

MINUTES
CMSP GOVERNING BOARD
Thursday, October 11, 2018

Governing Board Conference Room
1545 River Park Drive, Suite 435-A
Sacramento, CA 95815

MEMBERS PRESENT

Patrick Blacklock, County Administrator, Yolo County
Robert DuCay, Assistant Secretary, California Health and Human Services Agency
Richard Egan, County Administrator, Lassen County
Richard Forster, County Supervisor, Amador County
Tammy Moss-Chandler, Health and Human Services Director, Mendocino County
Leonard Moty, County Supervisor, Shasta County
Brad Wagenknecht, County Supervisor, Napa County
Christine Zoppi, Health Director, Glenn County

MEMBERS ABSENT

Birgitta Corsello, County Administrator, Solano County
Sanjay Bugay, Health and Human Services Director, Kings County
Elizabeth Kelly, Director, Colusa County Human Services

Opening of Meetings

Request for Public Comments

There were no public comments and the Board convened in Closed Session.

Welcoming Remarks and Request for Public Comments

Brad Wagenknecht, Chair, opened the Open Session meeting and introduced himself. He invited public comment and there was no public comment.

Correspondence and Consent Calendar

Mr. Wagenknecht requested a motion on the Correspondence and Consent Calendar.

ACTION MSC: Approve the Correspondence and Consent Calendar for October 11, 2018.

APPROVED	Votes:	Aye	7
		Nay	0

Report on Closed Session

Cathy Salenko, CMSP General Counsel, reported that the Governing Board met in Closed Session and provided direction to the General Counsel and Governing Board staff concerning contract terms pertaining to negotiations with specified health care providers, and took no action. The Board also discussed two potential Governing Board litigation matters and provided direction to the General Counsel. Additionally, the Board discussed the performance evaluation of the Administrative Officer and deferred action to a future meeting.

Department of Healthcare Services (DHCS) Presentation on Substance Use Disorder Services

Jennifer Kent, Director, California Department of Health Care Services (DHCS), thanked the Governing Board for the opportunity to make a presentation to the Board on the current state of Medi-Cal substance use disorder treatment (SUDT). She provided background on development of the Drug Medi-Cal Organized Delivery System (ODS) under a federal waiver and reported that 13 counties are participating.

Ms. Kent discussed the various funding sources for health and behavioral health services, including various Realignments. She explained what the service obligations are under the base Medi-Cal SUDT benefit and ODS Medi-Cal benefit and outlined the differences. Further, Ms. Kent reported that DHCS had determined 43 counties were not in compliance with Drug Medi-Cal rules and letters of non-compliance were sent to all of these counties. Ms. Kent stated that as of this date, 22 counties are still out of compliance with the State Drug Medi-Cal service rules. For those 22 counties, DHCS has turned off the funding from federal SAPT funding until the counties present a plan for compliance.

Ms. Kent suggested that the CMSP Governing Board, as an existing administrative vehicle operating on behalf of small counties, could potentially support DHCS with administration of the Drug Medi-Cal program. Ms. Kent outlined two options: 1) CMSP Governing Board assumes administrative responsibility for the current State Plan Drug Medi-Cal benefit that is composed of five benefits; or, 2) CMSP Governing Board assumes administrative responsibility for the provision of all benefits under the Drug Medi-Cal ODS Waiver. Ms. Kent reported that the State intends to continue the Waiver beyond its current end date of 2020.

Ms. Kent noted that Partnership HealthPlan (PHC) and 8 CMSP counties had been working together to provide a vehicle for PHC to administer the ODS Drug Medi-Cal benefit, but the rate component of the effort has not been completed and met some barriers.

Ms. Kent responded to questions from Board Members:

Richard Forster, Board Member, asked, “Are you asking the CMSP Governing Board to intercede with the CMSP counties in place of doing enforcement of the counties for Medi-Cal compliance?” Ms. Kent stated that the counties could participate under CMSP for administration of the Drug Medical Benefit to fulfill their county obligation; or the counties could continue on their own and DHCS would continue to carry out enforcement.

Leonard Moty, Board Member, asked, “Is this something feasible for the Governing Board to entertain?” Kari Brownstein, Administrative Officer, stated that it was potentially feasible, but there are no current staff available to take on the responsibility. Ms. Brownstein suggested that CMSP staff could conduct an analysis of what it would take to move forward.

Mr. Moty asked, “Is there a test county for the 8 Partnership HealthPlan counties?” Ms. Kent reported the test county is Humboldt County. Ms. Kent also stated that the rate methodology that was originally proposed by PHC was not a PMPM, but rather, a PUPM (per utilizer per month) payment. Under that approach, in the month an individual goes into PHC to get services and for each month of services, the plan would receive a designated payment from the county for the months the client gets services. There have been challenges associated with this approach and PHC has since pulled back and is having a variety of conversations with counties about the payment structure. DHCS is looking for a defensible rate that is based on reasonable assumptions. If agreement can be reached on the assumptions and process, then DHCS could allow PHC to proceed forward.

Mr. Moty asked, “Which way would be cheaper to counties?” Ms. Kent said the answer to that question is unknown at this time. Counties did not understand that rates will go up over time, that they’re not static. Either a stand-alone Medi-Cal benefit or under another arrangement (contracting with providers, under a TPA with PHC or CMSP) the counties will still have a financial obligation.

Christine Zoppi, Board Member, asked, “Who holds ultimate responsibility if rates/costs don’t pan out. If it ends up in a deficit in the short run, how would the risk be shared among the counties?” Ms. Kent said that is a hard question to answer, but data can be provided at periodic times to document costs and identify opportunities for management of expenditures.

Cathy Salenko, General Counsel, said the services would be considered an “alternative product” under CMSP regulations. The counties participating in the delivery of that product would fund it. The contract between the Board and the counties would strongly protect the Board and fund the Board’s activities associated with the alternative product.

Tammy Moss-Chandler, Board Member, stated that what DHCS determined through the compliance review is a very real issue for rural counties where there have been long-standing compliance issues. She stated that although Mendocino County has put a lot of work into PHC's efforts, she sees CMSP as a real possibility. She's expressed concern about the core requirements and how to move into the Waiver program.

Ms. Kent said that DHCS is currently trying to put its thoughts together about the next Waiver and she doesn't think that PHC, as a plan, has gotten so far down the road with contracts and network development that it can't be changed. Additionally, as it pertains to the ODS services, DHCS does not see a timeframe for ending the program. It has been rolled into each successive waiver. In addition, in the waiver DHCS contemplated regional models, and it could amend the waiver as needed to incorporate CMSP as the regional model. Consequently, Ms. Kent could see both CMSP and PHC operate simultaneously.

Brad Wagenknecht, Board Chair, said he thought the concept was worth fleshing out and brought back to the Board for further consideration in December. Mr. Moty stated that it could be a huge benefit to rural counties because they don't have the bandwidth to handle the responsibility on their own.

Report from Legislative Representative

Paul Yoder and Karen Lange of Shaw/Yoder/Antwih Inc. greeted the Governing Board. Ms. Lange reported that the Legislature was adjourned and the end of session brought typical dynamics, made more interesting by the new rule that requires legislation to be in print for 3-days prior to action. The Legislature took up SB 901 regarding wildfire liability. The legislation was a product of a conference report and put forward \$1 billion in funding for various activities, including vegetation management, removal of dead trees, and other abatements. A key issue with the legislation was reverse condemnation and the liability of the utilities if their machinery starts the fires. Cities, counties, RCRC, CSAC and insurers beat back efforts by PG&E to limit their liabilities. PG&E didn't get reverse condemnation, but they did get a "stress test" for how much the utility can take before passing costs onto their ratepayers.

Mr. Yoder said the state revenue picture is currently looking good. For FY 2018-19, after two months of collections, there's \$17 billion in the bank with \$800 million to the good.

Mr. Yoder also distributed a two-page document from CSAC on the In-Home Support Services (IHSS) program that provides the current status of the so-called "IHSS Reopener." CSAC has met with Department of Finance (DOF) independently and with county affiliates over the past few months on this matter. Mr. Yoder said he expected a report under development at the DOF will likely talk about how Realignment works and include suggestions that it could and should work differently. Mr. Yoder reported that he and the CMSP Team met with DOF on the matter and discussed the federal level risk

for ACA undermining, along with new pressures from the State for an expansion of health care at the state level. Mr. Yoder said that his firm is gearing up to organize efforts in the new year on these matters, as may be needed.

Robert DuCay, Board Member, stated that because IHSS costs are continuing to go up and the state's Coordinated Care Initiative (CCI) has fallen apart, the issue of IHSS financing is up front and it is unclear where it will end up. Ms. Brownstein suggested the Governing Board consider delegating to the Chair and/or Executive Committee responsibility for addressing matters as they arise.

Ms. Lange said it may be worthwhile for the Governing Board to make a statement about this matter in its "legislative platform" or other public vehicle. Mr. Wagenknecht asked for model language for county legislative platforms.

ACTION MSC: Governing Board delegates authority to the Chair and the Executive Committee to address issues pertaining to the anticipated Department of Finance report on IHSS.

APPROVED	Votes:	Aye	7
		Nay	0

Affordable Care Act (ACA)

Ms. Brownstein reported there are no new ACA repeal bills or other federal actions to report. Importantly, however, the ACA federal tax penalty is going away in 2019. Further, the recently enacted Council on Healthcare Delivery Systems is charged with presenting a proposal for a unified health care financing system by 2021.

Appointment of Board Member to Eligibility Committee

Ms. Wagenknecht invited nominations for a Board Member to serve on the Eligibility Committee.

ACTION MSC: Approve Sonja Bugay of Kings County to serve on the Eligibility Committee for 2018.

APPROVED	Votes:	Aye	7
		Nay	0

Caine and Weiner Services Agreement

Kari Brownstein, Administrative Officer, reported that, pursuant to direction by the Governing Board, Caine and Weiner has been reported to the Better Business Bureau

and the Consumer Protection Bureau because of the manner in which the firm terminated their contract with the Governing Board and the consequences of that action.

Path2Health Pilot Project

Ms. Brownstein reported that thirteen (13) applications were received and ten (10) received a qualifying score of 75 or higher for participation in the pilot project and three (3) did not. However, Ms. Brownstein recommended that staff work with the applicants with scores that didn't qualify to address the deficiencies in their applications.

Path2Health Request for Applications

ACTION MSC: Governing Board approve the group of ten (10) applicants with scores of 75 and above for participation in the Path2Health Pilot Project. Further, Governing Board authorize the Administrative Officer to work with three (3) applicants that did not have successful applications to address any deficiencies and be reconsidered for participation.

APPROVED	Votes:	Aye	7
		Nay	0

ACTION MSC: Governing Board approve the proposed Path2Health Provider Agreement amendment for participation in the Path2Health Pilot Project.

APPROVED	Votes:	Aye	7
		Nay	0

Path2Health Marketing Request for Proposals

Ms. Brownstein briefed the Board on staff's activities associated pertaining to Path2Health marketing and new CMSP and Path2Health branding.

ACTION MSC: Governing Board authorize the Administrative Officer to finalize the review of the top two applicants (JP Marketing and Wallrich) and make a final determination of the vendor that would best meet the needs of the Governing Board.

APPROVED	Votes:	Aye	7
		Nay	0

ACTION MSC: Governing Board approve the proposed template marketing firm Services Agreement with an amount not to exceed \$175,000, and

delegate to the Administrative Officer, with the assistance of the General Counsel, to finalize and execute the Agreement; and, further, amend the CMSP budget for marketing to show the revised budget amount.

APPROVED	Votes:	Aye	7
		Nay	0

Proposed Social Interest Solutions Services Agreement

Ms. Brownstein reported that the Services Agreement with Social Interest Solutions is in the process of being executed in accordance with the Governing Board's terms.

Proposed eSecurity Solutions Services Agreement

Ms. Brownstein reported that the Services Agreement with eSecurity Solutions required modification to work from the eSecurity Solutions form. This work was undertaken and was presented to the Board for consideration.

ACTION MSC: Governing Board approve the proposed revised Services Agreement with eSecurity Solutions for system and penetration testing for the Path2Health enrollment portal, the CMSP website, and the Path2Health website, and authorize the Administrative Officer, with the assistance of the General Counsel, to execute the agreement.

APPROVED	Votes:	Aye	7
		Nay	0

CMSP Financial Reports

CMSP Balance Sheet

Ms. Brownstein presented financial statements for July 31, 2018 and August 31, 2018.

The CMSP Balance Sheets show:

ITEM	7/31/18	8/31/18
Total CMSP Funds	\$360,807,900	\$366,306,874
Total Assets	\$361,405,414	\$367,369,388
Total Liabilities and Equity	\$361,405,414	\$367,369,388

FY 2018-19 Program Budget Expenditures Year-to-Date

Ms. Brownstein presented a report on year-to-date actual versus budgeted Program expenditures. As of July 31, 2018 there were expenditures of \$353,049 (accrual basis).

As of August 31, 2018 there were expenditures of \$782,403 (accrual basis). The approved Program Budget for FY 2017-18 is \$24,340,500.

FY 2018-19 Administrative Office Budget Expenditures Year-to-Date

Ms. Brownstein presented a report on year-to-date actual versus budgeted Administrative Office expenditures. As of July 31, 2018 there were expenditures of \$137,261 (accrual basis). As of August 31, 2018 there were expenditures of \$208,019 (accrual basis). The approved Administrative Office Budget for FY 2018-19 is \$2,570,500.

Program Administration

Advanced Medical Management (AMM)

Alison Kellen, Program Manager, reported that AMM integrated the no-cost/low-cost Primary Care Benefit (PCB) into the Standard CMSP Benefit on September 1, 2018. There were three provider trainings, which have been recorded and are on the CMSP website. The provider operations manual (POM) and member guides were also updated. CMSP staff is starting to work with AMM on Path2Health.

MedImpact

Ms. Kellen reported that MedImpact also integrated the PCB into the Standard CMSP Benefit effective September 1, 2018. While there was an initial hiccup with the transition, the issues were resolved. Ms. Kellen stated that increased pharmacy utilization is taking place.

Low Income Health Program (LIHP) Transition

Ms. Brownstein reported that a small amount of LIHP receivables for administrative costs and small payment amount to one hospital is pending. CMSP will be making a final payment to a district hospital this month and resolving remaining administrative issues.

Public Comments

Mr. Wagenknecht asked for additional public comments.

Ms. Brownstein reported that the terms of two Board members, Richard Egan and Brad Wagenknecht, end December 31, 2018 and elections will be held for those positions.

Ms. Kellen reported that the Allied Health Loan Repayment program operated on behalf of the Governing Board by the Office of Statewide Health Planning and Development was extended another week to allow more applicants to apply. Ms. Kellen also reported the Path2Health Pilot Project Evaluation RFP is out and proposals are due November 2, 2018. Finally, Ms. Kellen stated that an offer of employment has been made for a part-time Grants Program Analyst and the individual will join the CMSP staff in a couple of weeks.

Laura Sheckler, Community Clinic Consortium of Contra Costa and Solano Counties, stated that she supported the increased funding for the marketing vendor for the Path2Health program and thanked the Board for moving forward with a marketing program for Path2Health. She recommended a robust marketing effort will be essential in the context of the difficulties associated with reaching the target population.