



## **Report from Legislative Representative**

Karen Lange of Shaw Yoder Antwih Schmelzer & Lange (SYASL) introduced herself to the Board and reported on the Governor's proposed FY 2023-24 State Budget and key issues for the 2023 legislative session. Specifically, Ms. Lange reported on the following:

State Budget. Due to the impact of the 2022-23 winter storms in the State, the State has extended the tax filing deadline for Californians through the end of September, to tie the deadline to the end of the federal fiscal year. As a result of this extension, the wealthiest Californians are eligible for a tax filing extension to pay their quarterly estimated taxes. However, because 1% of the wealthiest Californians fund half of the State's General Fund, the General Fund could run out of cash by April 1, 2023. In response, the California State Treasurer's Pooled Money Investment Board lent the General Fund \$90 billion dollars. This type of internal borrowing is not unheard of, but \$90 billion dollars is substantial (e.g., it is approximately half the size of the State's General Fund). This may result in a fight with Governor Gavin Newsom over whether the State is going to tap into the State Budget reserves.

Governor's State of the State. The Governor did not give the traditional State of the State speech this year. Instead, he made a series of policy announcements on March 19, 2023, one of which was his proposal to transform the State's mental health system. In partnership with Senator Susan Talamantes Eggman, the Governor proposed a 2024 ballot initiative to approve \$3 to \$5 billion dollars of bond financing to build mental health treatment residential settings to house Californians with mental illness and substance use disorders. In addition, the Governor proposed to amend the Mental Health Services Act (MHSA) to provide for \$1 billion dollars a year for housing and residential services for people experiencing mental illness and substance use disorders.

County Reserve Balances. Ms. Lange noted that there is quite a bit of tension between the City of Sacramento and the County of Sacramento on how much of a MHSA reserve the county has and what is being done with it. Ms. Lange suggested that Governing Board members engage within their own counties to better understand the use of these funds locally and be prepared to defend their own behavioral health programs. For example, Ms. Lange suggested that Board Members obtain a complete understanding of individual MHSA county reserve balances and start conversations with their cities with the goal of aligning their interests. Ms. Lange also suggested that Board Members develop an understanding of which community organizations currently receive MHSA funds to help them become aware that, if certain changes occur, the funds could dry up.

Discussion ensued among Ms. Lange and Board Members on Assembly Bill 1690, sponsored by Assembly Member Ash Kalra regarding the single-payer universal health care system, as well as Assembly Bill 1036, sponsored by Assembly Member Isaac Bryan regarding costs incurred in the non-emergency transport of patients to a mental health facility. Discussion ensued among Board Members on the proposed changes to the MHSA and the use of MHSA funds.

Board Member Christine Zoppi joined the meeting.

### **Board Member Election**

Kari Brownstein, Executive Director, reported that Board Member Erin Hannigan, Solano County Supervisor, announced her resignation from the CMSP Governing Board effective March 6, 2023. As a result, there is one open County Supervisor position on the Board.

Ms. Lange reported that SYASL is soliciting interest from the Counties of Solano, Napa and Sonoma. Ms. Lange stated that Solano County Supervisor John Vasquez has expressed interest in the position. Discussion ensued among Board Members and staff on the process and timing of an election for the position.

### **CMSP Financial Reports**

#### Report on Incurred But Not Paid Claims as of June 30, 2022

Ms. Brownstein presented the HealthCare Analytical Solutions, Inc. (HCAS) report of Incurred But Not Paid (IBNP) Claims as of June 30, 2022 (FY 2021-22). The IBNP report shows:

	CMSP Total	PTH Total	CTC Total	Grand Total
June 30, 2022 Reserve with margin	\$871,956	\$1,080,332	\$69,668	\$2,021,956

Ms. Brownstein stated that the aggregate outstanding claim liability for all three programs (CMSP, Path to Health and Connect to Care) as of June 30, 2022 is \$2,021,956, which is approximately \$500,000 less than the aggregate outstanding claim liability for the previous year. HCAS concluded that this drop in outstanding claim liability is a result of CMSP having fewer inpatient claims for CMSP members in FY 2021-22 as opposed to FY 2020-21. Advanced Medical Management, Inc. (AMM) concluded the same. Ms. Brownstein suggested that this may be a result of CMSP members being covered since the beginning of the COVID-19 pandemic, during which time these members received the ongoing care they needed, which resulted in less inpatient treatment.

#### Report on Program Audit for FY 2021-22 by Crowe LLP

Ms. Brownstein introduced Jeff Jenson and Jordan Uyemoto of Crowe LLP (Crowe). Mr. Jensen and Mr. Uyemoto presented the Crowe independent auditor's report as of June 30, 2022 and discussed Crowe's findings.

Mr. Uyemoto stated that Crowe is issuing an unmodified opinion on the audit, which is the highest level of assurance that Crowe can offer. Mr. Uyemoto stated that the balance sheet looks relatively consistent from year-to-year and that the income statement reflects a reduction in revenue, which was offset by a reduction in grant expense. Mr. Uyemoto







is currently researching Medi-Cal's network for additional dental and vision providers.

- Ms. Brownstein reported that staff had a kick-off meeting with UCSF earlier this month regarding the UCSF Healthforce Center's healthcare workforce study for the Governing Board. Ms. Brownstein reported that UCSF has adjusted their timeline to provide all their deliverables to the Governing Board by December 2023. The Governing Board can expect to see reports on the UCSF's progress in May, July, and December 2023.
- Ms. Brownstein stated that the Governing Board has not yet received any proposals under CMSP's Healthcare Infrastructure Development Matching Grant program (HID Matching Grant) to support CMSP counties with local match requirements required for federal, state, or other healthcare infrastructure funding, so staff is going to host a webinar for CMSP counties on April 20, 2023. Staff has received interest from approximately ten (10) CMSP counties on the program, but no proposals for matching grants have been submitted to date.
- Ms. Brownstein reported that staff have started working with RedMane to add CMSP enrollment to the mCase enrollment systems which will allow CMSP members to be enrolled at community health centers. Staff have been meeting with RedMane approximately two (2) to six (6) hours per week on this process.

Discussions ensued among Board Members and staff regarding the April 3, 2023 due date for the submission of the Fair Political Practices Commission (FPPC) Form 700 Statement of Economic Interests.

### **Operation Access Presentation**

Ms. Kellen introduced Jason Beers from Operation Access (OA). OA coordinates donated outpatient surgical and specialty health care for low-income, uninsured people in CMSP counties. Ms. Kellen stated that, in April 2019, the Governing Board approved funding for strategic initiatives for assisted care and specialty care, and staff have been working with OA for the past few years to implement such initiatives in many CMSP counties.

Mr. Beers stated that OA is in the third year of its five-year grant from CMSP to provide a referral pathway that makes surgery and specialty care accessible for patients who are ineligible for Medi-Cal or Medicare and those who earn up to 400% of the federal poverty level. Mr. Beers then detailed OA's expansion of its services with the grant funding support and provided the following information and updates:

- OA adds value by coordinating referrals from multiple clinics to multiple providers in a way that creates sustainable access to care and can overcome capacity limitations in certain specialties.

- OA has donated care agreements with many large health systems, such as Adventist, Dignity, Kaiser, Providence and Sutter Health.
- In 2022, OA exceeded its targets in the volume of services and the number of patients served (e.g., 1424 services to 1062 patients, with over \$23 million in care provided).
- OA is pursuing expansion in twenty (20) counties but has had some expansion challenges such as workforce shortages, long-range travel needs for patients, internal hospital charity care eligibility issues, and hospital closures.
- Medi-Cal expansion has influenced and decreased the need for OA services, although this has been offset somewhat by expanded OA outreach to new uninsured populations.
- OA's strategic planning priorities for next year include geographic expansion, providing additional specialty health services, and leveraging existing relationships with specialty providers and community clinics to improve access to care for those enrolled in programs with limited access to specialty care.

Discussion ensued among Board Members and Mr. Beers about at-home testing services.

### **CMSP Marketing Presentation**

Ms. Kellen introduced Chris Vargas and Lindsey Wilkie from Wallrich Creative Communications (Wallrich). Ms. Kellen stated that the Governing Board has set aside approximately \$1.1 million dollars for the current fiscal year (FY 2022-23) to market the Path to Health, Connect to Care and CMSP programs in English and Spanish.

Mr. Vargas provided the following information on the campaign's paid media performance from July 1, 2022 through December 31, 2022:

- Google has recorded that 80,885 users have visited the English and Spanish pages of the website during the six-month time frame set forth above.
- On average, users are spending approximately two and a half minutes on CMSP's website pages. Mr. Vargas stated that this a great indication that website visitors are investing their time to learn more about CMSP's programs.
- The bounce rate (i.e., the percentage of visitors who leave the page without clicking through to deeper site content) is 78.66%, which is in line with industry average (i.e., a 70 to 90% rate).
- The top website traffic sources are:



- Digital display banners through the Google display network (36.7%).
  - Direct/organic search through various search engines (Google, Yahoo!, etc.) (21.2%). Many of these visitors may have been influenced by offline media tactics, such as radio ads, commercial spots, store posters and bus posters.
  - Paid search ads in Google (20.6%).
  - Paid social media (Facebook, Instagram) (16.3%).
  - Pandora/YouTube (5.2%). Mr. Vargas stated that Pandora continues to be the highest converting channel.
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- The media campaign is specifically targeting audiences using free or low-cost subscription-based video and music services.
  - The media campaign has generated 28.8 million impressions and 110,000 clicks on the ads, exceeding its benchmarks on click-through rates. The campaign also has very strong video completion rates with the connected TV and YouTube ads.
  - Wallrich is actively working on a creative refresh which is planned for the middle of April 2023.

Discussion ensued among Board Members and Mr. Vargas about the media campaign and the use of Pandora.

### **COVID-19 Update**

Ms. Kellen reported that the COVID-19 Public Health Emergency ends on May 11, 2023. Ms. Kellen stated that staff is working with CalSAWS and CalWIN (the two eligibility systems for CMSP) to work on unwinding continuing health coverage. Staff is planning to dis-enroll members from CMSP (which has not been done since 2020) via a staggered approach (e.g., moving eligibility end dates over the course of several months) and communicate with members that they should contact their social services department to re-enroll.

### **Executive Director's Report**

Ms. Brownstein provided brief updates on the following:

- Ms. Brownstein has reached out to Robert Ducay of the California Hospital Association to speak to the Governing Board about rural hospital closures.
- There will be a CMSP HID Matching Grant webinar on April 20, 2023.

- The CMSP loan repayment program recently closed and CMSP awarded \$1.8 million to 69 providers for their educational loan repayments.
- Four (4) LICN planning grants have recently been completed and fifteen (15) health system development grants will be completed in April 2023.
- A proposed FY 2023-24 budget will be presented in May 2023.
- The Governing Board is currently recruiting a Finance Director and Data Analyst.
- The deadline for the CMSP HID Matching Grant may need to be extended.

### **Public Comments**

Mr. Forster asked for public comments. There were no public comments.

Discussion ensued among Board Members regarding farmworker healthcare studies.

Mr. Forster announced the next Governing Board meeting is May 25, 2023 at 9:30 am and adjourned the meeting at 11:11 am.