

MINUTES
CMSP GOVERNING BOARD
Thursday, April 10, 2019

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

MEMBERS PRESENT

Michelle Baass, Undersecretary California Health and Human Services Agency
Patrick Blacklock, County Administrator, Yolo County
Sanja Bugay, Health and Human Services Director, Kings County
Birgitta Corsello, County Administrator, Solano County
Elizabeth Kelly, Director, Colusa County Human Services
Leonard Moty, County Supervisor, Shasta County
Brad Wagenknecht, County Supervisor, Napa County
Christine Zoppi, Health Director, Glenn County

MEMBERS ABSENT

Richard Egan, County Administrator, Lassen County
Richard Forster, County Supervisor, Amador County
Tammy Moss-Chandler, Health and Human Services Director, Mendocino County

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 Board members and members of the public to introduce themselves. Mr. Wagenknecht invited public comment and there were no comments.

Correspondence and Consent Calendar

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

ACTION MSC: Approve the Correspondence and Consent Calendar for April 10, 2019.

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 and discussed the Administrative Officer's performance evaluation, but took no action.

Report from Legislative Representative

Paul Yoder reported that this week the Legislature's policy committees began taking action on bills. Next week is Spring Break. The Legislative budget committees have been meeting in both houses, and the Administration's budget proposal concerning Realignment funding for CMSP has been discussed in both houses. No action has been taken on this matter or a related AB85 proposal.

Data show that January and February revenues are down, and there is great interest in what March and April will bring. Apparently, there is a record level of requests for postponement of filing taxes (both individuals and corporations). As a result, we may not know the revenue picture in April. In the January 10 proposal the Governor proposed to spend 15% of the surplus on on-going programs and 85% on one-time expenditures. If revenues are down, the question is how the Administration will proceed. Notwithstanding the revenue picture, it is expected the Administration's In-Home Supportive Services (IHSS) financing proposal will be maintained.

State Budget Ad Hoc Committee

Kari Brownstein, Administrative Officer, briefed the Governing Board on the Governor's FY 2019-20 Budget proposals pertaining to CMSP:

- Changes to AB 85 Realignment allocations to redirect amounts for CMSP and five "non-formula" counties (Placer, Sacramento, Santa Barbara, Stanislaus, Yolo). The change would be made through a change to the current 60(state)/40(county) allocation formula to 75(state)/25(county).
- Eliminate Realignment growth allocations to the CMSP Board beginning in 2019-20 and until the Board's operating reserves fall below three months.

Ms. Brownstein reported that the Governing Board established a State Budget Ad Hoc Committee at its February 2019 meeting. Following that action, the Ad Hoc Committee met with CSAC and the Department of Finance to discuss the Administration's CMSP related proposals. At the meeting with the Department of Finance, CMSP representatives were asked for three things: a reserve policy, a proposed spending

plan, and a long-term fiscal forecast. Ad Hoc Committee representatives will be meeting with Department of Finance tomorrow to discuss these matters.

Ms. Brownstein presented documents proposing a reserve policy, a proposed spending plan, and a long-term fiscal forecast.

- Proposed Reserve Policy: The Board's reserve would be divided into four components: funding equal to 2 years of reserves for benefit coverage programs; funding equal to 2 years for health access programs; funding at 10% for economic uncertainty and litigation; and, the remaining funding dedicated to remaining benefit coverage and health care access programs.
- Future plans for CMSP: Consistent with prior proposals from the Planning and Benefits Committee, several new programs or program expansions would be undertaken. These include:
 - Extended primary care benefit for the CMSP eligible population that doesn't require applicants to go to county health and human services offices to enroll; the enrollment system would build upon the current Path to Health enrollment infrastructure
 - Expanded primary care benefit for undocumented adults ages 65+
 - New grant program for counties to address locally defined indigent care needs for counties, including homeless, behavioral health, not connected to other coverage
 - New grant program to support expansion of specialty care through a Specialty Care Access Pool

Ms. Brownstein also presented a one-page budget summary that outlined what would occur should the Realignment allocation provided to CMSP be reduced to \$0, as proposed by the Administration, and what would happen if that allocation was reduced to \$25 million. The allocation in FY 2018-19 was roughly \$45 million.

Board Member Patrick Blacklock reported that the Ad Hoc Committee first met with CSAC to make sure that both CSAC and CMSP were aligned concerning the issues. He stated that in the first meeting with the Department of Finance, which included CSAC representatives, CMSP representatives presented CMSP as a turnkey organization that can partner with the State on mutual priorities, and described how the Administration's current proposal would have a chilling effect on what CMSP and the Board can do going forward.

Board Member Christine Zoppi stated that she feels the work reflects the work completed by the Planning and Benefits Committee, and particularly supports the expansion of coverage for undocumented adults. She also noted the importance of dealing with indigent needs, homelessness, housing within a larger social determinants

of health framework. Finally, she noted the importance of dealing with emergency medical transportation and capital construction needs.

Mr. Yoder stated that he believes the Administration has a continuing respect for CMSP and what it offers as a state partner. He also noted that the excitement of legislators and staff he has talked to regarding Path to Health is significant and they are enthusiastic about the opportunity for the program to expand.

Motions were then considered on the different proposals.

MSC: Governing Board approve the proposed Reserve Policy.

Aye	7
No	0

MSC: Governing Board approve the proposed framework for the program expansion concepts and forecast for expenditures over ten years. Further, the Board directs the Planning and Benefits Committee to begin efforts to further refine and develop the approve program expansion concepts.

Aye	7
No	0

Affordable Care Act

The Trump Administration has reversed its prior position, and now supports the position that the entire Affordable Care Act should be invalidated by the U.S. Supreme Court.

Board Member Michelle Baass reported that the Governor released proposed changes to the Council on Health Care Delivery Systems, created last year, to become the Healthy California for All Commission which will focus on the movement toward single payer in California.

Report on CMSP Regional Administration of Substance Use Disorder (SUD) Services

At the Governing Board's October 11, 2018 meeting, Jennifer Kent, DHCS Director, made a presentation on dynamics affecting the delivery of Medi-Cal substance use disorder treatment (SUDT) services and proposed that the Governing Board partner with DHCS for administration of SUDT services. Ms. Kent outlined two potential options for a Governing Board role: 1) administer the State Plan Drug Medi-Cal benefit (five

benefits); or, 2) administer the enhanced benefits under the Drug Medi-Cal Organized Delivery System (ODS) Waiver.

The Governing Board considered the proposal at its December 2018 meeting and took no action. On Monday, April 8, Ms. Brownstein and Mr. Kemper met with Ms. Kent and were advised that DHCS continues to have interest in having the Governing Board administer these Drug Medi-Cal Benefits.

ACTION MSC: Governing Board approve moving forward with DHCS to develop a plan for administration of the Drug Medi-Cal Benefit (five benefits) for interested, non-Partnership Health Plan counties.

APPROVED	Votes:	Aye	7
		Nay	0

Path to Health Pilot Project

Path to Health Enrollment

Ms. Brownstein reported that nearly 1,000 members have been enrolled in Path to Health as of this date. Additionally, ITUP released a report on the status of county indigent programs.

Path to Health Website

Alison Kellen, CMSP Program Manager, briefly walked the Board through the new Path to Health website. The website is meant to be consumer-friendly and get people to the right clinics to sign up for benefits. The website is available in both English and Spanish.

Path to Health Marketing / Media Plan

Ms. Kellen advised that staff has worked with JP Marketing to revise Path to Health marketing materials and the media plan. Two radio spots have been approved and will soon be appearing on Spanish language radio stations. Staff and JP are also working on a digital marketing campaign that involves social media as well as two other collateral items: posters (bi-lingual) and tear sheets at emergency departments that give clients information on where to get follow up services. Finally, a few examples of local press on Path to Health are provided for information.

Ms. Kellen shared that she is going to Solano later this week to meet with clinic representatives from Solano and Sonoma counties about Path to Health. It is important to note that the first 1000 enrollees are due solely to clinic-level outreach.

Path to Health Evaluation

Ms. Brownstein reported on the contract with UCLA Department of Family Medicine to conduct an evaluation of the Path to Health pilot program. All terms have been approved and the final contract has been sent to UCLA for execution.

As a part of the enrollment process, UCLA worked with staff to develop 6-8 evaluation questions for the evaluation.

Path to Health State Partnership

Several months ago, Ms. Brownstein met with Ms. Kent to discuss possible data sharing between DHCS and the Governing Board on expenditures, as well as accessing enrollment data on Medi-Cal enrollees in order to conduct outreach to them. The Administrative Officer gave a brief report on this continued effort.

Health Systems Development Grant Program

Ms. Kellen provided background on the Health Systems Development Grant Program and target populations. Ms. Laura Moyer, CMSP Program Analyst, advised that thirty three proposals were received and 32 were scored (one was not complete). To be awarded a grant, a score of 75 or higher was required by 2 of 3 reviewers. Ms. Moyer summarized the review panel's scoring:

75 or higher with 18 proposal

75 or higher with minor problems – 5 proposals

75 or higher with lack of target population – 2 proposals

Below 75 – 7 proposals fall into this category and are not recommended for funding.

Staff recommends 18 awards at \$5.4 million and a remediation process with the 5 proposals with items needing to be addressed.

ACTION MSC: Governing Board approve the 18 proposals with a value of \$5.4 million and approve remediation for the 7 proposals, for further funding consideration at the Board's next meeting.

APPROVED	Votes:	Aye	7
		Nay	0

ACTION MSC: Governing Board approve the proposed Services Agreement for the Health Systems Development Grant Program, which will be used for the approved 18 grantees.

APPROVED	Votes:	Aye	7
		Nay	0

Quest Technology Management Services Agreement

Chris Salmon, IT Manager, reported that the Governing Board currently utilizes Network Design Associates (NDA) for information technology services including data center services, and NDA sub-contracts with Quest Technology Management (Quest) for data center services. The Board's equipment and servers have been located at Quest since 2016 following a break in at the Governing Board's offices, and the services, processes, and security of the Quest data center meet the Board's business needs and HIPAA requirements. To reduce costs, it is proposed the Board contract directly with Quest at a monthly rate that is 25% less than the current rate.

ACTION MSC: Governing Board approve the proposed two-year Services Agreement with Quest Technology Management Services for data center services at the negotiated lower rate.

APPROVED	Votes:	Aye	7
		Nay	0

CMSP Financial Reports

Report on Incurred But Not Paid Claims

Ms. Brownstein briefed the Board on how the Incurred But Not Paid Claims estimate was developed by HealthCare Analytical Solutions, Inc.

ACTION MSC: Governing Board accept the IBNR Report prepared by Health Care Analytical Solutions, Inc.

APPROVED	Votes:	Aye	7
		Nay	0

Report on Program Audit for FY 2017-18 by Crowe LLP

Jeff Jenson, Partner with Crowe LLP briefed the Board on the Financial Statements for FY 2017-18 and affirmed the positive audit opinion.

ACTION MSC: Governing Board accept the audit report from Crowe LLP for FY 2017-18.

APPROVED	Votes:	Aye	7
		Nay	0

CMSP Balance Sheet

Ms. Brownstein presented financial statements for the following: January 31, 2019 and February 28, 2019. The CMSP Balance Sheets show:

ITEM	1/31/19	2/28/19
Total CMSP Funds	\$381,720,467	\$382,692,008
Total Assets	\$382,335,164	\$387,290,477
Total Liabilities and Equity	\$382,335,164	\$387,290,477

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 January 31, 2019 there were expenditures of \$4,772,970 (accrual basis). As of February 28, 2019 there were expenditures of \$5,739,240 (accrual basis). The approved Program Budget for FY 2018-19 is \$24,663,975.

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 January 31, 2019 there were expenditures of \$1,032,737 (accrual basis). As of February 28, 2019 there were expenditures of \$1,394,202 (accrual basis). The approved Administrative Office Budget for FY 2018-19 is \$2,893,975.

Program Administration

County Medical Services Program

Alison Kellen, Program Manager, reported that the new rebranded CMSP website was launched yesterday. The website address is the same: www.cmspcounties.org. Staff went through the prior website and streamlined the information to make it easier for each constituency (member, county, provider, etc.) to find relevant information. The branding is based on the approved trademark and branding. Board Member Leonard Moty encouraged staff to make sure that all advertising and public information is clearly presented for the website www.mypathtohealth.org because there is an alternative (mypathtohealth.com) which could potentially confuse enrollees.

CMSP staff continue to work with OSHPD on the workforce development programs. The Primary Care loan repayment cycle recently closed and 26 applications have been recommended for approval, The Allied Health Loan repayment cycle is underway.

Advanced Medical Management (AMM)

Ms. Brownstein reported that two key employees at AMM left and replacements have been appointed. Pam Hinson, VP of Operations, has replaced Stacey Marlin and Hank Lee, Executive Vice President, has replaced Paul Pew.

Claims for Path to Health are starting to come in (roughly 250 to date) and Marin Community Clinic, Ampla, Petaluma, and Santa Rosa have the largest Path to Health enrollment.

MedImpact

Ms. Brownstein reported that the major activity for MedImpact has been implementation of the Path to Health pilot project and they are beginning to see Path to Health pharmacy claims.

Low Income Health Program (LIHP) Transition

Ms. Brownstein reported that there is a LIHP receivable of over \$3 million and reconciliation for that is expected to start this summer.

Public Comments

Mr. Wagenknecht asked for public comments and there were no public comments.