EXECUTIVE COMMITTEE MEETING

Board of Governors

January 25, 2022 • 2:00 PM
L.A. Care Health Plan
1055 W. 7th Street, Los Angeles, CA 90017
Please recheck these directions for updates prior to the start of the meeting. This meeting will be conducted in accordance with the provisions of the Ralph M. Brown Act, allowing members of the Board, members of the public and staff to participate via teleconference, because State and Local officials are recommending measures to promote social distancing. Accordingly, members of the public should join this meeting via teleconference as follows:

https://lacare.webex.com/lacare/j.php?MTID=mc8c67aac564c75a17b427fbd6763d6f1

To join and LISTEN ONLY via teleconference please dial: (213) 306-3065
Access code: 2497 951 9310  Password: lacare

Members of the Executive Committee or staff may participate in this meeting via teleconference. The public is encouraged to submit public comments or comments on Agenda items 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. This is new function 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.
5. The chat message, text, voicemail, or email 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.

Your comments can also be sent by voicemail, email or text. If we receive your comments by 2:00 pm on January 25, 2022, it will be provided to the members of the Executive Committee 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 also include the name of the item to which your comment relates.

Public comments submitted will be read for up to 3 minutes during the meeting.

Once the meeting has started, public comment must be received before the agenda item is called by the meeting Chair and staff will read those comments for up to three minutes. Chat messages submitted during the public comment period for before each item will be read for up to three minutes. If your public comment is not related to any of the agenda item topics, your public comment will be read in the general public comment agenda item.

These are extraordinary circumstances, and the process for public comment is evolving and may change at future meetings. We thank you for your patience.
Executive Committee Meeting Agenda
January 25, 2022
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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 that it is an opportunity for members of the public to inform the governing body about their views. The Board appreciates hearing the input as it considers the business on the Agenda.

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

Hector De La Torre, Chair

1. Approve today’s meeting Agenda
   Chair

2. Approval of findings under the Ralph M. Brown Act (EXE 100) p.6
   Chair

3. Public Comment (please see instructions above)
   Chair

4. Approve November 15, 2021 Meeting Minutes p.8
   Chair

5. Chairperson’s Report
   • 2022 Committee Assignments
   Chair

6. Chief Executive Officer Report
   • 2022-23 State Budget Proposal p.33
     Senior Director, Government Affairs Cherie Compartore
   • Vision 2024 Progress 1st Quarter Report p.16
     Chief Executive Officer John Baackes

COMMITTEE ITEMS

7. Government Affairs Update
   • 2022-23 State Budget Proposal p.33
     Senior Director, Government Affairs Cherie Compartore

8. Approve the list of items that will be considered on a Consent Agenda for February 3, 2022
   Board of Governors Meeting.
   • December 2, 2021 Board of Governors Meeting Minutes
   • Quarterly Investment Report
   • Finance & Accounting Services Policy AFS 006 (Authorizations and Approvals)
   • Verizon Business Contract Amendment for Session Initiating Protocol (SIP) Trunking Service
   • PayScan Contract Amendment
   • Toney Healthcare Consulting Contract Amendment for Scope of Work 3
   • Language Line Contract Amendment
   • Compliance Work Plan CY 2022
   • Risk Assessment Plan CY 2022
   Chair

9. Public Comment on Closed Session Items (Please read instructions above.) Chair
ADJOURN TO CLOSED SESSION (Est. time: 95 mins.)

10. CONTRACT RATES
   Pursuant to Welfare and Institutions Code Section 14087.38(m)
   • Plan Partner Rates
   • Provider Rates
   • DHCS Rates

11. 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: January 2024

12. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION
    Pursuant to Section 54956.9(d)(1) of the Ralph M. Brown Act
    PIH Downey & PIH Whittier v. L.A. Care. Case No. 19STCV18084
    PIH Downey & PIH Whittier v. L.A. Care. Case No. 20STCV08190
    PIH Downey & PIH Whittier v. L.A. Care. Case No. 21NWCV00052

13. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION
    Pursuant to Section 54956.9(d)(1) of the Ralph M. Brown Act

14. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
    Significant exposure to litigation pursuant to Section 54956.9(d)(2) of Ralph M. Brown Act:
    Five Potential Cases

15. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION
    Pursuant to Section 54956.9(d)(1) of the Ralph M. Brown Act
    Butler v. L.A. Care, Case No. 18STCV08155

16. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
    Pursuant to Section 54957 of the Ralph M. Brown Act
    Title: Chief Executive Officer

17. CONFERENCE WITH LABOR NEGOTIATOR
    Pursuant to Section 54957.6 of the Ralph M. Brown Act
    Agency Designated Representative: Hector De La Torre
    Unrepresented Employee: John Baackes

RECONVENE IN OPEN SESSION

ADJOURN

The next Executive Committee meeting is scheduled on Tuesday, February 22, 2022 at 2:00 p.m.
and may be conducted as a teleconference meeting.

Public comments will be read for up to three minutes.
The order of items appearing on the agenda may change during the meeting.

If a teleconference location is listed at the top of this agenda, the public can participate in the meeting by calling the teleconference call in number provided. If teleconference arrangements are listed at the top of this Agenda, note that the arrangements may change prior to 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 BY VOICE MESSAGE OR 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.

NOTE: THE BOARD OF GOVERNORS CURRENTLY MEETS ON THE FIRST THURSDAY OF MOST MONTHS AT 2:00 P.M. AGENDA and PRINTED MEETING MATERIALS ARE AVAILABLE FOR INSPECTION AT http://www.lacare.org/about-us/public-meetings/board-meetings and 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 has been posted will be available for public inspection at http://www.lacare.org/about-us/public-meetings/board-meetings and can be requested by email 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.
Date: January 25, 2022

Committee: Executive

Issue: Remote Teleconference Meetings

Background: On March 17, 2020, Governor Newsom issued Executive Order N-29-20 suspending certain provisions of the Ralph M. Brown Act (the “Brown Act”) in order to allow for local legislative bodies to conduct their meetings completely telephonically or by other electronic means due to public health orders restricting gatherings during the COVID-19 pandemic.

Recent legislation and amendments to the Brown Act allow legislative bodies to continue meeting virtually provided there is a state of emergency declared by the Governor, and either (1) state or local officials have imposed or recommended measures to promote social distancing; or (2) the legislative body determines by majority vote that meeting in person would present imminent risks to the health and safety of attendees. The Governor, by executive order signed on September 20, 2021, suspended the effective date of this new legislation to October 1, 2021. And, the virtual meetings must be held consistent with these new requirements.

In order to continue conducting virtual meeting under the revised provisions of the Brown Act the Board of Governors, or any other legislative bodies of L.A. Care Health Plan, including Committees, must, within thirty (30) days of the first meeting following the effective date and every thirty (30) days thereafter, make findings that (a) state or local officials continue to recommend measures to promote social distancing, or that (b) an in-person meeting would constitute an imminent risk to the safety of attendees.

Findings:
1. The Board of Governors has reconsidered the circumstances of the state of emergency initially declared by the Governor on March 4, 2020, pursuant to section 8625 of the California Emergency Services Act, relating to the COVID-19 public health crisis and finds that the declaration still remains in effect. The continuation of virtual meetings will allow for full participation by members of the public while social distancing recommendations remain in effect and will facilitate the purposes of such social distancing recommendations by preventing large crowds from congregating in indoor facilities for extended periods of time. Given that the vaccination status of meeting participants is not known, it is prudent to use caution in protecting the health of the public, L.A. Health Care’s employees and its members where, as here, 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.

2. The Board of Governors finds that state and local officials continue to impose or recommend measures to promote social distancing. The Department of Industrial Relations' issuance of COVID-19 Prevention regulations through Title 8 of the California Code of Regulations, section...
Board of Governors

MOTION SUMMARY

3205 et seq., includes informing employees that masking and social distancing in the workplace are most effective when used in combination because particles containing the virus can travel more than six feet. Further, as of the date of this Motion, the Los Angeles County Department of Public Health continues to recommend measures to promote social distancing, including recommendations to avoid crowded indoor spaces and to maintain six feet of social distancing, especially in cases where the vaccination status of persons outside a person’s household is unknown.

As such, staff recommends approval of this motion so that the Board of Governors and all legislative bodies of the L.A. Care Health Plan may continue to meet virtually. The Board of Governors, or other legislative bodies on the Board’s behalf, may extend the authorization for an additional thirty (30) days via another motion summary that makes the above specific findings in support of continuing virtual meetings.

**Member Impact:** L.A. Care members will benefit from this motion by providing for public participation in Board of Governor meetings, while following social distancing measures promoted by State and Local public health officials.

**Budget Impact:** The approval of a motion to continue virtual meetings will maintain the status quo and minimal financial impact is anticipated by the approval of this motion, though some costs may be associated with the technical solutions required to conduct teleconference meetings in compliance with the Brown Act.

**Motion:**

1. Authorize remote teleconferencing consistent with the Ralph M. Brown Act;
2. Adopt findings as set forth in this Motion Summary and,
3. For all L.A. Care meetings subject to the Ralph M. Brown Act that are not held within 30 days, delegate authority to the Executive Committee to authorize findings to continue remote teleconferencing consistent with the Ralph M. Brown Act.
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.

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| CALL TO ORDER         | Hector De La Torre, Chairperson, called to order the L.A. Care Executive Committee and the L.A. Care Joint Powers Authority Executive Committee meetings at 2:10 p.m. The meetings were held simultaneously. He welcomed everyone to the meetings.  
  • 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.  
  • 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. | }
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<td>• The Chairperson will invite public comment before the Committee starts to discuss the item. If the comment is not on a specific agenda item, it will be read at the general Public Comment item 2 on today’s agenda.</td>
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| APPROVE MEETING AGENDA | The Agenda for today’s meeting was approved. | Approved unanimously by roll call. 4 AYES (Ballesteros, Booth, De La Torre and Shapiro). |

| PUBLIC COMMENTS | There were no public comments. | |

| APPROVE MEETING MINUTES | Member Perez joined the meeting. The minutes of the October 25, 2021 meeting were approved as submitted. | Approved unanimously by roll call. 5 AYES (Ballesteros, Booth, De La Torre, Perez, and Shapiro). |

<p>| CHAIRPERSON’S REPORT | Public Comment (This comment was submitted for the CEO Report but was read at the Chairperson’s report, and staff apologizes for the inadvertent mistake.) Received via text Nov 15, 8:46 am, from Carolyn Rogers Navarro For years LA Care enabled house of horrors doctors and medical centers and retaliated against and intimidated enrollees who reported abusive “medical providers”! They still do so! It is impossible that LA Care had no idea people were being harmed by Synermed blocking access to doctors and denying due process and that people were butchered or died. LA Care is aware of other “managed service organizations” who do not do their jobs, wasting state and federal funds, LA Care doesn’t give a shit about the “comprehensive care” they claim to provide, they just want to solicit more members, brag about the number of members, when they are failing existing ones. Some of these fake, prissy people on LA Cares board don’t represent enrollees best interest, they are just going through motions and just care about their own fake entitled lives, they don’t care about special needs and vulnerable people, they need to leave, just like LA Care gets rid of any honest decent employees or board members or they leave on disgust. Stop wasting taxpayer money and retaliating against enrollees, stop lying to enrollees! | |</p>
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<td>Chairperson De La Torre noted that the vaccination rate is not where it needs to be in terms of vaccinated individuals. He spoke with a doctor who told him there were 100 COVID-19 patients at his hospital, and all of the 100 patients were unvaccinated. It is incredibly clear that the risk is tremendous for those who are unvaccinated, compared to those who are vaccinated. Some breakthrough cases have been reported in the media. Those are infrequent when compared to the vast majority of cases among the unvaccinated. A lot of people use the excuse that they want to do their own research. Vaccines were available at the end of December 2020 for seniors and high risk patients, but now it is generally available. He thinks there is one important data point that is really compelling: a survey of practicing doctors was conducted nationwide by the American Medical Association in June, 2021, and the result was that 96% of those doctors are vaccinated. That rate is probably higher now, more than four months later. The doctors are telling you by their own actions with their own body, what they think of the medical consensus around vaccination. He feels we need to very respectfully keep pushing on that information, which is the clearest data point. This is not a social media video, or a celebrity, or your neighbor, this survey shows that doctors are voting with their own bodies by taking the vaccine themselves. The rate of vaccination reported in this survey, 96%, is probably higher than any other subgroup in the United States. He feels frustrated, in his capacity here and also as a resident of this planet, that people are not getting vaccinated, and that the reasons they are giving for not getting vaccinated are specious. If the healthcare professionals, the physicians, are getting the vaccine, it is pretty clear where we should be going. And there are 14 other vaccinations that are commonly given, that most of us have received in our lifetimes. There are projections for another spike in COVID 19 cases this winter. He commented that as much as we all want to be done with these virtual meetings and get back to seeing each other in person, the only way society gets there is to beat back COVID, and that means vaccinations across the board.</td>
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<td>Richard Seidman, MD, MPH, Chief Medical Officer, reported on behalf of John Baackes, Chief Executive Officer. Dr. Seidman thanked Mr. De La Torre for his report, and added that the increased risk of hospitalization and death amongst the unvaccinated due to COVID-19 and its variants is more than ten times higher for those who are unvaccinated than for those who are vaccinated. Dr. Seidman noted that L.A. Care is preparing for the start of California Advancing and Innovating Medi-Cal (CalAIM) in January of 2022, with services under the Enhanced</td>
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<td>Care Management (ECM) and Community Supports (CS, formerly known as In Lieu of Services) programs. L.A. Care selected four services in the CS program to offer in January of 2022, with more to come in July 2022, and even more to come in January of 2023.</td>
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<td>• He reminded Committee Members that in January 2022 health plans will also be responsible for major organ transplantation. In the past, L.A. Care has been responsible for kidney and corneal transplants, and other health plans in California have been responsible for all the other major organ transplants. L.A. Care’s work to prepare the provider network for this new service is going smoothly and no interruption of care is expected for patients requiring major organ transplants.</td>
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<td>• Also in January 2022, pharmacy benefits will be “carved out” of health plan coverage for Medi-Cal beneficiaries. L.A. Care has done all it can to persuade state officials not to move forward with this, but it is still scheduled to happen on January 1, 2022.</td>
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<td>• L.A. Care has completed ten flu clinics, immunizing more than 2300 people against influenza. Dr. Seidman looks to the recent experience in the Southern Hemisphere as a predictor of the influenza activity in the Northern Hemisphere. This year, the activity in the Southern Hemisphere looked quite low. This is not a guarantee, but helps predict how our flu season will be. Before the COVID pandemic Dr. Seidman reported regularly during flu season about the influenza activity in Los Angeles County during the flu season. There is a concern about the effect of both flu and COVID 19 cases. Last year we saw a nearly disastrous spike in COVID cases during flu season. This year there is concern about a fifth wave and increased demand on the hospital systems. So far the levels are low, although we have a long way to go. It is hoped that the numbers of susceptible people are such that if there is a spike, it won’t be as high as last year.</td>
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<td>Member Booth asked about the rate of influenza vaccination in the Southern Hemisphere. Dr. Seidman did not know the exact rates of flu vaccination, and he noted that the flu vaccine rate in the United States is low and the vaccines are not as effective as the COVID vaccine. He has read that the level of cases in the Southern Hemisphere is low and the hypothesis is that the mask and social distancing recommendations for COVID also help to prevent influenza.</td>
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**AGENDA**

**ITEM/PRESENTER**

This Policy Agenda contains principles and policies that serve as the framework for the development and advocacy of positions on federal and state legislative, administrative, and budget issues. This Policy Agenda provides guidance for L.A. Care's Government Affairs Department to respond effectively to proposals that could significantly impact L.A. Care's strategic and operational interests. Ms. Compartore noted that L.A. Care staff works with representatives for the Board of Supervisors on the legislative positions. During the legislative session, Government Affairs staff provides a regular report on any specific positions taken. Any topics or issues that may be controversial are brought for consideration by the Board of Governors. Last year new policy issues related to COVID-19 were added. She noted that not every COVID proposal is presented here because many of the existing principles can be applied to COVID issues. She noted that there is a principle opposing social injustice and specific support for behavioral health access, data collection and sharing of health information.

Member Booth noted there may be a proposal to overturn the Medical Injury Compensation Reform Act. Ms. Compartore noted that that proposal has been delayed to the 2022 election ballot due to COVID. Ms. Compartore recommended that if L.A. Care’s Board chooses to take a position on this measure, it should be outside of this Policy Agenda document because it is related to a specific initiative.

**Motion EXE 100.1221**

To approve L.A. Care's 2022 State and Federal Policy Agenda, as submitted.

Approved unanimously by roll call. 5 AYES (Ballesteros, Booth, De La Torre, Perez, and Shapiro).

**Revised 2022 Board & Committee Meeting Schedule**

The schedule is revised only by moving the meeting day of the Finance & Budget and Executive Committee meetings to fourth Tuesday of the month (instead of Monday).

**Motion EXE 101.1221**

To approve the revised 2022 Board of Governors and Committees meeting schedule as submitted.

Approved unanimously by roll call. 5 AYES (Ballesteros, Booth, De La Torre, Perez, and Shapiro).

**Approve Human Resources Policies**

- **HR-606 Shift Policy Reactivation**
- **HR-632 After Hours Program-Medical Management**

Terry Brown, Chief Human Resources Officer, presented motions to approve revisions to two Human Resources policies.

L.A. Care wants to ensure consistency within its competitive markets, and may pay a premium to employees if they meet all the eligibility requirements as indicated. Shift premium pay is to provide fair and equitable premium pay for staff regularly assigned to work alternate shifts to perform services after standard operating hours.
| AGENDA |
| --- | --- | --- |
| **ITEM/PRESENTER** | **MOTIONS / MAJOR DISCUSSIONS** | **ACTION TAKEN** |
| - HR-710 Reimbursement for Educational Expenses | Staff is proposing revisions to HR-606 (Shift Premium), as noted in the attached document. Member Booth asked what replaced the process that made the afterhours policy no longer necessary. Mr. Brown responded that the afterhours policy is now included in the Shift Premium policy. | Motions EXE A, EXE B and EXE C were simultaneously approved unanimously by roll call. 4 AYES (Ballesteros, Booth, De La Torre and Shapiro). Member Perez experienced technical difficulty and was unable to vote on this item. |
| | **Motion EXE A.1121**
To approve the Human Resources Policy & Procedure HR-606 Shift Premium, as presented. | |
| | To ensure compliance with the appropriate regulatory requirements specific to providing After Hours Utilization Management (UM) access, post stabilization and repatriation determinations within thirty minutes of the request. With the reactivating of HR-606 Shift Premium, we would like to retire current Policy HR-632 After Hours Program-Medical Management. | |
| | **Motion EXE B.1121**
To approve the retirement of Human Resources Policy & Procedure HR-632 (After Hours Program-Medical Management). | |
| | L.A. Care Health Plan encourages its employees to further their education and improve their professional skills by providing financial support to eligible employees who complete educational courses or certificate programs that contribute to the improvement of the employees’ current job performance, duties, L.A. Care’s Mission and/or potential job advancement at L.A. Care. The following changes were made to this policy: | |
| | - HR-710 Reimbursement for Educational Expenses moved from Center for Organizational Excellence to Talent Strategy & HR Technology, Learning Experience. | |
| | - Process to submit pre-approval moved from Footprint ticketing system into Employee Central. Course Complete request in Employee Central. | |
| | **Motion EXE C.1121**
To approve the Human Resources Policy & Procedure HR-710 Reimbursement for Educational Expenses as presented. | |
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| Approve Consent Agenda | Approve the list of items that will be considered on a Consent Agenda for December 2, 2021 Board of Governors Meeting.  
- November 4, 2021 Board of Governors Meeting Minutes  
- Revised 2022 Board and Committee Meeting Schedule  
- Quarterly Investment Report | Approved unanimously by roll call. 5 AYES (Ballesteros, Booth, De La Torre, Perez, and Shapiro). |

**PUBLIC COMMENTS**

There were no public comments for the closed session items.

**ADJOURN TO CLOSED SESSION**

The Joint Powers Authority Executive Committee meeting was adjourned at 2:43 p.m.

Augustavia J. Haydel, General Counsel, 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 2:44 p.m.

**CONTRACT RATES**

Pursuant to Welfare and Institutions Code Section 14087.38(m)
- Plan Partner Rates  
- Provider Rates  
- DHCS Rates

*The following bulleted item was not discussed.*
- Medi-Cal Managed Care Supplemental Payment

**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: November 2023

**CONFERENCE WITH LABOR NEGOTIATOR**

Pursuant to Section 54957.6 of the Ralph M. Brown Act
Agency Designated Representative: Terry Brown (Designee for John Baackes)
Unrepresented Employee: All L.A. Care Employees

*The following item was not discussed.*

**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
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<td>RECONVENE IN OPEN SESSION</td>
<td>The meeting reconvened in open session at 3:01 p.m.  No reportable actions were taken during the closed session.</td>
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<td>Approve Employee Annual Incentive Program</td>
<td>Mr. Brown presented the motion for authorization to payout for the Annual Incentives Program, not to exceed $8.8 million.</td>
<td>Approved unanimously by roll call.  5 AYES (Ballesteros, Booth, De La Torre, Perez, and Shapiro).</td>
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**Motion EXE 102.1221**
To authorize the disbursement of funds not to exceed $8.8 million for the Individual Annual Incentive Program, based on the completion of pre-determined individual goals and targets in support of L.A. Care’s FY 2020-2021 Organizational Goals. Distribution of the annual incentive payout shall be guided by Human Resource Policy No. 602, Annual Organizational Incentive Program.

**ADJOURNMENT**
The meeting adjourned at 3:03 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:
Hector De La Torre, Chair
Date: ______________________________
January 14, 2022

TO: Board of Governors

FROM: John Baackes, CEO

SUBJECT: 1st Quarter FY 2021/22 Vision 2024 Progress Report

This report summarizes the progress made on the activities outlined in Vision 2024, L.A. Care’s strategic plan. This is the first quarterly report for the 2021/22 fiscal year, which represents the first year of our three-year plan. L.A. Care started our first quarter in this new strategic plan amid the continuing changes from the pandemic and advancing readiness for multiple new programs from CalAIM.

L.A. Care’s notable first quarter activities include:

- L.A. Care launched our new Health Equity department to increase our commitment to equity for our members.
- Open Enrollment efforts began for L.A. Care Covered, our product on the California Exchange.
- Continued preparations for CalAIM, across multiple areas of L.A. Care
- Completed our Employee Engagement Survey and developed action plans to support employee retention and address areas for improvement.
# High Performing Plan

*Achieve operational excellence by improving health plan functionality.*

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<th>Build out information technology systems that support improved health plan functionality.</th>
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<td><strong>Tactics</strong></td>
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<td>Improve customer service through the Voice of the Customer (VOICE) initiative, our customer service information technology system.</td>
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| Improve efficiency and effectiveness of financial management functions with the implementation of the additional phases of the SAP system, our Enterprise Resource Platform (ERP). | The Enterprise Resource Planning (ERP) Platform implementation went live for the Electronic Bank Statement reconciliation automation. This process completes the bank reconciliation automation process that started with Billing and Disbursement projects. We are finalizing the business blueprints and designs for two SAP key projects implemented in parallel:  
  - SAP ERP with Fixed Assets, Account Payable, Purchase Order and Project Cost will replace Solomon, L.A. Care’s current accounting system.  
  - SAP Revenue Automation will automate the revenue recognition and retro adjustments for Medi-Cal and Cal MediConnect products for more than two million members. This complex process is currently being performed manually by Medical Payment System & Services.  
  SAP ERP and Revenue automation projects are scheduled to go live at the end of May 2022. |
| Complete the implementation of SyntraNet to support operational improvements across the enterprise, with a particular emphasis on appeals and grievances. | Ongoing improvements have been made to the Utilization Management (UM) module of SyntraNet to streamline system and departmental workflows. UM is anticipating several system updates in Q2 to facilitate faster authorization processing. The Care Catalyst Team will be updating the project plan for the Grievance & Appeals module during Q2. |
### Build out information technology systems that support improved health plan functionality.

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| Modernize provider data management by defining and creating a roadmap for achieving our target state for our provider data ecosystem. | The Provider Roadmap initiative is a multi-year program focused on improving L.A. Care’s provider data quality and management, including enhancements to data intake, standardization, validation, storage, and reporting processes. This initiative will:  
  - prioritize the use of the standardized provider file (SPF) to receive provider data directly from our PPG partners;  
  - leverage the validated provider data available through the partnership with the Symphony Provider Directory Utility;  
  - address some known infrastructure challenges that have historically limited our efficient use of available data;  
  - employ the newly established data governance framework to ensure better data quality; and  
  - enable the network affiliations and hierarchies to properly identify and manage all providers available to a member within a closed sub-network. |
| Refine and implement our three-year technology roadmap and ensure that the reference architecture serves as a blueprint that evolves with L.A. Care’s needs. | The Technology Roadmap continues to evolve and is being refined. With the completions of the first phase of UM and CalAIM, the reference architecture will have the opportunity to exploit more modern technology services. |
| Develop real-time interoperability capabilities to share data with providers and members. | Work is underway to launch a data connection (Application Program Interface or API) for members to access their health information maintained by L.A. Care. Expected to be available by June 2022, the data connection API will enable third party applications (typically on smart phones) to access member data with member consent. |

### Support and sustain a diverse and skilled workforce and plan for future needs.

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<td>Conduct succession planning, particularly at the leadership level.</td>
<td>We are working with members of Senior Leadership to develop strategies to ensure succession within the organization.</td>
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### Support and sustain a diverse and skilled workforce and plan for future needs.

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<td>Maintain a diverse and inclusive workforce, validated by data analysis, to model L.A. Care’s commitment to Diversity, Equity, and Inclusion.</td>
<td>L.A. Care continues to monitor and enhance its diversity dashboard, including monitoring ethnicity/race and gender by employee category (i.e. staff, supervisory, management, Director, Sr. Director, Officer).</td>
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<td>Support a culture of accountability that encourages transparency.</td>
<td>L.A. Care is developing remote educational classes for management focused on ensuring proper performance assessment/management in the remote environment.</td>
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<td>Improve managed care and Management Services Organization (MSO) acumen among staff.</td>
<td>We are assessing the knowledge gaps for staff and will develop a plan to target our training more specifically to address these needs.</td>
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<td>Promote retention of staff in an evolving work environment.</td>
<td>L.A. Care has completed our Employee Engagement Survey and we are currently working on action plans. We actively support employees through our Employee Recognition Program and Employee Resource Groups. We have also established a Return to Office strategy, focused on remote work and employee retention, which will be shared with staff in January.</td>
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### Ensure long-term financial sustainability.

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<td>Implement recommendations from the administrative expense benchmarking study and update the administrative expense target in the revised forecasts.</td>
<td>L.A. Care is assessing the recommendations from the benchmarking study and will implement appropriate changes to optimize staffing to meet business demands in the future.</td>
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### Ensure long-term financial sustainability.

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<td>Network Enhanced Care Management (ECM) &amp; Community Supports (CS) updates:</td>
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<td>- Direct Network contracts: 38 contracts for ECM and 19 for CS with an effective date of January 1, 2022.</td>
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<td>- Ancillary contracts: three contracts for ECM and 10 contracts for CS with an effective date of January 1, 2022.</td>
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<td>- L.A. County Contracts</td>
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<td>- Department of Health Services (DHS): ECM &amp; CS contracts fully executed effective January 1, 2022</td>
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<td>- Department of Mental Health: eight contracts for ECM effective January 7, 2022 and 32 Facilities pending an effective date of April 1, 2022</td>
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<td>- Department of Public Health: ECM and CS proposed effective date July 1, 2022 pending certification process</td>
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D-SNP amendments are out to PPGs, hospitals, and ancillary providers. We expect to start receiving executed documents within the beginning of 2022. DHS D-SNP (hospital service agreement/fee-for-service) amendments are pending signature by County Counsel and the DHS Director.

### Mature L.A. Care’s family of product lines, taking an “all products” approach whenever possible.

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<td>Launch a D-SNP to serve the dually-eligible Medicare and Medi-Cal population and transition members from Cal MediConnect (CMC) to the D-SNP.</td>
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<td>Centers for Medicare &amp; Medicaid Services (CMS) Notice of Intent to Apply (NOIA) submitted for the L.A. Care Medicare Advantage Program. D-SNP Model of Care Provider contracting efforts and Plan Name selection are underway.</td>
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<td>Monthly Department of Health Care Services Cal Medi-Connect to D-SNP Enrollment Transition Workgroups continue. Operational processes to support Exclusively Aligned Enrollment (EAE) to be developed by the state in partnership with stakeholders. Meetings begin January 2022.</td>
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Mature L.A. Care’s family of product lines, taking an “all products” approach whenever possible.

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| Increase membership across all products by implementing member recruitment and retention strategies. | • Open Enrollment Period for L.A. Care Covered commenced on 10/01/21. We are currently running ads across most media channels.  
• D-SNP product research for brand and product naming was conducted. Initial marketing strategic planning has commenced based on research results.  
• Advertising strategic planning is underway for our Medi-Cal campaign, CMC/D-SNP campaign, Community Resources Centers (CRCs) campaign, Plan Partner campaign, and our corporate “Brand” campaign. Campaigns are set to launch this spring.  
• Touch point reform & member journey for all lines of business, designed to streamline and improve member interactions, initiated cataloging all existing member communications/engagements across the organization.  
• Development and expansion of sales distribution channels across all lines of business including preparing for the D-SNP launch. Critical sales channels including provider group and PCP engagement, community marketing through targeted community-based organizations and or CRCs, and expansion of direct broker general agencies and high-producing agents.  
• Initiated planning for the execution of an enhanced “newly dual eligible” lead outreach program in support of Cal MediConnect and the transition to D-SNP.  
• Completed requirements for a new broker self-service portal which will elevate agent support and engagement. |
| Engage in a provider network strategy that meets distinct business and competitive needs of all products and ensures that members receive high-value care. | Our network strategy remains focused on the fundamental elements of supporting our contracted physicians as they continue to care for our growing Direct Network membership which increased 9% to nearly 30,000 members in Q1 from the previous quarter. The provider network strategy included continued expansion of the specialty network throughout L.A. County (current Network Adequacy is at 98% using the Department of Health Care Services core specialty types, which has increased from the previous quarter), giving us the opportunity to open additional primary care provider sites/panels for more member access and choice, and partnering and contracting with premier organizations for access to care.  
Additionally, we continue to evaluate opportunities to transition PPG shared risk business to dual risk where it aligns with our capitated hospital partners as appropriate. We leverage our |
Mature L.A. Care’s family of product lines, taking an “all products” approach whenever possible.

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<td>own account managers to assist, inform, and educate our network and their staff to continually enhance the direct network experience.</td>
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### High Quality Network

*Support a robust provider network that offers access to high-quality, cost-efficient care.*

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<th>Mature and grow our Direct Network.</th>
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<td>Insource delegation functions that are currently outsourced, as appropriate and cost effective.</td>
<td>OptumHealth (Optum) continues to perform select Utilization Management (UM) and Care Management (CM) services for the L.A. Care Direct Network (DN) members. To ensure a transition that is seamless for L.A. Care’s members and providers, L.A. Care has undertaken a comprehensive readiness plan to insource these services, by taking a holistic approach to ensure that the plan will be able to meet or exceed all compliance and quality standards to serve the DN members, and partner with DN providers.</td>
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<td>Improve the operations of all L.A. Care functions necessary to support and scale up the Direct Network.</td>
<td>Continued efforts for operational improvements with the support of the Direct Network Administration Steering Committee include improving the Provider Experience on the Provider Portal. Improvements include: more reporting accessibility, improving the workflows of the provider load process with the adoption of enhanced tools and resources, partnering with the Learning and Development team for future online Learning Management System training delivery, and continued focus on supporting overall provider data management. Additional functional enhancements will be deployed for our online authorization tool. We continue to gather feedback from both internal and external stakeholders to enhance the innovation, technology, online tools, and overall experience in the Direct Network for both providers and members. We plan to implement more tools and features that make working with the provider community and members a more seamless experience.</td>
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<td>Strategically address gaps in the Direct Network to meet all member needs countywide.</td>
<td>L.A. Care continues to improve network adequacy by utilizing targeted provider recruitment data, analytics, and dashboards to make strategic network decisions. The specialty network has increased by 8% during Q1 from the previous quarter, and the team was able to convert a large number of high volume of temporary contract arrangements to fully credentialed contracts. The Provider Network team has grown the primary care network by 4% during Q1 from the previous quarter. The team continues to recruit multispecialty offices, PCPs, and specialists with ongoing targeted recruitment tactics. In addition to the efforts above, to meet CalAIM member and network needs, the team has successfully fully contracted 38 Enhanced Care Management (ECM) and 19 Community Support providers for a January 1, 2022 effective date.</td>
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## Mature and grow our Direct Network.

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| Increase access to virtual care by implementing L.A. Care’s Virtual     | - In December 2021, the Virtual Care project team began outreach to seven high volume Direct Network practices and received favorable response from four of the seven practices. Three of them asked for more time to consider. We will continue the outreach efforts to other high volume practices each quarter.  
- The project launch date has been adjusted to March 2022 to accommodate a Children’s Hospital Los Angeles (CHLA) contract change and recent impact from the COVID-19 Omicron surge. |
| Specialty Care Program (VSCP).                                         |                                                                                                                                                                                                       |

## Improve our quality across products and providers.

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<td>Achieve quality scores for the Direct Network that are commensurate</td>
<td>L.A. Care’s Quality Improvement team has developed a Direct Network (DN) Incentive program that is modeled on the physician and clinic Pay for Performance (P4P) program and increases the funding DN providers may receive for excellent clinical care and member experience. Also, the DN is a “group” within the Medi-Cal Value Initiative for IPA Performance (VIIP) program and will receive a portion of that pool equal in proportion to their ranked performance in the DN P4P program. Additionally, a DN specific award was created for the annual Provider Recognition Awards.</td>
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<td>with the median IPA network scores.</td>
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| Exceed the DHCS Minimum Performance Level for all measures for Medi-Cal,| For all lines of business, our lowest scores and biggest risk is Member Experience, driven by Access and Provider Interactions. Quality Improvement (QI) will continue to champion current efforts and an Enterprise Experience team and program that can use advanced user experience and customer experience methods to improve. Product specific efforts include:  
  - Medi-Cal: we have developed a three-year plan to surpass Minimum Performance Level on up to 17 of the total Managed Care Accountability Set measures. Three remain at significant risk and goals and interventions are in place to achieve success. |
| achieve a four-star quality rating for L.A. Care Covered, and build the |                                                                                                                                                                                                       |
| infrastructure to achieve a four-star quality rating for our D-SNP.     |                                                                                                                                                                                                       |
## Improve our quality across products and providers.

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<td>LACC: we are active partners with Covered California as they develop their next three year Quality Transformation Initiative. We participate with HealthNet and Molina on a Hospital Quality Collaborative with success already noted through the first round of meetings.</td>
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<td>CMC/D-SNP: the Stars Workgroup launched in Q1 2021 with significant progress in establishing cross-functional collaboration among L.A. Care operational teams. A new team is dedicated to Stars performance. Our HEDIS vendor has a module by which we will track measures available over the next three years (Measure Year (MY) 2020 through MY2024) by provider group level performance, medication adherence, and gap in care closure. Another web-based platform shared with network providers is facilitating data capture to close quality and risk adjustment gaps. The Master Stars Roadmap is in development. A Stars Steering committee will start in 2022.</td>
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<td>Improve clinical data integration and data governance, starting with race, ethnicity, language, sexual orientation, and gender identity data, in order to achieve the NCQA Health Equity Distinction.</td>
<td>We have gathered the initial requirements for the clinical data integration and governance program. We will be completing estimates and aligning resources for the race, ethnicity, language, sexual orientation, and gender identity programs early February.</td>
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<td>Improve clinical performance for children’s care.</td>
<td>Multiple efforts were focused on children’s care. Mailers were sent to medical providers with information on clinical recommendations and resources. Parents of children due for well-care visits and immunizations received automated reminder calls. Parents of newborns and newly enrolled babies (0-6 months) were sent an educational brochure describing the recommended well-care visits and immunizations to be completed by age two.</td>
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**Invest in providers and practices serving our members and the L.A. County safety net.**

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<td>Assist our providers in adopting and using Health Information Technology (HIT) resources.</td>
<td>The 15 Transform L.A. practices are reporting nine clinical quality measures from their electronic health record system. The Health Information Exchange team also provides Admit, Discharge, and Transfer (ADT) reports in near real time to 40+ practices.</td>
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<td>Provide practice coaching to support patient-centered care.</td>
<td>Transform L.A. has increased the number of Direct Network practices to 15 (28 sites) with 99 providers, 20% of Direct Network members, and 12% of L.A. Care’s total members. Seven practices are reporting improvement in Controlling High Blood Pressure and Diabetes A1c Poor Control. The Help Me Grow initiative continues to progress. The L.A. program launched the first enrolled practice in their three-year pilot to increase developmental milestone screenings in L.A. Care members aged 0-5 years old.</td>
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| Implement innovative programs to train, recruit, and retain highly qualified providers through the Elevating the Safety Net initiative. | • Health Career Internship Program – After hosting 35 interns in the summer of 2021, Health Career Connection (HCC) initiated preparations to host the second cohort of 31 interns in 2022.  
• Residency Support Program (RSP) – On November 4, 2021, L.A. Care’s Board of Governors approved a $3.23 million investment to fund residency programs at AltaMed, Charles R. Drew University of Medicine and Science (CDU), UCLA, and White Memorial under a third cycle of funding. The approved funds will support salaries and benefits for 25 residents across the four institutions starting in academic year 2022-23 through 2024-25.  
• Medical School Scholarships – Two new grants were approved in December 2021 to support eight new medical students (four at CDU and four at UCLA) who will embark on a journey to become practicing physicians with a full four-year tuition scholarship starting in 2022. With this newest investment, L.A. Care commits to supporting five cohorts and a total of 40 medical students (twenty at CDU and twenty at UCLA).  
• Provider Recruitment Program (PRP) – We continue to grow the PRP program, with 134 providers hired totaling more than $18.3 million in investment. There are currently 20 vacancies for a total of 154 grants executed. |
Quarterly Progress Report
Q1: October – December 2021

Invest in providers and practices serving our members and the L.A. County safety net.

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<td>Provider Loan Repayment Program (PLRP) – We have 92 active physician awards. With the newest investment of $7.96 million, bringing our total investment to $25.96 million, between 30-60 physicians who commit to practicing in our safety for at least three years will receive an award to pay off their educational debt starting in 2022.</td>
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<td>Elevating Community Health – For the CHW program, on October 26, 2021, the third cohort of CHWs completed the fourth of six continuing education sessions covering Substance Use Disorders. In the Center for Caregiver Advancement's IHSS training program, 4,172 IHSS workers have graduated since the beginning of the program (note that the reporting process for the IHSS training program has been updated for accuracy, so the graduation count may vary from previous reports).</td>
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<td>National Medical Fellowship (NMF) – During the fourth quarter of 2021, L.A. Care reviewed the opportunity to fund a fifth cohort of seven fellows in 2022. L.A. Care has supported four cohorts and a total of 28 fellows since 2018.</td>
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<td>Keck Graduate Institute (KGI) Master of Science in Community Medicine (MSCM) – Twenty-two students (part of the charter class), who have received a full-tuition scholarship from L.A. Care, continued their participation in KGIs new two-year online MSCM program this quarter. Upon completing the MSCM program, which will prepare students to work in underserved and underrepresented communities, students will also have the option to pursue additional training in medicine at KGI.</td>
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Utilize the Community Health Investment Fund (CHIF) to leverage opportunities for providers to increase quality and access to care.

At its November 2021 meeting, the Board of Governors approved the Community Health Investment Fund’s (CHIF) priorities for FY 2021/22. This included an allocation of $10 million to support safety-net providers to improve medical and dental care access, increase overall clinical quality, and address racial health disparities and systemic racism. Additionally, safety-net patients will be supported through programs that address social determinants of health such as access to food, housing, and income security.
**Member Centric Care**

*Provide services and care that meet the broad health and social needs of our members.*

| Operate all components of California Advancing and Innovating Medi-Cal (CalAIM) as they are launched. |
|---|---|
| **Tactics** | **Update** |
| Maximize care for L.A. Care members, within funding constraints, through successful implementation of Enhanced Care Management (ECM) and Community Supports (CS) for specified populations of focus. | Enhanced Care Management (ECM): In partnership with the other L.A.-area Medi-Cal plans, L.A. Care’s work with future ECM providers focused on operational readiness to meet the needs of ECM members and provide required services. Support was offered through a variety of trainings and 1:1 work with ECM providers to close outstanding gaps. L.A. Care’s provider teams executed contracts to build out the ECM network with sufficient capacity for both newly-eligible members and those grandfathering from Health Homes and Whole Person Care. |
| | Community Supports (formerly In Lieu of Services): In collaboration with multiple internal and external stakeholders, L.A. Care prepared to launch Community Supports (CS) services as part of the CalAIM initiative, set to launch on January 1, 2022. |
| | • Homeless & Housing Support Services (HHSS) – this includes Housing Navigation and Tenancy Services  
  • Recuperative Care  
  • Medically Tailored Meals |
| | We plan to grandfather approximately 7,000 members from the Health Homes Program and/or Whole Person Care to HHSS and/or Recuperative Care. |
| | Additionally, one of our biggest operational priorities has been the enhancements and implementation of the SyntraNet platform that will support operational functionalities for our newly contracted providers as they manage the care of our CS members. |
| Ensure CalAIM Population Health Management (PHM) requirements are met. | Several efforts are underway for CalAIM’s Population Health Management (PHM) requirements. We completed a crosswalk of NCQA and CalAIM Population Health Management (PHM) requirements. There was planning for a meeting in early 2022 with stakeholders on member facing assessments – intent to coordinate member touch and assessment data points. Additionally, we are developing a business case for CalAIM Information Technology (IT) requirements. |
## Operate all components of California Advancing and Innovating Medi-Cal (CalAIM) as they are launched.

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<td>Monitor and establish infrastructure for longer-term CalAIM initiatives.</td>
<td>An internal cross-functional team meets regularly to discuss CalAIM readiness and implementation efforts and impact to the organization. We prepared for additional initiatives that launched on January 1, 2022, which include the Major Organ Transplant carve-in, Mandatory Managed Care enrollment transition, and the Multipurpose Senior Services Program carve-out. These initiatives are being monitored. Longer term initiative readiness, including various behavioral health changes, long term care carve-in, and full integration plan pilots are in progress.</td>
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## Establish and implement a strategy for a high-touch care management approach.

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<td>Maximize use of care managers and community health workers within our care management model.</td>
<td>The care management program provides member directed support to high and complex risk members that need additional support in coordinating care. Our team is interdisciplinary which allows members to receive the best wraparound care including management of referrals for physical, social, and emotional health. Care coordinators are our first line of entry into the program and they provide outreach services and important scheduling as well as support to our care managers. Community health workers are now integrated into our program providing touchpoints with our members in the community. Care managers provide all oversight and support to members helping them to reach their care goals.</td>
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<td>Increase use of field-based care management in the community.</td>
<td>Our community health workers have provided our team and members with touchpoints in the community. The benefit is significant as they provide a direct contact with members where they are in the community. During the COVID pandemic, our ability to safely send the community health workers out into the field has been a challenge and we have worked to ensure their safety as well as the safety of our members. Community health workers are a significant benefit to Care Managers as they can assist members directly with challenges such as activities in the home.</td>
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<td>Expand upon our progress with palliative care and add other end-of-life services.</td>
<td>Palliative care provides an additional layer of support to members with serious illness. Our program is expanding and we have been able to enroll more members for these home-based supportive services. We are reaching out to community partners and increasing our reach to long term care facilities, as well as working with local providers to enroll members during transitions of care.</td>
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**Ensure that the services we provide to members promote equity and are free of implicit and explicit bias.**

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<td>Leverage external partnerships, grantmaking, and sponsorships to implement programs that address the root causes of inequity, including racism and poverty.</td>
<td>The Member Health Equity Council is establishing goals and metrics for FY 2021/22. Metrics address upstream and downstream components of equity including: (1) hearing from members; (2) focus on social determinants of health; (3) collaborating with community partners; (4) systemic change; and (5) equitable health. A number of planned investments from Community Health Investment Fund (CHIF) to address disparities are planned for this fiscal year.</td>
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| Identify and reduce health disparities among our members by implementing targeted quality improvement programs. | L.A. Care focused on disparities in diabetes, hypertension, prenatal care:  
  - The Diabetes Disparities Performance Improvement Project launched in November. The Health Education team conducts outreach calls to members to offer various diabetes tools and resources.  
  - The intervention to improve blood pressure began early December. The project is focused on working with clinics in a region with poor rates of blood pressure control. L.A. Care calls clinics to help identify members so they can make appointments for those that are missing a blood pressure reading. The project also encourages the use of telehealth, when appropriate.  
  - L.A. Care also engaged in a number of outside collaborations to address prenatal/postpartum disparities.  

L.A. Care is also been working to address disparities in COVID-19 vaccination rates. |
| Implement initiatives to promote diversity among providers, vendors, and purchased services. | • Revamped Procurement webpages on lacare.org to include new Vendor Diversity page and certification resources.  
  • Promoted Small Business Day event.  
  • L.A. Care was a key speaker at OneLA sponsored by Chamber of Commerce Event. |
| Offer providers Diversity, Equity, and Inclusion resources to promote bias-free care. | • Built Language Master Data process using latest Data Analytics technologies.  
  • Reconciling the race/ethnicity/language data with the Provider Data Management system. |
**Health Leader**

*Serve as a national leader in promoting equitable healthcare to our members and the community and act as a catalyst for community change.*

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<th>Drive improvements to the Affordable Care Act by serving as a model of a successful public option.</th>
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<tbody>
<tr>
<td><strong>Tactics</strong></td>
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<td>Play a leading role in advocating for a public option at the state and national levels.</td>
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<td>Provide expertise and assistance to other public plans interested in participating in state exchanges.</td>
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<tr>
<th>Optimize members’ use of Community Resource Centers and expand our member and community offerings.</th>
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<tr>
<td><strong>Tactics</strong></td>
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<tr>
<td>Increase the number of Community Resource Centers to 14, in partnership with Blue Shield of California Promise Health Plan, and increase number of annual visits to 50,000 across all centers by Q4 2022 and 60,000 by Q4 2023.</td>
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<tr>
<td>Partner with community-based organizations to offer a range of services onsite.</td>
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**Drive change to advance health and social services for our members and the community.**

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<tr>
<th>Tactics</th>
<th>Update</th>
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<tr>
<td>Identify and prioritize actions, interventions, and programs to promote equity and social justice.</td>
<td>L.A. Care launched a new Health Equity department. This is a part of our continuing commitment to advancing health equity for our members and their communities. Internal equity updates, strategizing, and prioritizing occurred at a staff Equity Summit in November. In November, L.A. Care hosted a screening of the documentary, Black Men in White Coats, followed by a moderated discussion panel with experts in the field.</td>
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</table>
| Support regional Health Information Exchanges (HIE).                   | L.A. Care is committed to strengthening the regional Health Information Exchanges (HIE) by directly engaging with them on strategic and regulatory requirements. This is accomplished by delivering a network priority list to the HIEs that would help them achieve the maximum market penetration and improve community access to member data. L.A. Care is in the process of establishing a digital exchange with the HIEs using the latest Fast Healthcare Interoperability Resources (FHIR) format, in compliance with federal and state regulatory requirements. L.A. Care maintains close communication with the exchanges through bi-weekly operations meetings and we use this regular cadence to:  
  • optimize the workflows to support clinical pharmacy initiatives, case management, utilization management, HEDIS measures, and behavioral health; and  
  • develop and coordinate community based care workflows with the clinical partners such as Federally Qualified Health Centers, Independent Practice Associations, and Managed Services Organizations, to benefit at-risk populations and improve patient outcomes. |
| Create a deliberate and tailored strategy to address homelessness among our members. | L.A. Care prepared to launch a new Community Supports program called Homeless and Housing Support Services (HHSS) (as referenced in the CalAIM update), on January 1, 2022.  
  • This program will provide both Housing Navigation and Tenancy Services to help high-need L.A. Care members experiencing homelessness get help finding and applying for housing as well as maintaining that housing once they move in.  
  • Members in the program will get help from a Housing Navigator with a 1 to 30 maximum case ratio.  
  • This program does not pay for rent or other ongoing room and board costs; instead, L.A. Care and our contracted providers will need to coordinate with government agencies to apply for housing subsidies. |
On January 10, Governor Newsom released his 2022-2023 Proposed State Budget. The overall $286.4 billion budget proposal includes $213.1 billion in General Fund spending along with $45.7 billion surplus. The Governor’s budget reflects a 9.1% increase in overall spending from the current fiscal year, and includes a $34.6 billion budget reserve.

The pandemic continues to influence the state budget. The Governor is requesting the Legislature take action now to approve $1.4 billion to respond to immediate needs of the state’s COVID-19 pandemic response in the current budget year. Additionally, the Governor is asking that the Legislature allocate an additional $1.3 billion for COVID-19 pandemic response for the 2022-2023 fiscal year.

Additional themes included in FY 2022-2023 proposed budget include issues surrounding climate control, homelessness, fire, education, Medi-Cal expansion, and the state’s public health infrastructure.

This following includes highlights from Governor Newsom’s Proposed Budget for 2022-23, specifically the Health and Human Services proposals impacting L.A. Care’s operational interests.

- **CalAIM**
  The Budget includes ongoing funding for CalAIM, specifically $2.8 billion in 2022-23 and $2.4 billion in 2023-24. Specific to PATH funding, the Budget maintains the previous allocation of $1.8 billion.

- **PATH Funding.** The Budget adds another $50 million in FY 2022-23 to PATH to support capacity building, technical assistance, collaboration and planning by county and correction entities. The Administration intend to propose additional policy changes in forthcoming trailer bills, specifically regarding suspension of Medi-Cal benefits when an individual is incarcerated.

- **Skilled Nursing Facility Payment Reform (AB 1629).** As of January 1, 2023, long-term care services are expected to be fully carved-in to managed care. This carve-in corresponds with the Skilled Nursing Facility Payment Reform as required by AB 1629 and requires DHCS to implement facility specific skilled nursing facility payment reform which will include a quality and accountability supplemental payment program. The financial mechanism for implementing this new payment program into the manage care delivery system is unknown at this time.
Foster Care. The Administration intends to continue the Foster Care Model of Care workgroup and work with stakeholders to explore a new model of care for this population this year.

- **Medi-Cal Caseload Estimates**
  The 2022-23 projected average monthly caseload is 14.2 million, with caseload expecting to peak 15.2 million in July 2022. The Medi-Cal caseload is projected to grow through the current fiscal year assuming the federal PHE remains in place and there are continued restrictions on beneficiary disenrollment. The budget assumes most of the caseload growth will be in the ACA Optional Expansion population. The Governor’s budget assumes ending 2021-22 fiscal year with an 8.3% caseload increase from earlier projections. In addition, the budget assumes a caseload decrease by 3% from 2021-22 to 2022-23.

- **Expansion of Medi-Cal Coverage**
  Effective no sooner than January 1, 2024, Medi-Cal will be expanded to provide full scope coverage to adults 26 through 50 years of age, regardless of immigration status (estimated eligible statewide: 700,000). California currently provides full-scope Medi-Cal coverage to those under age 26, regardless of immigration status. As a reminder, the state will begin providing full-scope Medi-Cal coverage to those over age 50, regardless of immigration status (estimated eligible statewide: 200,000) as passed in the 2021-22 state budget. It is possible that state legislation could be introduced that would have the undocumented Medi-Cal coverage for those between 26 and 50 years of age begin sooner than 01/01/24, but unknown at this time.

- **Equity and Practice Transformation Payments**
  The budget proposes $400 million in one-time funding for equity and practice transformation payments to qualifying Medi-Cal providers in order to close critical health equity gaps; preventive care, maternity, and behavioral health care measures, and gaps in care as a result of the pandemic. There are early indications it could include application grant process, similar to the previous behavioral health grants. More information is needed on this budget proposal on the process of applying for the grants.

- **Medi-Cal – Cognitive Health Assessments**
  The budget proposal contains funding for the annual cognitive health assessment as a Medi-Cal benefit for beneficiaries who are 65 years of age or older, if they are ineligible for such service under Medicare. The Budget includes $341,000 to implement this new benefit, effective July 1, 2022. This benefit was passed into law last year, with a no sooner date of implementation of January 1, 2022. The budget proposal appears to revise the implementation date to July 1, 2022.

- **Office of Healthcare Affordability**
  The budget proposal reappropriates funding that was included in the 2021-22 Budget Act for the same purpose to establish an Office of Healthcare Affordability within the Department of Health Care Access and Information. The Office will promote health care workforce stability and innovation, report on the quality of care and equity in services on the entire health care system, advance payment models that reward high-quality, cost-efficient care.
Proposition 56
The proposal also maintains full funding for the Proposition 56 (tobacco tax) supplemental payments, including a $176 million General Fund backfill of the payment program due to the declining revenues from cigarette taxes.

MCO Tax
The budget assumes the current Managed Care Organization Tax will not be renewed and expires on December 31, 2022. Will need to confirm with DHCS and the Administration on the details of this assumption.

Elimination of Medi-Cal Premiums
Effective July 1, 2022, the budget proposes to eliminate Medi-Cal premiums for approximately 500,000 Medi-Cal enrollees who pay monthly premiums for coverage. This policy change estimates the cost of reducing premiums to zero for the Optional Targeted Low Income Children Program (OTLICP), all State Children's Health Insurance Programs (CHIP), and the 250% Working Disabled Program.

Behavioral Health Services and Supports
The budget proposal contains funding for new and existing behavioral health benefits.

- Children and Youth Behavioral Health Initiative. The budget includes funding to implement elements of the CYBHI:
  - $87 million to implement Dyadic Services effective 01/01/23.
  - $429 million for evidence-based behavioral health practices.
  - $450 million for school behavioral health partnerships and capacity.
  - $230 million for the Behavioral Health Services and Supports Platform and related e-Consult service and provider training.

- Mobile Crisis Services. The budget proposes $108 million to add qualifying 24/7 community-based mobile crisis intervention services as a mandatory Medi-Cal benefit as soon as 01/01/23. The benefit will be implemented through county behavioral health delivery systems by multidisciplinary mobile crisis teams in the community.

- Behavioral Health Bridge Housing. The budget includes $1.5 billion ($1 billion in FY 2022-23 and $500 million in FY 2023-24), to address the immediate housing and treatment needs of people experiencing unsheltered homelessness with serious behavioral health conditions. The funding will be used to purchase and install tiny homes, as well as providing time-limited operational supports in various bridge housing settings.

Medi-Cal: Telephone/Audio-Only Parity
As part of the 2021-22 budget, DHCS began paying parity for services provided via telephone/audio-only during the PHE when the services meets all the requirements of a face-to-face visit. DHCS indicated payment parity for telephone/audio-only services would continue, including clinics, after the PHE. Although there is no new funding in the budget for telehealth, the budget proposal mentions the Administration intends to release a telehealth proposal that will continue to allow Medi-Cal covered benefits and services to be provided via telehealth across delivery systems when clinically appropriate. The budget is silent on the applicability or inclusion of clinics, but based on last year's budget proposal, DHCS (at that time) intended that
clinics will be included (will need to confirm clinic applicability). Requires federal approval. No implementation date provided.

- **Home and Community-Based Alternatives (HCBA) Waiver**
  The Budget proposes $304 million to implement the HCBA waiver for a new 5-year term from January 1, 2022 to December 31, 2026. Some key components in the waiver include:
  - Expand the Community Transition Service, making it available to participants living in the community who require essential goods and/or services to make their community-based residence safe and to keep them out of an institution.
  - Add Assistive Technology and Paramedical Services as a new service.
  - Add Pediatric Day Health Centers (PDHCs) licensed to operate a Transitional Health Care Needs Optional Service Unit.
  - Increase the rate paid to Personal Care Agencies that provide Waiver Personal Care Services, in compliance with increases to the statewide minimum wage.

- **Federally Qualified Health Centers Alternative Payment Methodology Project**
  DHCS will propose trailer bill language to update existing law that authorizes the implementation of an Alternative Payment Model (APM) reimbursement methodology for FQHCs to incentivize delivery system and practice transformation at FQHCs through flexibilities available by moving away from a volume-based reimbursement methodology.

- **Covered California - $1 Premium Subsidy Program**
  The budget proposes to continue funding the $1 per month premium required for the cost of providing abortion services, for which federal funding is prohibited. The ACA prohibited the use of federal funds to pay for coverage of abortion services by Qualified Health Plans in exchanges, including Covered California. The ACA required health plans to charge and collect at least $1 per month for coverage of such abortion services. As a result, Covered California enrollees that would receive federal or state subsidies that would combine to reduce premium costs to zero, instead have to arrange to pay one dollar per month. The budget proposal would use state-only funds to provide the $1 per month premium subsidy program.

- **Dental Managed Care**
  The budget proposes to extend dental managed care contracts (include Los Angeles County) and procure new contracts no sooner than January 1, 2024. While L.A. Care does not administer the Medi-Cal dental benefit, Government Affairs will obtain more information on the details surrounding this proposal and potential impact/opportunities.

- **Health Care Workforce**
  The Budget proposes $1.7 billion in funding over three years in Care Economy Workforce investment including funding to recruit and train 25,000 new community health workers as well as additional psychiatric providers. Funding that is relevant to Medi-Cal includes:
  - Community Health Workers: $350 million to recruit, train, and certify 25,000 new community health workers by 2025, with specialty certifications in areas that include climate health, homelessness, and dementia.
• Comprehensive Nursing Initiative: $270 million to increase the number of registered nurses, licensed vocational nurses, certified nursing assistants, certified nurse midwives, certified medical assistants, family nurse practitioners, and other health professions.
• English Language Learners Health Careers: $130 million to support healthcare-focused vocational pathways for English language learners.
• Healthcare Workforce Advancement Fund: $90 million to support job entry and career advancement for entry-level and other workers in health and human service settings, with $40 million intended for social worker training.
• Multilingual Health Initiatives: $60 million to expand scholarships and loan repayment programs in healthcare and social work for multilingual applicants.
• Opioid Treatment: $26 million to train providers to build out the substance use disorder workforce with a focus on opioid treatment. Funding will be used to increase the number of licensed clinicians, including providers focused on addiction.
• Workforce Council for Healthcare Training: $3 million to research healthcare shortages and support research on best practices and strategies to build a diverse, culturally competent workforce to build the health care workforce.

- County Medi-Cal Redeterminations
The budget contains $73 million in total funds in both 2021-22 and 2022-23 to assist counties with the expected backlog of redeterminations that will need to be conducted when the pandemic is over. As a reminder, most Medi-Cal beneficiaries do not have to go through the annual redetermination process during the pandemic.

- Insulin Cost Reduction
The Budget acknowledged the high cost of insulin and the Administration’s commitment to ensuring the availability of insulin to all Californians. The Governor indicates that Cal Rx program will be an avenue for California to contract and manufacture its own insulin at a reduced cost. No further details are available at this time.

California’s Constitution requires the Governor to submit his proposed budget each year to the Legislature by January 10. After the Governor has submitted the budget proposal to the Legislature, each house introduces the budget proposal as a budget bill. The Legislative Analyst’s Office prepares an analysis of the Governor’s proposed budget which becomes the starting point for negotiations and revisions. Subcommittee hearings begin in February or early March and continue for several months. During that timeframe, L.A. Care and our trade associations communicate with legislators, regulators, and the Administration on budget issues of importance and impact. In mid-May, the Governor will release changes to the January proposed budget called the “May Revise.” It is important to note, that the state budget proposal does not consider the impact on the state’s economy as a result of expected federal interest rate increases as well as potential pandemic changes in the future. As a result, the adjustment to the revised state budget proposal released in May could look different than what the Governor is currently proposing.

The budget committees in the Assembly and Senate develop their versions of the budget. The differences are worked out in a joint Budget Conference Committee. After its review, the Conference Committee votes on the proposed version. A report on the budget is submitted to both houses. The bill must be adopted by each house before it can be sent to the Governor. The State
Constitution says that the Budget Bill must be passed by the Legislature no later than June 15th to the Governor for his consideration for enactment by July 1 of each year.

However, it is important to point out that only the main budget bill is required to be passed by June 15 and sent to the Governor. There can be “budget trailer bills” which also can contain many budget provisions and details – and there is no deadline for the budget trailer bills. So this adds a level of complexity and uncertainty to the budget process.

Government Affairs will continue to provide key updates throughout the budget process.

In the meantime, please contact me if you have any questions.

Cherie

References:


If you have any questions, please contact Cherie Compartore.