,422,951	\$11,297,646	\$11,035,592
Total Revenues	8,422,951	11,297,646	11,035,592
Healthcare Expenses			
Capitation	4,397,344	5,955,040	5,668,251
Inpatient Claims	1,129,467	1,503,972	1,481,472
Outpatient Claims	1,082,554	1,446,634	1,417,289
Skilled Nursing Facility	839,956	1,130,509	1,125,698
Pharmacy	102,452	138,920	162,148
Provider Incentives & Shared Risk	93,839	128,091	224,320
Medical Administrative Expenses	74,134	101,126	119,604
Total Healthcare Expenses	7,719,745	10,404,292	10,198,783
MCR %	91.7%	92.1%	92.4%
Operating Margin	703,206	893,354	836,809
Total Operating Expenses	389,932	522,720	558,224
Administrative Ratio %	4.6%	4.6%	5.1%
Income (Loss) from Operations	313,274	370,635	278,585
Margin before Non-Operating Inc (Exp) %	3.7%	3.3%	2.5%
Non-Operating Income (Expenses)			
Provision for Community Investments	(25,990)	(36,953)	(36,378)
Managed Care Tax, net	(8,883)	(30,396)	-
Investment Income, net	71,564	86,892	59,707
Net Surplus/(Deficit) ⁽²⁾	\$ 349,965	\$ 390,177	\$ 301,914
Margin %	4.2%	3.5%	2.7%

Note:

1. Fiscal Year 2022-23 Forecast is based on 9 months of actual financial results through June 2023 & 3 months of forecast through September 2023

2. Net Surplus/(Deficit) includes Incentive Payment Program (IPP) & Housing and Homelessness Incentive Program (HHIP)

L.A. Care Health Plan
Balance Sheet
Fiscal Year 2023-24
(dollars in thousands)

	<u>Actual as of</u> <u>September 30, 2022</u>	<u>Forecast as of</u> <u>September 30, 2023</u>	<u>Budget as of</u> <u>September 30, 2024</u>
<i>Combined Balance Sheet</i>			
Current Assets			
Cash & cash equivalents	\$1,239,407	\$1,709,481	\$1,659,481
Investments, at fair value	1,085,262	1,434,117	1,444,809
Other current assets	3,338,799	3,249,934	3,076,956
Total current assets	<u>5,663,468</u>	<u>6,393,532</u>	<u>6,181,246</u>
Capital Assets, net	168,303	160,855	170,455
Other Assets			
Non-current Assets	<u>2,129</u>	<u>1,041</u>	<u>1,041</u>
Total Assets	<u>\$5,833,900</u>	<u>\$6,555,428</u>	<u>\$6,352,742</u>
Current Liabilities			
A/P and accrued liabilities	\$178,017	\$125,528	\$129,128
Subcapitation payable	3,464,015	3,371,381	2,897,710
Reserves for Provider Incentives	98,375	144,299	121,370
Reserves for claims	784,397	913,224	910,224
Deferred Revenue	72,390	214,037	214,037
Other accrued medical expenses	77,930	236,279	231,279
Grants payable	13,415	16,975	16,975
Total current liabilities	<u>4,688,539</u>	<u>5,021,723</u>	<u>4,520,723</u>
Non-Current Liabilities	<u>58,007</u>	<u>56,174</u>	<u>52,574</u>
Total Liabilities	<u>4,746,546</u>	<u>5,077,897</u>	<u>4,573,297</u>
Fund Equity			
Invested in Capital Assets	98,723	160,855	170,455
Restricted	600	600	600
Designated by Board of Governors			
Board Designated Funds	104,822	90,003	79,603
Unrestricted Net Assets	676,180	984,661	1,282,606
TNE (130% of Required)	207,029	241,412	246,181
Total Fund Equity	<u>1,087,354</u>	<u>1,477,531</u>	<u>1,779,445</u>
Total Liabilities and Fund Equity	<u>\$5,833,900</u>	<u>\$6,555,428</u>	<u>\$6,352,742</u>

L. A. Care Health Plan
Statement of Cash Flows
Fiscal Year 2023-24
(dollars in thousands)

	<u>Forecast for the FYE</u> <u>September 30, 2023</u>	<u>Budget for the FYE</u> <u>September 30, 2024</u>
<i>Combined Statement of Cash Flows</i>		
Operating activities		
Net Surplus (Deficit)	\$390,177	\$301,914
Add: Depreciation/Amortization and Tax Provision	11,035	40,400
(Increase) Decrease in:		
Other current assets	88,865	172,978
Non-current Assets	1,088	-
Increase (Decrease) in:		
Accounts payable	(52,489)	3,600
Subcapitation payable	(145,716)	(473,671)
Reserves for provider incentives	45,924	(22,929)
Reserves for claims	128,827	(3,000)
Deferred revenue	141,647	-
Other accrued medical expenses	158,349	(5,000)
Grants payable	3,560	-
Non-current liabilities	(1,833)	(3,600)
Cash provided (used) by operating activities	<u>769,435</u>	<u>10,691</u>
Investing activities		
Sell (purchase) of investments	(355,531)	(10,691)
Capital assets (investment)	(27,308)	(50,000)
Cash (used) provided by investing activities	<u>(382,838)</u>	<u>(60,691)</u>
Cash provided (used) by Pass Through activities	<u>83,478</u>	<u>-</u>
Net increase (decrease) in unrestricted cash & equivalents	470,074	(50,000)
Unrestricted cash & equivalents - beginning of period	1,239,407	1,709,481
Unrestricted cash & equivalents - end of period	<u>\$1,709,481</u>	<u>\$1,659,481</u>

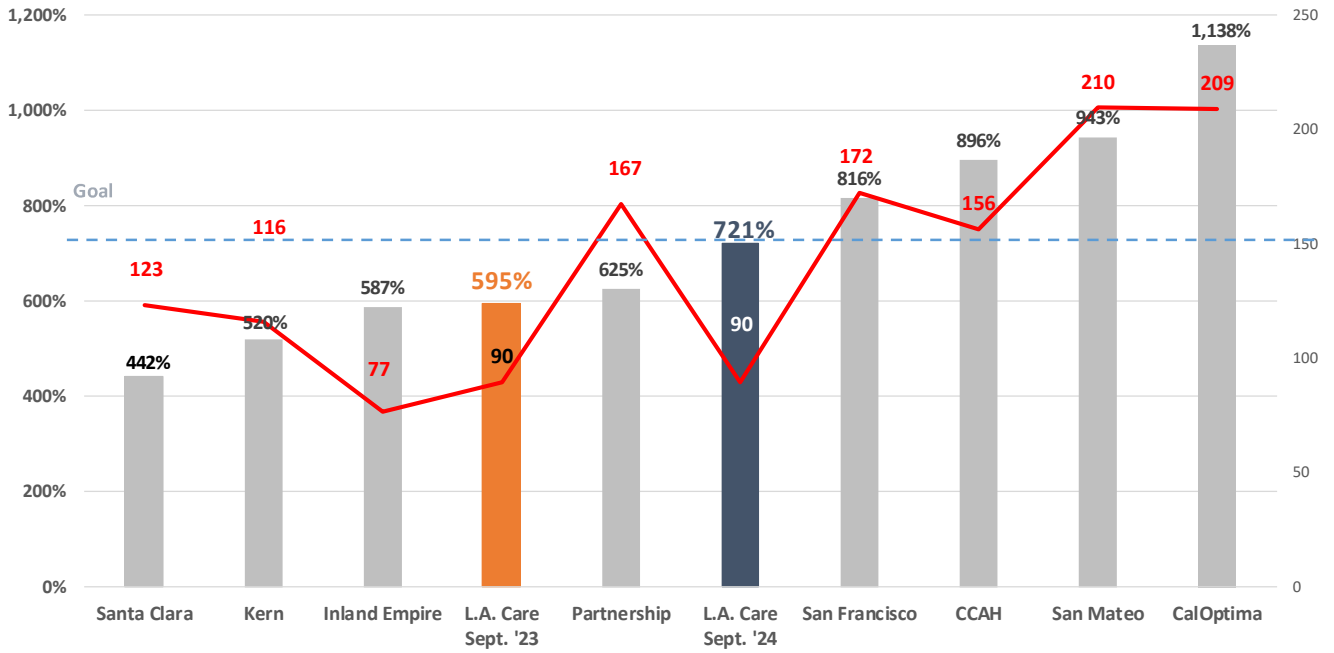
L. A. Care Health Plan
Required Tangible Net Equity Calculation
Fiscal Year 2023-24
(dollars in thousands)

Forecast as of
September 30, 2024

Tangible Net Equity (TNE) Calculation

Healthcare expenses:	
1. 8% of first \$150 million of annualized healthcare expenses, except those paid on a capitated or managed hospital basis	\$12,000
2. 4% of the annualized health care expenses, except those paid on a capitated or managed hospital basis	72,598
3. 4% of the annualized hospital expenditures paid on a managed hospital basis	104,773
	189,370
Calculated TNE based on healthcare expenses	189,370
TNE (at 130% of State Required Level)	246,181
Fund equity	1,779,445
	1,779,445
Excess equity over required TNE	\$1,533,264

TNE Chart and Days of Cash Comparison



• The above percentages are based on March 2022 DMHC Quarterly filings, unless noted otherwise.



DATE: August 23, 2023
TO: Finance & Budget Committee
FROM: Afzal Shah, *Chief Financial Officer*

SUBJECT: Monthly Investment Portfolio Securities Transaction Report for June, 2023

To keep the Committee apprised of L.A. Care's investment portfolios and to comply with California Government Code Section 53607, attached are the monthly investment transaction details from June 1 to June 30, 2023.

L.A. Care's investment market value as of June 30, 2023, was \$2.5 billion. This includes our funds invested with the government pooled funds. L.A. Care has approximately \$35 million invested with the statewide Local Agency Investment Fund (LAIF), and approximately \$78 million invested with the Los Angeles County Pooled Investment Fund (LACPIF).

The remainder as of June 30, 2023, of \$2.4 billion is managed by two independent asset managers, 1) Payden & Rygel and 2) New England Asset Management (NEAM) and is divided into three portfolios based on investment style,

1. Payden & Rygel - Short-term portfolio
2. Payden & Rygel - Extended term portfolio
3. New England Asset Management - Corporate notes extended term portfolio

The transactions within these three portfolios are included in the attached reports.

LA Care, as a California government entity, only makes investments in bonds/fixed income, as per the California Government Code. The entries on the Investment Securities Portfolio Transaction Report reflect transactions undertaken by financial management companies on L.A. Care's behalf. L.A. Care does not direct these individual transactions. The firms, managing investments on behalf of L.A. Care, conduct the transactions based on L.A. Care's investment guidelines.

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN

06/01/2023
through 06/30/2023

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/05/23	06/05/23	Buy	5,000,000.000	U.S. TREASURY BILL MAT 06/06/23 Cpn 912797FM4	(4,999,298.61)		0.00	0.00	(4,999,298.61)
06/05/23	06/05/23	Buy	10,000,000.000	CREDIT AGRICOLE CP MAT 06/06/23 Cpn 22533UT60	(9,998,608.33)		0.00	0.00	(9,998,608.33)
06/05/23	06/05/23	Buy	15,000,000.000	NORDEA BANK CP 144A MAT 06/06/23 Cpn 65558KT61	(14,997,900.00)		0.00	0.00	(14,997,900.00)
06/05/23	06/05/23	Buy	30,000,000.000	COOPERATIEVE RABOBANK CP MAT 06/06/23 Cpn 21687BT68	(29,995,800.00)		0.00	0.00	(29,995,800.00)
06/02/23	06/06/23	Buy	5,000,000.000	GMCAR 2021-4 A3 CAR MAT 09/16/26 Cpn 0.68 362554AC1	(4,765,625.00)	(1,888.89)	0.00	0.00	(4,767,513.89)
06/02/23	06/06/23	Buy	4,800,000.000	HART 2021-C A3 CAR MAT 05/15/26 Cpn 0.74 44935FAD6	(4,598,437.50)	(2,072.00)	0.00	0.00	(4,600,509.50)
06/06/23	06/06/23	Buy	9,000,000.000	CA SAN FRAN PUB CP TXB MAT 07/14/23 Cpn 5.30 79770TRE0	(9,000,000.00)		0.00	0.00	(9,000,000.00)
06/07/23	06/07/23	Buy	45,000,000.000	FHLB DISCOUNT NOTE MAT 06/12/23 Cpn 313384GU7	(44,968,750.00)		0.00	0.00	(44,968,750.00)
06/07/23	06/07/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/12/23 Cpn 313384GU7	(49,965,277.78)		0.00	0.00	(49,965,277.78)
06/06/23	06/07/23	Buy	3,100,000.000	FORDL 2022-A A3 LEASE MAT 05/15/25 Cpn 3.23 34528LAD7	(3,053,136.72)	(6,119.06)	0.00	0.00	(3,059,255.78)
06/08/23	06/08/23	Buy	18,000,000.000	FHLB DISCOUNT NOTE MAT 06/09/23 Cpn 313384GR4	(17,997,500.00)		0.00	0.00	(17,997,500.00)
06/08/23	06/08/23	Buy	10,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/23 Cpn 313384GW3	(9,991,666.67)		0.00	0.00	(9,991,666.67)
06/08/23	06/08/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/23 Cpn 313384GW3	(49,958,333.33)		0.00	0.00	(49,958,333.33)

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN

06/01/2023
through 06/30/2023

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/09/23	06/09/23	Buy	50,000,000.000	FFCB DISCOUNT NOTE MAT 07/05/23 Cpn 313312HT0	(49,818,722.22)		0.00	0.00	(49,818,722.22)
06/09/23	06/09/23	Buy	50,000,000.000	FFCB DISCOUNT NOTE MAT 07/05/23 Cpn 313312HT0	(49,818,722.22)		0.00	0.00	(49,818,722.22)
06/09/23	06/09/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/12/23 Cpn 313384GU7	(49,979,166.67)		0.00	0.00	(49,979,166.67)
06/09/23	06/09/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/12/23 Cpn 313384GU7	(49,979,166.67)		0.00	0.00	(49,979,166.67)
06/09/23	06/09/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/12/23 Cpn 313384GU7	(49,979,166.67)		0.00	0.00	(49,979,166.67)
06/09/23	06/09/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/12/23 Cpn 313384GU7	(49,979,166.67)		0.00	0.00	(49,979,166.67)
06/09/23	06/09/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/12/23 Cpn 313384GU7	(49,979,166.67)		0.00	0.00	(49,979,166.67)
06/09/23	06/09/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/12/23 Cpn 313384GU7	(49,979,166.67)		0.00	0.00	(49,979,166.67)
06/09/23	06/09/23	Buy	48,070,000.000	FHLB DISCOUNT NOTE MAT 06/12/23 Cpn 313384GU7	(48,049,970.83)		0.00	0.00	(48,049,970.83)
06/09/23	06/09/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/12/23 Cpn 313384GU7	(49,979,166.67)		0.00	0.00	(49,979,166.67)
06/09/23	06/09/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/12/23 Cpn 313384GU7	(49,979,166.67)		0.00	0.00	(49,979,166.67)
06/09/23	06/09/23	Buy	20,000,000.000	FHLB DISCOUNT NOTE MAT 06/12/23 Cpn 313384GU7	(19,991,666.67)		0.00	0.00	(19,991,666.67)
06/09/23	06/09/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/12/23 Cpn 313384GU7	(49,979,166.67)		0.00	0.00	(49,979,166.67)

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN

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Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/09/23	06/09/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/12/23 Cpn 313384GU7	(49,979,166.67)		0.00	0.00	(49,979,166.67)
06/09/23	06/09/23	Buy	40,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/23 Cpn 313384GW3	(39,972,500.00)		0.00	0.00	(39,972,500.00)
06/09/23	06/09/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/23 Cpn 313384GW3	(49,965,625.00)		0.00	0.00	(49,965,625.00)
06/09/23	06/09/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/23 Cpn 313384GW3	(49,965,625.00)		0.00	0.00	(49,965,625.00)
06/09/23	06/09/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/23 Cpn 313384GW3	(49,965,625.00)		0.00	0.00	(49,965,625.00)
06/08/23	06/09/23	Buy	10,000,000.000	COOPERATIEVE RABOBANK CP MAT 03/04/24 Cpn 21687AC43	(9,589,775.00)		0.00	0.00	(9,589,775.00)
06/12/23	06/12/23	Buy	20,000,000.000	BMW US CAPITAL CP 144A MAT 07/06/23 Cpn 0556C3U66	(19,931,733.33)		0.00	0.00	(19,931,733.33)
06/12/23	06/12/23	Buy	15,000,000.000	CREDIT AGRICOLE CP MAT 06/20/23 Cpn 22533UTL7	(14,983,200.00)		0.00	0.00	(14,983,200.00)
06/12/23	06/12/23	Buy	5,000,000.000	CATERPILLAR FIN CP MAT 06/26/23 Cpn 14912ETS6	(4,990,141.67)		0.00	0.00	(4,990,141.67)
06/12/23	06/12/23	Buy	30,000,000.000	FHLB DISCOUNT NOTE MAT 06/13/23 Cpn 313384GV5	(29,995,833.33)		0.00	0.00	(29,995,833.33)
06/12/23	06/12/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/13/23 Cpn 313384GV5	(49,993,055.56)		0.00	0.00	(49,993,055.56)
06/12/23	06/12/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/13/23 Cpn 313384GV5	(49,993,055.56)		0.00	0.00	(49,993,055.56)
06/12/23	06/12/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/13/23 Cpn 313384GV5	(49,993,055.56)		0.00	0.00	(49,993,055.56)

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN

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Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/12/23	06/12/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/13/23 Cpn 313384GV5	(49,993,055.56)		0.00	0.00	(49,993,055.56)
06/12/23	06/12/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/13/23 Cpn 313384GV5	(49,993,055.56)		0.00	0.00	(49,993,055.56)
06/12/23	06/12/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/13/23 Cpn 313384GV5	(49,993,055.56)		0.00	0.00	(49,993,055.56)
06/12/23	06/12/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/13/23 Cpn 313384GV5	(49,993,055.56)		0.00	0.00	(49,993,055.56)
06/09/23	06/12/23	Buy	38,500,000.000	FHLB DISCOUNT NOTE MAT 06/21/23 Cpn 313384HD4	(38,451,393.75)		0.00	0.00	(38,451,393.75)
06/09/23	06/12/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/21/23 Cpn 313384HD4	(49,936,875.00)		0.00	0.00	(49,936,875.00)
06/12/23	06/12/23	Buy	30,000,000.000	FNMA DISCOUNT NOTE MAT 07/06/23 Cpn 313588HU2	(29,899,800.00)		0.00	0.00	(29,899,800.00)
06/09/23	06/12/23	Buy	20,000,000.000	FLORIDA POWER & LIGHT CP MAT 06/20/23 Cpn 34108BTL9	(19,977,333.33)		0.00	0.00	(19,977,333.33)
06/09/23	06/12/23	Buy	25,000,000.000	MERCEDES-BENZ CP 144A MAT 06/23/23 Cpn 58768KTP0	(24,961,041.67)		0.00	0.00	(24,961,041.67)
06/12/23	06/12/23	Buy	20,000,000.000	NESTLE CAPITAL CP 144A MAT 07/06/23 Cpn 64105HU67	(19,932,800.00)		0.00	0.00	(19,932,800.00)
06/09/23	06/12/23	Buy	25,000,000.000	NATL SEC CLEARING CP 144A MAT 06/27/23 Cpn 63763QTT4	(24,946,666.67)		0.00	0.00	(24,946,666.67)
06/12/23	06/12/23	Buy	20,000,000.000	SUMITOMO MITSUI CP 144A MAT 06/20/23 Cpn 86563HTL4	(19,977,555.56)		0.00	0.00	(19,977,555.56)
06/13/23	06/13/23	Buy	20,000,000.000	FED CAISSE DES JARDINS CP 144A MAT 06/27/23 Cpn 31428GTT0	(19,960,333.33)		0.00	0.00	(19,960,333.33)

TRANSACTIONS BY TYPE

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Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/09/23	06/13/23	Buy	2,710,281.960	ENTERPRISE 2020-2 A2 FLEET 144 MAT 07/20/26 Cpn 0.61 29375MAB3	(2,668,357.29)	(1,056.26)	0.00	0.00	(2,669,413.55)
06/09/23	06/13/23	Buy	2,250,159.300	EFF 2022-4 A1 FLEET 144A MAT 11/20/23 Cpn 5.15 29374GAA9	(2,249,104.54)	(7,079.00)	0.00	0.00	(2,256,183.54)
06/13/23	06/13/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/23 Cpn 313384GW3	(49,993,083.33)		0.00	0.00	(49,993,083.33)
06/13/23	06/13/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/23 Cpn 313384GW3	(49,993,083.33)		0.00	0.00	(49,993,083.33)
06/13/23	06/13/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/23 Cpn 313384GW3	(49,993,083.33)		0.00	0.00	(49,993,083.33)
06/13/23	06/13/23	Buy	10,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/23 Cpn 313384GW3	(9,998,616.67)		0.00	0.00	(9,998,616.67)
06/13/23	06/13/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/23 Cpn 313384GW3	(49,993,083.33)		0.00	0.00	(49,993,083.33)
06/13/23	06/13/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/23 Cpn 313384GW3	(49,993,083.33)		0.00	0.00	(49,993,083.33)
06/13/23	06/13/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/23 Cpn 313384GW3	(49,993,083.33)		0.00	0.00	(49,993,083.33)
06/13/23	06/13/23	Buy	45,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/23 Cpn 313384GW3	(44,993,775.00)		0.00	0.00	(44,993,775.00)
06/13/23	06/13/23	Buy	20,000,000.000	COOPERATIEVE RABOBANK CP MAT 06/14/23 Cpn 21687BTE1	(19,997,200.00)		0.00	0.00	(19,997,200.00)
06/06/23	06/13/23	Buy	1,600,000.000	VALET 2023-1 A2A CAR MAT 12/21/26 Cpn 5.50 92867WAB4	(1,599,922.24)		0.00	0.00	(1,599,922.24)
06/14/23	06/14/23	Buy	9,000,000.000	FHLB DISCOUNT NOTE MAT 06/15/23 Cpn 313384GX1	(8,998,755.00)		0.00	0.00	(8,998,755.00)

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN

06/01/2023
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Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/14/23	06/14/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/15/23 Cpn 313384GX1	(49,993,083.33)		0.00	0.00	(49,993,083.33)
06/14/23	06/14/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/15/23 Cpn 313384GX1	(49,993,083.33)		0.00	0.00	(49,993,083.33)
06/14/23	06/14/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/15/23 Cpn 313384GX1	(49,993,083.33)		0.00	0.00	(49,993,083.33)
06/14/23	06/14/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/15/23 Cpn 313384GX1	(49,993,083.33)		0.00	0.00	(49,993,083.33)
06/14/23	06/14/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/15/23 Cpn 313384GX1	(49,993,083.33)		0.00	0.00	(49,993,083.33)
06/14/23	06/14/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/15/23 Cpn 313384GX1	(49,993,083.33)		0.00	0.00	(49,993,083.33)
06/14/23	06/14/23	Buy	20,000,000.000	COOPERATIEVE RABOBANK CP MAT 06/15/23 Cpn 21687BTF8	(19,997,200.00)		0.00	0.00	(19,997,200.00)
06/15/23	06/15/23	Buy	11,000,000.000	FHLB DISCOUNT NOTE MAT 06/16/23 Cpn 313384GY9	(10,998,478.33)		0.00	0.00	(10,998,478.33)
06/06/23	06/15/23	Buy	4,200,000.000	IBRD C 09/15/2023 Q MAT 06/15/26 Cpn 5.75 45906M4C2	(4,200,000.00)		0.00	0.00	(4,200,000.00)
06/15/23	06/15/23	Buy	10,000,000.000	ID HSG AGY CP TXB MAT 08/15/23 Cpn 5.35 45130HFK1	(10,000,000.00)		0.00	0.00	(10,000,000.00)
06/15/23	06/15/23	Buy	14,000,000.000	COOPERATIEVE RABOBANK CP MAT 06/16/23 Cpn 21687BTG6	(13,998,040.00)		0.00	0.00	(13,998,040.00)
06/16/23	06/16/23	Buy	5,000,000.000	CATERPILLAR FIN CP MAT 07/13/23 Cpn 14912EUD7	(4,980,875.00)		0.00	0.00	(4,980,875.00)
06/14/23	06/16/23	Buy	1,804,703.620	ENTERPRISE 2020-2 A2 FLEET 144 MAT 07/20/26 Cpn 0.61 29375MAB3	(1,777,703.57)	(795.07)	0.00	0.00	(1,778,498.64)

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Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/14/23	06/16/23	Buy	3,769,227.800	ENTERPRISE 2021-1 A2 FLEET 144 MAT 12/21/26 Cpn 0.44 29374EAB2	(3,690,456.82)	(1,197.78)	0.00	0.00	(3,691,654.60)
06/14/23	06/16/23	Buy	444,151.110	ENTERPRISE 2021-1 A2 FLEET 144 MAT 12/21/26 Cpn 0.44 29374EAB2	(434,869.04)	(141.14)	0.00	0.00	(435,010.18)
06/16/23	06/16/23	Buy	20,000,000.000	MITSUBISHI UFJ TRUST & BANK 14 MAT 07/17/23 Cpn 60682XUH7	(19,912,166.67)		0.00	0.00	(19,912,166.67)
06/16/23	06/16/23	Buy	5,000,000.000	NATL SEC CLEARING CP 144A MAT 07/11/23 Cpn 63763QUB1	(4,982,222.22)		0.00	0.00	(4,982,222.22)
06/16/23	06/16/23	Buy	25,000,000.000	ROCHE HOLDINGS CP 144A MAT 07/11/23 Cpn 77119MUB1	(24,912,326.39)		0.00	0.00	(24,912,326.39)
06/16/23	06/20/23	Buy	10,000,000.000	ABN AMRO FUNDING CP 144A MAT 07/14/23 Cpn 00084CUE0	(9,965,666.67)		0.00	0.00	(9,965,666.67)
06/20/23	06/20/23	Buy	8,000,000.000	JOHN DEERE CANADA CP 144A MAT 08/03/23 Cpn 24423JV38	(7,949,448.89)		0.00	0.00	(7,949,448.89)
06/20/23	06/20/23	Buy	11,000,000.000	KAISER FOUNDATION CP MAT 08/02/23 Cpn 48306BV28	(10,932,334.72)		0.00	0.00	(10,932,334.72)
06/15/23	06/20/23	Buy	5,000,000.000	WORLD OMNI 2020-C A4 CAR MAT 10/15/26 Cpn 0.61 98163CAF7	(4,710,546.88)	(423.61)	0.00	0.00	(4,710,970.49)
06/21/23	06/21/23	Buy	9,000,000.000	COOPERATIEVE RABOBANK CP MAT 06/22/23 Cpn 21687BTN1	(8,998,740.00)		0.00	0.00	(8,998,740.00)
06/20/23	06/21/23	Buy	28,500,000.000	TVA DISCOUNT NOTE MAT 07/05/23 Cpn 880592HT0	(28,444,361.67)		0.00	0.00	(28,444,361.67)
06/20/23	06/21/23	Buy	50,000,000.000	TVA DISCOUNT NOTE MAT 07/12/23 Cpn 880592JA9	(49,853,583.33)		0.00	0.00	(49,853,583.33)
06/20/23	06/21/23	Buy	10,000,000.000	TVA DISCOUNT NOTE MAT 07/12/23 Cpn 880592JA9	(9,970,658.33)		0.00	0.00	(9,970,658.33)

TRANSACTIONS BY TYPE

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Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/22/23	06/22/23	Buy	6,500,000.000	WI ASPIRUS HEALTH CP TXB MAT 07/27/23 Cpn 5.25 04537KAT6	(6,500,000.00)		0.00	0.00	(6,500,000.00)
06/12/23	06/22/23	Buy	3,200,000.000	DEFT 2023-2 A1 EQP 144A MAT 06/24/24 Cpn 5.64 24703GAA2	(3,200,000.00)		0.00	0.00	(3,200,000.00)
06/22/23	06/22/23	Buy	4,200,000.000	CA SAN JOSE FIN AUTH CP TXB MAT 09/28/23 Cpn 5.40 79815WDN5	(4,200,000.00)		0.00	0.00	(4,200,000.00)
06/22/23	06/22/23	Buy	5,000,000.000	CA SANTA CLARA VLY WTR DIST C MAT 10/17/23 Cpn 5.50 80169BAL8	(5,000,000.00)		0.00	0.00	(5,000,000.00)
06/23/23	06/23/23	Buy	25,000,000.000	NOVARTIS FINANCE CP 144A MAT 07/05/23 Cpn 6698M5U56	(24,957,916.67)		0.00	0.00	(24,957,916.67)
06/23/23	06/23/23	Buy	14,000,000.000	COOPERATIEVE RABOBANK CP MAT 06/26/23 Cpn 21687BTS0	(13,994,120.00)		0.00	0.00	(13,994,120.00)
06/26/23	06/26/23	Buy	29,000,000.000	AUTOMATIC DATA CP 144A MAT 06/27/23 Cpn 0530A3TT5	(28,995,931.94)		0.00	0.00	(28,995,931.94)
06/27/23	06/27/23	Buy	30,000,000.000	AUTOMATIC DATA CP 144A MAT 06/28/23 Cpn 0530A3TU2	(29,995,791.67)		0.00	0.00	(29,995,791.67)
06/27/23	06/27/23	Buy	22,500,000.000	CREDIT AGRICOLE CP MAT 06/28/23 Cpn 22533UTU7	(22,496,868.75)		0.00	0.00	(22,496,868.75)
06/27/23	06/27/23	Buy	20,000,000.000	COOPERATIEVE RABOBANK CP MAT 06/28/23 Cpn 21687BTU5	(19,997,200.00)		0.00	0.00	(19,997,200.00)
06/28/23	06/28/23	Buy	22,500,000.000	CREDIT AGRICOLE CP MAT 06/29/23 Cpn 22533UTV5	(22,496,868.75)		0.00	0.00	(22,496,868.75)
06/28/23	06/28/23	Buy	13,000,000.000	FHLB DISCOUNT NOTE MAT 06/29/23 Cpn 313384HM4	(12,998,212.50)		0.00	0.00	(12,998,212.50)
06/28/23	06/28/23	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/29/23 Cpn 313384HM4	(49,993,125.00)		0.00	0.00	(49,993,125.00)

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Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/28/23	06/28/23	Buy	5,000,000.000	NOVARTIS FINANCE CP 144A MAT 07/03/23 Cpn 6698M5U31	(4,996,527.78)		0.00	0.00	(4,996,527.78)
06/28/23	06/29/23	Buy	33,000,000.000	U.S. TREASURY BILL MAT 07/25/23 Cpn 912797FZ5	(32,881,035.92)		0.00	0.00	(32,881,035.92)
06/22/23	06/30/23	Buy	5,100,000.000	SFAST 2023-1 A1 CAR 144A MAT 07/22/24 Cpn 5.57 78398AAA1	(5,100,000.00)		0.00	0.00	(5,100,000.00)
06/30/23	06/30/23	Buy	1,000,000.000	CA SAN FRAN CITY & CNTY LEASE MAT 08/03/23 Cpn 5.25 79769EAP9	(1,000,000.00)		0.00	0.00	(1,000,000.00)
			<u>3,022,748,523.790</u>		<u>(3,019,052,337.35)</u>	<u>(20,772.81)</u>	<u>0.00</u>	<u>0.00</u>	<u>(3,019,073,110.16)</u>
06/06/23	06/06/23	Coupon		CA SAN FRAN PUB CP TXB MAT 06/06/23 Cpn 5.02 79770TRD2		86,804.17	0.00	0.00	86,804.17
06/08/23	06/08/23	Coupon		NORDEA BANK ABP NY YCD MAT 06/08/23 Cpn 2.97 65558UUE0		451,687.50	0.00	0.00	451,687.50
06/09/23	06/09/23	Coupon		MMAF 2022-B A1 EQP 144A MAT 12/01/23 Cpn 4.92 606940AA2		6,532.21	0.00	0.00	6,532.21
06/10/23	06/10/23	Coupon		CRVNA 2021-P4 A2 CAR MAT 04/10/25 Cpn 0.82 14687KAB2		616.07	0.00	0.00	616.07
06/12/23	06/12/23	Coupon		CRVNA 2023-P1 A1 CAR 144A MAT 03/11/24 Cpn 5.28 14688EAA7		6,152.40	0.00	0.00	6,152.40
06/12/23	06/12/23	Coupon		CRVNA 2023-P2 A1 CAR 144A MAT 06/10/24 Cpn 5.59 14686TAA6		3,352.80	0.00	0.00	3,352.80
06/15/23	06/15/23	Coupon		ALLYA 2022-2 A2 CAR MAT 10/15/25 Cpn 4.62 02008MAB5		12,599.07	0.00	0.00	12,599.07
06/15/23	06/15/23	Coupon		CARMX 2021-3 A3 CAR MAT 06/15/26 Cpn 0.55 14317DAC4		3,050.59	0.00	0.00	3,050.59

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Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/15/23	06/15/23	Coupon		CARMX 2023-1 A1 CAR MAT 02/15/24 Cpn 4.96 14318DAA7		6,486.94	0.00	0.00	6,486.94
06/15/23	06/15/23	Coupon		CARMX 2023-2 A1 CAR MAT 05/15/24 Cpn 5.51 142921AA3		31,602.14	0.00	0.00	31,602.14
06/15/23	06/15/23	Coupon		CNH 2021-C A2 EQP MAT 01/15/25 Cpn 0.33 12598LAB2		330.01	0.00	0.00	330.01
06/15/23	06/15/23	Coupon		CNH 2023-A A1 EQP MAT 05/15/24 Cpn 5.43 12664QAA2		26,235.05	0.00	0.00	26,235.05
06/15/23	06/15/23	Coupon		FORDL 2022-A A3 LEASE MAT 05/15/25 Cpn 3.23 34528LAD7		8,344.17	0.00	0.00	8,344.17
06/15/23	06/15/23	Coupon		FORDL 2023-A A1 LEASE MAT 02/15/24 Cpn 4.96 345287AA4		2,434.15	0.00	0.00	2,434.15
06/15/23	06/15/23	Coupon		GALC 2022-1 A1 EQP 144A MAT 10/16/23 Cpn 4.34 39154TBU1		3,970.58	0.00	0.00	3,970.58
06/15/23	06/15/23	Coupon		GALC 2023-1 A1 EQP 144A MAT 06/14/24 Cpn 5.52 39154TCA4		10,792.71	0.00	0.00	10,792.71
06/15/23	06/15/23	Coupon		HALST 2023-B A1 LEASE 144A MAT 05/15/24 Cpn 5.25 448980AA0		15,400.00	0.00	0.00	15,400.00
06/15/23	06/15/23	Coupon		HAROT 2022-1 A2 CAR MAT 10/15/24 Cpn 1.44 43815BAB6		2,667.80	0.00	0.00	2,667.80
06/15/23	06/15/23	Coupon		HAROT 2023-2 A2 CAR MAT 04/15/26 Cpn 5.41 437927AB2		14,088.54	0.00	0.00	14,088.54
06/15/23	06/15/23	Coupon		HART 2019-B A4 CAR MAT 04/15/25 Cpn 2.00 44891JAD0		3,181.51	0.00	0.00	3,181.51
06/15/23	06/15/23	Coupon		HART 2021-C A3 CAR MAT 05/15/26 Cpn 0.74 44935FAD6		2,960.00	0.00	0.00	2,960.00

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Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/15/23	06/15/23	Coupon		HART 2023-A A1 CAR MAT 04/15/24 Cpn 5.17 448979AA2		15,116.83	0.00	0.00	15,116.83
06/15/23	06/15/23	Coupon		ID HSG AGY CP TXB MAT 06/15/23 Cpn 5.13 45130HFG0		75,263.42	0.00	0.00	75,263.42
06/15/23	06/15/23	Coupon		JOHN DEERE 2020-B A3 EQP MAT 11/15/24 Cpn 0.51 47787NAC3		450.54	0.00	0.00	450.54
06/15/23	06/15/23	Coupon		KUBOTA 2020-1A A3 EQP 144A MAT 03/15/24 Cpn 1.96 50117WAC8		40.91	0.00	0.00	40.91
06/15/23	06/15/23	Coupon		KUBOTA 2020-1A A3 EQP 144A MAT 03/15/24 Cpn 1.96 50117WAC8		9.81	0.00	0.00	9.81
06/15/23	06/15/23	Coupon		KCOT 2023-1A A1 EQP 144A MAT 03/15/24 Cpn 5.29 50117KAA8		20,689.70	0.00	0.00	20,689.70
06/15/23	06/15/23	Coupon		NALT 2023-A A1 LEASE MAT 02/15/24 Cpn 4.97 65480VAA1		8,122.34	0.00	0.00	8,122.34
06/15/23	06/15/23	Coupon		NAROT 2023-A A1 CAR MAT 05/15/24 Cpn 5.42 65480WAA9		30,667.77	0.00	0.00	30,667.77
06/15/23	06/15/23	Coupon		U.S. TREASURY NOTE MAT 12/15/23 Cpn 0.13 91282CBA8		7,500.00	0.00	0.00	7,500.00
06/15/23	06/15/23	Coupon		TAOT 2022-C A2A CAR MAT 08/15/25 Cpn 4.19 89231CAB3		15,354.85	0.00	0.00	15,354.85
06/15/23	06/15/23	Coupon		TAOT 2023-A A1 CAR MAT 01/15/24 Cpn 4.84 891940AA6		4,791.49	0.00	0.00	4,791.49
06/15/23	06/15/23	Coupon		TAOT 2023-B A1 CAR MAT 05/15/24 Cpn 5.23 891941AA4		33,381.94	0.00	0.00	33,381.94
06/15/23	06/15/23	Coupon		WOART 2022-B A2A CAR MAT 10/15/25 Cpn 2.77 98163QAB5		6,486.62	0.00	0.00	6,486.62

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06/15/23	06/15/23	Coupon		WOART 2023-A A2A CAR MAT 07/15/26 Cpn 5.18 98164JAB0		23,741.67	0.00	0.00	23,741.67
06/15/23	06/15/23	Coupon		WOART 2023-B A1 CAR MAT 04/15/24 Cpn 5.32 98164QAA6		38,638.31	0.00	0.00	38,638.31
06/15/23	06/15/23	Coupon		WOLS 2022-A A2 LEASE MAT 10/15/24 Cpn 2.63 98163NAB2		1,806.92	0.00	0.00	1,806.92
06/15/23	06/15/23	Coupon		WOLS 2023-A A1 LEASE MAT 05/15/24 Cpn 5.22 981944AA9		7,970.42	0.00	0.00	7,970.42
06/16/23	06/16/23	Coupon		GMCAR 2021-4 A3 CAR MAT 09/16/26 Cpn 0.68 362554AC1		2,833.33	0.00	0.00	2,833.33
06/16/23	06/16/23	Coupon		GMCAR 2023-1 A1 CAR MAT 01/16/24 Cpn 4.89 38013JAA1		9,939.41	0.00	0.00	9,939.41
06/16/23	06/16/23	Coupon		GMCAR 2023-2 A1 CAR MAT 04/16/24 Cpn 5.19 362583AA4		24,110.10	0.00	0.00	24,110.10
06/20/23	06/20/23	Coupon		DLLAD 2023-1A A1 EQP 144A MAT 02/20/24 Cpn 5.01 233258AA0		3,958.82	0.00	0.00	3,958.82
06/20/23	06/20/23	Coupon		DLLMT 2023-1A A1 EQP 144A MAT 05/20/24 Cpn 5.53 232989AA1		29,878.20	0.00	0.00	29,878.20
06/20/23	06/20/23	Coupon		ENTERPRISE 2020-2 A2 FLEET 144 MAT 07/20/26 Cpn 0.61 29375MAB3		1,377.73	0.00	0.00	1,377.73
06/20/23	06/20/23	Coupon		ENTERPRISE 2020-2 A2 FLEET 144 MAT 07/20/26 Cpn 0.61 29375MAB3		917.39	0.00	0.00	917.39
06/20/23	06/20/23	Coupon		ENTERPRISE 2021-1 A2 FLEET 144 MAT 12/21/26 Cpn 0.44 29374EAB2		1,382.05	0.00	0.00	1,382.05
06/20/23	06/20/23	Coupon		ENTERPRISE 2021-1 A2 FLEET 144 MAT 12/21/26 Cpn 0.44 29374EAB2		162.86	0.00	0.00	162.86

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06/20/23	06/20/23	Coupon		EFF 2022-3 A1 FLEET 144A MAT 08/20/23 Cpn 3.61 29374FAA1		1,254.73	0.00	0.00	1,254.73
06/20/23	06/20/23	Coupon		EFF 2022-4 A1 FLEET 144A MAT 11/20/23 Cpn 5.15 29374GAA9		9,190.03	0.00	0.00	9,190.03
06/20/23	06/20/23	Coupon		EFF 2022-4 A1 FLEET 144A MAT 11/20/23 Cpn 5.15 29374GAA9		9,331.41	0.00	0.00	9,331.41
06/20/23	06/20/23	Coupon		EFF 2023-2 A1 FLEET 144A MAT 06/20/24 Cpn 5.79 29375NAA3		13,999.75	0.00	0.00	13,999.75
06/20/23	06/20/23	Coupon		GMALT 2021-2 A LEASE MAT 05/20/25 Cpn 0.41 380144AD7		717.50	0.00	0.00	717.50
06/20/23	06/20/23	Coupon		GMALT 2023-1 A2A LEASE MAT 06/20/25 Cpn 5.27 362541AB0		11,857.50	0.00	0.00	11,857.50
06/20/23	06/20/23	Coupon		GMALT 2023-2 A1 LEASE MAT 05/20/24 Cpn 5.45 362548AA7		37,588.51	0.00	0.00	37,588.51
06/20/23	06/20/23	Coupon		SRT 2021-A A3 LEASE 144A MAT 07/22/24 Cpn 0.51 80286TAC7		962.87	0.00	0.00	962.87
06/20/23	06/20/23	Coupon		TESLA 2021-B A2 LEASE 144A MAT 09/22/25 Cpn 0.36 88161KAB1		292.07	0.00	0.00	292.07
06/20/23	06/20/23	Coupon		TLOT 2021-B A3 LEASE 144A MAT 10/21/24 Cpn 0.42 89239CAC3		661.08	0.00	0.00	661.08
06/20/23	06/20/23	Coupon		TLOT 2021-B A3 LEASE 144A MAT 10/21/24 Cpn 0.42 89239CAC3		967.82	0.00	0.00	967.82
06/20/23	06/20/23	Coupon		VALET 2021-1 A2 CAR MAT 10/21/24 Cpn 0.49 92868KAB9		179.74	0.00	0.00	179.74
06/20/23	06/20/23	Coupon		VALET 2023-1 A2A CAR MAT 12/21/26 Cpn 5.50 92867WAB4		1,711.11	0.00	0.00	1,711.11

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06/22/23	06/22/23	Coupon		WI ASPIRUS HEALTH CP TXB MAT 06/22/23 Cpn 5.20 04537KAS8		40,745.21	0.00	0.00	40,745.21
06/22/23	06/22/23	Coupon		CA SAN JOSE FIN AUTH LEASE CP MAT 06/22/23 Cpn 5.15 79815WDL9		38,519.18	0.00	0.00	38,519.18
06/23/23	06/23/23	Coupon		INTL BK RECON & DEVELOP FRN S MAT 09/23/26 Cpn 5.39 459058KK8		17,823.60	0.00	0.00	17,823.60
06/23/23	06/23/23	Coupon		INTL BK RECON & DEVELOP FRN S MAT 09/23/26 Cpn 5.39 459058KK8		57,140.36	0.00	0.00	57,140.36
06/25/23	06/25/23	Coupon		BMW 2021-1 A4 LEASE MAT 07/25/24 Cpn 0.37 05591RAD6		574.55	0.00	0.00	574.55
06/25/23	06/25/23	Coupon		FHMS KF36 A MAT 08/25/24 Cpn 5.53 3137FBAR7		37.13	0.00	0.00	37.13
06/25/23	06/25/23	Coupon		FHMS KF38 A MAT 09/25/24 Cpn 5.52 3137FBUC8		1,044.30	0.00	0.00	1,044.30
06/25/23	06/25/23	Coupon		FHMS KI06 A 1MOFRN CMBS MAT 03/25/25 Cpn 5.41 3137FVNA6		2,478.26	0.00	0.00	2,478.26
06/25/23	06/25/23	Coupon		FHMS KI07 A SOFRFRN MAT 09/25/26 Cpn 5.21 3137H3KA9		29,877.83	0.00	0.00	29,877.83
06/25/23	06/25/23	Coupon		FHMS KI08 A 1MOFRN CMBS MAT 10/25/26 Cpn 5.24 3137H4RC6		13,937.13	0.00	0.00	13,937.13
06/25/23	06/25/23	Coupon		FHMS Q015 A 1MOFRN CMBS MAT 08/25/24 Cpn 5.24 3137FYUR5		3,631.21	0.00	0.00	3,631.21
06/30/23	06/30/23	Coupon		INTL FINANCE CORP FRN SOFRRA MAT 06/30/23 Cpn 45950KCW8		124,834.31	0.00	0.00	124,834.31

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Fixed Income - cont.									
06/30/23	06/30/23	Coupon		CA SAN FRANCISCO CITY & CNTY MAT 06/30/23 Cpn 5.30 79769EAN4		9,293.15	0.00	0.00	9,293.15
						<u>1,492,532.18</u>	<u>0.00</u>	<u>0.00</u>	<u>1,492,532.18</u>
06/01/23	06/01/23	Income	17,368.860	ADJ NET INT MAT Cpn USD		17,368.86	0.00	0.00	17,368.86
06/01/23	06/01/23	Income	732,406.270	STIF INT MAT Cpn USD		732,406.27	0.00	0.00	732,406.27
			<u>749,775.130</u>			<u>749,775.13</u>	<u>0.00</u>	<u>0.00</u>	<u>749,775.13</u>
06/02/23	06/02/23	Contributn	60,000,000.000	NM MAT Cpn USD	60,000,000.00		0.00	0.00	60,000,000.00
06/08/23	06/08/23	Contributn	590,000,000.000	NM MAT Cpn USD	590,000,000.00		0.00	0.00	590,000,000.00
06/09/23	06/09/23	Contributn	320,000,000.000	NM MAT Cpn USD	320,000,000.00		0.00	0.00	320,000,000.00
06/16/23	06/16/23	Contributn	75,000,000.000	NM MAT Cpn USD	75,000,000.00		0.00	0.00	75,000,000.00
			<u>1,045,000,000.000</u>			<u>1,045,000,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,045,000,000.00</u>

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06/22/23	06/22/23	Sell Long	19,000,000.000	FFCB DISCOUNT NOTE MAT 07/05/23 Cpn 313312HT0	18,931,183.05	34,442.78	68.61	0.00	18,965,625.83
06/09/23	06/09/23	Pay Princpl	536,274.407	MMAF 2022-B A1 EQP 144A MAT 12/01/23 Cpn 4.92 606940AA2	536,274.41		0.00	0.00	536,274.41
06/10/23	06/10/23	Pay Princpl	427,114.216	CRVNA 2021-P4 A2 CAR MAT 04/10/25 Cpn 0.82 14687KAB2	427,114.22		0.00	11.55	427,114.22
06/12/23	06/12/23	Pay Princpl	1,270,917.256	CRVNA 2023-P1 A1 CAR 144A MAT 03/11/24 Cpn 5.28 14688EAA7	1,270,917.26		0.00	0.00	1,270,917.26
06/12/23	06/12/23	Pay Princpl	490,586.615	CRVNA 2023-P2 A1 CAR 144A MAT 06/10/24 Cpn 5.59 14686TAA6	490,586.61		(0.00)	0.00	490,586.61
06/15/23	06/15/23	Pay Princpl	333,107.831	ALLYA 2022-2 A2 CAR MAT 10/15/25 Cpn 4.62 02008MAB5	333,107.83		16.33	0.00	333,107.83
06/15/23	06/15/23	Pay Princpl	356,590.593	CARMX 2021-3 A3 CAR MAT 06/15/26 Cpn 0.55 14317DAC4	356,590.59		14,080.56	0.00	356,590.59
06/15/23	06/15/23	Pay Princpl	659,934.257	CARMX 2023-1 A1 CAR MAT 02/15/24 Cpn 4.96 14318DAA7	659,934.26		0.00	0.00	659,934.26
06/15/23	06/15/23	Pay Princpl	1,292,293.137	CARMX 2023-2 A1 CAR MAT 05/15/24 Cpn 5.51 142921AA3	1,292,293.14		0.00	0.00	1,292,293.14
06/15/23	06/15/23	Pay Princpl	411,806.923	CNH 2021-C A2 EQP MAT 01/15/25 Cpn 0.33 12598LAB2	411,806.92		0.00	5.18	411,806.92
06/15/23	06/15/23	Pay Princpl	353,796.416	CNH 2023-A A1 EQP MAT 05/15/24 Cpn 5.43 12664QAA2	353,796.42		0.00	0.00	353,796.42
06/15/23	06/15/23	Pay Princpl	276,309.516	FORDL 2023-A A1 LEASE MAT 02/15/24 Cpn 4.96 345287AA4	276,309.52		0.00	0.00	276,309.52
06/15/23	06/15/23	Pay Princpl	534,559.403	GALC 2022-1 A1 EQP 144A MAT 10/16/23 Cpn 4.34 39154TBU1	534,559.40		(0.00)	0.00	534,559.40

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06/15/23	06/15/23	Pay Princpl	380,881.406	GALC 2023-1 A1 EQP 144A MAT 06/14/24 Cpn 5.52 39154TCA4	380,881.41		0.00	0.00	380,881.41
06/15/23	06/15/23	Pay Princpl	1,456,696.609	HALST 2023-B A1 LEASE 144A MAT 05/15/24 Cpn 5.25 448980AA0	1,456,696.61		0.00	0.00	1,456,696.61
06/15/23	06/15/23	Pay Princpl	370,470.735	HAROT 2022-1 A2 CAR MAT 10/15/24 Cpn 1.44 43815BAB6	370,470.74		0.00	9.62	370,470.74
06/15/23	06/15/23	Pay Princpl	610,529.051	HART 2019-B A4 CAR MAT 04/15/25 Cpn 2.00 44891JAD0	610,529.05		(0.00)	0.00	610,529.05
06/15/23	06/15/23	Pay Princpl	767,547.254	HART 2023-A A1 CAR MAT 04/15/24 Cpn 5.17 448979AA2	767,547.25		(0.00)	0.00	767,547.25
06/15/23	06/15/23	Pay Princpl	251,974.258	JOHN DEERE 2020-B A3 EQP MAT 11/15/24 Cpn 0.51 47787NAC3	251,974.26		2,400.32	0.00	251,974.26
06/15/23	06/15/23	Pay Princpl	25,045.010	KUBOTA 2020-1A A3 EQP 144A MAT 03/15/24 Cpn 1.96 50117WAC8	25,045.01		0.00	(88.00)	25,045.01
06/15/23	06/15/23	Pay Princpl	6,008.558	KUBOTA 2020-1A A3 EQP 144A MAT 03/15/24 Cpn 1.96 50117WAC8	6,008.56		0.00	(19.53)	6,008.56
06/15/23	06/15/23	Pay Princpl	756,658.887	KCOT 2023-1A A1 EQP 144A MAT 03/15/24 Cpn 5.29 50117KAA8	756,658.89		(23.54)	0.00	756,658.89
06/15/23	06/15/23	Pay Princpl	647,960.415	NALT 2023-A A1 LEASE MAT 02/15/24 Cpn 4.97 65480VAA1	647,960.41		(0.00)	0.00	647,960.41
06/15/23	06/15/23	Pay Princpl	1,117,906.156	NAROT 2023-A A1 CAR MAT 05/15/24 Cpn 5.42 65480WAA9	1,117,906.16		0.00	0.00	1,117,906.16
06/15/23	06/15/23	Pay Princpl	372,980.303	TAOT 2022-C A2A CAR MAT 08/15/25 Cpn 4.19 89231CAB3	372,980.30		19.94	0.00	372,980.30
06/15/23	06/15/23	Pay Princpl	478,086.492	TAOT 2023-A A1 CAR MAT 01/15/24 Cpn 4.84 891940AA6	478,086.49		(0.00)	0.00	478,086.49

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Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/15/23	06/15/23	Pay Princpl	3,226,600.820	TAOT 2023-B A1 CAR MAT 05/15/24 Cpn 5.23 891941AA4	3,226,600.82		0.00	0.00	3,226,600.82
06/15/23	06/15/23	Pay Princpl	318,882.410	WOART 2022-B A2A CAR MAT 10/15/25 Cpn 2.77 98163QAB5	318,882.41		0.00	14.73	318,882.41
06/15/23	06/15/23	Pay Princpl	1,899,690.698	WOART 2023-B A1 CAR MAT 04/15/24 Cpn 5.32 98164QAA6	1,899,690.70		0.00	0.00	1,899,690.70
06/15/23	06/15/23	Pay Princpl	127,945.519	WOLS 2022-A A2 LEASE MAT 10/15/24 Cpn 2.63 98163NAB2	127,945.52		0.00	1.36	127,945.52
06/15/23	06/15/23	Pay Princpl	1,075,881.194	WOLS 2023-A A1 LEASE MAT 05/15/24 Cpn 5.22 981944AA9	1,075,881.19		(0.00)	0.00	1,075,881.19
06/16/23	06/16/23	Pay Princpl	1,037,593.528	GMCAR 2023-1 A1 CAR MAT 01/16/24 Cpn 4.89 38013JAA1	1,037,593.53		0.00	0.00	1,037,593.53
06/16/23	06/16/23	Pay Princpl	1,306,103.417	GMCAR 2023-2 A1 CAR MAT 04/16/24 Cpn 5.19 362583AA4	1,306,103.42		0.00	0.00	1,306,103.42
06/20/23	06/20/23	Pay Princpl	256,670.392	DLLAD 2023-1A A1 EQP 144A MAT 02/20/24 Cpn 5.01 233258AA0	256,670.39		(0.00)	0.00	256,670.39
06/20/23	06/20/23	Pay Princpl	1,838,220.999	DLLMT 2023-1A A1 EQP 144A MAT 05/20/24 Cpn 5.53 232989AA1	1,838,221.00		0.00	0.00	1,838,221.00
06/20/23	06/20/23	Pay Princpl	424,646.388	ENTERPRISE 2020-2 A2 FLEET 144 MAT 07/20/26 Cpn 0.61 29375MAB3	424,646.39		6,418.97	0.00	424,646.39
06/20/23	06/20/23	Pay Princpl	282,760.571	ENTERPRISE 2020-2 A2 FLEET 144 MAT 07/20/26 Cpn 0.61 29375MAB3	282,760.57		4,174.70	0.00	282,760.57
06/20/23	06/20/23	Pay Princpl	362,562.319	ENTERPRISE 2021-1 A2 FLEET 144 MAT 12/21/26 Cpn 0.44 29374EAB2	362,562.32		7,510.67	0.00	362,562.32
06/20/23	06/20/23	Pay Princpl	42,722.930	ENTERPRISE 2021-1 A2 FLEET 144 MAT 12/21/26 Cpn 0.44 29374EAB2	42,722.93		885.03	0.00	42,722.93

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06/20/23	06/20/23	Pay Princpl	430,991.036	EFF 2022-3 A1 FLEET 144A MAT 08/20/23 Cpn 3.61 29374FAA1	430,991.04		0.00	0.00	430,991.04
06/20/23	06/20/23	Pay Princpl	580,546.546	EFF 2022-4 A1 FLEET 144A MAT 11/20/23 Cpn 5.15 29374GAA9	580,546.55		0.00	0.00	580,546.55
06/20/23	06/20/23	Pay Princpl	589,478.031	EFF 2022-4 A1 FLEET 144A MAT 11/20/23 Cpn 5.15 29374GAA9	589,478.03		265.86	0.00	589,478.03
06/20/23	06/20/23	Pay Princpl	991,437.927	EFF 2023-2 A1 FLEET 144A MAT 06/20/24 Cpn 5.79 29375NAA3	991,437.93		0.00	0.00	991,437.93
06/20/23	06/20/23	Pay Princpl	2,492,325.303	GMALT 2023-2 A1 LEASE MAT 05/20/24 Cpn 5.45 362548AA7	2,492,325.30		(0.00)	0.00	2,492,325.30
06/20/23	06/20/23	Pay Princpl	361,770.390	SRT 2021-A A3 LEASE 144A MAT 07/22/24 Cpn 0.51 80286TAC7	361,770.39		5,459.44	0.00	361,770.39
06/20/23	06/20/23	Pay Princpl	196,392.473	TESLA 2021-B A2 LEASE 144A MAT 09/22/25 Cpn 0.36 88161KAB1	196,392.47		0.00	5.37	196,392.47
06/20/23	06/20/23	Pay Princpl	298,353.237	TLOT 2021-B A3 LEASE 144A MAT 10/21/24 Cpn 0.42 89239CAC3	298,353.24		7,704.84	0.00	298,353.24
06/20/23	06/20/23	Pay Princpl	436,789.139	TLOT 2021-B A3 LEASE 144A MAT 10/21/24 Cpn 0.42 89239CAC3	436,789.14		7,982.94	0.00	436,789.14
06/20/23	06/20/23	Pay Princpl	440,173.136	VALET 2021-1 A2 CAR MAT 10/21/24 Cpn 0.49 92868KAB9	440,173.14		0.00	3.37	440,173.14
06/25/23	06/25/23	Pay Princpl	759,802.202	BMW 2021-1 A4 LEASE MAT 07/25/24 Cpn 0.37 05591RAD6	759,802.20		7,685.45	0.00	759,802.20
06/25/23	06/25/23	Pay Princpl	118.785	FHMS KF38 A MAT 09/25/24 Cpn 5.52 3137FBUC8	118.79		0.00	0.05	118.79
06/25/23	06/25/23	Pay Princpl	443,511.340	FHMS KI08 A 1MOFRN CMBS MAT 10/25/26 Cpn 5.24 3137H4RC6	443,511.34		0.00	0.00	443,511.34

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06/25/23	06/25/23	Pay Princpl	603,610.254	FHMS Q015 A 1MOFRN CMBS MAT 08/25/24 Cpn 5.24 3137FYUR5	603,610.25		0.00	(0.00)	603,610.25
			<u>35,011,616.689</u>		<u>35,011,616.72</u>		<u>64,581.55</u>	<u>(56.32)</u>	<u>35,011,616.72</u>
06/06/23	06/06/23	Mature Long	5,000,000.000	U.S. TREASURY BILL MAT 06/06/23 Cpn 912797FM4	4,999,298.61	701.39	0.00	0.00	5,000,000.00
06/06/23	06/06/23	Mature Long	10,000,000.000	CREDIT AGRICOLE CP MAT 06/06/23 Cpn 22533UT60	9,998,608.33	1,391.67	0.00	0.00	10,000,000.00
06/06/23	06/06/23	Mature Long	15,000,000.000	NORDEA BANK CP 144A MAT 06/06/23 Cpn 65558KT61	14,997,900.00	2,100.00	0.00	0.00	15,000,000.00
06/06/23	06/06/23	Mature Long	30,000,000.000	COOPERATIEVE RABOBANK CP MAT 06/06/23 Cpn 21687BT68	29,995,800.00	4,200.00	0.00	0.00	30,000,000.00
06/06/23	06/06/23	Mature Long	7,500,000.000	CA SAN FRAN PUB CP TXB MAT 06/06/23 Cpn 5.02 79770TRD2	7,500,000.00		0.00	0.00	7,500,000.00
06/07/23	06/07/23	Mature Long	8,500,000.000	ESSILOR CP 144A MAT 06/07/23 Cpn 29728YT70	8,428,562.22	71,437.78	0.00	0.00	8,500,000.00
06/07/23	06/07/23	Mature Long	20,000,000.000	MERCEDES-BENZ CP 144A MAT 06/07/23 Cpn 58768KT70	19,960,411.11	39,588.89	0.00	0.00	20,000,000.00
06/07/23	06/07/23	Mature Long	17,200,000.000	NATL SEC CLEARING CP 144A MAT 06/07/23 Cpn 63763QT72	17,136,895.11	63,104.89	0.00	0.00	17,200,000.00
06/08/23	06/08/23	Mature Long	15,000,000.000	NORDEA BANK ABP NY YCD MAT 06/08/23 Cpn 2.97 65558UUE0	15,000,000.00		0.00	0.00	15,000,000.00
06/09/23	06/09/23	Mature Long	18,000,000.000	FHLB DISCOUNT NOTE MAT 06/09/23 Cpn 313384GR4	17,997,500.00	2,500.00	0.00	0.00	18,000,000.00
06/12/23	06/12/23	Mature Long	45,000,000.000	FHLB DISCOUNT NOTE MAT 06/12/23 Cpn 313384GU7	44,968,750.00	31,250.00	0.00	0.00	45,000,000.00

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Tr Date	St Date	Transaction Type	Units	Description		Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/12/23	06/12/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/12/23 Cpn	313384GU7	49,965,277.78	34,722.22	0.00	0.00	50,000,000.00
06/12/23	06/12/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/12/23 Cpn	313384GU7	49,979,166.67	20,833.33	0.00	0.00	50,000,000.00
06/12/23	06/12/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/12/23 Cpn	313384GU7	49,979,166.67	20,833.33	0.00	0.00	50,000,000.00
06/12/23	06/12/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/12/23 Cpn	313384GU7	49,979,166.67	20,833.33	0.00	0.00	50,000,000.00
06/12/23	06/12/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/12/23 Cpn	313384GU7	49,979,166.67	20,833.33	0.00	0.00	50,000,000.00
06/12/23	06/12/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/12/23 Cpn	313384GU7	49,979,166.67	20,833.33	0.00	0.00	50,000,000.00
06/12/23	06/12/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/12/23 Cpn	313384GU7	49,979,166.67	20,833.33	0.00	0.00	50,000,000.00
06/12/23	06/12/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/12/23 Cpn	313384GU7	49,979,166.67	20,833.33	0.00	0.00	50,000,000.00
06/12/23	06/12/23	Mature Long	48,070,000.000	FHLB DISCOUNT NOTE MAT 06/12/23 Cpn	313384GU7	48,049,970.83	20,029.17	0.00	0.00	48,070,000.00
06/12/23	06/12/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/12/23 Cpn	313384GU7	49,979,166.67	20,833.33	0.00	0.00	50,000,000.00
06/12/23	06/12/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/12/23 Cpn	313384GU7	49,979,166.67	20,833.33	0.00	0.00	50,000,000.00
06/12/23	06/12/23	Mature Long	20,000,000.000	FHLB DISCOUNT NOTE MAT 06/12/23 Cpn	313384GU7	19,991,666.67	8,333.33	0.00	0.00	20,000,000.00
06/12/23	06/12/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/12/23 Cpn	313384GU7	49,979,166.67	20,833.33	0.00	0.00	50,000,000.00
06/12/23	06/12/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/12/23 Cpn	313384GU7	49,979,166.67	20,833.33	0.00	0.00	50,000,000.00

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Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/12/23	06/12/23	Mature Long	16,500,000.000	METLIFE SHORT TERM FUND CP 1 MAT 06/12/23 Cpn 59157UTC4	16,428,532.08	71,467.92	0.00	0.00	16,500,000.00
06/13/23	06/13/23	Mature Long	30,000,000.000	FHLB DISCOUNT NOTE MAT 06/13/23 Cpn 313384GV5	29,995,833.33	4,166.67	0.00	0.00	30,000,000.00
06/13/23	06/13/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/13/23 Cpn 313384GV5	49,993,055.56	6,944.44	0.00	0.00	50,000,000.00
06/13/23	06/13/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/13/23 Cpn 313384GV5	49,993,055.56	6,944.44	0.00	0.00	50,000,000.00
06/13/23	06/13/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/13/23 Cpn 313384GV5	49,993,055.56	6,944.44	0.00	0.00	50,000,000.00
06/13/23	06/13/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/13/23 Cpn 313384GV5	49,993,055.56	6,944.44	0.00	0.00	50,000,000.00
06/13/23	06/13/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/13/23 Cpn 313384GV5	49,993,055.56	6,944.44	0.00	0.00	50,000,000.00
06/13/23	06/13/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/13/23 Cpn 313384GV5	49,993,055.56	6,944.44	0.00	0.00	50,000,000.00
06/13/23	06/13/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/13/23 Cpn 313384GV5	49,993,055.56	6,944.44	0.00	0.00	50,000,000.00
06/13/23	06/13/23	Mature Long	20,000,000.000	NOVARTIS FINANCE CP 144A MAT 06/13/23 Cpn 6698M5TD1	19,946,694.44	53,305.56	0.00	0.00	20,000,000.00
06/14/23	06/14/23	Mature Long	20,000,000.000	BMW US CAPITAL CP 144A MAT 06/14/23 Cpn 0556C3TE1	19,941,083.33	58,916.67	0.00	0.00	20,000,000.00
06/14/23	06/14/23	Mature Long	12,500,000.000	CREDIT AGRICOLE CP MAT 06/14/23 Cpn 22533UTE3	12,465,000.00	35,000.00	0.00	0.00	12,500,000.00
06/14/23	06/14/23	Mature Long	38,000,000.000	FFCB DISCOUNT NOTE MAT 06/14/23 Cpn 313312GW4	37,829,665.00	170,335.00	0.00	0.00	38,000,000.00

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06/14/23	06/14/23	Mature Long	50,000,000.000	FFCB DISCOUNT NOTE MAT 06/14/23 Cpn	313312GW4	49,775,875.00	224,125.00	0.00	0.00	50,000,000.00
06/14/23	06/14/23	Mature Long	9,988,000.000	FHLB DISCOUNT NOTE MAT 06/14/23 Cpn	313384GW3	9,931,834.15	56,165.85	0.00	0.00	9,988,000.00
06/14/23	06/14/23	Mature Long	10,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/23 Cpn	313384GW3	9,991,666.67	8,333.33	0.00	0.00	10,000,000.00
06/14/23	06/14/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/23 Cpn	313384GW3	49,958,333.33	41,666.67	0.00	0.00	50,000,000.00
06/14/23	06/14/23	Mature Long	40,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/23 Cpn	313384GW3	39,972,500.00	27,500.00	0.00	0.00	40,000,000.00
06/14/23	06/14/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/23 Cpn	313384GW3	49,965,625.00	34,375.00	0.00	0.00	50,000,000.00
06/14/23	06/14/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/23 Cpn	313384GW3	49,965,625.00	34,375.00	0.00	0.00	50,000,000.00
06/14/23	06/14/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/23 Cpn	313384GW3	49,965,625.00	34,375.00	0.00	0.00	50,000,000.00
06/14/23	06/14/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/23 Cpn	313384GW3	49,993,083.33	6,916.67	0.00	0.00	50,000,000.00
06/14/23	06/14/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/23 Cpn	313384GW3	49,993,083.33	6,916.67	0.00	0.00	50,000,000.00
06/14/23	06/14/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/23 Cpn	313384GW3	49,993,083.33	6,916.67	0.00	0.00	50,000,000.00
06/14/23	06/14/23	Mature Long	10,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/23 Cpn	313384GW3	9,998,616.67	1,383.33	0.00	0.00	10,000,000.00
06/14/23	06/14/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/23 Cpn	313384GW3	49,993,083.33	6,916.67	0.00	0.00	50,000,000.00

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06/14/23	06/14/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/23 Cpn 313384GW3	49,993,083.33	6,916.67	0.00	0.00	50,000,000.00
06/14/23	06/14/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/23 Cpn 313384GW3	49,993,083.33	6,916.67	0.00	0.00	50,000,000.00
06/14/23	06/14/23	Mature Long	45,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/23 Cpn 313384GW3	44,993,775.00	6,225.00	0.00	0.00	45,000,000.00
06/14/23	06/14/23	Mature Long	20,000,000.000	COOPERATIEVE RABOBANK CP MAT 06/14/23 Cpn 21687BTE1	19,997,200.00	2,800.00	0.00	0.00	20,000,000.00
06/14/23	06/14/23	Mature Long	20,000,000.000	ROCHE HOLDINGS CP 144A MAT 06/14/23 Cpn 77119MTE7	19,944,333.33	55,666.67	0.00	0.00	20,000,000.00
06/15/23	06/15/23	Mature Long	9,000,000.000	FHLB DISCOUNT NOTE MAT 06/15/23 Cpn 313384GX1	8,998,755.00	1,245.00	0.00	0.00	9,000,000.00
06/15/23	06/15/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/15/23 Cpn 313384GX1	49,993,083.33	6,916.67	0.00	0.00	50,000,000.00
06/15/23	06/15/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/15/23 Cpn 313384GX1	49,993,083.33	6,916.67	0.00	0.00	50,000,000.00
06/15/23	06/15/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/15/23 Cpn 313384GX1	49,993,083.33	6,916.67	0.00	0.00	50,000,000.00
06/15/23	06/15/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/15/23 Cpn 313384GX1	49,993,083.33	6,916.67	0.00	0.00	50,000,000.00
06/15/23	06/15/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/15/23 Cpn 313384GX1	49,993,083.33	6,916.67	0.00	0.00	50,000,000.00
06/15/23	06/15/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/15/23 Cpn 313384GX1	49,993,083.33	6,916.67	0.00	0.00	50,000,000.00
06/15/23	06/15/23	Mature Long	8,500,000.000	ID HSG AGY CP TXB MAT 06/15/23 Cpn 5.13 45130HFG0	8,500,000.00		0.00	0.00	8,500,000.00

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06/15/23	06/15/23	Mature Long	20,000,000.000	COOPERATIEVE RABOBANK CP MAT 06/15/23 Cpn 21687BTF8	19,997,200.00	2,800.00	0.00	0.00	20,000,000.00
06/16/23	06/16/23	Mature Long	3,400,000.000	FHLB DISCOUNT NOTE MAT 06/16/23 Cpn 313384GY9	3,379,845.56	20,154.44	0.00	0.00	3,400,000.00
06/16/23	06/16/23	Mature Long	15,000,000.000	FHLB DISCOUNT NOTE MAT 06/16/23 Cpn 313384GY9	14,911,633.33	88,366.67	0.00	0.00	15,000,000.00
06/16/23	06/16/23	Mature Long	11,000,000.000	FHLB DISCOUNT NOTE MAT 06/16/23 Cpn 313384GY9	10,998,478.33	1,521.67	0.00	0.00	11,000,000.00
06/16/23	06/16/23	Mature Long	14,000,000.000	COOPERATIEVE RABOBANK CP MAT 06/16/23 Cpn 21687BTG6	13,998,040.00	1,960.00	0.00	0.00	14,000,000.00
06/20/23	06/20/23	Mature Long	15,000,000.000	CREDIT AGRICOLE CP MAT 06/20/23 Cpn 22533UTL7	14,983,200.00	16,800.00	0.00	0.00	15,000,000.00
06/20/23	06/20/23	Mature Long	10,000,000.000	CUMMINS INC CP 144A MAT 06/20/23 Cpn 23102VTL4	9,949,100.00	50,900.00	0.00	0.00	10,000,000.00
06/20/23	06/20/23	Mature Long	40,000,000.000	FHLB DISCOUNT NOTE MAT 06/20/23 Cpn 313384HC6	39,740,800.00	259,200.00	0.00	0.00	40,000,000.00
06/20/23	06/20/23	Mature Long	20,000,000.000	FLORIDA POWER & LIGHT CP MAT 06/20/23 Cpn 34108BTL9	19,977,333.33	22,666.67	0.00	0.00	20,000,000.00
06/20/23	06/20/23	Mature Long	15,000,000.000	JOHN DEERE CAPITAL CP 144A MAT 06/20/23 Cpn 24422MTL5	14,903,591.67	96,408.33	0.00	0.00	15,000,000.00
06/20/23	06/20/23	Mature Long	20,000,000.000	SUMITOMO MITSUI CP 144A MAT 06/20/23 Cpn 86563HTL4	19,977,555.56	22,444.44	0.00	0.00	20,000,000.00
06/21/23	06/21/23	Mature Long	38,500,000.000	FHLB DISCOUNT NOTE MAT 06/21/23 Cpn 313384HD4	38,451,393.75	48,606.25	0.00	0.00	38,500,000.00
06/21/23	06/21/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/21/23 Cpn 313384HD4	49,936,875.00	63,125.00	0.00	0.00	50,000,000.00

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN

06/01/2023
through 06/30/2023

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/22/23	06/22/23	Mature Long	6,500,000.000	WI ASPIRUS HEALTH CP TXB MAT 06/22/23 Cpn 5.20 04537KAS8	6,500,000.00		0.00	0.00	6,500,000.00
06/22/23	06/22/23	Mature Long	20,000,000.000	PACCAR FINANCIAL CP MAT 06/22/23 Cpn 69372BTN0	19,921,444.44	78,555.56	0.00	0.00	20,000,000.00
06/22/23	06/22/23	Mature Long	9,000,000.000	COOPERATIEVE RABOBANK CP MAT 06/22/23 Cpn 21687BTN1	8,998,740.00	1,260.00	0.00	0.00	9,000,000.00
06/22/23	06/22/23	Mature Long	4,200,000.000	CA SAN JOSE FIN AUTH LEASE CP MAT 06/22/23 Cpn 5.15 79815WDL9	4,200,000.00		0.00	0.00	4,200,000.00
06/23/23	06/23/23	Mature Long	13,900,000.000	AIR LIQUIDE CP 144A MAT 06/23/23 Cpn 00912UTP5	13,817,943.67	82,056.33	0.00	0.00	13,900,000.00
06/23/23	06/23/23	Mature Long	25,000,000.000	MERCEDES-BENZ CP 144A MAT 06/23/23 Cpn 58768KTP0	24,961,041.67	38,958.33	0.00	0.00	25,000,000.00
06/26/23	06/26/23	Mature Long	17,500,000.000	BAYERISCHE LANDESBANK CP MAT 06/26/23 Cpn 07274MTS4	17,419,422.22	80,577.78	0.00	0.00	17,500,000.00
06/26/23	06/26/23	Mature Long	20,000,000.000	CATERPILLAR FIN CP MAT 06/26/23 Cpn 14912ETS6	19,912,511.11	87,488.89	0.00	0.00	20,000,000.00
06/26/23	06/26/23	Mature Long	5,000,000.000	CATERPILLAR FIN CP MAT 06/26/23 Cpn 14912ETS6	4,990,141.67	9,858.33	0.00	0.00	5,000,000.00
06/26/23	06/26/23	Mature Long	9,400,000.000	ILLINOIS TOOL WORKS CP 144A MAT 06/26/23 Cpn 4523EMTS2	9,340,545.00	59,455.00	0.00	0.00	9,400,000.00
06/26/23	06/26/23	Mature Long	12,500,000.000	MITSUBISHI UFJ TRUST & BANK 14 MAT 06/26/23 Cpn 60682XTS5	12,443,777.78	56,222.22	0.00	0.00	12,500,000.00
06/26/23	06/26/23	Mature Long	14,000,000.000	COOPERATIEVE RABOBANK CP MAT 06/26/23 Cpn 21687BTS0	13,994,120.00	5,880.00	0.00	0.00	14,000,000.00
06/27/23	06/27/23	Mature Long	29,000,000.000	AUTOMATIC DATA CP 144A MAT 06/27/23 Cpn 0530A3TT5	28,995,931.94	4,068.06	0.00	0.00	29,000,000.00

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN

06/01/2023
through 06/30/2023

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/27/23	06/27/23	Mature Long	15,000,000.000	APPLE CP 144A MAT 06/27/23 Cpn 03785ETT1	14,888,479.17	111,520.83	0.00	0.00	15,000,000.00
06/27/23	06/27/23	Mature Long	20,000,000.000	FED CAISSE DESJARDINS CP 144A MAT 06/27/23 Cpn 31428GTT0	19,960,333.33	39,666.67	0.00	0.00	20,000,000.00
06/27/23	06/27/23	Mature Long	25,000,000.000	NATL SEC CLEARING CP 144A MAT 06/27/23 Cpn 63763QTT4	24,946,666.67	53,333.33	0.00	0.00	25,000,000.00
06/28/23	06/28/23	Mature Long	30,000,000.000	AUTOMATIC DATA CP 144A MAT 06/28/23 Cpn 0530A3TU2	29,995,791.67	4,208.33	0.00	0.00	30,000,000.00
06/28/23	06/28/23	Mature Long	22,500,000.000	CREDIT AGRICOLE CP MAT 06/28/23 Cpn 22533UTU7	22,496,868.75	3,131.25	0.00	0.00	22,500,000.00
06/28/23	06/28/23	Mature Long	20,000,000.000	COOPERATIEVE RABOBANK CP MAT 06/28/23 Cpn 21687BTU5	19,997,200.00	2,800.00	0.00	0.00	20,000,000.00
06/29/23	06/29/23	Mature Long	22,500,000.000	CREDIT AGRICOLE CP MAT 06/29/23 Cpn 22533UTV5	22,496,868.75	3,131.25	0.00	0.00	22,500,000.00
06/29/23	06/29/23	Mature Long	13,000,000.000	FHLB DISCOUNT NOTE MAT 06/29/23 Cpn 313384HM4	12,998,212.50	1,787.50	0.00	0.00	13,000,000.00
06/29/23	06/29/23	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/29/23 Cpn 313384HM4	49,993,125.00	6,875.00	0.00	0.00	50,000,000.00
06/29/23	06/29/23	Mature Long	7,500,000.000	HYDRO-QUEBEC CP 144A MAT 06/29/23 Cpn 44881MTV5	7,446,343.75	53,656.25	0.00	0.00	7,500,000.00
06/30/23	06/30/23	Mature Long	10,000,000.000	INTL FINANCE CORP FRN SOFRRA MAT 06/30/23 Cpn 45950KCW8	10,000,000.00		0.00	0.00	10,000,000.00

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN

06/01/2023
through 06/30/2023

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
Fixed Income - cont.									
06/30/23	06/30/23	Mature Long	1,000,000.000	CA SAN FRANCISCO CITY & CNTY MAT 06/30/23 Cpn 5.30 79769EAN4	1,000,000.00		0.00	0.00	1,000,000.00
			<u>3,013,158,000.000</u>		<u>3,010,137,824.19</u>	<u>3,020,175.82</u>	<u>0.00</u>	<u>0.00</u>	<u>3,013,158,000.00</u>
06/06/23	06/06/23	Withdrawal	(45,000,000.000)	WD MAT Cpn USD	(45,000,000.00)		(45,000,000.00)	0.00	(45,000,000.00)
06/12/23	06/12/23	Withdrawal	(30,000,000.000)	WD MAT Cpn USD	(30,000,000.00)		(30,000,000.00)	0.00	(30,000,000.00)
06/14/23	06/14/23	Withdrawal	(310,000,000.000)	WD MAT Cpn USD	(310,000,000.00)		(310,000,000.00)	0.00	(310,000,000.00)
06/15/23	06/15/23	Withdrawal	(300,000,000.000)	WD MAT Cpn USD	(300,000,000.00)		(300,000,000.00)	0.00	(300,000,000.00)
06/20/23	06/20/23	Withdrawal	(150,000,000.000)	WD MAT Cpn USD	(150,000,000.00)		(150,000,000.00)	0.00	(150,000,000.00)
06/22/23	06/22/23	Withdrawal	(60,000,000.000)	WD MAT Cpn USD	(60,000,000.00)		(60,000,000.00)	0.00	(60,000,000.00)
06/26/23	06/26/23	Withdrawal	(50,000,000.000)	WD MAT Cpn USD	(50,000,000.00)		(50,000,000.00)	0.00	(50,000,000.00)
06/27/23	06/27/23	Withdrawal	(30,000,000.000)	WD MAT Cpn USD	(30,000,000.00)		(30,000,000.00)	0.00	(30,000,000.00)

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN

06/01/2023
through 06/30/2023

Tr Date	St Date	Transaction Type	Units	Description		Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
Cash - cont.										
06/29/23	06/29/23	Withdrawal	(80,000,000.00)	WD MAT	Cpn	USD	(80,000,000.00)	(80,000,000.00)	0.00	(80,000,000.00)
			<u>(1,055,000,000.00)</u>				<u>(1,055,000,000.00)</u>	<u>(1,055,000,000.00)</u>	<u>0.00</u>	<u>(1,055,000,000.00)</u>

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN-LOW DURATION PORT

06/01/2023
through 06/30/2023

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/14/23	06/15/23	Buy	680,000.000	U.S. TREASURY NOTE MAT 05/31/28 Cpn 3.63 91282CHE4	(669,667.19)	(1,010.25)	0.00	0.00	(670,677.44)
06/21/23	06/26/23	Buy	600,000.000	FORDO 2023-B A3 CAR MAT 05/15/28 Cpn 5.23 344930AD4	(599,991.90)		0.00	0.00	(599,991.90)
06/21/23	06/28/23	Buy	900,000.000	GFORT 2023-1 A1 FLOOR 144A MAT 06/15/28 Cpn 5.34 361886CR3	(899,779.77)		0.00	0.00	(899,779.77)
06/21/23	06/28/23	Buy	750,000.000	JDOT 2023-B A3 EQP MAT 03/15/28 Cpn 5.18 477920AC6	(749,874.90)		0.00	0.00	(749,874.90)
06/29/23	06/30/23	Buy	1,695,000.000	U.S. TREASURY NOTE MAT 06/30/28 Cpn 4.00 91282CHK0	(1,684,273.83)		0.00	0.00	(1,684,273.83)
			<u>4,625,000.000</u>		<u>(4,603,587.59)</u>	<u>(1,010.25)</u>	<u>0.00</u>	<u>0.00</u>	<u>(4,604,597.84)</u>
06/01/23	06/01/23	Coupon		CA BEVERLY HILLS PFA LEASE RE MAT 06/01/25 Cpn 0.83 088006JZ5		2,780.50	0.00	0.00	2,780.50
06/01/23	06/01/23	Coupon		CA HEALTH FACS-NO PLACE LIKE MAT 06/01/24 Cpn 2.02 13032UVB1		3,838.00	0.00	0.00	3,838.00
06/01/23	06/01/23	Coupon		CA LOS ANGELESX CNTY PUB WO MAT 12/01/23 Cpn 3.59 54473ERV8		7,622.38	0.00	0.00	7,622.38
06/01/23	06/01/23	Coupon		CA CITY OF RIVERSIDE POB TXB MAT 06/01/24 Cpn 2.11 769036BL7		3,371.20	0.00	0.00	3,371.20
06/15/23	06/15/23	Coupon		CARMX 2020-1 A3 CAR MAT 12/16/24 Cpn 1.89 14315XAC2		116.03	0.00	0.00	116.03
06/15/23	06/15/23	Coupon		CARMX 2021-2 A3 AUTO MAT 02/17/26 Cpn 0.52 14314QAC8		292.41	0.00	0.00	292.41
06/15/23	06/15/23	Coupon		CARMX 2021-3 A3 CAR MAT 06/15/26 Cpn 0.55 14317DAC4		386.41	0.00	0.00	386.41

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN-LOW DURATION PORT

06/01/2023
through 06/30/2023

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/15/23	06/15/23	Coupon		CAPITAL ONE 2020-1 A3 CAR MAT 11/15/24 Cpn 1.60 14043MAC5		51.58	0.00	0.00	51.58
06/15/23	06/15/23	Coupon		CT STATE GO/ULT TXB MAT 06/15/26 Cpn 3.53 20772KQJ1		11,299.20	0.00	0.00	11,299.20
06/15/23	06/15/23	Coupon		FORDF 2023-1 A1 FLOOR 144A MAT 05/15/28 Cpn 4.92 34528QHV9		2,774.33	0.00	0.00	2,774.33
06/15/23	06/15/23	Coupon		FORDF 2023-1 A1 FLOOR 144A MAT 05/15/28 Cpn 4.92 34528QHV9		792.67	0.00	0.00	792.67
06/15/23	06/15/23	Coupon		JOHN DEERE 2020-A A3 EQP MAT 08/15/24 Cpn 1.10 47789KAC7		22.12	0.00	0.00	22.12
06/15/23	06/15/23	Coupon		JOHN DEERE 2021-A A3 EQP MAT 09/15/25 Cpn 0.36 47788UAC6		99.84	0.00	0.00	99.84
06/15/23	06/15/23	Coupon		KUBOTA 2021-2A A3 EQP 144A MAT 11/17/25 Cpn 0.56 50117XAE2		443.33	0.00	0.00	443.33
06/15/23	06/15/23	Coupon		MERCEDES 2021-B A3 LEASE MAT 11/15/24 Cpn 0.40 58769KAD6		152.67	0.00	0.00	152.67
06/15/23	06/15/23	Coupon		WORLD OMNI 2021-A A3 LEASE MAT 08/15/24 Cpn 0.42 98163JAC9		182.36	0.00	0.00	182.36
06/16/23	06/16/23	Coupon		GMCAR 2021-2 A3 CAR MAT 04/16/26 Cpn 0.51 380149AC8		66.58	0.00	0.00	66.58
06/20/23	06/20/23	Coupon		GMALT 2021-2 A LEASE MAT 05/20/25 Cpn 0.41 380144AD7		256.25	0.00	0.00	256.25
06/20/23	06/20/23	Coupon		SRT 2021-C A3 LEASE 144A MAT 03/20/25 Cpn 0.50 80286CAC4		131.18	0.00	0.00	131.18
06/20/23	06/20/23	Coupon		TESLA 2021-B A2 LEASE 144A MAT 09/22/25 Cpn 0.36 88161KAB1		38.30	0.00	0.00	38.30

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN-LOW DURATION PORT

06/01/2023
through 06/30/2023

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/20/23	06/20/23	Coupon		TLOT 2023A A3 LEASE 144A MAT 04/20/26 Cpn 4.93 89239MAC1		2,054.17	0.00	0.00	2,054.17
06/20/23	06/20/23	Coupon		VERIZON 2020-B A PHONE MAT 02/20/25 Cpn 0.47 92290BAA9		73.00	0.00	0.00	73.00
06/25/23	06/25/23	Coupon		BMW 2021-1 A4 LEASE MAT 07/25/24 Cpn 0.37 05591RAD6		76.61	0.00	0.00	76.61
06/01/23	06/25/23	Coupon		FHMS K033 A2 MAT 07/25/23 Cpn 3.06 3137B4WB8		1,014.59	0.00	0.00	1,014.59
06/01/23	06/25/23	Coupon		FHMS K034 A2 MAT 07/25/23 Cpn 3.53 3137B5JM6		979.88	0.00	0.00	979.88
06/01/23	06/25/23	Coupon		FHMS K725 AM CMBS MAT 02/25/24 Cpn 3.10 3137BWWE		2,095.20	0.00	0.00	2,095.20
06/01/23	06/25/23	Coupon		FHMS K726 AM CMBS MAT 04/25/24 Cpn 2.99 3137BYPR5		1,417.88	0.00	0.00	1,417.88
06/30/23	06/30/23	Coupon		U.S. TREASURY NOTE MAT 12/31/25 Cpn 0.38 91282CBC4		3,845.63	0.00	0.00	3,845.63
06/30/23	06/30/23	Coupon		U.S. TREASURY NOTE MAT 06/30/26 Cpn 0.88 91282CCJ8		2,056.25	0.00	0.00	2,056.25
06/30/23	06/30/23	Coupon		U.S. TREASURY NOTE MAT 12/31/26 Cpn 1.25 91282CDQ1		2,906.25	0.00	0.00	2,906.25
06/30/23	06/30/23	Coupon		U.S. TREASURY NOTE MAT 12/31/26 Cpn 1.25 91282CDQ1		2,906.25	0.00	0.00	2,906.25
06/30/23	06/30/23	Coupon		U.S. TREASURY NOTE MAT 06/30/24 Cpn 1.75 9128286Z8		218.75	0.00	0.00	218.75

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN-LOW DURATION PORT

06/01/2023
through 06/30/2023

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
Fixed Income - cont.									
06/30/23	06/30/23	Coupon		U.S. TREASURY NOTE MAT 06/30/27 Cpn 3.25 91282CEW7		40,137.50	0.00	0.00	40,137.50
						<u>94,499.30</u>	<u>0.00</u>	<u>0.00</u>	<u>94,499.30</u>
06/01/23	06/01/23	Income	3,269.650	STIF INT MAT Cpn USD		3,269.65	0.00	0.00	3,269.65
06/09/23	06/13/23	Sell Long	570,040.686	FORDL 2021-B A3 LEASE MAT 10/15/24 Cpn 0.37 345329AC0	566,232.99	164.05	0.00	(3,782.05)	566,397.04
06/21/23	06/22/23	Sell Long	700,000.000	U.S. TREASURY NOTE MAT 05/15/26 Cpn 3.63 91282CHB0	686,847.66	2,620.24	(9,737.95)	0.00	689,467.90
06/21/23	06/22/23	Sell Long	305,000.000	U.S. TREASURY NOTE MAT 05/15/26 Cpn 3.63 91282CHB0	299,197.85	1,141.68	(4,314.45)	0.00	300,339.53
06/22/23	06/23/23	Sell Long	850,000.000	U.S. TREASURY NOTE MAT 05/31/24 Cpn 2.00 912828XT2	824,267.58	1,068.31	0.00	(27,011.67)	825,335.89
06/23/23	06/27/23	Sell Long	310,809.892	JOHN DEERE 2021-A A3 EQP MAT 09/15/25 Cpn 0.36 47788UAC6	301,497.74	37.30	0.00	(9,288.04)	301,535.04
06/29/23	06/30/23	Sell Long	770,000.000	U.S. TREASURY NOTE MAT 09/30/24 Cpn 1.50 912828YH7	734,447.66	2,871.72	0.00	(35,004.96)	737,319.38
			<u>3,505,850.578</u>		<u>3,412,491.48</u>	<u>7,903.30</u>	<u>(14,052.40)</u>	<u>(75,086.71)</u>	<u>3,420,394.78</u>

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN-LOW DURATION PORT

06/01/2023
through 06/30/2023

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/15/23	06/15/23	Pay Princpl	17,973.497	CARMX 2020-1 A3 CAR MAT 12/16/24 Cpn 1.89 14315XAC2	17,973.50		0.00	(73.32)	17,973.50
06/15/23	06/15/23	Pay Princpl	46,498.543	CARMX 2021-2 A3 AUTO MAT 02/17/26 Cpn 0.52 14314QAC8	46,498.54		0.00	4.25	46,498.54
06/15/23	06/15/23	Pay Princpl	45,168.142	CARMX 2021-3 A3 CAR MAT 06/15/26 Cpn 0.55 14317DAC4	45,168.14		0.00	3.83	45,168.14
06/15/23	06/15/23	Pay Princpl	15,809.061	CAPITAL ONE 2020-1 A3 CAR MAT 11/15/24 Cpn 1.60 14043MAC5	15,809.06		0.00	0.38	15,809.06
06/15/23	06/15/23	Pay Princpl	19,076.947	JOHN DEERE 2020-A A3 EQP MAT 08/15/24 Cpn 1.10 47789KAC7	19,076.95		0.00	0.14	19,076.95
06/15/23	06/15/23	Pay Princpl	21,986.609	JOHN DEERE 2021-A A3 EQP MAT 09/15/25 Cpn 0.36 47788UAC6	21,986.61		0.00	1.74	21,986.61
06/15/23	06/15/23	Pay Princpl	10,001.370	KUBOTA 2021-2A A3 EQP 144A MAT 11/17/25 Cpn 0.56 50117XAE2	10,001.37		0.00	0.19	10,001.37
06/15/23	06/15/23	Pay Princpl	54,780.684	MERCEDES 2021-B A3 LEASE MAT 11/15/24 Cpn 0.40 58769KAD6	54,780.68		0.00	1.23	54,780.68
06/15/23	06/15/23	Pay Princpl	68,273.237	WORLD OMNI 2021-A A3 LEASE MAT 08/15/24 Cpn 0.42 98163JAC9	68,273.24		0.00	2.12	68,273.24
06/16/23	06/16/23	Pay Princpl	10,379.752	GMCAR 2021-2 A3 CAR MAT 04/16/26 Cpn 0.51 380149AC8	10,379.75		0.00	0.38	10,379.75
06/20/23	06/20/23	Pay Princpl	55,066.256	SRT 2021-C A3 LEASE 144A MAT 03/20/25 Cpn 0.50 80286CAC4	55,066.26		0.00	0.85	55,066.26
06/20/23	06/20/23	Pay Princpl	25,756.390	TESLA 2021-B A2 LEASE 144A MAT 09/22/25 Cpn 0.36 88161KAB1	25,756.39		0.00	0.70	25,756.39
06/20/23	06/20/23	Pay Princpl	55,503.287	VERIZON 2020-B A PHONE MAT 02/20/25 Cpn 0.47 92290BAA9	55,503.29		0.00	(17.80)	55,503.29

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN-LOW DURATION PORT

06/01/2023
through 06/30/2023

<i>Tr Date</i>	<i>St Date</i>	<i>Transaction Type</i>	<i>Units</i>	<i>Description</i>	<i>Proceeds / (Cost)</i>	<i>Accrued Interest (Purch) or Sold</i>	<i>G/L < 1 Yr Amort Cost</i>	<i>G/L > 1 Yr Amort Cost</i>	<i>Total Amount</i>
06/25/23	06/25/23	Pay Princpl	101,306.960	BMW 2021-1 A4 LEASE MAT 07/25/24 Cpn 0.37 05591RAD6	101,306.96		0.00	0.59	101,306.96
06/01/23	06/25/23	Pay Princpl	354,297.030	FHMS K033 A2 MAT 07/25/23 Cpn 3.06 3137B4WB8	354,297.03		0.00	(764.84)	354,297.03
06/01/23	06/25/23	Pay Princpl	135,169.892	FHMS K034 A2 MAT 07/25/23 Cpn 3.53 3137B5JM6	135,169.89		0.00	(444.71)	135,169.89
			<u>1,037,047.657</u>		<u>1,037,047.66</u>		<u>0.00</u>	<u>(1,284.26)</u>	<u>1,037,047.66</u>

LA CARE
Cash Activity by Transaction Type GAAP Basis
Accounting Period From 06/01/2023 To 06/30/2023

Cash Date	Trade/Ex-Date	Settle/Pay Date	Custodian	Cusip	Description	Quantity	Income Amount	Principal Amount	Contributions/Withdrawals	Total Amount
BUY										
06/05/23	06/01/23	06/05/23	TNT77	74153WCS6	PRICOA GLOBAL FUNDING 1	5,000,000.00	(3,541.67)	(5,020,900.00)	0.00	(5,024,441.67)
06/09/23	06/09/23	06/09/23	TNT77	665278404	NORTHERN INST GOVT MONEY MKT	456,320.46	0.00	(456,320.46)	0.00	(456,320.46)
06/15/23	06/13/23	06/15/23	TNT77	035240AL4	ANHEUSER-BUSCH INBEV WOR	2,500,000.00	(17,222.22)	(2,423,800.00)	0.00	(2,441,022.22)
06/15/23	06/13/23	06/15/23	TNT77	756109BH6	REALTY INCOME CORP	2,500,000.00	(35,416.67)	(2,311,450.00)	0.00	(2,346,866.67)
TOTAL BUY						10,456,320.46	(56,180.56)	(10,212,470.46)	0.00	(10,268,651.02)
DIVIDEND										
06/01/23	06/01/23	06/01/23	TNT77	665278404	NORTHERN INST GOVT MONEY MKT	1,044,195.50	7,292.07	0.00	0.00	7,292.07
TOTAL DIVIDEND						1,044,195.50	7,292.07	0.00	0.00	7,292.07
INTEREST										
06/01/23	06/01/23	06/01/23	TNT77	438516CB0	HONEYWELL INTERNATIONAL	5,000,000.00	33,750.00	0.00	0.00	33,750.00
06/05/23	06/05/23	06/05/23	TNT77	46647PAY2	JPMORGAN CHASE & CO	4,000,000.00	80,460.00	0.00	0.00	80,460.00
06/06/23	06/06/23	06/06/23	TNT77	07330NAT2	TRUIST BANK	4,750,000.00	51,062.50	0.00	0.00	51,062.50
06/12/23	06/12/23	06/12/23	TNT77	24422ESP5	JOHN DEERE CAPITAL CORP	2,000,000.00	33,500.00	0.00	0.00	33,500.00
06/15/23	06/15/23	06/15/23	TNT77	976656CL0	WISCONSIN ELECTRIC POWER	1,500,000.00	15,375.00	0.00	0.00	15,375.00
06/27/23	06/27/23	06/27/23	TNT77	02665WCZ2	AMERICAN HONDA FINANCE	2,250,000.00	27,000.00	0.00	0.00	27,000.00
06/30/23	06/30/23	06/30/23	TNT77	59217GFB0	MET LIFE GLOB FUNDING I	3,500,000.00	77,000.00	0.00	0.00	77,000.00
TOTAL INTEREST						23,000,000.00	318,147.50	0.00	0.00	318,147.50
SELL										
06/05/23	06/02/23	06/05/23	TNT77	459200HU8	IBM CORP	2,000,000.00	22,756.95	1,973,720.00	0.00	1,996,476.95
06/05/23	06/02/23	06/05/23	TNT77	459200JY8	IBM CORP	3,000,000.00	5,000.00	2,930,370.00	0.00	2,935,370.00
06/09/23	06/09/23	06/09/23	TNT77	665278404	NORTHERN INST GOVT MONEY MKT	1,044,195.50	0.00	1,044,195.50	0.00	1,044,195.50
06/12/23	06/08/23	06/12/23	TNT77	46647PAY2	JPMORGAN CHASE & CO	4,000,000.00	3,129.00	3,964,040.00	0.00	3,967,169.00
TOTAL SELL						10,044,195.50	30,885.95	9,912,325.50	0.00	9,943,211.45
GRAND TOTAL						44,544,711.46	300,144.96	(300,144.96)	0.00	0.00
Avg Date 9										



August 14, 2023

TO: Finance & Budget Committee
FROM: Afzal Shah, *Chief Financial Officer*

SUBJECT: AFS-006 (Authorization and Approval Limits) and AFS-007 (Procurement Policy) 3rd Quarter Report for FY 2023

The below Accounting & Financial Services (AFS) policies are required to be reported to the Finance & Budget Committee:

1. Policy AFS-006 (Authorization and Approval Limits) requires reports for executed vendor contracts for all expenditures.
2. Policy AFS-007 (Procurement Policy) requires reports for all sole source purchases over \$250,000.

Attached are the reports for 3rd Quarter Report for FY 2023.



L.A. Care Health Plan
AFS-006 Authorization and Approval Limits Quarterly Report
April 2023 - June 2023

New POs and Contracts	
Vendor Name	PO and Contract Total
I Color Printing & Mailing Inc	\$ 7,321,472.94
Cognizant TriZetto Software Group, Inc.	\$ 6,437,600.00
Sierra Pacific Constructors, Inc.	\$ 2,613,966.00
SHI International Corp	\$ 1,948,258.85
Iron Mountain Inc	\$ 1,500,000.00
Optiv Security, Inc.	\$ 1,457,152.89
Daponde Simpson Rowe PC	\$ 1,200,000.00
Transform Health LLC	\$ 1,098,910.29
Arent Fox LLP	\$ 1,000,000.00
Informatica LLC	\$ 957,112.98
CenturyLink Communications, LLC	\$ 900,000.00
California Medical Association	\$ 896,688.00
salesforce.com, inc. (Parent Company of MuleSoft, LLC)	\$ 680,194.80
Meyers, Nave, Riback, Silver & Wilson	\$ 600,000.00
Applied Research Works, Inc.	\$ 588,000.00
National Committee for Quality Assurance	\$ 545,788.00
Health Management Associates Inc.	\$ 495,990.00
ePlus Technology, inc.	\$ 480,485.25
M. Arthur Gensler, Jr. & Associates, Inc	\$ 447,400.00
Earth Print, Inc.	\$ 427,166.59
HALO BRANDED SOLUTIONS, INC.	\$ 383,780.55
Quest Analytics LLC	\$ 373,036.40
BrandFuse, inc.	\$ 330,406.65
Center for the Study of Services	\$ 325,794.64
City of Los Angeles, Department of Water and Power	\$ 318,198.12
Actum II, LLC	\$ 300,000.00
Andrues/Podberesky, APLC	\$ 300,000.00
Barber Ranen LLP	\$ 300,000.00
Best Best & Krieger LLP	\$ 300,000.00
Mitchell Martin Inc.	\$ 300,000.00
Seyfarth Shaw LLP	\$ 300,000.00
Sheppard Mullin Richter & Hampton LLP	\$ 300,000.00
Worksite Wellness LA	\$ 259,200.00
Saviynt, Inc.	\$ 250,541.79
Q-PERIOR Inc.	\$ 250,000.00
Fierce Software Corporation	\$ 248,954.84
Skillsoft Corporation	\$ 230,852.03
Hogan Lovells US LLP	\$ 200,000.00
Jenner & Block LLP	\$ 200,000.00
Morgan, Lewis & Bockius, LLP	\$ 200,000.00
Sanders Roberts, LLP	\$ 200,000.00
SSI (US) Inc	\$ 200,000.00
Absolute Ops LLC	\$ 195,440.00

New POs and Contracts	
Vendor Name	PO and Contract Total
GHA Technologies Inc	\$ 166,827.25
God's Pantry	\$ 136,900.00
Los Angeles Christian Health Centers (Grantee)	\$ 125,000.00
The Los Angeles Free Clinic (Grantee)	\$ 125,000.00
The R.O.A.D.S. Foundation, Inc. (Grantee)	\$ 125,000.00
Valley Community Healthcare (Grantee)	\$ 125,000.00
SAS Institute, Inc.	\$ 121,428.00
SKKN, INC.	\$ 106,456.96
SAP America, Inc.	\$ 104,458.96
Richards, Watson & Gershon A Professional Corporation	\$ 100,000.00
Children's Dental Foundation (Grantee)	\$ 100,000.00
Community Medical Wellness Centers USA (Grantee)	\$ 100,000.00
Family Health Care Centers of Greater Los Angeles, Inc.(Grantee)	\$ 100,000.00
Garfield Health Center (Grantee)	\$ 100,000.00
Northeast Valley Health Corporation (Grantee)	\$ 100,000.00
Pediatric & Family Medical Center (Grantee)	\$ 100,000.00
San Fernando Community Hospital (Grantee)	\$ 100,000.00
South Central Family Health Center (Grantee)	\$ 100,000.00
T.H.E. Clinic, Inc. (Grantee)	\$ 100,000.00
California Safety Net Coalition (Grantee)	\$ 100,000.00
Purchaser Business Group on Health	\$ 94,736.42
Gloria S. Nuestro	\$ 93,600.00
Edmund Jung & Associates, Inc.	\$ 90,000.00
Kinema Fitness, Inc.	\$ 87,360.00
Access Books	\$ 85,000.00
Herald Christian Health Center	\$ 83,200.00
JeffersonLarsonSmith LLC	\$ 78,500.00
Blackbaud, Inc.	\$ 77,536.11
PPT Holdings I, LLC	\$ 74,686.32
Level 3 Financing, Inc.	\$ 70,000.00
MEND- Meet Each Need with Dignity	\$ 67,500.00
Cactus Software LLC	\$ 67,435.55
Aquent LLC	\$ 66,960.00
Healthy Cooking LLC	\$ 61,080.00
Instant InfoSystems	\$ 53,144.58
Rebecca E. Lynch	\$ 52,000.00
Critical Care Training Center	\$ 50,400.00
Customer Motivators, LLC	\$ 50,000.00
Canon Solutions America Inc	\$ 45,000.00
Office Depot, Inc.	\$ 44,960.56
Ex Novo, Inc	\$ 39,166.05
ABF Data Systems, Inc	\$ 39,085.00
Safe and Sound Surveillance Solutions Inc	\$ 30,728.13
Korn Ferry Hay Group, Inc.	\$ 30,177.00
Maternal and Child Health Access Project	\$ 30,000.00
Sonia P. Guzman	\$ 25,705.00
Prevalent, Inc.	\$ 25,467.00

New POs and Contracts	
Vendor Name	PO and Contract Total
MG Dance Foundation	\$ 25,210.00
Arakelian Enterprises, Inc.	\$ 24,350.00
Laura Roman Cadena	\$ 22,220.00
Victoria Serna Garcia	\$ 20,800.00
Tony Lopez International	\$ 20,230.66
GM Voices, Inc.	\$ 20,000.00
Golden State Water Company	\$ 19,498.76
Aurora Systems Consulting, Inc	\$ 19,470.00
Therapeutic Bridges Inc.	\$ 19,000.00
Amazon Capital Services, Inc.	\$ 18,241.16
Luxor Printing Inc.	\$ 16,877.43
Ana Maria Delgado	\$ 16,840.00
SonBern LLC.	\$ 15,840.00
Miriam Patricia Perez	\$ 15,800.00
TurningWest, Inc.	\$ 13,560.00
Acts93, Inc.	\$ 12,655.50
Lands' End, Inc	\$ 11,926.76
Uline, Inc.	\$ 11,868.76
Direct Technology Group, Inc.	\$ 11,760.00
B&H Foto & Electronics, Corp.	\$ 11,440.05
Zoom Video Communications, Inc.	\$ 11,294.00
Melissa Data Corporation	\$ 11,185.00
Plunet Inc	\$ 10,178.78
Zones, LLC (Wholly Owned by Zones IT Solutions Inc.)	\$ 10,120.00
Dewey Pest Control	\$ 9,915.00
Training Connection LLC	\$ 7,950.00
Kimberley Carruthers	\$ 7,800.00
LexisNexis Risk Solutions FL Inc	\$ 7,200.00
Bootstrap Software Partners, LLC	\$ 7,180.65
Christopher Lopez	\$ 7,020.00
RightStar, Inc.	\$ 5,823.84
America's Health Insurance Plans, Inc.	\$ 5,000.00
Q:SIS Los Angeles	\$ 4,613.75
Lakeshore Equipment Company	\$ 4,202.32
LifeLabs Group, Inc.	\$ 3,200.00
Articulate Global, Inc.	\$ 2,798.00
All Day AcquisitionCo LLC	\$ 2,500.00
Blue Ribbon Technologies, LLC	\$ 1,560.00
Your Glass Connection, Inc.	\$ 1,550.00
Digicert, Inc.	\$ 1,331.00
SJS Partnership	\$ 1,090.00
Altec Products, Inc.	\$ 927.00
Sovos Compliance, LLC	\$ 671.34
Total	\$ 42,177,460.92



L.A. Care Health Plan
AFS-006 Authorization and Approval Limits Quarterly Report
April 2023 - June 2023

Amended Vendor Contracts				
Vendor Name	Current Contract Total	Amendment	New Contract Total	Term Date
Analysis Prime, Inc.	\$ 305,550.00	\$ 166,922.40	\$ 472,472.40	12/31/2023
ATTAC Consulting Group, LLC	\$ 43,800.00	Time	\$ 43,800.00	3/31/2024
Axis Technology, LLC	\$ 285,000.00	\$ 158,000.00	\$ 443,000.00	12/31/2023
Bayard Advertising Agency, Inc.	\$ 488,000.00	\$ 170,000.00	\$ 658,000.00	9/30/2024
BIG Language Solutions LLC	\$ 2,700,000.00	Time	\$ 2,700,000.00	2/28/2026
California Safety Net Coalition	\$ 100,000.00	\$ 200,000.00	\$ 300,000.00	12/31/2024
Centauri Health Solutions Inc	\$ 3,600,000.00	Scope	\$ 3,600,000.00	12/31/2023
Cloud Technology Innovations LLC	\$ 2,335,000.00	Time	\$ 2,335,000.00	12/31/2025
Cognizant Technology Solutions U.S. Corp	\$ 549,768.00	\$ 66,832.00	\$ 616,600.00	6/30/2023
Cognizant TriZetto Software Group, Inc.	\$ 75,944,611.22	Scope	\$ 75,944,611.22	9/30/2027
Cognizant TriZetto Software Group, Inc.	\$ 1,900,000.00	\$ 300,000.00	\$ 2,200,000.00	7/31/2023
Control Air Holdings Inc	\$ 83,796.00	\$ 18,136.00	\$ 101,932.00	3/31/2025
Customer Motivators, LLC	\$ 1,000,000.00	\$ 1,999,999.00	\$ 2,999,999.00	6/30/2026
Edifecs, Inc.	\$ 670,937.00	Time	\$ 670,937.00	9/30/2023
Faneuil, Inc.	\$ 22,000,000.00	Scope	\$ 22,000,000.00	3/31/2025
HCL America Inc.	\$ 1,379,658.00	\$ 1,188,508.00	\$ 2,568,166.00	4/20/2023
HCL America Inc.	\$ 2,568,166.00	\$ 855,104.00	\$ 3,423,270.00	6/30/2023
Infocrossing, LLC	\$ 2,747,949.00	\$ 715,000.00	\$ 3,462,949.00	12/31/2023
Infosys Limited	\$ 260,695.00	\$ 57,424.09	\$ 318,119.09	6/30/2023
Infosys Limited	\$ 646,016.00	Time	\$ 646,016.00	6/15/2023
Language Line Services, Inc.	\$ 2,475,000.00	\$ 2,100,000.00	\$ 4,575,000.00	3/31/2026
MetaSoftTech Solutions LLC	\$ 300,000.00	\$ 300,000.00	\$ 600,000.00	4/21/2024
Microsoft Corporation	\$ 408,506.00	Time	\$ 408,506.00	7/14/2023
O'Neil Digital Solutions LLC	\$ 2,000,000.00	Scope	\$ 2,000,000.00	6/30/2023
OptumInsight, Inc.	\$ 7,500,000.00	\$ 7,457,500.00	\$ 14,957,500.00	12/31/2026
Resources Connection Inc.	\$ 1,805,000.00	\$ 700,000.00	\$ 2,505,000.00	12/31/2023
Salesforce.com, inc. (Parent Company of M	\$ 257,509.68	\$ 21,459.14	\$ 278,968.82	4/30/2023
Scout Exchange LLC	\$ 254,000.00	\$ 100,000.00	\$ 354,000.00	No Expiration
The Messina Group, Inc.	\$ 135,000.00	\$ 90,000.00	\$ 225,000.00	5/10/2024
Whitney Lawrence Consulting LLC	\$ 20,000.00	\$ 25,000.00	\$ 45,000.00	10/31/2023
Yesenia Andrade	\$ 16,350.00	\$ 2,400.00	\$ 18,750.00	8/31/2023
Total			\$ 151,472,596.53	



L.A. Care Health Plan
AFS-007 Authorization and Approval Limits Quarterly Report
April 2023 - June 2023

Vendor Selection - Sole Source

Vendor Name	Contract Total	Paid As Of 8/1/23	Vendor Selection
Shah Health LLC	\$ 300,000.00	\$ 129,273.00	Sole Source
Applied Research Works, Inc.	\$ 588,000.00	\$ 539,000.00	Sole Source
Actum II, LLC	\$ 300,000.00	\$ 150,000.00	Sole Source



DATE: August 23, 2023
TO: Finance & Budget Committee
FROM: Afzal Shah, *Chief Financial Officer*

SUBJECT: AFS-027 Travel Expense Report & AFS-004 Non-Travel Expense Report

L.A. Care's internal policies, AFS-027 Travel Related Expenses and AFS-004 Non-Travel Expenses, for business related travel and non-travel expenses incurred by employees, members of the Board of Governors, Stakeholder Committees, and members of the Public Advisory Committees (PACs), require that all expenditures covered under these policies are to be reported to the Board of Governors on a quarterly basis.

Expenses covered under the Travel Related Expenses policy:

Travel and training expenditures, such as:

- Airlines
- Out-of-Town Lodging
- Parking
- Mileage
- Rental Cars
- Taxis and Other Public Transportation
- Meals Related to Business Travel

Expenses covered under the Non-Travel Expenses policy:

Any lunch, event, or gathering at which stakeholders are in attendance, such as:

- Board of Governors' meetings
- Stakeholder relationship events and outreach
- Education events

Any lunch, event, or gathering for internal staff only, such as:

- Recruitment, On-boarding, or Orientation Events
- Extenuating circumstances
- Discretionary staff spending for recognition and retention efforts

In order to keep the Committee apprised of L.A. Care's necessary expenditures and to comply with internal policy, presented herein are the travel and non-travel related expenses for the third quarter of Fiscal Year 2022-2023, April through June 2023.

AFS-004 Non-Travel Expense Report Q2 FY 22-23

Division	April - June 2023	Description
Executive Services	\$ 104	Expenses are related to refreshments for executive team meeting.
Finance Services	\$ 632	Expenses are related to refreshments for in-person meeting with Milliman.
Health Services	\$ 46,801	Expenses are related to in-person CME/CE Geriatric Care Conference, Depression and Anxiety dinner event, and Maternal Mental Health Conference.
Human Resources	\$ 15,639	Expenses are related to refreshments for New Hire Orientation events, PNM Job Fair, Dedicated Service Awards 2023, and Admin Professionals Day.
Information Technology	\$ 1,139	Expenses are related to in-person meeting with Local Health Plans of California (LHPC)
Legal Services	\$ 6,623	Expenses are related to refreshments for the committee meetings.
Strategic Services	\$ 10,290	Expenses are related to refreshments for RCAC and ECAC meetings in April, May, and June.
Total Non-Travel Expenses	\$ 81,229	

AFS-027 Travel Expense Report Q2 FY 22-23

Division	April - June 2023	Description
Chief Product Officer	\$ 16,869	Expenses are related to attendance of SNP Alliance and L.A. Care staff mileage reimbursement.
Clinical Operations	\$ 13,747	Expenses are related to L.A. Care Community Health Worker (CHW) staff mileage reimbursement and nursing license renewals.
Compliance	\$ 2,295	Expenses are related to attendance of California Association of Health Plans (CAHP) conference and staff mileage reimbursement.
Executive Services	\$ 3,471	Expenses are related to attendance of Managed Care Organization (MCO) Coalition meeting, California Health and Human Services (CHHS) Agency conference, and Hospital Association of California (HASC) conference.
Finance Services	\$ 11,831	Expenses are related to attendance of Government Investment Officers Association (GIOA), California Municipal Treasurers Association (CMTA), and America's SAP Users Group conferences, and approved L.A. Care staff travel.
Health Services	\$ 33,227	Expenses are related to attendance of Healthcare Information and Management Systems Society (HIMSS), Western Pharmacy Exchange (WPE), Association for Talent Development (ATD), and Academy of Managed Care Pharmacy (AMCP) conferences, continuing education fees, license renewals, and staff expense and mileage reimbursement for clinics.
Human Resources	\$ 181	Expenses are related to L.A. Care staff mileage reimbursement.
Information Technology	\$ 10,996	Expenses are related to attendance of Cognizant Healthcare conference, Cisco LIVE training, Gartner CIO Leadership Forum, and LA Care staff mileage reimbursement for CRC visits.
Legal Services	\$ 489	Expenses are related to approved L.A. Care staff education and travel.
Operations	\$ 18,609	Expenses related to attendance of Cognizant/Trizetto conference and approved L.A. Care staff education and travel, and staff transportation for CRC visits.
Strategic Services	\$ 20,706	Expenses are related to attendance of Social Determinants of Health (SDOH) Summit, Association for Community Affiliated Plans (ACAP) member meeting, support fees for CRC workshops and Outreach events, and approved L.A. Care staff transportation for site visits and meetings.
Total Travel Expenses	\$ 132,420	

BOARD OF GOVERNORS

Finance & Budget Committee

Meeting Minutes – June 28, 2023

1055 W. 7th Street, Los Angeles, CA 90017



L.A. Care
HEALTH PLAN

Members

Stephanie Booth, MD, *Chairperson*
Al Ballesteros
Hilda Perez **
G. Michael Roybal, MD *
Nina Vaccaro

Management/Staff

John Baackes, *Chief Executive Officer*
Sameer Amin, MD, *Chief Medical Officer*
Terry Brown, *Chief of Human Resources*
Augustavia Haydel, *General Counsel*
Linda Greenfeld, *Chief Products Officer*

Alex Li, MD, *Chief Health Equity Officer*
Tom MacDougall, *Chief Technology & Information Officer*
Noah Paley, *Chief of Staff*
Acacia Reed, *Chief Operating Officer*
Afzal Shah, *Chief Financial Officer*

*Absent ** Via Teleconference

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
CALL TO ORDER	<p>Stephanie Booth, MD, <i>Committee Chairperson</i>, called the L.A. Care and JPA Finance & Budget Committee meetings to order at 1:04 p.m. The meetings were held simultaneously. She welcomed everyone and summarized the process for public comment during this meeting.</p> <ul style="list-style-type: none"> • For those who provided public comment for this meeting by voice message or in writing, L.A. Care is glad that they provided input today. The Committee will hear their comments and they also have to finish the business on the Agenda today. • For people who have access to the internet, the meeting materials are available at the lacare.org website. If anyone needs information about how to locate the meeting materials, they can reach out to L.A. Care staff. • Information for public comment is on the Agenda available on the web site. Staff will read the comment from each person for up to three minutes. • Public comment will be made before the Committee starts to discuss an item. If the comment is not for a specific agenda item, it will be read at the general Public Comment. • Chairperson Booth provided information on how to submit a comment in-person, or live and directly using the “chat” feature. 	
APPROVE MEETING AGENDA	The Agenda for today’s meeting was approved.	Approved unanimously by roll call. 3 AYES (Ballesteros, Booth, and Vaccaro)

APPROVED

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
PUBLIC COMMENTS	There were no public comments.	
APPROVE CONSENT AGENDA	<p>Michael Brodsky, <i>Senior Medical Director, Community Health</i>, informed the Committee that there was a typo on the date on motion FIN C.0623 for Health Management Associates contract amendment. It should read January 1, 2023 to December 31, 2023.</p> <ul style="list-style-type: none"> • May 24, 2023 meeting minutes • North Star Alliances Contract Amendment <u>Motion FIN 100.0723</u> To authorize staff to increase the total funds available in the existing \$1,950,000 contract with North Star Alliances, LLC by \$1,028,000 for a new total amount of \$2,978,000 to provide event planning, logistics, staffing and execution services and community relations support through December 31, 2023. • CCI Network Services Contract <u>Motion FIN 101.0723</u> To authorize staff to execute a contract in the amount of \$2,400,000 with CCI Network Services to provide Telephony Service for the period of August 9, 2023 to August 31, 2026. • Infosys Limited Contract Amendment <u>Motion FIN 102.0723</u> To authorize staff to amend contracts with Infosys Limited for an additional amount of \$800,000 (total not to exceed amount of \$9,759,883) for IT staff augmentation services through September 30, 2023. • Cognizant Technology Solutions Contract Amendment <u>Motion FIN 103.0723</u> To amend the existing contract with Cognizant in the amount of \$292,000 (total contract not to exceed \$6,680,069) for continued Salesforce implementation activities through December 31, 2023. • MediKeeper Contract <u>Motion FIN A.0623</u> To authorize staff to execute a three-year contract with MediKeeper Inc. to provide Health and Wellness Platform services for a total cost not to exceed \$1,661,000. 	<p>Approved unanimously by roll call. 4 AYES (Ballesteros, Booth, Perez, and Vaccaro)</p> <p>The Committee approved to include FIN 100, FIN 101, FIN 102, and FIN 103, on the Consent Agenda for the July 27, 2023 Board of Governors Meeting</p>

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<ul style="list-style-type: none"> • Cognizant Trizetto Software Group, Inc. Contract Amendment to support QNXT 6.0 <u>Motion FIN B.0623</u> To authorize and amend the existing Cognizant Trizetto Software Group, Inc. contract for an amount not to exceed \$2,000,000 (total contract not to exceed \$2,000,000) for the QNXT 6.0 Upgrade related integration activities through FY Q1 2024. • Health Management Associates Contract Amendment <u>Motion FIN C.0623</u> To authorize staff to amend a contract with Health Management Associates (HMA) in the amount of \$306,000, not to exceed \$1,148,690, to provide business consulting services for the period of June 1, 2021 to December 31, 2023. <u>Amended Motion FIN C.0623</u> To authorize staff to amend a contract with Health Management Associates (HMA) in the amount of \$306,000, not to exceed \$1,148,690, to provide business consulting services for the period of January 1, 2023 to December 31, 2023. 	
CHAIRPERSON'S REPORT	Committee Chairperson Booth commented on a public comment sent via email at the last Committee meeting, prior to the Committee going into closed session. She noted that the public comment was received after the Committee went into Closed Session, and was not read. This is because of delay in digital transmissions of emails. She apologized and urged the public to allow more time when submitting public comments.	
CHIEF EXECUTIVE OFFICER'S REPORT	<p>John Baackes, <i>Chief Executive Officer</i>, apologized for not attending in person. He was in Sacramento for the California Safety Net Coalition (CSNC) meeting. CSNC is the organization that grew out of efforts at L.A. Care made over a year ago to create a Los Angeles County safety net coalition for the purposes of increasing the State share to Medi-Cal and increase reimbursement.</p> <p>The Legislators adapted the Governor's budget with 100% bipartisan support for provision in the budget to reinstitute the Managed Care Organization (MCO) tax that will produce \$2.6 billion a year in additional Medi-Cal funding. The prime goal of CSNC is to get an increase in Medi-Cal funding using the MCO tax. CSNC represents a coalition of all the players in the healthcare field: hospitals, doctors, federally qualified health clinics (FQHCs), health plans, SEIU. They were delighted and all are in support of this initiative. Getting this initiative</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>done is considered historic because the State has not made an increase in the base rate for Medi-Cal in over 20 years.</p> <p>The CSNC meeting today was to re-affirm the goal of seeking a ballot initiative in November 2024 for the purpose of making this a permanent formula of change in how Medi-Cal is funded. Having been adopted as part of the budget is a victory but it means that next year legislature could make a decision to reverse and divert money somewhere else. In previous reiterations, the MCO tax was used to draw down matching federal funds for the general fund. The goal of the coalition was to reinstitute the MCO tax on managed care organizations and use the money to supplement Medi-Cal funding. CSNC is going ahead with the ballot initiative and all members were encouraged. Once done, it will make a permanent improvement in Medi-Cal but this is only the beginning, this is not a fantasy. It will not solve all the problems. Not all participants in the coalition got treated equally in a sense because not every constituent group got something out of this. Mr. Baackes added that he thinks that everyone realized that as a result of the coalition coming together and getting this far that they should stick together to take this to an even better solution – doing it through the ballot.</p> <p>The redetermination process started with June renewal dates. Those that did not requalify or failed to return their applications will be terminated on July 1. Preliminary data as of last night showed that L.A. Care had a net loss of between 19-30,000 members (which is 13% budgeted in the forecast). Of the 19-30,000 members, there may be many who would be able to reclaim their eligibility during the next 90 days. Once L.A. Care gets the list of these terminated members, L.A. Care will do outreach. They will have a chance to complete the redetermination process to restore back their benefits on July 1. They will appear in the L.A. Care’s data from the state and will stay on hold for 90 days. L.A. Care is encouraged by the first number without knowing how many of them will fail to complete the process and fall into what is called “procedural disenrollment”. 45% of people in Los Angeles County who had June renewal date were automatically re-determined in an ex parte process by the Department of Public Social Services (DPSS) having access to other databases, so that members would not have to actually go through the process.</p> <p>Mr. Baackes noted that he has seen data from other states that are much worse. Many of these states have not done outreach like California has done to maintain every single person who is eligible.</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Board Member Perez commented she is honored to participate as a Health Promoter at L.A. Care food pantry events at Community Resource Center (CRC). The CRC provide food, \$20 grocery card for approximately 200-250 families. Board Member Perez noted that L.A. Care spends significant budget not only on gift cards but also the cost of CRC employees. CRCs partner with Community Based Organization (CBOs) and agencies that are there to provide information about their services. It will be great idea if DPSS can assign a DPSS staff to the CRCs to help people with the redetermination process. There are a lot of people that need help to submit their application – it’s a great opportunity for outreach.</p> <p>Mr. Baackes noted that having a qualified enroller at CRCs can only be helpful if the member bring their material. Mr. Baackes suggested if people have questions, CRC staff can make an appointment for them when there are qualified enrollers at the CRCs. CRC staff can help with the information they need and how to fill out the application but they cannot do enrollments and answer questions, such as when will they get their packets? The State do not share that information in advance but they will after the package was mailed.</p> <p>Committee Chairperson Booth asked, with regard to the money coming from Medi-Cal, how much is being matched and how much is going to the general fund. Mr. Baackes responded that the amount of the draw down is \$5.1 billion: \$3.5 billion will go to the general fund and \$2.6 billion will go to Medi-Cal. CSNC hopes that in future years, the formula would have less money going to the general fund and more in Medi-Cal. This would be the purpose of the 2024 ballot initiative, which will be spelled out in the language how much would go to the general fund and how much would go to Medi-Cal. The goal would to get all of it go into Medi-Cal. One of the things that CSNC would be looking for in the ballot initiative is to get the Governor’s support. The ballot initiative would be doomed if the Governors goes on TV and opposed it. Because of the details required in putting a ballot initiative, CSNC need to do the filing in the next couple of months to get it on calendar for the November 2024 election.</p> <p>Committee Chairperson Booth asked if there is any dribble effect that the Governor give up and just give the money over time. Mr. Baackes noted that the tax money for the 3 years will be put aside and dribbled out over a 5-year period. Nothing will happen until 2025. The first evidence of that money will be for the doctors who are primary care, obstetricians or in behavioral health will see the base rate for that reimbursement rise to 87.5% of Medicare.</p> <p>Doctors in California are currently eligible for the Proposition 56 (tobacco tax money). These are money raised by tobacco tax then distributed based on some 20 billing codes so it</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>favors primary care and some specialists. The money does not come until 1 year or so after the render of service so it accumulates and represents the amount of an entire year. Mr. Baackes thinks it does not really have the impact it should. One of the things this bill will do is it will eliminate the Prop 56 money as a directed after the fact payment. And the money now raised in Prop 56 will go into the base rate so if the current base rate + Prop 56 money does not equal 87.5% of the Medicare reimbursement in those 3 categories of physicians, the MCO tax money will be used to close the gap.</p> <p>Mr. Baackes added that within the budget, there are other spending categories that were clearly delineated and the bulk of the money is going to primary and specialty care reimbursement. More details have to be flushed out by the Department of Healthcare Services (DHCS) how that money will be distributed but it will come through the health plans. The health plans depending on how they are set up, will have some discretion which was what CSNC was hoping for because the need across the state are different depending on area. In some rural counties, the real problem is that they are much more dependent on FQHCs to be the backbone of their delivery system. There is need to get those health plans the ability to direct some of those money to FQHCs. What CSNC is hoping for is that based on expanding restrictions, those health plan can do things like grants to those facilities for hiring and retaining providers. Having the flexibility is important to be effective for each community.</p> <p>Board Chairperson Ballesteros noted that the \$2.6 billion sounds like a lot of money but if spread across California, it will end up being not enough. He asked Mr. Baackes what will help L.A. Care and its network the most. Mr. Baackes noted it will help that the bulk of the money will be used in primary and specialty care where it is needed the most. The lack of provider availability in certain areas of Los Angeles County by zip code, happen to be those communities where there are a lot of Medi-Cal members and whose incomes are lower. When there is no provider in the community, that is when members rely heavily on emergency rooms for all services including those not emergent. This provides the ability to direct more money to providers who will practice in those areas and will have tremendous benefit for Los Angeles County. Antelope Valley, East San Gabriel Valley, and South Los Angeles, have tremendous need for additional providers. When you look at emergency rooms services of hospitals serving them, you can see they are overwhelmed. This will be an opportunity to begin to address this in a meaningful way. Flexibility was built in so that some of the money can be used directed towards incentive to get providers to practice in those areas.</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Board Chairperson Ballesteros acknowledged and thanked Mr. Baackes for his leadership and his ability to be able to augment especially in the primary and specialty care areas. This would not have happened if Mr. Baackes were not engaged there.</p> <p>Mr. Baackes thanked Board Chairperson Ballesteros and shared that in this CSNC meeting, L.A. Care’s leadership in terms of getting the first coalition organized was noted as how it all started; and a year later, the victory. There is more work to do.</p>	
COMMITTEE ITEMS		
Chief Financial Officer’s Report	<p>Jeffrey Ingram, <i>Deputy Chief Financial Officer</i>, reported on the May 2023 Financial Performance (<i>a copy of the report can be obtained by contacting Board Services</i>).</p> <p><u>Membership</u> Membership for May 2023 is just over 2.9 million members and 22.6 million member months year-to-date (YTD). The variance for Medi-Cal is driven by the same error in the membership forecast reported last month, which double counted the Dual Special Needs Plan (DSNP) members on the Medi-Cal side. The overall impact is about 26,000 members this month that will carry forward until the 9+3 forecast is complete. Without that error, Medi-Cal membership would be favorable to forecast by about 1,500 members. Commercial is favorable 881 members, driven by L.A. Care Covered (LACC).</p> <p><u>Consolidated Financial Performance</u> May 2023 has \$29.5 million net deficit; \$67 million unfavorable to the forecast when the Housing and Homelessness Incentive Program (HHIP) & Incentive Payment Program (IPP) are excluded. From an operating margin standpoint, results were unfavorable to the forecast by \$64 million.</p> <p>This was due to:</p> <ol style="list-style-type: none"> 1. An adjustment to the Bridge Period Prop 56 risk corridor, dates of service July 2019 to December 2020. The Department Healthcare Services (DHCS) determination letter did not account for all of L.A. Care’s costs due to some discrepancies in data submissions. DHCS is working with L.A. Care in resubmitting encounters and will issue an updated determination letter. 2. L.A. Care’s incurred claims are pretty much flat to forecast but there was a retroactive adjustment for some COVID related expenses dating back to the heart of the pandemic. This is a preliminary estimate and further details and discussion will be forthcoming. 	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>3. L.A. Care received the final rates for CY 2022 which had a positive impact of \$16 million. The June close will account for the MCO portion of the CY 2022 rate impact.</p> <p>For the month, administrative expenses were unfavorable to the forecast by \$5 million. The timing that was causing favorability in earlier months is catching up now. Non-operating was favorable by \$2.5 million vs the forecast driven by interest income and partially offset by unrealized losses.</p> <p>YTD there was a \$222 million net surplus which was \$74 million favorable to the forecast when HHIP and IPP are excluded. The month-todate drivers apply here too. Other drivers include the In-Home Support Services (IHSS) reconciliation booked, Community Based Adult Services (CBAS) favorability, and higher Long-Term Care (LTC) revenue.</p> <p>YTD, administrative expenses were still favorable by \$10 million, primarily driven by lower spending in consulting fees, printing and software licenses, all due to timing. Non-Operating was favorable by \$26 million, again driven by higher interest income and unrealized gains.</p> <p><u>Operating Margins</u></p> <ul style="list-style-type: none"> • Overall Medical Care Ratio (MCR) was 91.5% vs forecast of 92.2%; excluding HHIP/IPP, MCR was 92.8% vs 93.4%. • Medi-Cal MCR is favorable to forecast. • Cal MediConnect (CMC) MCR is unfavorable to the forecast as L.A. Care continue to see run-out. • D-SNP MCR is lower than forecast and staff continues to research. • Commercial MCR is slightly higher than the forecast. • HHIP/IPP was slightly ahead of forecast due to timing. L.A, Care received \$91 million for HHIP in May for revenue earned on measurement period 1. This was \$9 million favorable to the forecast estimate. <p><u>Reported vs. Paid Claims Trend</u></p> <p>May 2023 showed paid claims exceeding reported claims and higher than previous months. This was an operations change. At month end, L.A. Care typically has a bucket of processed claims waiting for a check run, and in May 2023 L.A. Care sped up the timeline. June 2023 is anticipated to drop back below the reported claims line. The year-end reserve position is holding up with eight months of experience. Staff will continue to monitor it.</p> <p><u>Key Financial Ratios</u></p> <p>Medical Care Ratio was 92.8% vs 93.4% forecast</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Administrative Ratio was 4.7% vs. 4.9% forecast</p> <p>All ratios are favorable with the exception of cash to claims. That will remain below the benchmark until the final IHSS reconciliation is completed.</p> <p><u>Tangible Net Equity and Days of Cash on Hand</u> May 2023 Fund Balance was \$1.4 billion which represents 617% of Tangible Net Equity. For the month of May, there is enough cash to cover operating expenses for the next 68 days.</p> <p><u>Motion FIN 104.0623</u> To accept the Financial Reports for May 2023, as submitted.</p>	<p>Approved unanimously by roll call. 4 AYES (Ballesteros, Booth, Perez, and Vaccaro)</p>
<ul style="list-style-type: none"> Monthly Investment Transactions Reports 	<p>Mr. Ingram referred to the investment transactions reports included in the meeting materials (<i>a copy of the report is available by contacting Board Services</i>). This report is to comply with the California Government Code as an informational item. L.A. Care's total investment market value as of May 31, 2023 was \$2.5 billion.</p> <ul style="list-style-type: none"> \$2.4 billion managed by Payden & Rygel and New England Asset Management (NEAM) \$34 million in Local Agency Investment Fund \$78 million in Los Angeles County Pooled Investment Fund 	
<p>Public Comments on the Closed Session agenda items.</p>	<p>There were no public comments.</p>	
<p>ADJOURN TO CLOSED SESSION</p>	<p>The Joint Powers Authority Finance & Budget Committee meeting adjourned at 1:42 p.m.</p> <p>Augustavia J. Haydel, Esq., <i>General Counsel</i>, announced the items that the Committee will discuss in closed session. There was no public comment on the Closed Session items, and the meeting adjourned to closed session at 1:43 p.m.</p> <p>CONTRACT RATES Pursuant to Welfare and Institutions Code Section 14087.38(m)</p> <ul style="list-style-type: none"> Plan Partner Rates Provider Rates DHCS Rates 	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	REPORT INVOLVING TRADE SECRET Pursuant to Welfare and Institutions Code Section 14087.38(n) Discussion Concerning New Service, Program, Technology, Business Plan Estimated date of public disclosure: <i>June 2025</i>	
RECONVENE IN OPEN SESSION	The meeting reconvened in open session at 2:24 pm. Ms. Haydel advised the public that no reportable action from the closed session.	
ADJOURNMENT	The meeting adjourned at 2:25 p.m.	

Respectfully submitted by:

Linda Merkens, *Senior Manager, Board Services*
 Malou Balones, *Board Specialist III, Board Services*
 Victor Rodriguez, *Board Specialist II, Board Services*

APPROVED BY:

DocuSigned by:

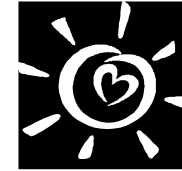
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 Stephanie Booth, MD, *Chairperson*
 Date Signed 8/31/2023 12:27 PM PDT

AUDIT COMMITTEE

BOARD OF GOVERNORS

Audit Committee Meeting Minutes – December 21, 2022

1055 W. 7th Street, Los Angeles, CA 90017



L.A. Care
HEALTH PLAN

Members

Alvaro Ballesteros, MBA, *Chairperson*
Layla Gonzalez *
Stephanie Booth, MD

Management/Staff

John Baackes, *Chief Executive Officer*
Augustavia J. Haydel, Esq., *General Counsel*
Marie Montgomery, *Chief Financial Officer*

Guests

Rosie Procopio, *Audit & Assurance Managing Director, Deloitte & Touche (D&T)*
Justine Lee, *Manager, D&T*
Kevin Rotman, *Senior Manager, D&T*

State and local officials continue to impose or recommend measures to promote social distancing to reduce transmission of the COVID 19 virus. It is prudent to use caution in protecting the health of the public, L.A. Care’s employees and its members where adequate virtual means exist to permit the meeting to occur by teleconference/videoconference with the public being afforded the ability to comment in real time. The Board of Governors and all legislative bodies of the L.A. Care Health Plan, and the Board of Directors and all legislative bodies of the Joint Powers Authority will continue to meet virtually and the Boards will review that decision on an on-going basis as provided in the Brown Act. Members of the public had the opportunity to listen to the meeting via teleconference, and share their comments via voicemail, email, or text.

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<p>CALL TO ORDER Alvaro Ballesteros</p>	<p><i>(Alvaro Ballesteros, MBA, Committee Chairperson, experienced technical difficulty.)</i> Board Member Booth called to order the L.A. Care Audit Committee and the L.A. Care Joint Powers Authority Audit Committee meetings at 11:06 a.m. The meetings were held simultaneously. She welcomed everyone to the meetings.</p> <p>For those who provided public comment for this meeting by voice message or in writing, we are really glad that you provided input today. The Committee will hear your comments and we also have to finish the business on our Agenda today. If you have access to the internet, the materials for today’s meeting are available at the lacare.org website. If you need information about how to locate the meeting materials, please let us know.</p> <p>Information for public comment is on the Agenda available on the web site. Staff will read the comment from each person for up to three minutes.</p> <p>The Chairperson will invite public comment before the Committee starts to discuss an item. If the comment submitted is related to the topic for a specific</p>	

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AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>agenda item, it will be read at the general Public Comment item 2 on today's agenda.</p> <p>Board Member Booth provided information on how to submit a public comment live and directly using the "chat" feature.</p>	
<p>APPROVE MEETING AGENDA</p> <p>Alvaro Ballesteros</p>	<p>Today's Agenda was approved as submitted.</p>	<p>Approved unanimously by roll call. 2 AYES (Ballesteros and Booth)</p>
<p>PUBLIC COMMENT</p>	<p>There was no public comment.</p>	
<p>APPROVE MEETING MINUTES</p> <p>Alvaro Ballesteros</p>	<p>The August 4, 2022 meeting minutes were approved as submitted.</p>	<p>Approved unanimously by roll call. 2 AYES</p>
<p>CHAIRPERSON'S REPORT</p>	<p>There was no report from the Chairperson.</p>	
<p>CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER REPORT</p>	<p>There was no CEO Report.</p>	
<p>COMMITTEE ISSUES</p>		
<ul style="list-style-type: none"> Accept Audit Findings Fiscal Year 2021-22 (AUD A) 	<p>Marie Montgomery, <i>Chief Financial Officer</i>, reported that the financial statements included in the meeting packet are same results as was presented at the November 15, 2022 Finance & Budget and December 1, 2022 Board of Governors meetings. <i>(A copy of the report may be requested by contacting Board Services.)</i></p> <p>Ms. Montgomery reported that staff will make one journal entry regarding new guidance for real estate leases. Staff had assumed an additional year to implement the standard. After further review and with help from Deloitte & Touche (D&T),</p>	

APPROVED

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>staff realized the need to implement the standard. Information had historically been disclosed in the notes (page 67 of the financial statement). The standard requires discounted future lease commitments as a liability on the balance sheet and recognize the asset in roughly equal amounts. It has no impact on other financial statements. Staff will need to make changes in the cash flow statement reflecting this as a financing activity. Staff will update the note that the lease standard is applicable going forward. The asset and liability will be reflected as a \$150 million for the current fiscal year and \$170 million for the prior fiscal year.</p> <p>Board Member Booth asked if prior fiscal year being 2020-21. Ms. Montgomery responded affirmatively. Member Booth asked why the change was made. Ms. Montgomery noted that here are many ways to show leases. A typical company that has debt does not want to recognize the asset and additional liability as more debt. It understates the debt to equity ratio by treating it as operating leases. In the accounting profession, a long term lease is reflected as a liability and the right to use asset. A reader of the financial statement could have read the footnote disclosure reflecting the minimum risk commitment disclosed for the applicable time period. Board Member Booth commented that this changes one’s ability to see if a company is staying solvent. Ms. Montgomery added it is bringing more visibility which reflects a commitment over time.</p> <p>Board Member Booth asked if they are asking for the one year and prior year. Ms. Montgomery responded that it carries forward. L.A. Care is implementing it back to the prior period but the liability is for all future lease payments commitments. If you have the option to extend a lease, it won’t be included but everything that you cannot cancel that you are obligated to show those leases and how far out you are committed. They do discount the liability. Staff is working with D&T. Rosie Procopio, <i>Audit & Assurance Managing Director, Deloitte & Touche (D&T)</i>, stated that over time the liability will decrease, and if L.A. Care enters into a new lease, it will increase proportionately.</p> <p>Ms. Procopio introduced new D&T staff on the call: Justin Lee, Manager, and Kevin Rotman, Senior Manager.</p>	

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AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Ms. Procopio summarized of the results of the audit.</p> <ul style="list-style-type: none"> • Majority of the audit work is done. Adjustments will be made as Ms. Montgomery has reported regarding the lease. • D&T’s responsibilities were as outlined in the engagement letter. • D&T received full cooperation from management and staff and had unrestricted access to the senior management in the performance of the audits. • There were no material weaknesses or deficiencies found in L.A. Care’s financial operations or internal controls. • There were no significant changes in accounting estimates or in management’s judgments relating to Reserves for Incurred but not Reported Claims (IBNR) estimate, and Retroactive Revenue Adjustments. • Accounting estimates is where D&T spent more time; particularly with IBNR –\$784 million this year. D&T Actuarial Specialist ran independent estimates. D&T’s estimate was very close - within 1% of management’s estimate. This is a great result considering the ongoing uncertainty because of the COVID-19 pandemic. • During the year ended September 30, 2022, the organization identified an overstatement of an estimate for the patient-centered outcomes research trust fund fees in the amount of \$20.7 million, resulting in the prior year overstatement of accounts payable and accrued liabilities and administrative expense. Management identified and corrected the misstatement during the year ended September 30, 2022. • Management also disclosed that procedures have been completed to evaluate the accuracy and completeness of the disclosures in the financial statements. As a result of the evaluation process, Management identified certain disclosures that, although required by Government Accounting Standards Board (GASB), have been omitted from Management’s Discussion & Analysis (MD&A) accompanying the financial statements. The omitted disclosure that is regarded as more than clearly trivial pertains to the requirement that the MD&A should provide three years of comparative data – the current year, the prior year, and the year preceding the prior year. The effects of the omitted 	

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AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>disclosures are qualitatively immaterial, both individually and in the aggregate, to the financial statements as a whole.</p> <ul style="list-style-type: none"> • Fee-for-service medical claims expense was tested using statistical or other sampling techniques and certain errors in recording fee-for-service medical claims expense as of September 30, 2022, were found in the sample items selected. The effect of the known errors identified is not material. However, the mathematical projection of the likely errors, which results in a potential overstatement of \$3.4 million and a potential understatement of \$12.8 million, for net potential misstatement of \$9.4 million. Such potential unrecorded errors were determined by management to be immaterial to the combined financial statements taken as a whole. <p>Board Member Booth asked if D&T is comparing the numbers with the original budget or the forecast. Ms. Procopio stated that D&T tested samples from actual medical claims expense reported in the 2022 financial statement to verify they are accurate. Part of accuracy testing is validating that pricing was performed appropriately for those claims. D&T believe that these are individually immaterial.</p> <ul style="list-style-type: none"> • There were no material misstatements that were brought to the attention of management as a result of the audit procedures. • There were no disagreements with management with respect to the financial statement. • Throughout the year, routine discussions were held with management regarding the application of accounting principles or auditing standards which did not involve significant findings or issues requiring communication to the Audit Committee. • Ms. Procopio commented that Accounts Services team works very hard and extended D&T's appreciation for their cooperation. • There are no significant changes to draft Management Representation letter included the packet. <p>Board Member Booth asked, on page 19 of the packet, what is L.A. Care considering will happen with Grievances & Appeals (G&A). Board Member</p>	

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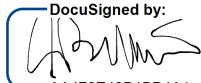
AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Booth thinks in one sense it could be considered a fraud because you are getting paid for work you didn't do. Ms. Montgomery stated that this issue was with files that are submitted to the bank, which were compromised by an external party. It could be fraud committed by an external party or staff become aware of a fraud inside the organization. Ms. Montgomery thinks this G&A issue should be viewed more as regulatory compliance that L.A. Care need to work with regulators, and not fraud. Augustavia J. Haydel, Esq., <i>General Counsel</i>, stated that the \$55 million fine is accounted for and recognized in the financial statement. John Baackes, <i>Chief Executive Officer</i>, added the amount was reserved. If the appeal fails, then L.A. Care will pay it. Ms. Montgomery reiterated that this a regulatory penalty not an allegation of fraud.</p> <p>Board Member Booth asked about the Managed Care Organization (MCO) tax, which she had thought had ended. Ms. Montgomery stated it ended and was restarted overtime. It is currently in force and could come to an end again. Mr. Baackes added that in the California Safety Net Coalition goal, if realized, will be to have MCO tax reinstated, but not until 2025.</p> <p>Board Member Booth asked about the payout to hospitals if this is different from last year. Ms. Montgomery stated that L.A. Care did a list of various programs and consolidated the amount received and paid. The names of programs changed overtime, and staff tried to simplify it.</p> <p>Ms. Montgomery expressed her appreciation on D&T's commitment to get the audit done.</p> <p>The Committee members did not have a separate conversation with Deloitte & Touche.</p> <p><u>Motion AUD A.1222</u> To accept the findings of the Deloitte & Touches' audit of L.A. Care's financial statements for the fiscal year ended September 30, 2022, as presented.</p>	<p>Approved unanimously by roll call. 2 AYES</p>

APPROVED

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
ADJOURNMENT	The Chair adjourned the meeting at 11:49 am.	

Respectfully submitted by:
Malou Balones, *Board Specialist III*
Victor Rodriguez, *Board Specialist II*
Linda Merkens, *Senior Manager, Board Services*

APPROVED BY:

DocuSigned by:

AA470E43B1BB4A1...
Alvaro Ballesteros, MBA, *Committee Chairperson*
Date Signed: 8/31/2023 | 2:41 PM PDT

APPROVED

**COMPLIANCE
&
QUALITY
COMMITTEE**

BOARD OF GOVERNORS

Compliance & Quality Committee Meeting

Meeting Minutes – June 15, 2023

L.A. Care Health Plan CR 100, 1055 W. Seventh Street, Los Angeles, CA 90017



L.A. Care
HEALTH PLAN

Members

Stephanie Booth, MD, *Chairperson*
Al Ballesteros, MBA
Hilda Perez *
G. Michael Roybal, MD

Senior Management

Felix Aguilar-Henriquez, MD
Terry Brown, *Chief of Human Resources*
Linda Greenfield, *Chief Product Officer*
Augustavia J. Haydel, *General Counsel*
Thomas Mapp, *Chief Compliance Officer*
Noah Paley, *Chief of Staff*
Acacia Reed, *Chief operating Officer*

* Absent ** Via Teleconference

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
CALL TO ORDER	<p>Chairperson Stephanie Booth, MD, called the L.A. Care Compliance & Quality Committee and the L.A. Care Health Plan Joint Powers Authority Compliance & Quality Committee meetings to order at 2:03 p.m.</p> <p>She announced that members of the public may address the Committee on each matter listed on the agenda before the Committee's consideration of the item by submitting their comments via text, voicemail, or email.</p> <p>There were no members of the public present either in person attending virtually by WebEx or telephone.</p>	
APPROVAL OF MEETING AGENDA	<p>The Meeting Agenda was approved as submitted.</p>	<p>Approved unanimously by roll call. 3 AYES (Ballesteros, Booth, and Roybal)</p>
PUBLIC COMMENT	<p>There was no public comment.</p>	

APPROVED

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
APPROVAL OF MEETING MINUTES	<p>Chairperson Booth said she figured out the average rate issue from the previous meeting. Member Roybal stated that they are not rates.</p> <p>The May 18, 2023 meeting minutes were approved as submitted.</p>	<p>Approved unanimously by roll call.</p> <p>3 AYES</p>
CHAIRPERSON REPORT <ul style="list-style-type: none"> • Educational Requests From The Committee • Committee Charter Update 	<p>Chairperson Booth asked the committee if they have any topics they would like to bring before the committee for educational purposes or that the Board needs to be educated in. She noted that Board Services can collect any suggestions. She said that this is something that the committee can consider.</p> <p>Chairperson Booth noted that she is working with staff on a review of the committee charter.</p> <p>Ms. Haydel stated that Board Services and Legal Services are reviewing and it will then go to the Health Services and Compliance Departments. L.A. Care will then bring on a consultant to focus on Compliance and Quality issues, and all those recommendations and revisions will then come to the committee. The committee will send their recommendations to the Board for review with a motion placed on the Board’s agenda.</p>	
CHIEF COMPLIANCE OFFICER REPORT	<p>Thomas Mapp, <i>Chief Compliance Officer</i>, and Compliance Department staff presented the Chief Compliance Officer Report: <i>(a copy of the written report can be obtained from Board Services)</i>. Mr. Mapp announced that Mitra Madjdi has a new role with Compliance in reporting and data management with regulatory agencies.</p> <ul style="list-style-type: none"> • Michael Sobetzko, <i>Senior Director, Risk Management and Operations Support</i>, introduced Marie Grijalva, <i>Manager, Regulatory Analysis and Communications</i>, for a 2024 Department of Health Care Services (DHCS) Operational Readiness Update. <ul style="list-style-type: none"> - Medi-Cal Managed Care Request for Proposal for commercial plans was released February 9, 2022. <ul style="list-style-type: none"> o Included new managed care contract requirements for all Medi-Cal plans o These new contracts were to be implemented January 1, 2024 - In June 2022, DHCS kicked off an operational readiness assessment for Medi-Cal managed care plans. <ul style="list-style-type: none"> o Deliverables were grouped into nearly 250 individual artifacts o Due dates range between August 1, 2022 through December 29, 2023 - DHCS will be conducting Go Live Assessments of the plans to determine if a plan is a “go” or “no go” for January implementation. It is tentatively scheduled for September 2023. <ul style="list-style-type: none"> o Compliance anticipates conducting onsite readiness review for a subset of operational readiness areas along with some virtual activities 	

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<ul style="list-style-type: none"> ○ Additional details will be provided in the coming weeks - The new contract integrated in CalAIM requirements (e.g., Enhanced Care Management, Population Health Management). - There is a strong focus on oversight, training, and monitoring of delegated entities. This was also prevalent recent All Plan Letters (APLs) and the new annual Subcontractor Network Certification filing. - DHCS has more specific requirements including (but not limited to): <ul style="list-style-type: none"> ○ Structure and duties of Community Advisory Committees; ○ Memorandum of Understanding (MOU)/agreements with third parties (DHCS to provide plans with MOU templates and guidance); ○ Quality improvement and health equity activities, including NCQA health equity accreditation; and ○ Emergency preparedness and response. - DHCS has been particularly prescriptive when it comes to documentation, including the exact verbiage that must be included in Plan documents. <p>Member Roybal asked if there is concern about trying to contract in a timely way going forward, because of these templates. He asked about flexibility. Ms. Grijalva responded that there are some concerns about that exactly for the reason he stated. One of the MOU requirements raised with DHCS in the past has been in regards to plans to contract with all local education agencies within their county. L.A. Care has 80 in its county so it may not be realistic and it might be difficult to meet the guidelines.</p> <ul style="list-style-type: none"> ● Mr. Sobetzko reported on the Issues Inventory. <ul style="list-style-type: none"> - Issues Reported in 2022 and 2023 - 130 items are listed in the Issues Inventory as of May 31, 2023 - Three issue items were added to the inventory - Three newly added issues are in Open Status - 34 issues require remediation - Zero in New status: - Two in New status as of April 30, 2023 are now in Open status - 34 in Open status: - Two in New status as of April 30, 2023 are now in Open status - Three new items are now in Open status - Seven items in Open status as of April 30, 2023 are now in Remediated status - Seven items Remediated in May 	

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS				ACTION TAKEN
	<ul style="list-style-type: none"> - Issues Reported Prior to 2022 - 21 issues are in Open status. Actively monitoring Corrective Active Plan development and implementation to ensure remediation progress is occurring. 				
	Issue Name and Description	Date Reported	Business Unit	Status	
Health Risk Assessments (HRAs) - Policy Change: HRA policy/process change began effective January 2023.	May 25, 2023	Care Management		Open	
Duplicate Encounters Communication - DHCS: DHCS identified duplicate revenue code and procedure code lines in the encounter communication.	May 03, 2023	Encounter, Claims		Open	
PCT System Enhancements to support A&G Cases: A&G needs to provide a list of enhancements to the PCT IT system to allow L.A. Care to better comply with regulatory reporting requests.	May 1, 2023	A&G, IT		Open	
Issue Name and Description	Date Reported	Accountable Exec / Business Unit	Remediation Description	Date Remediated	
Claims Payment for Prop 56 add on: DHCS inquiries about correct payment from LA Care to Totally Kids Sun Valley for prop 56 add on.	April 6, 2023	Claims	L.A. Care's Senior Director of Claims Integrity, Erik Chase, has reached out to Bob Nydam of Totally Kids Sun Valley and confirmed that L.A. Care will be paying the claims at the rate listed in the DHCS	May 24, 2024	

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS				ACTION TAKEN
				<p>Letter_Totally Kids 2023-03-03 attachment.</p> <p>Our Claims department has reached out to Dana Medina from Totally Kids Sun Valley’s Billing department to begin the process of reprocessing the claims.</p> <p>Answered Open Questions:Are the rates listed in the DHCS Letter_Totally Kids 2023-03-03 specifically for Totally Kids or are these the rates for all FS-PSA? These rates are for all FS-PSA.</p> <p>If the rates are for all FS-PSA, will DHCS update the rates on the website and if so when can we expect the website to be updated? As mentioned in the above response these are for all FS-PSA and our FFSRDD colleagues are working to have these uploaded to the website and they anticipate these will be posted in the very near future.</p>	
<p>Chaiperson Booth asked Mr. Sobetsko to define “FS-PSA” and “FFSRDD.” Mr. Sobetzko responded that it stands for Free Standing-Pediatrics Subacute Facility and Fee For Service Rate Development Division.</p>					

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	Brandy Hall, <i>Program Manager, Compliance</i> , gave an Internal Audit Update (<i>a copy of the written report can be obtained from Board Services</i>).	
QUALITY IMPROVEMENT (QI) UPDATE	<p>Felix Aguilar-Henriquez, MD, MPH, FFAFP, <i>Medical Director, Quality, Health Services</i>, gave a Quality Improvement (QI) Update.</p> <p>Dr. Aguilar thanked the Board for allowing him to provide an update and is welcome to any suggestions or recommendations they may have. He noted that Board input is essential to improving care for members and helping providers do that. He spoke about the work that L.A. Care does with its Direct Network of providers. On June 28, L.A. Care will host an advisory committee of providers to help L.A. Care better understand their needs. The Transform LA group, consists of 21 practices and 107 practitioners covering 37,000 Direct Network members. QI is working on health education and has selected MediKeeper as the application to help members with health education. He said that L.A. Care is one of two health plans to roll out the Doula benefit.</p> <p>He reported on Provider Quality Issues backlog. Appeals & Grievances staff are working closely together to improve the workflow. He would like to hear from the Board about how L.A. Care can improve provider engagement.</p> <p>Chairperson Booth thanked Dr. Aguilar for his update.</p> <p>Member Ballesteros welcomed Dr. Aguilar and thanked him for attending the meeting and for his work in the past with the Federally Qualified Health Centers (FQHC). He said that him joining L.A. Care will provide tremendous opportunity for the organization to connect with the providers FHQCs and the county clinics.</p> <p>Chairperson Booth asked if Direct Network providers be members of an Independent Physician Group (IPA). Dr. Aguilar responded that they can be. Noah Paley, <i>Chief of Staff</i>, stated that they can be and many of them are. L.A. Care is filling the role of the IPA and engaging providers. L.A. Care is also improving the provider opportunity reports to break out the membership that is assigned to directly contracted primary care providers.</p>	
POPULATION HEALTH MANAGEMENT AND TRANSITIONAL	<p>Elaine Sadocchi-Smith, <i>Director, Population Health Management</i>, gave a presentation about Population Health Management (PHM) and Transitional Care Services (TCS) (<i>a copy of the written report can be obtained from Board Services</i>.)</p> <ul style="list-style-type: none"> • Care transitions: <ul style="list-style-type: none"> - When a member is transferring from one setting or level of care to another, 	

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<p>CARE SERVICES (CalAIM)</p>	<ul style="list-style-type: none"> • California Advancing and Innovating Medi-Cal (CalAIM) Population Health Management (PHM) Transitional Care Services (TCS): <ul style="list-style-type: none"> - Implementation began January 1, 2023. Health Plans must develop and execute a plan to ramp up transitional care services and ensure that all TCS are complete for all members designated as high risk (HR) by Department of Health Care Services (DHCS). <p>DHCS is allowing a phased in approach, by January, 2024 health plans are required to complete transitional care services for all members.</p> <p>Admission, Discharge and Transfer (ADT):</p> <ul style="list-style-type: none"> • Starting January 1, 2023, plans are responsible for ingesting and utilizing ADT feeds when they exist • The DHCS PHM Service will not have ADT feeds at launch, so health plans are expected to establish infrastructure to utilize ADT feeds locally as described above. <p>Prior Authorizations and Timely Discharges:</p> <ul style="list-style-type: none"> • Starting January 1, 2023, plans must ensure timely prior authorizations and discharges. <p>Communication of Assignment to the Care Manager for DHCS High Risk Members:</p> <ul style="list-style-type: none"> • DHCS High Risk members receiving TCS, their assigned care managers (including ECM and CCM) must be notified within 24 hours of transition. <p>Chairperson Booth asked if the prior authorizations are only in regards to the hospitalizations. Ms. Sadocchi-Smith stated that it's just for the transitions. That is done through Utilization Management.</p> <p>Care Manager Responsibilities for DHCS High Risk Members:</p> <ul style="list-style-type: none"> • Responsible for coordinating and verifying that members receive all appropriate transitional care services. • Responsible for establishing a relationship with the member that enables them to coordinate care during discharge planning to when the member arrives in their new setting. • Responsible for ensuring that information sharing, and communication occur with appropriate providers to assist members in successful transitions, including with the member's PCP. <p>Discharge Risk Assessment and Discharge Planning for DHCS High Risk Members: A discharge risk assessment should be completed prior to discharge to assess a member's risk of re-institutionalization, re-hospitalization, destabilization of a mental health condition, and/or substance use disorder (SUD) relapse.</p> <ul style="list-style-type: none"> • While L.A. Care has some TCS activities in place, over the coming year we will need to: 	

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<ul style="list-style-type: none"> - Develop and execute a plan to ramp up transitional care services for all DHCS High Risk members <ul style="list-style-type: none"> o Develop provider communications to outline PPG responsibilities o Have added TCS language to delegation agreements and universal provider manual approved - Develop a plan to ensure transitional care services are completed for ALL members by January 1, 2024: <ul style="list-style-type: none"> o A plan to provide TCS to low risk and medium risk members and o A plan to ensure TCS occurring at the Provider/PPG level is monitored and includes oversight at the provider/PPG level - Ingest and deliver ADT data for all TCS populations and the ability to assign a care manager and notify (business case submitted) - Staffing resources in CM to provide for the single point of contact care manager to be able to document TCS, discharge risk assessment, discharge planning services, medication reconciliation, and post-discharge referrals in a system of record that can be coordinated with all service providers. 	
STARS UPDATE (D-SNP)	<p>Donna Sutton, <i>Senior Director, Stars Excellence, Health Services</i>, gave a Stars Quality Update (<i>a copy of the full written report can be obtained from Board Services</i>).</p> <p>There are two Stars quality rating programs. Stars Quality Program impacts the Medicare Plus program and there is a quality rating system program impacting the L.A. Care Covered line of business. Both programs measure performance based on a collection of measures. Current projected overall performance for MY2022 is 2.5 Stars: Medicare D-SNP is 2.5 Stars and L.A. Care Covered is 3 Stars. Goal for measurement year 2023 is a 3.5 overall star rating for Medicare D-SNP and an overall star rating of 3 for L.A. Care Covered.</p>	
ADJOURN TO CLOSED SESSION	<p><u>PUBLIC COMMENT</u></p> <p>Submitted by Andria McFerson on Thursday, June 15, 2023 at 2:39 PM: <i>I am not quite sure if this would be regarding item number 8 or the closed session but I believe for the record, I am not quite sure whether you are aware that the RCAC and ECAC advisory committee were decided on by the CO&E staff to change into a transitional period without a vote from the board of Governor or the ecac so please investigate the budget this change in the stakeholder committee.</i> <i>Andria McFerson ECAC 6</i></p>	

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p><i>My name is Andria McFerson ECAC/RCAC 6 Chair, In response to the inquiry on my comment for item number 8 on the agenda submitted earlier today by myself, in the comment topic and within the actual email that my comment was for agenda item 8 and it was for today's Compliance and quality committee meeting of June 15, 2023 once again stated in the email. I feel that practices as such this particular situation is misleading, harassment and without Equity.</i></p> <p>Augustavia J. Haydel, Esq., <i>General Counsel</i>, announced the following items to be discussed in closed session. The JPA Compliance and Quality Committee meeting adjourned and the Compliance and Quality Committee adjourned to closed session at 3:35 P.M.</p> <p>PEER REVIEW Welfare & Institutions Code Section 14087.38(o)</p> <p>CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION Significant exposure to litigation pursuant to Section 54956.9(d)(2) of Ralph M. Brown Act: Two potential cases</p> <p>THREAT TO PUBLIC SERVICES OR FACILITIES Government Code Section 54957 Consultation with: Thomas Mapp, Chief Compliance Officer and Serge Herrera, Privacy</p> <p>CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION Pursuant to Section 54956.9(d)(1) of the Ralph M. Brown Act</p> <ul style="list-style-type: none"> • Department of Managed Health Care Enforcement Matter Numbers: 18-799, 20-063, 21-428, 21-509, 21-680 • Department of Health Care Services, Office of Administrative Hearings and Appeals, In the matter of: L.A. Care Health Care Plan Appeal No. MCP22-0322-559-MF 	
RECONVENE IN OPEN SESSION	<p>The Committee reconvened in open session at 4:37 p.m.</p> <p>There was no report from closed session.</p>	
ADJOURNMENT	<p>The meeting was adjourned at 4:37 p.m.</p>	

Respectfully submitted by:

APPROVED BY:

Victor Rodriguez, *Board Specialist II, Board Services*
Malou Balones, *Board Specialist III, Board Services*
Linda Merkens, *Senior Manager, Board Services*

Stephanie Booth, MD, *Chairperson*
Date Signed: _____

THE FOLLOWING COMMENTS WERE SUBMITTED AFTER THE BOARD WENT INTO CLOSED SESSION:

Submitted by Andria McFerson

Hello ,

My name is Andria McFerson as decided by (CO&E Staff) I am now as of today, FORMER ECAC chair of LA Care RCAC 6 region which is in the S LA, Inglewood Area. I was just called today by Frank that the staff chose to remove the Executive Community Advisory Committee Chair's without a motion or a a vote agreed on by the majority basically stating that if we moved out of our region we are no longer chairs but, that is when we met in person and had a full quorum of RCAC members to vote on another ECAC chair in-person we will not have those meetings again this year. I'm asking Ms. Haydel and Tom Mapp to investigate because sad to say they only called myself so far the only Black Chair that has made that transition and all other chairs who moved who are not Black were not transitioned to another location and they are still Executive Chairs. I will be there advocating for Black equality at your meeting and events and this is an official complaint email to the BOS please investigate and reply soon. For the record Staff Victor Rodriguez refused to state my other public comment I posted earlier for this meeting.
Andria McFerson