

**MINUTES**  
**CMSP GOVERNING BOARD**  
Thursday, July 25, 2019

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

**MEMBERS PRESENT**

Patrick Blacklock, County Administrator, Yolo County  
Birgitta Corsello, County Administrator, Solano County  
Richard Egan, County Administrator, Lassen County  
Richard Forster, County Supervisor, Amador County  
Elizabeth Kelly, Director, Colusa County Human Services  
Brendan McCarthy, Assistant Secretary, California Health and Human Services Agency  
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**

Sanja Bugay, Health and Human Services Director, Kings County

**Opening of Meetings**

**Request for Public Comments**

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

**Welcoming Remarks**

Brad Wagenknecht, Chair, opened the Open Session meeting and introduced himself. He invited Board members and members of the public to introduce themselves.

**Correspondence and Consent Calendar**

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

ACTION MSC: Approve the Correspondence and Consent Calendar for July 25, 2019.

APPROVED	Votes:	Aye	9
		Nay	0

## **Report on Closed Session**

Cathy Salenko, CMSP General Counsel, was not in attendance at the meeting. Kari Brownstein, Administrative Officer, reported that the Governing Board met in Closed Session and provided direction to the Administrative Officer concerning contract terms pertaining to negotiations with specified health care providers, and took no action. The Board also discussed one potential Governing Board litigation matter and provided direction to the Administrative Officer. The Board also discussed the Administrative Officer's performance evaluation, but took no action.

## **Report from Legislative Representative**

Karen Lange greeted the Governing Board. Ms. Lange reported that the Legislature is in the middle of a four-week recess. The State Budget has been sent to the Governor and all budget trailer bills have been signed except one bill pertaining to homeless program funding for cities, homeless Continuums of Care (COC), and counties. That last piece of the budget puzzle, expected to be approved by the Governor shortly, will provide funding of \$190 million to COCs; \$270 million to big city mayors (13 cities with over 300,000 in population); and, \$175 million to counties. Allocation amounts will be determined by each jurisdiction's point-in-time homeless counts.

Ms. Lange stated that included in the homeless program funding trailer bill is a substantial rewrite of housing law which, among other changes, would link certain state transportation dollars with the development of affordable housing. There is also funding for low-barrier navigation centers and requirements on these centers that clarify requirements for their creation.

Right before the recess AB 1642 (Wood) was introduced, which would allow the State to withhold certain mental health funding to the counties that don't have adequate mental health services for residents of their counties.

In other areas of interest to counties:

- AB 1184 (Gloria) would require counties to hold onto their emails for a period of two years;
- The Safe Drinking Water legislation was approved by the Governor;
- The Governor continues to pursue an individual mandate for health insurance; and,
- AB 1054, pertaining to wildfire and PG&E bankruptcy, and would create a fund to assist residents who were affected by the events, was approved by the Governor.

## **Report from CMSP State Budget Ad Hoc Committee**

Ms. Brownstein reported on the final outcome of the Ad Hoc Budget Committee's efforts associated with the FY 2019-20 State Budget. As approved by the Governor, the FY 2019-20 State Budget suspends Realignment funding to CMSP until such time that CMSP Reserves are down to an amount equal to two years of CMSP operating reserves. In the fiscal year following this determination, Realignment funding to CMSP shall be reinstated in accordance with current law, which requires distribution of Realignment revenue according to a 60% (state) 40% (county) formula.

## **Affordable Care Act (ACA)**

Kari Brownstein, Administrative Officer, reported that Texas is leading a coalition of 18 States Attorney Generals seeking to overturn the ACA. California's Attorney General is leading a group of 21 states in opposition to the litigation. Review by the US Court of Appeals for the 5<sup>th</sup> Circuit is underway, and the court's decision could be released in the midst of the 2020 presidential election cycle.

## **Report on CMSP Regional Administration of Substance Use Disorder Treatment (SUDT) Services**

Lee Kemper, Policy and Planning Consultant, reported that the Department of Health Care Services provided CMSP staff with various data on the current Medi-Cal Drug Program. According to these data, approximately 20 counties do not participate in Partnership HealthPlan or operate the expanded Drug Program Organized Delivery System (ODS). These counties may be interested in participating in a CMSP administered program of the five required Drug Program services.

Mr. Kemper noted that among these counties, only nine counties have licensed Medi-Cal Drug Program providers delivering services. This means that a key part of any effort to deliver services to all 20 counties will be network development that focuses on development of needed services across the combined geographies of these counties. Such an effort will take time and will not be accomplished overnight. Furthermore, opportunities to expand the provider network will impact local access, and transportation to/from providers may also need to be addressed as a part of network development. Mr. Kemper said that he expects to complete more in-depth analysis of the opportunities and barriers to a CMSP administered program and provide a report at the Board's October 10, 2019 meeting.

## **Proposed Services Agreements**

Chris Salmon, IT Manager, presented two proposed Services Agreements. For the first, Mr. Salmon stated that the Governing Board utilizes Network Design Associates, Inc. for information systems hardware, software, and infrastructure services. The Governing

Board is asked to approve an Amendment to extend the current Services Agreement to June 30, 2021.

ACTION MSC: Governing Board approve the proposed amendment to extend the Services Agreement with Network Design Associates, Inc. to June 30, 2021.

APPROVED	Votes:	Aye	9
		Nay	0

For the second, Mr. Salmon stated that the Governing Board utilizes Hughes Systems Group, LLC for specialized data integration of CMSP paid claims and eligibility files. The Governing Board is asked to approve an Amendment to extend the current Services Agreement to June 30, 2021.

ACTION MSC: Governing Board approve the proposed amendment to extend the Services Agreement with Hughes Systems Group LLC to June 30, 2021.

APPROVED	Votes:	Aye	9
		Nay	0

### **Wellness and Prevention Grant Agreement Extension**

Alison Kellen, Program Manager, reported that the Wellness and Prevention Grant programs started in 2017 and the programs end December 31, 2019. There are thirty (30) active county projects, and sixteen (16) have requested a no-cost extension. Laura Moyer, Program Analyst, reported that each project submitted early progress reports. The reasons for the requested extensions vary: staffing shortages, inclement weather, wildfires, etc. Ms. Moyer stated that CMSP staff have three recommended actions for the Governing Board:

- Approve a no-cost extension for twelve (12) counties;
- Approve proposed language for the extension; and,
- Defer on approving the no-cost extensions for four (4) counties until the October Board meeting.

Discussion among Board members ensued.

ACTION MSC: Governing Board approve the staff recommendation.

APPROVED	Votes:	Aye	9
		Nay	0

## **Path to Health Pilot Project Update**

### Path to Health Request for Applications

Ms. Kellen reported that a second round of applications was initiated June 12, 2019 and applications are due September 5, 2019. Seven letters of intent have been received for services to be delivered in eight (8) counties. Two (2) new counties that do not currently have a Path to Health provider could be added: El Dorado and Madera.

Ms. Kellen said that Path to Health enrollment is steadily growing at over 100 new enrollees per week, but enrollment is running behind expected annual enrollment of over 15,000 members. She reported some dynamics may affect future enrollment, including the recent State action to expand Medi-Cal to provide comprehensive coverage to young undocumented adults (ages 21-25), although this population represents only 3% of the Path to Health population. At the same time, if the Board approves expansion of Path to Health to cover undocumented adults ages 65 and older, there may be an enrollment offset. Currently, about half of Path to Health current enrollment is between the ages of 35 and 45.

### Path to Health Evaluation

Ms. Kellen reported that CMSP staff held a kick-off meeting with UCLA, the Path to Health evaluation contractor. The UCLA team will soon be holding site visits with the existing pilot sites, and will be participating in quarterly webinars with the sites.

### Path to Health Marketing Phase 2

Ms. Kellen introduced representatives of JP Marketing to the Governing Board. Ms. Judy Soper and Mr. Joshua Ders greeted the Board. Ms. Soper reported that JP Marketing has undertaken various marketing activities for Path to Health. These activities are moving people to the CMSP and Path to Health websites, and based on experience to date, certain things are clear:

- Social media is resonated well with customers;
- Radio campaigns drove more information to the websites; and
- English ads, which were added halfway through the campaign, had good impacts.

Going forward, Ms. Soper stated the Phase 2 effort will continue Phase 1 strategies and incorporate trusted advisors through radio events at community health centers, and provide small tokens/incentives that can be used to link potential enrollees with the program. The JP team is also looking to incorporate a video campaign for placement on YouTube, Google, and Facebook and for the Path to Health and CMSP websites.

Mr. Ders outlined the various components of the Phase 2 marketing plan for a cost of \$230,150.

Board Chair Brad Wagenknecht recognized Mary June Diaz, Senior Policy and Legislative Advocate, Health Access. Ms. Diaz affirmed the efforts outlined and further recommended that the Governing Board establish a navigator strategy to get more people enrolled in Path to Health.

**ACTION MSC:** Governing Board approve the proposed Phase 2 marketing plan presented by JP Marketing for a cost of \$230,150.

APPROVED	Votes:	Aye	9
		Nay	0

### **CMSP Program Expansions**

#### Extended Primary Care Benefit

Ms. Brownstein stated that the creation of the new benefit program calls for the creation of a new enrollment system for CMSP eligible persons, in lieu of seeking enrollment in CMSP through county welfare departments. Ms. Brownstein reported that the CMSP staff and consultant team is looking at Covered CA (which has access to federal income and W2 information) as a possible approach, as well as working with Alluma (formerly SIS), which developed the Path to Health enrollment system. Ms. Brownstein stated that current efforts are focused on research and development, and CMSP staff hope to bring more concrete proposal to the Board by December, 2019.

#### Path to Health Benefit Coverage for Persons Ages 65 and Older

Ms. Brownstein stated that Chris Salmon, the Board's IT Manager, has been working with Alluma, and a project plan has been prepared for expanding Path to Health to include persons ages 65 and older. It has been determined that the expansion can be implemented as soon as September. Ms. Brownstein requested formal approval of the eligibility expansion to include persons ages 65 and older.

**ACTION MSC:** Governing Board approve the expansion of Path to Health to include adults ages 65 and older, beginning in September 2019.

APPROVED	Votes:	Aye	9
		Nay	0

#### Specialty Care Access Pool

Mr. Kemper reported that he has been in discussions with representatives of two health care access programs that coordinate the delivery of pro-bono specialty care services to

uninsured and under-insured persons in Northern California and in San Diego County. Mr. Kemper stated that he expects discussions with these organizations to continue and is hopeful that a partnering effort with these organizations can be developed for future consideration by the Governing Board. He anticipates bringing forward a concrete concept for the Board's consideration in October 2019.

Ms. Diaz of Health Access expressed appreciation for the Path to Health expansion and for the specialty care access program. She stated that Health Access hopes that these program expansions will provide a bridge to anticipated future Medi-Cal expansions for undocumented residents of California.

### **CMSP Staffing and Office Space**

Ms. Brownstein presented a proposed CMSP staffing and office space plan. The proposed staffing plan calls for a new Program Analyst and a new Eligibility Analyst for current and new programs, a Grants Manager and Program Specialist to administer the Board's expanded grant programs, and an Accounting Manager. It also calls for three new positions to oversee the Board's administration of the Drug Medi-Cal program, should that occur. Of the proposed positions, Ms. Brownstein stated that she was seeking approval for only two positions at this time: the Grant Manager and Eligibility Analyst. Discussion among Board members ensued.

**ACTION MSC:** Governing Board approve the proposed organization chart and the proposed two new CMSP staff positions: Grants Manager and Eligibility Analyst.

APPROVED	Votes:	Aye	9
		Nay	0

Ms. Brownstein presented a proposed office space expansion for Governing Board consideration. The proposed expansion calls for expanding the current space at 1545 River Park Drive to include adjacent space immediately next door and across the hall. This adjacent space is available beginning in November 2019. Alternative designs have been proposed by the building management for the building and reviewed by CMSP staff. Under the preferred design, the current footage of 2,456 square feet would be expanded to 4,724 square feet. Monthly lease costs would increase from \$5,730 to \$10,157. Board discussion ensued.

**ACTION MSC:** Governing Board approve the proposed expansion of CMSP office space up to 4,724 square feet at a cost of up to \$10,157 per month.

APPROVED	Votes:	Aye	9
		Nay	0

## CMSP Financial Reports

### CMSP Balance Sheet

Ms. Brownstein presented financial statements for the following: May 31, 2019 and June 30, 2019. The CMSP Balance Sheets show:

ITEM	5/31/19	6/30/19
Total CMSP Funds	\$400,253,530	\$405,751,200
Total Assets	\$405,021,067	\$411,209,346
Total Liabilities and Equity	\$405,021,067	\$411,209,346

### 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 May 31, 2019 there were expenditures of \$8,131,199 (accrual basis). As of June 30, 2019 there were expenditures of \$9,086,475 (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 May 31, 2019 there were expenditures of \$1,916,706 (accrual basis). As of June 30, 2019 there were expenditures of \$2,058,178 (accrual basis). The approved Administrative Office Budget for FY 2018-19 is \$2,893,975.

### Proposed FY 2019-20 CMSP Budget

Ms. Brownstein presented proposed CMSP Program and Administrative Budgets for FY 2019-20 for consideration by the Governing Board. Ms. Brownstein noted that the CMSP Primary Care Benefit and the Specialty Care Access programs, which were approved among other program expansions by the Board at the Board's April 10, 2019 meeting, are budgeted at \$0 pending further research and development.

Ms. Brownstein outlined major changes from the FY 2018-19 Administrative Office Budget:

- Budget proposes an increase in the Office Lease to add space to the current premises for additional staff and program expansions
- Budget proposes a decrease to various IT line items as many FY 2018-19 costs were one-time costs related to implementation of Path to Health
- Budget proposes an increase to Staff Expense for additional staff



- Budget proposes an increase to Marketing to complete contract with Marketing Vendor, phases 2 and 3 of Path to Health outreach and CMSP outreach
- Budget proposes increase to Path to Health Evaluation to include previously approved costs that have not incurred to date as well as FY 2019-20 anticipated costs
- Budget proposes a new line item for a Technical Assistance Contractor

Ms. Brownstein outlined major issues in the Program Budget:

- Budget projects a Beginning Fund Balance of \$405,751,192
- Budget assumes no Realignment revenue in FY 2019-20
- Budget assumes no Sales Tax or VLF growth in FY 2019-20
- Budget proposes to waive the county participation fees of \$5,991,905
- AMM and Pharmacy line items are calculated using projected enrollment and cost trend growth
- Path to Health Provider and Pharmacy payments are budgeted at \$11,000,000
- Wellness and Prevention Grants, Healthcare Systems Development Grants, Workforce Development, and Local Indigent Care Needs Grants are budgeted at \$12,460,000
- Budget proposes an ending Fund Balance of \$378,383,192 as of June 30, 2020.

Discussion among Board members ensued.

ACTION MSC: Governing Board approve the CMSP Program and Administration Budgets for FY 2019-20.

APPROVED	Votes:	Aye	9
		Nay	0

Board Member Leonard Moty left the meeting.

## **Program Administration**

### County Medical Services Program

Ms. Kellen discussed a handout on the healthcare workforce development efforts the Governing Board is carrying out in partnership with the Office of Statewide Health Planning and Development (OSHPD). The Allied Health Loan Repayment Program (ALHRP) provides applicants up to \$16,000 of loan repayment for a one-year service commitment. Seventy-two (72) applicants have been approved and \$850,000 in loan repayments has been made on their behalf. August 1 is the open date for new applicants.

The State Loan Repayment Program (SLRP) is for physicians, dentists, nurse practitioners, and physician assistants. Under the program, 92 providers have been approved for a total of \$3.2 million in loan repayments. The next application cycle will open in January 2020.

Finally, Ms. Kellen reported that 22 of 24 Health Systems Development Grant agreements are back and ready for execution.

#### Advanced Medical Management (AMM)

Ms. Kellen reported that AMM reorganized its claims processing activities. As of this time, \$421,000 has been paid for Path to Health claims (over 1300 members have had a claim). Additionally, AMM is setting up training for new Path to Health sites to on-board them to begin seeing patients in November.

#### MedImpact

Ms. Brownstein stated that efforts are underway at MedImpact to incorporate the population of persons 65 and older into Path to Health so that pharmacy claims can process for this added population. One thing that has been noted to date is that pharmacy utilization under Path to Health has been less than expected.

#### **Low Income Health Program (LIHP) Transition**

Ms. Brownstein reported that there is a LIHP receivable of over \$3 million and reconciliation for that isn't expected to start until 2020.

#### **Public Comments**

Mr. Wagenknecht asked for public comments and there were no public comments. The next Board meeting is October 10, 2019.