



AGENDA

Local Health Authority Commission

October 14th, 2024

5:30 PM

512 W. Aten Rd., Imperial, CA 92251

All supporting documentation is available for public review at <https://chpiv.org>

Committee Members	Representing	Present
Dr. Theodore Affue	LHA Commissioner – Imperial County Medical Society	
Dr. Bushra Ahmad	LHA Commissioner – County of Imperial – Chief Medical Officer	
Dr. Carlos Ramirez	LHA Commissioner – Unicare – CNO, COO	
Dr. Unnati Sampat	LHA Commissioner – MD, Imperial Valley Family Care Medical Group	
Dr. Allen Wu	LHA Commissioner – Inncare, Chief Medical Officer	
Miguel Figueroa	LHA Commissioner – County of Imperial – Chief Executive Officer	
Paula Llanas	LHA Commissioner – County of Imperial – Director of Social Services	
Ryan E. Kelley	LHA Commissioner – County of Imperial – Board of Supervisors	
Pablo Velez	LHA Commissioner – ECRMC Chief Executive Officer	
Yvonne Bell	LHA Vice-Chair – Chief Executive Officer – Inncare	
Lee Hindman	LHA Chairperson – Joint Chambers of Commerce representing the public	

1. CALL TO ORDER

Lee Hindman, Chair

A. Roll Call

Donna Ponce, Commission Clerk

B. Approval of Agenda

1. Items to be pulled or added from the Information/Action/Closed Session Calendar
2. Approval of the order of the agenda

2. PUBLIC COMMENT

Lee Hindman, Chair

Public Comment is limited to items NOT listed on the agenda. This is an opportunity for members of the public to address the Commission on any matter within the Commission’s jurisdiction. Any action taken as a result of public comment shall be limited to the direction of staff. When addressing the Commission, state your name for the record prior to providing your comments. Please address the Commission as a whole, through the Chairperson. Individuals will be given three (3) minutes to address the board.



3. CONSENT AGENDA

All items appearing on the consent calendar are recommended for approval and will be acted upon by one motion, without discussion. Should any Commissioner or other person express their preference to consider an item separately, that item will be addressed at a time as determined by the Chair.

- A. Approval of Minutes from 9/9/2024
- B. Accept the monthly financial reports as reviewed and accepted by the Finance Committee.
 - 1. Enrollment Report
 - 2. Statement of Revenues, Expenses, and Changes in Net Position
 - 3. Statement of Net Position (Assets)
 - 4. Statement of Net Position (Liabilities & Net Position)
 - 5. Summarized TNE Calculation
 - 6. Cash Transaction Report
- C. Accept the updated and new Policy & Procedures, as recommended by the Regulatory Compliance Oversight Committee.
- D. Motion to approve update/edit to the At-Risk Compensation Policy, as recommended by the Executive Committee
- E. Motion to approve a resolution to support California Proposition 35 (MCO Tax), as recommended by the Executive Committee

4. ACTION

- A. Motion to approve the Wakely Statement of Work for CY 26 Medicare Bid preparation, not to exceed \$265,000.
- B. Motion to approve the SOW for licensing and implementation of NetSuite ERP (phase 1), not to exceed \$106,000. (*David Wilson, CFO*)
- C. Employee Benefits (*Larry Lewis, CEO*)



5. INFORMATION

- A. Health Services Report (*Dr. Gordon Arakawa, CMO*)
- B. Financial Services Report (*David Wilson, CFO*)
- C. Compliance Report (*Chelsea M. Hardy, Senior Director of Compliance*)
- D. Human Resources and Community Relations Report (*Michelle S. Ortiz-Trujillo, (SDHRCR)*)
- E. CEO Report (*Larry Lewis, CEO*)
- F. Other new or old business (*Lee Hindman, Chair*)

6. CLOSED SESSION

Pursuant to Welfare and Institutions Code § 14087.38 (n) Report Involving Trade Secret new product discussion (estimated date of disclosure, 01/2025)

- A. Update/Action on Contract with Health Net Community Solutions, Inc.
- B. DSNP Progress Report

7. RECONVENE OPEN SESSION

- A. Report on actions taken in closed session.

8. COMMISSIONER REMARKS

9. ADJOURNMENT

Next Meeting: November 11, 2024



MINUTES

Local Health Authority Commission

September 9th, 2024

5:30 PM

512 W. Aten Rd., Imperial, CA 92251

All supporting documentation is available for public review at <https://chpiv.org>

Committee Members	Representing	Present
Dr. Theodore Affue	LHA Commissioner – Imperial County Medical Society	✓
Dr. Bushra Ahmad	LHA Commissioner – County of Imperial – Chief Medical Officer	✓
Dr. Carlos Ramirez	LHA Commissioner – Unicare – CNO, COO	✓
Dr. Unnati Sampat	LHA Commissioner – MD, Imperial Valley Family Care Medical Group	✓
Dr. Allen Wu	LHA Commissioner – Inncare, Chief Medical Officer	✓
Christopher Bjornberg	LHA Commissioner-Chief Executive Office of PMHD	A
Miguel Figueroa	LHA Commissioner – County of Imperial – Chief Executive Officer	A
Paula Llanas	LHA Commissioner – County of Imperial – Director of Social Services	A
Ryan E. Kelley	LHA Commissioner – County of Imperial – Board of Supervisors	✓
Pablo Velez	LHA Commissioner – ECRMC Chief Executive Officer	✓
Yvonne Bell	LHA Vice-Chair – Chief Executive Officer – Inncare	✓ R
Lee Hindman	LHA Chairperson – Joint Chambers of Commerce representing the public	✓

1. CALL TO ORDER

Lee Hindman, Chair

Meeting called to order at 5:32 p.m.

A. Roll Call

Donna Ponce, Commission Clerk

Roll call taken and quorum confirmed. Attendance is as shown.

B. Approval of Agenda

(Ramirez/Affue) To approve the agenda and agree to move closed session after Item 4. Motion carried.

1. Items to be pulled or added from the Information/Action/Closed Session Calendar
2. Approval of the order of the agenda



2. PUBLIC COMMENT

Lee Hindman, Chair

Public Comment is limited to items NOT listed on the agenda. This is an opportunity for members of the public to address the Commission on any matter within the Commission's jurisdiction. Any action taken as a result of public comment shall be limited to the direction of staff. When addressing the Commission, state your name for the record prior to providing your comments. Please address the Commission as a whole, through the Chairperson. Individuals will be given three (3) minutes to address the board.

None.

3. CONSENT AGENDA

All items appearing on the consent calendar are recommended for approval and will be acted upon by one motion, without discussion. Should any Commissioner or other person express their preference to consider an item separately, that item will be addressed at a time as determined by the Chair.

(Ramirez/Affue) To approve the consent agenda. Motion carried.

A. Approval of Minutes from 8/12/2024

B. Accept Monthly Financial Reports as Reviewed and Accepted by the Finance Committee.

1. July 2024 Statement of Net Position
2. July 2024 Statement of Revenues, Expenses, and Changes in Net Position
3. July 2024 Profit & Loss Variance Analysis
4. July 2024 Statement of Revenues, Expenses, and Changes in Net Position (YTD)
5. July 2024 Profit & Loss Variance Analysis (YTD)
6. July 2024 Summarized Tangible Net Equity Calculation
7. July 2024 Cash Transactions

4. ACTION

A. Motion to Approve a Resolution Adding David Wilson, CFO, as a Signatory to Each Bank Account Currently Established *(Lee Hindman, Chair)*

(Affue/Velez) To approve a resolution adding David Wilson, CFO, as a signatory to each bank account currently established. Motion carried.

B. Motion to Approve the Changes to the Bylaws to be Submitted to the Board of Supervisors *(Lee Hindman, Chair)*

(Ramirez/Affue) To approve the changes to the bylaws to be submitted to the Board of Supervisors. Motion carried.

C. Motion to Approve Payment of the Annual LHPC Dues.

(Lee Hindman, Chair)

(Ramirez/Affue) To approve payment of the annual LHPC dues. Motion carried.



5. INFORMATION

- A. Guidelines for Remote Meeting Participation (*Lee Hindman, Chair/Bill Smerdon, Legal Counsel*)
Chair Hindman and Attorney Bill Smerdon discussed the rules of attending meetings remotely.
- B. Health Services Report (*Dr. Gordon Arakawa, CMO*)
CMO, Dr. Arakawa and Senior Director of Healthcare, Jeanette Crenshaw, discussed and presented Quality Measures Sanctions, Health Equity, and NCQA Updates.
- C. Financial Services Report (*David Wilson, CFO*)
CFO, David Wilson explained the monthly financial reports.
- D. Compliance Report (*Chelsea M. Hardy, Senior Director of Compliance*)
SDC, Chelsea Hardy presented the Delegation Oversight Monitoring Program report for 2024 Quarter 2
- E. Human Resources and Community Relations Report (*Michelle S. Ortiz-Trujillo, SDHRCR*)
SDHRCR, Michelle Ortiz discussed Community Relations, including CHPIV new social media marketing, Human Resources, and presented the Member Services report.
- F. CEO Report (*Larry Lewis, CEO*)
CEO, Larry Lewis discussed Proposition 35.
- G. Other new or old business (*Lee Hindman, Chair*)
None.

6. CLOSED SESSION

Pursuant to Welfare and Institutions Code § 14087.38 (n) Report Involving Trade Secret new product discussion (*estimated date of disclosure, 01/2025*)

- A. Update/Action on Contract with Health Net Community Solutions, Inc.
Chair Hindman announces the commission will enter closed session to discuss the contract with Health Net Community Solutions, Inc.

7. RECONVENE OPEN SESSION

- A. Report on actions taken in closed session.
Chair Hindman announces the commission has reconvened into open session and reports, direction given to staff.
(Affue/Wu) To delegate the negotiation and signing of the provider contract to staff, signed by the CEO. Motion carried.



8. COMMISSIONER REMARKS (*Lee Hindman, Chair*)

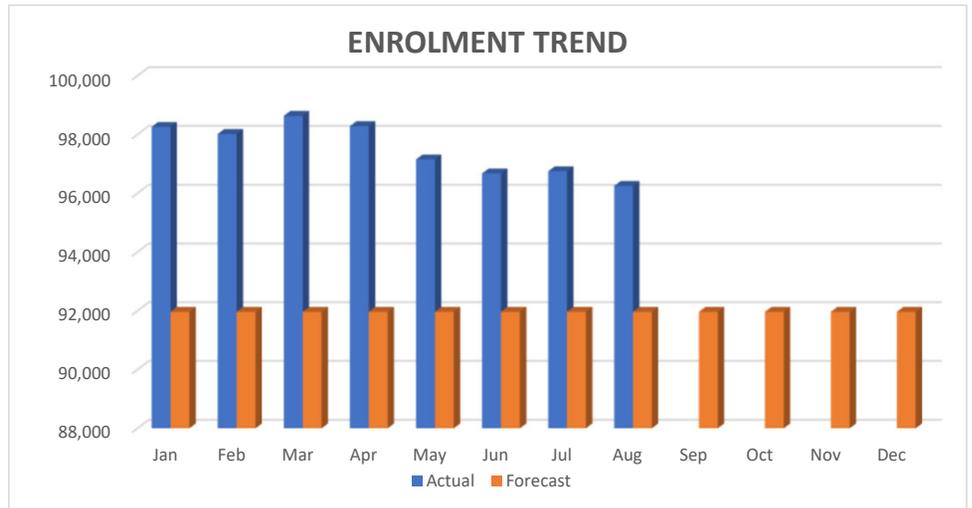
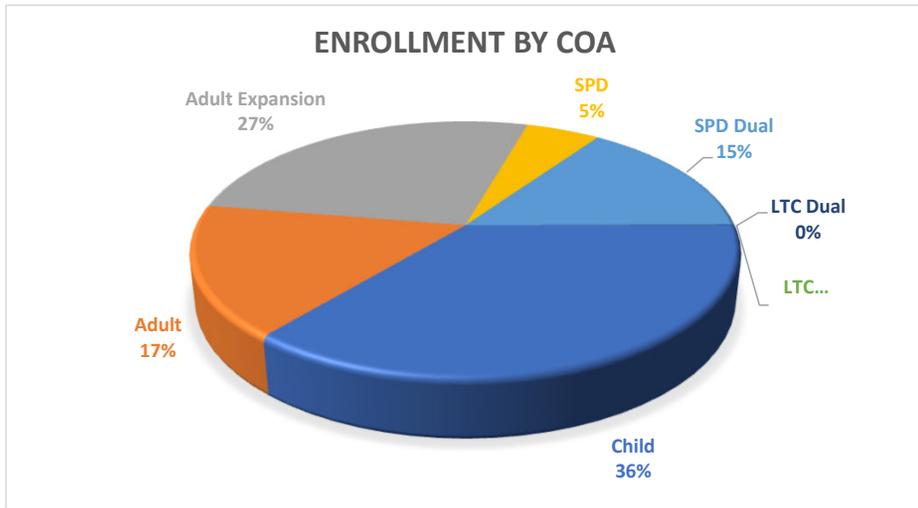
Commissioner Ramirez asked Commissioner Velez regarding the recent spike in COVID-19 cases. Commissioner Velez explained that there was a surge in COVID-19 cases, however, the number has gone down significantly.

9. ADJOURNMENT

*The meeting was adjourned at 6:42 p.m.
Next meeting: October 14th, 2024*

**Imperial County Local Health Authority
DBA Community Health Plan of Imperial Valley
Enrollment Report
For August 2024**

Category of Aid (COA)	2024 (Reported--End of Period)												YTD Months	
	January	February	March	April	May	June	July	August	September	October	November	December		
Child	34,676	34,687	35,020	37,747	35,024	34,820	34,754	34,461						281,189
Adult	17,191	17,152	17,133	14,133	16,014	15,872	15,855	15,764						129,114
Adult Expansion	26,741	26,461	26,559	26,341	25,975	25,717	25,798	25,590						209,182
SPD	5,039	4,985	5,070	5,059	5,095	5,105	5,177	5,158						40,688
SPD Dual	14,520	14,644	14,767	14,903	14,940	15,063	15,061	15,167						119,065
LTC	11	11	10	18	16	14	17	20						117
LTC Dual	81	79	76	84	87	85	88	90						670
Total Medicaid	98,259	98,019	98,635	98,285	97,151	96,676	96,750	96,250						780,025



Medi-Cal Rates by COA (PMPM)

COA	SIS	UIS
Child	\$ 114.38	\$ 32.59
Adult	\$ 229.31	\$ 156.28
Adult Expansion	\$ 263.91	\$ 143.07
SPD	\$ 842.58	\$ 462.92
SPD Dual	\$ 206.61	\$ 59.89
LTC	\$ 7,969.68	\$ 1,145.35
LTC Dual	\$ 7,117.92	\$ 113.51

Imperial County Local Health Authority
DBA Community Health Plan of Imperial Valley
Statement of Revenues, Expenses, and Changes in Net Position
For August 2024

	July	August				August (YTD)			Current Month Explanations
	Actual	Actual	Forecast	Variance - B/(W) vs. Forecast Month		Actual	Budget	Variance - B/(W)	
REVENUE									
Premium	\$ 23,154,295	\$ 23,210,332	\$ 22,249,362	\$ 960,970	\$ 56,037	\$ 182,009,864	\$ 177,994,894	\$ 4,014,971	
Pass-Through	365,463	353,313	883,592	(530,279)	(12,151)	5,034,577	7,068,733	(2,034,156)	
HN Settlements	-	-	-	-	-	602,764	1,135,000	(532,236)	
Government Grants	-	-	-	-	-	134,859	-	134,859	
TOTAL REVENUE	23,519,758	23,563,645	23,132,953	430,691	43,887	187,782,064	186,198,627	1,583,437	Favorable change in member volume offset by rate/mix.
HEALTH CARE COSTS	\$ 22,825,129	\$ 22,867,335	\$ 22,465,472	\$ (401,862)	\$ (42,206)	\$ 181,487,562	\$ 179,723,780	\$ (1,763,782)	
Gross Margin	694,629	696,310	667,481	28,829	1,681	6,294,502	6,474,847	(180,344)	
ADMINISTRATIVE EXPENSE									
Salaries & Wages	\$ 345,787	\$ 234,558	\$ 237,705	\$ 3,147	\$ 111,229	\$ 1,952,936	\$ 1,845,878	\$ (107,057)	
Benefits and Bonus	61,105	39,147	77,575	38,428	21,958	388,987	602,923	213,936	Change driven by timing July expenses.
Total Labor Costs	406,892	273,705	315,280	41,575	133,187	2,341,922	2,448,801	106,879	
Consulting, Legal, & Other Professional	\$ 113,679	\$ 195,637	\$ 10,508	\$ (185,129)	\$ (81,958)	\$ 554,609	\$ 84,067	\$ (470,542)	Change attributed to D-SNP/CFO support.
Insurance and Banking	3,934	3,934	6,380	2,446	-	28,587	51,041	22,454	
IT Hardware/Software	1,094	6,370	9,820	3,450	(5,275)	11,433	133,558	122,125	
Office Expense	23,327	25,655	14,606	(11,049)	(2,328)	235,387	116,848	(118,539)	Change largely driven by depreciation.
Other Admin	5,360	4,831	12,443	7,612	529	68,123	69,212	1,089	
Total Administrative Expense	554,287	510,132	369,037	(141,095)	44,155	3,240,061	2,903,527	(336,534)	
Non-Operating Income									
Dividend, Interest & Investment Income	\$ 110,587	\$ 119,586	\$ 100,347	\$ 19,239	\$ 8,999	\$ 642,138	\$ 689,279	\$ (47,141)	
Rental Income	1,450	1,450	-	1,450	-	11,600	-	11,600	
Total Non-Operating Income	112,037	121,036	100,347	20,689	8,999	653,738	689,279	(35,541)	
Change in Net Position	\$ 252,379	\$ 307,214	\$ 398,790	\$ (91,576)	\$ 54,835	\$ 3,708,180	\$ 4,260,599	\$ (552,419)	
Key Metrics									
Enrollment	96,750	96,250	91,964	4,287	(500)	780,025	735,708	44,317	
Revenue PMPM	\$243.10	\$244.82	\$251.54	(\$6.73)	\$1.72	\$240.74	\$253.09	(\$12.35)	
MLR	97.05%	97.04%	97.1%	7 bps	0 bps	96.7%	96.5%	(19) bps	
Admin Ratio	2.3%	2.2%	1.6%	(57) bps	19 bps	1.7%	1.6%	(17) bps	
Net Income PMPM	\$2.61	\$3.19	\$4.34	(\$1.14)	\$0.58	\$4.75	\$5.79	(\$1.04)	
Net Income %	1.1%	1.3%	1.7%	(42) bps	23 bps	2.0%	2.3%	(31) bps	

**Imperial County Local Health Authority dba
Community Health Plan of Imperial Valley
Statement of Net Position
As of August 31, 2024**

ASSETS

Current Assets	<u>Jul 2024</u>	<u>Aug 2024</u>	<u>Change</u>
Cash and Investments			
Chase - Checking	\$ 200,000	\$ 200,000	\$ -
Chase - Money Market	2,867,793	3,040,694	172,901
JPMorgan Securities	11,710,852	11,765,894	55,043
First Foundation Bank	167,104	202,021	34,917
Receivables			
Accounts Receivable	2,773	2,773	-
Dividend Receivable	23,364	11,266	(12,098)
Interest Receivable	11,379	21,212	9,833
Premium Receivable	23,154,295	23,210,332	56,037
Pass-Through Receivable	365,463	353,313	(12,151)
Other Current Assets			
Prepaid Expenses	20,481	44,623	24,143
Total Current Assets	38,523,503	38,852,129	328,626
Noncurrent Assets			
Restricted Deposit			
First Foundation Bank - Restricted	300,000	300,000	0
Capital Assets			
Buildings - Net	3,000,244	2,991,696	(8,548)
Computers & Office Equipment - Net	8,572	8,404	(168)
Improvements - Net	48,033	47,625	(408)
Intangible Assets - Net	21,348	20,953	(395)
Operating ROU Asset (Copier) - Net	7,882	7,601	(282)
Total Noncurrent Assets	3,386,079	3,376,278	(9,801)
Total Assets	<u>\$ 41,909,582</u>	<u>\$ 42,228,407</u>	<u>\$ 318,825</u>

**Imperial County Local Health Authority dba
Community Health Plan of Imperial Valley
Statement of Net Position
As of August 31, 2024**

LIABILITIES

CURRENT LIABILITIES	<u>Jul 2024</u>	<u>Aug 2024</u>	<u>Change</u>
Payables			
Accounts Payable	115,291	\$ 35,256	\$ (80,035)
Capitation Payable	22,459,666	22,514,022	54,356
Pass-Through Payable	365,463	353,313	(12,151)
Credit Card Payable	7,662	10,170	2,508
Other Current Liabilities			
Short Term Lease Liability - Copier	3,314	3,329	15
Bonus Accrual	83,436	95,356	11,919
Salaries Accrual	74,379	106,627	32,248
Vacation Accrual	95,895	98,930	3,034
Total Current Liabilities	23,205,106	23,217,001	11,896
NON-CURRENT LIABILITIES			
Long Term Lease Liability - Copier	4,711	4,426	(284)
Total Noncurrent Liabilities	4,711	4,426	(284)
Total Liabilities	23,209,816	23,221,428	11,611

NET POSITION

Net investment in Capital Assets	3,386,079	3,376,278	(9,801)
Restricted by Legislative Authority	300,000	300,000	0
Unrestricted	11,688,740	11,698,540	9,801
Net Revenue	3,324,947	3,632,161	307,214
Total Net Position	18,699,766	19,006,979	307,214
Total Liabilities and Net Position	\$ 41,909,582	\$ 42,228,407	\$ 318,825

**Imperial County Local Health Authority dba
Community Health Plan of Imperial Valley
Summarized Tangible Net Equity Calculation
As of August 31, 2024**

Net Equity	\$	19,006,979
Add: Subordinated Debt and Accrued Subordinated Interest	\$	0
Less: Report 1, Column B, Line 27 including: Unsecured Receivables from officers, directors, and affiliates; Intangibles	\$	0
Tangible Net Equity (TNE)	\$	19,006,979
Required Tangible Net Equity *	\$	4,327,637
TNE Excess (Deficiency)	\$	14,679,342

Full Service Plan		
		1
A. Minimum TNE Requirement	\$	1,000,000
B. REVENUES:		
2% of the first \$150 million of annualized premium revenues (lines 1, 2, 4, 5, 7, 9 from Income Statement) Plus	\$	3,000,000
1% of annualized premium revenues in excess of \$150 million	\$	1,327,637
Total	\$	4,327,637

* Calculated Required Tangible Net Equity	
23,563,645	- Current Month Premium
x 12	
282,763,740	- Annualized
150,000,000	←
x 2%	
3,000,000	
132,763,740	←
x 1%	
1,327,637	
4,327,637	- Required TNE

**Community Health Plan of Imperial Valley
August 2024 Cash Transactions**

Date	Account	Vendor	Memo/Description	Amount
Chase Checking				
08/09/2024	Chase Checking	JPMorgan Chase	Dividend Income - Jul 2024	\$ 23,363.74
08/09/2024	Chase Checking	JPMorgan Chase	Monthly Service Fee	-1,161.42
08/09/2024	Chase Checking	JPMorgan Chase	Bank Scanner Fee	-23.25
08/16/2024	Chase Checking	Department of Health Care Services	08/15 Receipt - DHCS	23,034,910.34
08/16/2024	Chase Checking	Department of Health Care Services	08/15 Receipt - DHCS	415,658.42
08/16/2024	Chase Checking	Department of Health Care Services	08/15 Receipt - DHCS	59,460.42
08/16/2024	Chase Checking	Department of Health Care Services	08/15 Receipt - DHCS	8,683.09
08/16/2024	Chase Checking	Department of Health Care Services	08/15 Receipt - DHCS	1,045.65
08/16/2024	Chase Checking	Mid Atlantic Trust Company	08/16 - ACH Payment	-6,075.79
08/16/2024	Chase Checking	Health Management Associates, Inc.	Check 629340113	-174,781.98
08/19/2024	Chase Checking	City of Imperial	Chase Bill Pay - Service Period: 06/24/24 - 07/25/24	-164.17
08/19/2024	Chase Checking	CleanBC, LLC	Chase Bill Pay - Invoice: 009	-700.00
08/19/2024	Chase Checking	Economic Group Pension Service	Chase Bill Pay - Invoice: 19818	-385.50
08/19/2024	Chase Checking	Epstein Becker & Green, P.C.	Chase Bill Pay - Invoice: 1167089	-19,825.00
08/19/2024	Chase Checking	Imperial Desert Landscape	Chase Bill Pay - Invoice: 24-135	-250.00
08/19/2024	Chase Checking	Imperial Irrigation District	Chase Bill Pay - Service Period: 06/25/24 - 07/24/24	-2,191.02
08/19/2024	Chase Checking	Law Office of William S. Smerdon	Chase Bill Pay - Invoice: 2593	-845.00
08/19/2024	Chase Checking	Liebert Cassidy Whitmore	Chase Bill Pay - Invoice: 273480	-2,912.00
08/19/2024	Chase Checking	Morgan Consulting	Chase Bill Pay - Invoice: 3495	-32,667.00
08/19/2024	Chase Checking	Republic Services	Chase Bill Pay - Service Period: 08/01/24 - 08/31/24	-141.17
08/19/2024	Chase Checking	Rick's Roadrunner Lock & Safe	Chase Bill Pay - Invoice: 22843	-877.24
08/19/2024	Chase Checking	Smith-Kandal Insurance	Chase Bill Pay - Invoice: 5320	-30,290.55
08/19/2024	Chase Checking	Stericycle, Inc.	Chase Bill Pay - Invoice: 0467-001718881	-111.69
08/23/2024	Chase Checking	Health Management Associates, Inc.	Chase Bill Pay - Invoice: 210806-000001	-54,332.50
08/30/2024	Chase Checking	Health Net	Rental Income - Aug 2024	1,450.00
08/30/2024	Chase Checking	Mid Atlantic Trust Company	08/29 - ACH Payment	-6,230.77
08/30/2024	Chase Checking	Health Net	08/30 - Health Net Payment	-22,825,129.08
First Foundation Bank				
08/30/2024	FFB Payroll	First Foundation Bank - Credit Card	08/06 - Credit Card Payment	-8,059.87
08/30/2024	FFB Payroll	Paychex, Inc.	08/08 - Paychex TPS Taxes	-31,813.08
08/30/2024	FFB Payroll	Paychex, Inc.	08/08 - Paychex Payroll	-61,160.17
08/30/2024	FFB Payroll	Paychex, Inc.	08/09 - EIB Invoice	-84.31
08/30/2024	FFB Payroll	Paychex, Inc.	08/20 - OAB Invoice	-49.50
08/30/2024	FFB Payroll	Paychex, Inc.	08/21 - Adjustment HRS	240.00
08/30/2024	FFB Payroll	Paychex, Inc.	08/22 - Paychex TPS Taxes	-35,561.32
08/30/2024	FFB Payroll	Paychex, Inc.	08/22 - Paychex Payroll	-70,027.90
08/30/2024	FFB Payroll	Paychex, Inc.	08/23 - EIB Invoice	-69.29
08/30/2024	FFB Payroll	Paychex, Inc.	08/23 - Paychex Payroll	-612.97
08/30/2024	FFB Payroll	Paychex, Inc.	08/27 - EIB Invoice	-49.72
08/30/2024	FFB Payroll	Blue Shield of California	08/29 - Health Insurance Payment	-13,290.85
08/30/2024	FFB Payroll	First Foundation Bank	08/06 - Wire Fee	-10.00
08/30/2024	FFB Payroll	First Foundation Bank	08/20 - Wire Fee	-10.00
08/30/2024	FFB Payroll	Pablo Velez	08/05 - Check 10262	-100.00
J.P. Morgan Securities				
08/30/2024	J.P. Morgan Securities	J.P. Morgan Securities	Investment Income - Aug 2024	\$ 98,522.91



Local Health Authority Commission

Executive Summary: CHPIV Compliance Department Update October 2024

Updated and New Policies & Procedures

At the October 1, 2024 ad hoc Regulatory Compliance and Oversight Committee of the Commission, 12 new and revised policies and procedures were approved. Most of these were existing policies updated to meet regulatory requirements. Several policies underwent their annual review but did not require changes. Additionally, two new policies, both related to Human Resources, were approved.

The table below lists the 12 policies that were approved along with the summary of changes.

P&P #	P&P Name	Department	Functional Area	Summary of Changes
CMP-002	Delegation Oversight	Compliance	Compliance	Updates for DHCS APL 23-006
CMP-003	Corrective Action Plans	Compliance	Compliance	Annual review; no changes
CMP-005	Confidentiality and Member Privacy	Compliance	Compliance	Annual review; updated to align with AB 254 & AB 352
UM-001	Utilization Management	Health Services	Utilization Management	Annual review; minor non-substantive changes
UM-002	Referrals	Health Services	Utilization Management	Annual review; no changes
QM-001	Quality Management and Improvement	Health Services	Quality Management	Annual review; updates to align with DHCS requirements
GA-001	Grievances Process	Health Services	Appeals & Grievances	Annual review; no updates
GA-002	Appeals Process	Health Services	Appeals & Grievances	Annual review; added the requirement HSC 1368.01(b)
GA-003	Independent Medical Review (IMR)	Health Services	Appeals & Grievances	Annual review; no updates
CPR-001	Public Policy Committee	Executive Services	Community & Public Relations	Annual review; no updates
HR-004	After-Hours Communication	Human Resources	Human Resources	New policy
HR-005	New Positions	Human Resources	Human Resources	New policy

Fact Sheet

Updated At-Risk Compensation Policy

OCTOBER 13, 2024

Recommendations

Motion to approve update/edit to the At-Risk Compensation Policy

Background

The At-Risk Compensation Policy was approved at the May Commission meeting to address annual leadership incentives.

Current Situation

An edit was not made to the original submitted version of the policy. In consultation with General Counsel, we intended to delete the requirement that an employee must be currently employed at the time the payment was made for At-Risk Compensation. The edit deletes that requirement.

The other edits have been submitted to allow some flexibility in the timing of the payment if considered necessary by both the Chair and the CEO. There would be no financial impact, only the timing.

Financial Impact (including Budget Reference)

\$0.00

First Submission to Commission: 10/13/2024

Second Submission date: N/A

	AT-RISK COMPENSATION PROGRAM		[Policy #]
	Department	Administration	
	Functional Area	CEO's Office	
	Impacted Delegate	<input type="checkbox"/> Subcontractor <input checked="" type="checkbox"/> NA	

DATES			
Policy Effective Date	April 1, 2024	Last Revised Date	N/A <u>July 1, 2024</u>
Next Annual Review Due	December 31, 2024	Regulator Approval	N/A

APPROVALS			
Internal		Regulator	
Name	Lee Hindman	<input type="checkbox"/> DHCS	<input checked="" type="checkbox"/> NA
Title	Commission Chairperson	<input type="checkbox"/> DMHC	

ATTACHMENTS
<ul style="list-style-type: none"> 2024 Goals

AUTHORITIES/REFERENCES
<ul style="list-style-type: none">

HISTORY	
Revision Date	Description of Revision

I. OVERVIEW

A. The At-Risk Compensation Program is designed to provide additional compensation on an annual basis for achieving each leader's annual goals. The program is intended to be competitive in the marketplace to retain or recruit staff. The current program is targeted toward the Senior Directors and above. Nearly all have received offer letters that included this type of compensation. This is a basic At-Risk Compensation Program. Goals will evolve and change annually.

	[Policy Name]	[Policy #]
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II. **POLICY**

- A.** It is the policy of the Commission to develop and annually review an At-Risk Compensation Program annually to remain competitive in the marketplace for Senior Director positions and above.

III. **PROCEDURE**

- A. Program Update:** The CEO will review and update the At-Risk Compensation Program annually in November in coordination with the Senior Leadership Team.
- a. Finance will review the draft plan update so that financial goals are financially feasible
 - i. No compensation will be paid until regulatory financial targets are met.
 - ii. DHCS, DMHC, or applicable credit agencies requirements must be considered as part of regulatory requirements.
 - iii. The plan will consider growth goals needed annually as well as compliance with regulatory requirements.
 - b. CEO will present updates to the Program for the Commission’s consideration in December and no later than January for the next Fiscal Year implementation.
 - c. The program will consider goals for Senior Leaders’ goals (Direct Reports to CEO).
 - d. Senior Leaders will establish the goals for their respective Senior Directors, and present to the CEO for approval in January each year.

B. Payment Process for At-Risk Compensation:

- a. CFO will review the audited financial statements against the financial goals
 - i. Compensation will not be paid until the final audited financial statements are approved by the Commission, except as approved in section “B.e.” & “B.f.”.
 - ii. The CFO will review financial goals and attest that financial goals have been met.
- b. The Senior Director of Human Resources will review personnel files to assure no one is engaged in a corrective action process.
 - i. Employees not working at least 7 months during the fiscal year are not eligible.
 - ii. Employees not employed by CHPIV on the payment date are not eligible.
 - iii. Employees engaged in a corrective action plan on the payment date are not eligible.
- c. CEO will calculate the percentage of the total to be paid Senior Leaders.
 - i. Senior Leaders will calculate the percentage of their respective Senior Directors based on their individual and division goals.
- d. The Chairperson of the Full Commission and the CEO will review and approve the detailed calculations for each employee to receive At-Risk Compensation.
- e. The timing of individual At-Risk Compensation payments may be determined by the CEO in consultation with the Commission Chairperson, in consideration of goals achieved to-date, likelihood of meeting financial targets, and likelihood of working 7 of 12 months during the calendar year being measured.
- f. The Request for Leadership At-Large Payments proposed for At-Risk Compensation will be approved by the Finance Committee and the Executive Committee as it exceeds \$50,000.-

	[Policy Name]	[Policy #]
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f. —Employees Leaders must be currently employed at the date of payment with no resignations received by Human Resources.

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IV. DEFINITIONS

Whenever a word or term appears capitalized in this policy and procedure, the reader should refer to the "Definitions" below.

TERM	DEFINITION
Senior Leaders	Direct Reports to CEO (CMO, CFO, CCO, Exec Dir-DSNP, Senior Director HR & Community Relations)
Senior Directors	Leadership Position reporting to Senior Leaders for Finance, Health Services, Compliance with the title of Senior Director
Leadership At-Large	<u>Payments typically made to multiple qualified leaders having completed goals, probability of meeting financial goals, and probability of completing 7 months of employment during the calendar year.</u>



Date: October 14, 2024

Resolution No. #

Imperial County Local Health Authority Commission

Issue: Request to Express CHPIV's Support for California Proposition 35 (MCO Tax)

Background: This motion seeks approval to express CHPIV's support for California Proposition 35 (MCO Tax). Proposition 35 makes permanent the existing tax on managed health care insurance plans (currently set to expire in 2026), which, if approved by the federal government, provides revenues to pay for health care services for low-income families with children, seniors, disabled persons, and other Medi-Cal recipients. Proposition 35 requires revenues to be used only for specified Medi-Cal services, including primary care and specialty care, emergency care, family planning, mental health, and prescription drugs. Further, it prohibits revenues from being used to replace Medi-Cal funding and caps administrative expenses and requires independent audits of programs receiving funding. Proposition 35 will increase funding for Medi-Cal and other health programs between roughly \$2 billion and \$5 billion annually, including federal funds.

Member Impact: The impact on CHPIV's membership is expected to be positive, as it increases funding for safety-net providers.

Budget Impact: This motion does not have any budgetary impact for CHPIV.

Motion: To Approve CHPIV's Organizational Support for California Proposition 35.

Fact Sheet

Medicare Advantage and Part D Bid Preparation – CY 2026

October 14, 2024

Recommendations

Motion to approve the Wakely Statement of Work for CY 26 Medicare Bid preparation, not to exceed **\$265,000**.

Background

Pursuant to requirement of CMS, CHPIV will need to submit a bid for Medicare Advantage (Parts A & B), Part D, and supplemental benefits to be offered in 2026.

The Medicare Bid process is an annual event, typically kicking off in the late-Fall 14 months prior to the benefit year and extending to August of the following year. The process and corresponding Wakely proposal includes the following key activities:

- **Planning & Strategy (November 2024 – January 2025):** CHPIV and Wakely will develop a financial strategy and product/benefit goals for the DSNP product. This will include a competitor analysis, setting of high-level financial and enrollment targets, estimated profit margins, and product differentiation strategies.
- **Evaluation of Advanced Notice (late January):** Wakely will provide a detailed analysis of the Advanced Notice published by CMS which provides an early indication of the proposed 2026 rates, benefit requirements, risk adjustment methodologies, and other proposed policy changes contemplated by CMS for the 2026 benefit year (e.g., updates or elimination of policies made by the Inflation Reduction Act of 2022, Part C or D policy changes, etc.)
- **Prepare Multiple Draft of Proposed DSNP Benefits:** Wakely will prepare no less than 3 drafts of CHPIV's proposed benefits and financial results of the DSNP product. Each draft will build on the overall product strategy, revised for updated assumptions, CMS policy revisions, and provide guidance on areas of improvement (e.g., membership projections, risk adjustment refinements, administrative cost assumptions, etc.) Each draft will be presented to CHPIV leadership for input and guidance.

- **Bid Pricing Tool (BPT) and Plan Benefit Package (PBP) submissions to CMS:** Wakely will prepare and submit all required BPT and PBP files to CMS subsequent to CHPIV and internal (Wakely) peer reviews. Wakely will validate consistency between the 2 submissions and perform tests to pass all CMS requirements.
- **Desk Review & Rebate Reallocation Process:** Subsequent to bid submission, CMS will lead Desk Review audits of all submissions (June 2025) and calculate Rebate Reallocations after publication of the National Average Bid Amount (NAMBA) made by CMS for Part D (July/August 2025).
- **Actuarial Certification:** Wakely will provide actuarial certification to all submitted bids and submit to CHPIV all relevant workpapers.

Current Situation

In addition to the Wakely proposal, CHPIV solicited one additional proposal from Milliman. Both proposals were similar in proposed services and overall cost. The Milliman proposal was \$175,000 - \$250,000 for consulting services; the Wakely proposal was \$195,000 - \$245,000 for consulting services. Both have additional cost for analytical tools, both ranging from \$10,000 - \$20,000. David Wilson (CFO) and Julia Hutchins (COO) have worked with both firms in the past. After consultation, both agree that Wakely provided a better level of service and a greater transparency to similar engagements.

Financial Impact (including Budget Reference)

\$265,000

First Submission to Commission: 10/14/2024

Second Submission date: N/A

DRAFT
STATEMENT OF WORK # 1
TO MASTER SERVICES AGREEMENT

All services provided by Wakely Consulting Group, LLC, an HMA Company, a Delaware limited liability company, including its affiliates, subsidiaries, and/or parent company(ies) (“Company” or “Wakely”) pursuant to this Statement of Work # shall be performed strictly in accordance with the terms and conditions stated in that certain Master Services Agreement dated [Publish Date] by and between Community Health Plan of Imperial Valley (“Client”) (the “Agreement”), which are incorporated herein by reference.

Commented [KS1]: Master Services Agreement (MSA) date will be entered once the MSA is executed.

SERVICES TO BE PROVIDED BY WAKELY:

Wakely will perform the actuarial certification for the calendar year (CY) 2026 Medicare Advantage and Part D bid pricing tools (BPTs) for Client’s dual special needs plan. Wakely will work with Client to achieve filing and certifying quality BPTs. Wakely will work with HMA consultant Michael Engelhard on this project to support on client communication and strategy. The tasks and timeline are as follows:

ADVANCE BID PLANNING AND PRODUCT STRATEGY WORK

Wakely’s key components of the advance bid planning and product strategy phase of this SOW follows:

- Wakely will hold an in-person project kick off meeting in October 2024. The travel expenses for this in person meeting will not be charged to Client. Larger Wakely clients receive one free in person client visit per year.
- Wakely will meet with all key Client bid process stakeholders to ensure Wakely has a complete understanding of CY 2026 roles, responsibilities, and Client’s internal team dynamics, e.g.:
 - » Actuarial components and roles in the bid process
 - » Owners and sources of information and assumptions
 - » Pharmacy benefit and formulary design
- Wakely will take inventory of information resources available and key bid assumption inputs, including Client’s responsible parties and teams.
- Wakely will provide a detailed, comprehensive, not just actuarial components, bid project calendar and plan to be finalized during winter 2024.
- Wakely will review the Wakely data request in detail with the client along with identification of business owners and due dates for each item.
- Wakely will review current provider contracts, including pharmacy benefit manager contracts.
- Wakely will discuss product strategy and benefit design, work with Client to evaluate competitive analysis, and assist Client in identifying opportunities for improvement around provider reimbursement arrangements, risk score coding optimization, and other strategic elements of the bid process.
- Wakely will schedule regular meetings and checkpoints with Client bid project stakeholders.

BID DEVELOPMENT

This SOW includes the following scope of services in the preparation and documentation of the BPTs.

- Wakely will schedule kick off meeting and rollout formal data request.
- Wakely will complete 2026 BPTs, currently expected to consist of one California integrated DSNP. There will be two BPTs: one Medicare Advantage and one prescription drug.

- Wakely will schedule weekly updates of status and results starting in February 2025 through the bid due date in June 2025, as agreed upon by Client.
- Wakely will review and test key assumptions, including trend and coding improvement.
- Wakely will hold a provider reimbursement discussion to understand cost impact under various provider payment models. Cost impact will be translated into different bid levers, including change in member premium, change in benefits, change in profitability, improved risk adjustment accuracy targets, or improved medical management targets.
- Wakely will provide multiple benefit designs and assumption scenarios via an iterative process and Wakely anticipates three or four throughout this engagement.
- Wakely will prepare and upload supporting documentation required by Centers for Medicare & Medicaid Services (CMS) with Client supporting this process.
- Wakely will review for consistency between BPTs and plan benefit packages (PBPs).
- Wakely will provide an actuarial certification.
- Wakely will provide support during bid desk review and rebate reallocation.

PROPOSED TIMELINE FOR BID PREPARATION

Item	Timeframe
Onsite or Virtual Kick Off Meeting ¹	November 2024
Data Request to Client	January 2025
Advance Notice from CMS	January 2025
Draft 1	Middle of March 2025
Final Rates from CMS	Early April 2025
Narrow down assumptions	Early April 2025
Draft 2	Middle of April 2025
Finalize Assumptions	Early May 2025
Prepare and Test PBP	Early May 2025
Prepare and Test BPTs	Early May 2025
Draft 3 and Approval	Middle of May 2025
Formal Wakely Peer Review	Middle of May 2025
Final BPT and PBP Submission	May 27, 2025
Supporting Documentation	May 31, 2025
Desk Review	June and July 2025
Rebate Reallocation	Early August 2025
Final Actuarial Certification	Middle of Aug 2025

1. Wakely will provide one free onsite visit for this engagement.

DELIVERABLES TO BE PROVIDED BY WAKELY:

Pursuant to the Scope of Services discussed above, we will provide the following deliverables:

- Wakely will provide one MA and one PD BPT to be filed in the health plan management system HPMS and certified by an actuary.
- Wakely will provide supporting documentation related to the certified BPTs,
- Wakely will lead desk review correspondence and responses.
- Wakely will provide all workpapers relevant to the bid development.

FEES AND EXPENSES:

The estimated costs of the 2026 MAPD bid development is shown below.

Item	Low	High
Consulting Services	\$195,000	\$245,000
Tool Fee	\$10,000	\$20,000
Total	\$205,000	\$265,000

All consulting services covered by this SOW#1, are provided by Wakely at the following rates:

Classification	Hourly Billing Rates	2024 Hourly Rates
Principal		\$620
Director		\$605
Senior Consulting Actuary II		\$555
Senior Consulting Actuary I		\$425
Consulting Actuary II		\$420
Consulting Actuary I		\$350
Associate Actuary/ Senior Analyst		\$300
Actuarial Analyst		\$210
Project Manager		\$190
Actuarial Intern/Administration		\$130

Invoices for consulting services will include a detail of the hours billed and a description of the work performed. Payment for such consulting services will be made in accordance with the Agreement.

Wakely billing rates increase on January 1 of each calendar year unless agreed otherwise in writing (See, Master Services Agreement).

SCHEDULE AND TERM OF SOW:

This SOW #1 will begin on November 1, 2024, and shall continue in effect until September 30, 2025, unless terminated earlier pursuant to the provisions of the Agreement. The staffing arrangements and the scope of work stated in this SOW #1 apply to this project only.

(Signature blocks will be incorporated by Wakely)

Fact Sheet

Implementation and Licensing agreement of NetSuite ERP

October 14, 2024

Recommendations

Motion to approve the SOW for licensing and implementation of NetSuite ERP (phase 1), not to exceed **\$106,000**.

Background

CHPIV has outgrown the current financial platform, Quickbooks. This was evident during the 2023 Financial audit in which several audit failures were identified in process and control-based access. CHPIV also has no ability to manage fully allocated product-level reporting, a requirement for DSNP, and is plagued by manual processes due to the inefficiency of the current financial system.

Solution

NetSuite ERP, an Oracle product, will be implemented in 2 phases. The first phase will include a replacement of Quickbooks with NetSuite Core Financials, a planning and budgeting module, and a customer relationship management (CRM) module, each of which will be built on Oracle's Healthcare Cloud Service platform. The second phase of the implementation will include a HIPPA-compliant data warehouse/data lake for analytical and compliance reporting capabilities.

- **NetSuite ERP (Core Financial):** NetSuite Financials will be capable of all CMS, financial, and regulatory reporting requirements, unlike Quickbooks. The product will significantly increase visibility, transparency, controls and operational efficiency for both operating costs and revenue. Customized dashboards for executive review and analytics are available “out of the box” and require no specialized programming. NetSuite provides real-time consolidations with drill down capabilities, enabling CHPIV to understand product level performance. NetSuite can also accommodate reported and restated financial views. We anticipate the implementation of NetSuite will eliminate several days from the close process.
- **Planning & Budgeting:** Included in the SOW is the implementation of a driver-based planning and budgeting system. Currently CHPIV has no such system, with

all FP&P functions being done manually with Excel. The new system will allow CHPIV to conduct regular, scenario based “bottoms-up” budgeting at the department and product level, seamlessly integrating with historical financials. The Planning & Budgeting tool will be able to generate a full set of financials (statement of revenue and expenses, balance sheet, and statement of cash flows) for quarterly forecasts, annual budgets, and 3–5-year long range plans. The system is built on Oracle’s Hyperion planning system, a best-in-breed tool used by most of the larger health plans in the industry.

- **Customer Relationship Management (CRM):** While a robust CRM system is not immediately critical for the Medi-Cal population, it will be important for the launch of DSNP. CHPIV was successful in getting this module packaged with NetSuite’s core ERP at no additional charge. The CRM will allow CHPIV to track selling activities, manage leads, and track commissionable events, all while seamlessly integrating with the financial system.
- **(Phase 2) Data Warehouse:** Beginning in Q2/Q3 of next year, CHPIV will kick off phase 2, which will include a cloud-based data warehouse. This tool will be critical for aggregating claims, membership, and operational data between Health Net and CHG. Currently, CHPIV has no such capabilities, nor does it have any EDI capabilities. Accessing this data will be a critical component to managing and analyzing any new, at-risk membership. Reporting on the aggregate data is also a core requirement of a DSNP contract with CMS. While this phase is not included in the pricing, CHPIV is locked-in with a 30% discount. Fees for this phase are estimated at \$7,000 annually.

Current Situation

CHPIV contacted 3 vendors during the selection process and received informal pricing from both unselected vendors. Vendors were eliminated based on the overall cost of ownership, business needs of CHPIV, and ease of system modification. The runner-up candidate’s informal pricing was at least 150% to 200% of the NetSuite solution and did not match the capabilities of NetSuite. The runner-up solution was not an integrated platform; CRM, financials, budgeting and planning, and data warehouse were all separate platforms with different vendors. This would dramatically decrease interoperability and increase implementation costs. NetSuite seamlessly integrates with Rippling (CHPIV’s newly purchased HR system), streamlining payroll and expense reporting. CHPIV has negotiated a 6-month deferred pricing at 0% interest. Implementation fees will be amortized over 12 months (starting after the deferral period) at no interest.

Financial Impact – Phase 1 Only

CHPIV has negotiated a 30% discount on license fees, and 29% discount on implementation fees; any services added during the first year will also qualify for this price lock. Years 2-4 renewal fees on licenses are capped at 5%.

Year 1 Estimate

Licensing Fees (annual):	\$54,279.96
<u>Implementation (one time):</u>	<u>\$51,300.00</u>
Contract Total:	\$105,579.96

Payment due at signature: \$0

First Payment Due: April 15, 2025

First Submission to Commission: 10/14/2024

Second Submission date: N/A

Fixed Price Statement of Work

Customer Name: Imperial County Local Health Authority (“Customer” or “You”)

Customer Address: 512 West Aten Rd., Imperial, CA 92251, United States

SOW Number: US-200630

1. Agreement

This Statement of Work (“SOW”) describes the professional services (the “Professional Services”) to be performed by Oracle America, Inc. (“Oracle”) for Customer (collectively “Parties”). This SOW is governed by the Professional Services Agreement located at <https://www.oracle.com/corporate/contracts/cloud-services/netsuite/contracts.html> unless the Agreement referenced in Your Estimate/Order Form: (a) was executed after June 2020 or (b) was executed prior to June 2020 and incorporates in a Professional Services Addendum and in both such cases the Agreement referenced in Your Estimate/Order Form will govern this SOW (the “PS Terms”).

Once executed by the Parties, this SOW shall be incorporated by reference into the PS Terms. In the event of any inconsistency or conflict between the terms and conditions of this SOW and the PS Terms, the terms and conditions of this SOW shall govern with respect to the subject matter of this SOW only. Capitalized terms used in this SOW shall have the meaning defined under the PS Terms. This SOW may not be modified or amended except in a writing signed by a duly authorized representative of each party. As used in this SOW, “You” or “Your” shall refer to the Customer as defined in the Agreement.

2. Description of Services

Oracle will perform the following Professional Services to assist You with the implementation of SuiteSuccess Healthcare Standard in Your NetSuite instance:

A. Project Management:

1. Conduct one (1) kick-off webinar session to review:
 - a. Project goals and objectives.
 - b. Joint team roles and responsibilities.
 - c. Project scope.
 - d. Project management approach.
 - e. Implementation methodology.
 - f. Project timeline considerations.
 - g. Next steps.
2. Create and update the project plan as required during the performance of Professional Services.
3. Provide status reports at a mutually agreed interval, but no more than once a week.
4. Provide completed cutover checklist.

B. General Configuration and Setup:

1. Coordinate installation of purchased product bundles.
2. Provide You with Oracle NetSuite standard practice documentation.
3. Conduct personalization sessions for the in scope process areas, and perform configuration based on mutually agreed design from such personalization sessions.
4. Set up preconfigured dashboards and standard reports without modification.
5. Configure up to one (1) User Interface (“UI”) form for each NetSuite instance record type.
6. Set up up to one (1) printed form for each printed NetSuite instance record type.
7. Set up preconfigured roles based on Oracle NetSuite standard practices.
8. Install and configure the Compliance Manager role with the Compliance 360 dashboard.

C. Perform data migration, limited to two (2) import iterations:

1. List data and open transactions - up to five thousand (5,000).
 - a. Opening account balances – up to one (1) consolidated opening balance.
 - b. Historical trial balance – up to one (1) year consolidated by period.

D. Set up and configure the following within the Financial Management (Record to Report) process area based on Oracle NetSuite standard practices:

1. Configure OneWorld for up to one (1) country:
 - a. United States of America.
2. Configure up to one (1) parent and up to three (3) subsidiaries.
3. Set up up to one (1) country sales tax nexus.
4. Department segments – up to fifty (50).
5. Class (unit) segments – up to fifty (50).
6. Location (clinic) segments – up to fifty (50).
7. Chart of accounts (“COA”) (single COAs).
8. Accounting periods – based on twelve (12)-month calendar.
9. Journal entries – standard, recurring, reversing, import and automated.
10. Budget – up to one (1) segmented by department and subsidiary.
11. Bank account reconciliation, transfers and deposits.
12. Print and issue checks.
13. Financial reports.
14. Multiple currencies & exchange rates.
15. Corporate credit card transactions.
16. Fixed allocations – up to five (5) templates.
17. Fiscal close.
18. Statistical accounts – up to five (5) templates.
19. Dynamic allocations – up to five (5) templates.
20. Create Print Check Payment Format.
20. 21. Provide setup for one (1) inbound daily bank transaction file, using one of the following formats, Open Financial Exchange (“OFX”), Extended Open File Exchange (“QFX”), Bank Administration Instate Two (2) (“BAI2”), Cash Management (“CAMT”) or Single Euro Payments Area (“SEPA”), for two (2) financial institutions record for Chase, First Foundation Bank.
21. 22. Configure one (1) Auto Bank Statement Import (“ABSI”) SuiteApp for two (2) banks, Chase, First Foundation Bank, to automate daily file import.

E. Set up and configure the following within the Item Management (Design to Build) process area based on Oracle NetSuite standard practices:

1. Item master – items from the following item types: inventory, non-inventory, service, other charge, item

- groups, and discount/markup.
 - 2. Tax settings.
 - 3. Item pricing (pricing levels, pricing groups, and quantity-based).
 - 4. Item costing (First-In-First-Out (“FIFO”), Last-In-First-Out (“LIFO”), and average).
 - 5. Item transactions (item receipts & fulfillments, inventory transfers, transfer orders, and inventory adjustments).
- F. Set up and configure the following within the Procure to Pay/Return to Debit process area based on Oracle NetSuite standard practices:
- 1. Vendor master.
 - 2. Employee master.
 - 3. Purchase requests.
 - 4. Purchase orders.
 - 5. Single level purchase order approval workflow.
 - 6. Vendor bills.
 - 7. Vendor bill payments (manual).
 - 8. Vendor credits and refunds.
 - 9. Vendor electronic payments for single currency using any of the following standard file formats for the countries set out below:
 - a. United States/Canada: ACH CCD/PPD (NACHA), ACH – CTX (Free Text) (NACHA), CPA–005 (Royal Bank of Canada) or PNC ActivePay (PNC Bank).
 - 10. Expense reports.
 - 11. Amortization schedules – up to five (5).
 - 12. Set up and configure SuiteApproval workflows without customization for the following record types:
 - a. Purchase Orders.
 - b. Journal Entries.
 - 13. Configure up to one (1) positive pay file format per [Chase, First Foundation Bank] bank/s.
- G. Set up and configure the following within the Order to Cash/Return to Credit process area based on Oracle NetSuite standard practices:
- 1. Customer/contact master.
 - 2. Customer credit memos.
 - 3. Customer invoices.
 - 4. Customer payments – manual.
- H. Conduct up to two (2) meetings (“Walkthroughs”) per process area to review and validate production configuration.
- I. Provide up to four (4) sessions per week to consult with Your designated project consultant to address Your questions that arise during Your testing (“User Acceptance”) and review Your findings after completion of Your testing.
- J. Provide up to three (3) sessions per week to assist You with issues raised by You and provide end User assistance during Your post go-live period.
- K. Host a project transition call to review outstanding issues and facilitate transition from Professional Services to NetSuite Support Service.

3. Your Obligations and Project Assumptions

You acknowledge that Your timely provision of and access to office accommodations, facilities, equipment (if applicable), and assistance, cooperation, complete and accurate information and data from Your officers, agents, and employees (collectively, “cooperation”) are essential to the performance of any Professional Services as set forth in this SOW. Oracle will not be responsible for any deficiency in performing Professional Services if such deficiency results from Your failure to provide full cooperation. You acknowledge that if Oracle’s cost of providing Professional Services is increased because of Your failure to meet the obligations listed in this SOW, failure to provide cooperation, or because of any other circumstance outside of Oracle’s control, then You agree to pay Oracle for such increased costs. Such increased costs may include time during which Oracle resources are under-utilized because of delays.

You acknowledge that Oracle’s ability to perform the Professional Services depends upon Your fulfillment of the following obligations and the following project assumptions:

3.1. Your Obligations

- 1) Obtain a subscription to the Cloud Service under separate contract prior to the commencement of Professional Services under this SOW and maintain such subscription for the duration of the Professional Services provided under this SOW.
- 2) Provide Oracle with full access to the relevant documentation and the relevant functional, technical and business resources with adequate skills and knowledge to support the performance of Professional Services.
- 3) Provide, for all Oracle resources performing Professional Services at Your site, a safe and healthful workspace (e.g., a workspace that is free from recognized hazards that are causing, or likely to cause, death or serious physical harm, a workspace that has proper ventilation, legally acceptable oxygen concentration levels, sound levels acceptable for resources performing Professional Services in the workspace, and ergonomically correct workstations).
- 4) Provide any notices, and obtain any consents, required for Oracle to perform Professional Services.
- 5) Limit Oracle’s access to any production environments or shared development environments to the extent necessary for Oracle to perform Professional Services.
- 6) When services will be performed on-site at customer location in the US, as required by U.S. Department of Labor regulations (20 CFR 655.734), You will allow Oracle to post a Notice regarding Oracle H-1B employee(s) at the work site prior to the employee’s arrival on-site.
- 7) Be responsible for ensuring that common, consistent functional processes exist across Your organization; including any applicable parent and subsidiary companies (e.g., there will be one common Order to Cash process across the entire organization).
- 8) If You have purchased a sandbox, You are responsible for performing all refreshes of that sandbox from Your production NetSuite instance.
- 9) Do not film or record Oracle’s delivery of Professional Services, Oracle resources, or any Oracle materials.
- 10) Provide written notice of Your need to temporarily pause the performance of the Professional Services under this SOW, in order to complete Your assigned tasks and/or obligations, at least five (5) business days prior to any such pause. Any such pause will be limited to a maximum of ten (10) consecutive business days.
- 11) If while performing Professional Services, Oracle requires access to other vendor’s products (for the purposes of this SOW, the “Third Party Services”) that are part of Your system, You are responsible for (a) acquiring all such products and securing the appropriate use and license rights necessary for Oracle to access such products on Your behalf, and (b) facilitating the performance of such Third Party Services, as required, for Oracle to perform the Professional Services. Oracle shall not be responsible for any disclosure, modification or deletion of Customer Data resulting from any access of the Cloud Services by Third Party Services or third party providers.

- 12) Be responsible for providing any requisite privacy and data security processing requirements as deemed necessary to comply with Your applicable legal and regulatory obligations.
- 13) Be responsible for providing Your organization structure prior to personalization.
- 14) Review Oracle NetSuite standard practice documentation, raise questions and be responsible for providing inputs required to ensure production configuration supports Your business requirements.
- 15) Be responsible for having Your designated attendee, as agreed between You and Oracle, attend pre-requisite fundamentals training and project team administrator training prior to configuration.
- 16) Lead the second Walkthrough for each process area, to validate production configuration.
- 17) Prepare your data, by performing the following activities, prior to handover for data migration performed by Oracle:
 - a. Ensure Your data is in compliance with localized taxation and reporting requirements.
 - b. Export and manipulate data from Your legacy instance in preparation for data import into Your production environment.
 - c. Provide data in CSV file formats documented in the templates located in the NetSuite instance.
 - d. Perform data encryption, extraction, consolidation, cleansing and mapping to the appropriate service fields for all data import activity.
 - e. Validate the historical consolidated exchange data that You enter into the consolidated exchange rate table.
- 18) Complete user acceptance testing, and provide written confirmation to Oracle of completion of User Acceptance, within a consecutive two (2) week period by performing the following activities prior to go-live:
 - a. Ensure Your Users have completed the applicable Learning Cloud Support (“LCS”) classes relevant to Your configuration prior to the start of testing.
 - b. Ensure Your Users understand how to navigate within the NetSuite production and/or sandbox environment prior to the start of testing.
 - c. Create test scenarios and complete testing in line with defined test scenarios.
 - d. Identify, document and raise issues that arise during testing.
 - e. Resolve test issues assigned to You.
 - f. Remove all test data in production prior to go-live.
- 19) Perform cutover tasks assigned to You as identified in the cutover checklist.

3.2. Project Assumptions

- 1) All Professional Services will be performed remotely.
- 2) All project documentation, presentations and project communications are in English, or such other available languages the parties may agree upon in writing.
- 3) Oracle resources are not dedicated to any single project and are engaged across many projects for various customers.
- 4) Any Professional Services not expressly included in the above Description of Services are considered out of scope.
- 5) You do not require Oracle resources to work outside their standard local country workday hours.
- 6) Project timeline estimates are based on availability of Your resources and key decision makers. Lack of access or change to project stakeholders will impact project timelines and costs if decisions cannot be made in a timely fashion.
- 7) It is Customer’s responsibility to ensure that all Deliverables provided under this SOW, if any, comply with the laws and regulations applicable to Customer, its business, its services, and its customers.
- 8) Configuration, customization or personalization will be in one (1) NetSuite instance.
- 9) The parent and child subsidiary configuration are provided for the country designated in Section 2, Description of Services.
- 10) All subsidiaries have a single defined base currency.

- 11) All subsidiaries have the same fiscal year end.
- 12) All subsidiaries will be configured with the user interface in English.
- 13) Each subsidiary has its own master records, which are not shared across subsidiaries.
- 14) Printed forms will be configured using the native PDF layout functionality, without HTML, residing in the NetSuite instance.
- 15) No customization(s) of any printed forms within the NetSuite instance.
- 16) Standard reports encompass localized reports, without customization, when countries requiring localization are in scope.
- 17) Data imports will be performed for a single subsidiary.
- 18) Go-live assumptions:
 - a. You and Oracle understand and acknowledge that go-live occurs upon initiation of any of Your business operations in Your production environment.
 - b. The post go-live period is defined as thirty (30) consecutive business days from go-live, not to exceed the Professional Services Term.
 - c. A phased go-live is out of scope.
- 19) ABSI uses Secure File Transfer Protocol (“SFTP”) scripting and the source server will be required to support the following security levels:
 - a. Cannot require static IP.
 - b. Cannot require list of URLs to whitelist.
 - c. Cannot require Pretty Good Policy (“PGP”) encryption to open file.
 - d. Must support Secure Shell (“SSH”) certificates (Rivest–Shamir–Adleman (“RSA”), Digital Signature Algorithm (“DSA”), Elliptical curve Digital Signature Algorithm (“ECDSA”)) without multifactor authentication.

4. Pricing & Payment Terms

Fixed Fees: The pricing set forth in this SOW represents the fixed fees for the Professional Services set forth in this SOW. Additional discounts (if any) for these Professional Services will be reflected in Your Estimate/Order Form that references this SOW and/or these Professional Services. In the event of a conflict between the pricing set forth in this SOW and the pricing set forth in Your Estimate/Order Form governing this SOW and/or these Professional Services, then the pricing set forth in Your Estimate/Order Form shall govern and control. Any expenses (as described below) are not included in the fixed fees and are an additional cost to You. The payment obligation is non-cancellable, and sum paid non-refundable except as otherwise expressly provided in Your Estimate/Order Form.

You agree to pay Oracle the fees as specified in the Estimate/Order Form for the Professional Services described in this SOW.

You acknowledge that the fixed price is based solely on the information provided to Oracle and the assumptions documented in this SOW. The total fees for this SOW are as follows:

Professional Services Fees	
Professional Services	47,100.00 USD
Total Professional Services Fees (excluding expenses described below)	47,100.00 USD

a) Payment Terms. Unless otherwise noted in Your Estimate/Order Form, fees are due Net 30 days from

invoice date.

- b) **Expenses:** Reasonable travel and living expenses required in connection with delivering the Professional Services will be incurred in accordance with Oracle's internal travel and expense policy and billed monthly as actual charges.
- c) **Currency:** US Dollar.

5. Project Point of Contact

You and Oracle each agree to designate a project point of contact who shall be responsible for coordinating its activities under this SOW. You and Oracle each shall direct all inquiries concerning the Professional Services to the other party's project point of contact. Your project point of contact shall have the authority to approve Professional Services on Your behalf. Oracle's project point of contact shall have the sole right to exercise direct control and supervision over the work assignments of Oracle resources.

6. Additional Terms

6.1 Unused Services.

The effective date of this SOW shall be the date it is last signed. The Professional Services herein must be used within the Term listed on Your Estimate/Order Form. Any portion of the Professional Services not used within the Term will be automatically forfeited by You, with no further action required of either party, and You will not be entitled to a refund, or any credit toward additional or other Professional Services, for any unused portion of the fees paid for any unused portion of the Professional Services. You may not use the fees for any services other than the Professional Services stated herein.

6.2 Change Control Process.

Any requirement(s) not included herein or items not contemplated will be handled through the Change Control Process, and may result in additional cost to You. Any and all requests for any change in Professional Services must be in writing. Oracle shall not be obligated to perform, and You shall not be obligated to pay for any such changes unless agreed upon in an Estimate/Order Form and an amendment (i.e., a change order) to this SOW, signed by both parties.

6.3 Deliverables and Tools. In the event Oracle provides You with any Deliverables under this SOW, Customer shall have the non-exclusive, worldwide, limited right to use any Deliverables solely for Your internal business operations and in connection with Your authorized use of the applicable Cloud Services. Deliverables may require the use of SuiteCloud features which are governed by the Agreement and the SuiteCloud Terms of Service found at <https://www.oracle.com/corporate/contracts/cloud-services/netsuite/other-terms.html> (or other URL as determined by Oracle). For purposes of this SOW, "**Deliverables**" means anything developed by Oracle and delivered to Customer as part of the Professional Services.

To the extent Tools are delivered with or as part of the Deliverables, and are needed to utilize the Deliverables, Oracle grants You a non-exclusive, worldwide, limited right to use the Tools solely for Your internal business operations and in connection with Your authorized use of the Deliverables. For purposes of this SOW, "**Tools**" means Oracle's proprietary tools, libraries, know-how, techniques, and expertise used by Oracle to develop the Deliverables. Tools are considered Oracle Confidential Information.

7. Signatures

The Parties expressly disclaim any reliance on any and all prior agreements, understandings, RFPs, verbal and/or written communications related to the Professional Services to be provided by Oracle.

This SOW is valid through **November 30, 2024** and shall become binding upon execution by You and acceptance by Oracle.

CUSTOMER

Authorized Signature: _____

Print Full Name: _____

Job Title: _____

Signature Date: _____

ORACLE AMERICA, INC.

Authorized Signature: _____

Print Full Name: _____

Job Title: _____

Signature Date: _____

This SOW may be signed electronically, in which case signatures may appear above or on the last page.

Fixed Price Statement of Work

Customer Name: Imperial County Local Health Authority (“Customer” or “You”)

Customer Address: 512 West Aten Rd, Imperial, CA 92251, United States

SOW Number: US-201555

1. Agreement

This Statement of Work (“SOW”) describes the professional services (the “Professional Services”) to be performed by Oracle America, Inc. (“Oracle”) for Customer (collectively “Parties”). This SOW is governed by the Professional Services Agreement located at <https://www.oracle.com/corporate/contracts/cloud-services/netsuite/contracts.html> unless the Agreement referenced in Your Estimate/Order Form: (a) was executed after June 2020 or (b) was executed prior to June 2020 and incorporates in a Professional Services Addendum and in both such cases the Agreement referenced in Your Estimate/Order Form will govern this SOW (the “PS Terms”).

Once executed by the Parties, this SOW shall be incorporated by reference into the PS Terms. In the event of any inconsistency or conflict between the terms and conditions of this SOW and the PS Terms, the terms and conditions of this SOW shall govern with respect to the subject matter of this SOW only. Capitalized terms used in this SOW shall have the meaning defined under the PS Terms. This SOW may not be modified or amended except in a writing signed by a duly authorized representative of each party. As used in this SOW, “You” or “Your” shall refer to the Customer as defined in the Agreement.

2. Description of Services

2.1. NetSuite Enterprise Performance Management (“NSEPM”)

Oracle will perform the following Professional Services to assist You with the implementation of NSEPM application (the “NSEPM application”) in Your single NetSuite production instance (the “NSEPM instance”):

A. Project Management:

1. Conduct one (1) kick-off webinar session (“NSEPM kick-off”), which is up to one (1) hour in duration to review:
 - a. Project goals and objectives.
 - b. Confirm administrator access.
 - c. Joint team roles and responsibilities.
 - d. Project scope and management approach.
 - e. Implementation methodology.
 - f. Project timeline considerations.
 - g. Next steps.
2. Create the project plan and update it as mutually agreed to between the parties during the performance

of Professional Services.

3. Provide status reports at a mutually agreed interval, but not more than once a week.
4. Conduct one (1) post Go-Live (as defined below) transition meeting, via webinar, for up to thirty (30) minutes.

B. General Configuration, Setup and Use Case Review:

1. Review configurations and reporting needs in one (1) personalization session, for up to two (2) hours.
2. Provide installation instructions for Oracle Smart View (“Smart View”).
3. Configure up to one (1) currency.
4. Lead the first walkthrough for up to six (6) hours to demonstrate use cases to Your Professional Services implementation team.
5. Provide up to six (6) hours of assistance for a second customer led walkthrough led by You to demonstrate use cases to Your Professional Services implementation team.

2.2. NetSuite Planning and Budgeting (“NSPB”)

Oracle will perform the following Professional Services to assist You with the implementation of SuiteSuccess NSPB application (the “NSPB application”) in Your single NetSuite production instance (the “NSEPM instance”):

A. Data Migration:

1. Perform an import of the following active NetSuite Enterprise Resource Planning (“NS ERP”) General Ledger (“GL”) dimensions:
 - a. Up to two thousand (2,000) dimension members for each of the following:
 - 1) Customers.
 - 2) Classes.
 - 3) Items.
 - b. Up to one thousand (1,000) dimension members for each of the following:
 - 1) Vendors.
 - 2) Chart of Accounts (“COA”).
 - 3) Departments.
 - 4) Locations.
 - 5) Subsidiaries.
 - c. Currencies – up to the number of currencies configured in section 2.1.B.3 above.
2. Migrate up to one (1) year of NS ERP data into the NSEPM instance for the following:
 - a. Trial balance (Income Statement and Balance Sheet).
 - b. Consolidated exchange rates.
 - c. Rate sales quantities.
 - d. Rate pricing.
 - e. Rate cost.
3. Provide assistance with the following:
 - a. Import pre-defined dimensions from NS ERP into the NSEPM instance.
 - b. Import up to one (1) year of prior year budget data.
 - c. Set up the schedule to import trial balances on a recurring basis from the NS ERP into the NSEPM instance using standard saved searches.

B. Set up and configure the web forms, dashboards, reports and business rules for the following NSPB budget subject areas based on Oracle NetSuite standard practices for the following:

1. Revenue:
 - a. Sales / Cost of Goods Sold (“COGS”):

- 1) NetSuite item (Price and Cost).
 - 2) Sales price adjustments.
 - 3) Sales units.
 - 4) COGS adjustment.
 - 5) Product sales revenue.
 - 6) Services (Sales and Sales Revenue Dashboard).
 - 7) Dashboards (Sales by Customer and Sales Summary).
 - 8) Provide up to fifteen (15) hours for driver configuration.
2. Expense:
- a. Operating Expense (“OpEx”).
 - b. Working capital (Accounts Payable (“AP”), Accounts Receivable (“AR”) and Inventory).
 - c. Indirect expense allocations.
 - 1) Information Technology (“IT”) expenses (Allocation Assumptions, Input and Allocation Dashboard).
 - 2) Rent expense (Rent and Square Footage Input, Rent Allocation percentage, and Rent Allocation).
 - d. Workforce Planning.
 - 1) Provide up to one (1) standard CSV/Smart View upload of Roster data.
- C. Set up and configure the following pre-defined web forms, dashboards, reports and business rules for the following NSPB application statements forms, reporting and analytic subject areas based on Oracle NetSuite standard practices:
1. Balance Sheet.
 2. Income Statement.
 3. Indirect Cash Flow.
 4. Web Reporting Studio:
 - a. Balance sheet.
 - b. Income statement.
 - c. Indirect cash flow.
 5. Dashboards:
 - a. Financials (Income Statement, Balance Sheet, Indirect Cash flow).
 - b. OpEx (Department, Account, % of Revenue).
 - c. Working Capital (Sales, Inventory, Payables).
 6. Variance Reports:
 - a. Variance full year.
 - b. Actual to budget current month, actual to plan current month, actual versus prior budget current month.
 - c. Year To Date (“YTD”) actual versus budget current month and YTD actual versus budget current month.
- D. Set up and configure the following existing NSPB application subject areas based on Oracle NetSuite standard practices:
1. Foreign exchange rates by subsidiary.
 2. Copy budget.
 3. Seed budget.
 4. Days in period.
 5. Access Control:
 - a. Provide preconfigured roles based on Oracle NetSuite standard practices.
 - b. Configure up to four (4) NSPB application groups.
 6. Configure permissions and security for the following dimensions:
 - a. Department.

b. Subsidiaries.

E. User Acceptance Testing (“UAT”):

1. Assist with up to one (1) UAT planning session for up to one (1) hour.
2. Provide You with UAT sample test scenarios.
3. Provide up to sixteen (16) hours of UAT issue resolution assistance which must be utilized by You within a period of ten (10) consecutive business days.

F. Post Go-Live Support:

1. Provide up to twelve (12) hours of post Go-Live support, which must be utilized by You within a period of thirty (30) consecutive business days and must be used within the Professional Services Term. Post Go-Live support may include the following:
 - a. Trouble shooting and addressing production issues.
 - b. Instruction on the NetSuite Support Service process.
 - c. Identification of further optimization requirements.
 - d. End user assistance.

3. Your Obligations and Project Assumptions

You acknowledge that Your timely provision of and access to office accommodations, facilities, equipment (if applicable), and assistance, cooperation, complete and accurate information and data from Your officers, agents, and employees (collectively, “cooperation”) are essential to the performance of any Professional Services as set forth in this SOW. Oracle will not be responsible for any deficiency in performing Professional Services if such deficiency results from Your failure to provide full cooperation. You acknowledge that if Oracle’s cost of providing Professional Services is increased because of Your failure to meet the obligations listed in this SOW, failure to provide cooperation, or because of any other circumstance outside of Oracle’s control, then You agree to pay Oracle for such increased costs. Such increased costs may include time during which Oracle resources are under-utilized because of delays.

You acknowledge that Oracle’s ability to perform the Professional Services depends upon Your fulfillment of the following obligations and the following project assumptions:

3.1. Your Obligations

- 1) Obtain a subscription to the Cloud Service under separate contract prior to the commencement of Professional Services under this SOW and maintain such subscription for the duration of the Professional Services provided under this SOW.
- 2) Provide Oracle with full access to the relevant documentation and the relevant functional, technical and business resources with adequate skills and knowledge to support the performance of Professional Services.
- 3) Provide, for all Oracle resources performing Professional Services at Your site, a safe and healthful workspace (e.g., a workspace that is free from recognized hazards that are causing, or likely to cause, death or serious physical harm, a workspace that has proper ventilation, legally acceptable oxygen concentration levels, sound levels acceptable for resources performing Professional Services in the workspace, and ergonomically correct workstations).
- 4) Provide any notices, and obtain any consents, required for Oracle to perform Professional Services.
- 5) Limit Oracle’s access to any production environments or shared development environments to the extent necessary for Oracle to perform Professional Services.
- 6) When services will be performed on-site at customer location in the US, as required by U.S. Department of Labor regulations (20 CFR 655.734), You will allow Oracle to post a Notice regarding Oracle H-1B employee(s)

at the work site prior to the employee's arrival on-site.

- 7)** Be responsible for ensuring that common, consistent functional processes exist across Your organization; including any applicable parent and subsidiary companies.
- 8)** If You have purchased a sandbox, You are responsible for performing all refreshes of that sandbox from Your production NS ERP instance.
- 9)** Do not film or record Oracle's delivery of Professional Services, Oracle resources, or any Oracle materials.
- 10)** Provide written notice of Your need to temporarily pause the performance of the Professional Services under this SOW, in order to complete Your assigned tasks and/or obligations, at least five (5) business days prior to any such pause. Any such pause will be limited to a maximum of ten (10) consecutive business days.
- 11)** If while performing Professional Services, Oracle requires access to other vendor's products (for the purposes of this SOW, the "Third Party Services") that are part of Your system, You are responsible for (a) acquiring all such products and securing the appropriate use and license rights necessary for Oracle to access such products on Your behalf, and (b) facilitating the performance of such Third Party Services, as required, for Oracle to perform the Professional Services. Oracle shall not be responsible for any disclosure, modification or deletion of Customer Data resulting from any access of the Cloud Services by Third Party Services or third party providers.
- 12)** Be responsible for performing a production refresh of the NS ERP test environment at the NSEPM kick-off.
- 13)** Ensure Your existing procedure and business process documentation is made available to Oracle in a timely manner prior to the NSEPM kick-off.
- 14)** Notify Oracle within two (2) business days about any inaccuracies or incomplete information in project documentation provided by Oracle to You.
- 15)** Develop any necessary end-user documentation, including, but not limited to, documenting specific business practices, data examples and organization/end-user specific policies and procedures.
- 16)** Be responsible for planning, executing, and managing all aspects of the system review, including preparing and executing test cases and plans and reviewing test results.
- 17)** Modify Your processes as necessary to comply with the standard functionality in the NSEPM instance.
- 18)** Be responsible for extracting the data from Your source systems, cleaning it and translating it in the format specified by Oracle and loading it in the NSEPM instance within one (1) week from the NSEPM kick-off.
- 19)** Be responsible for validating the final list data and transactional data within two (2) weeks from the NSEPM kick-off.
- 20)** Maintain responsibility for the implementation of file-based interfaces in Your existing systems including production and consumption of file-based interfaces by non-Oracle systems.
- 21)** Ensure that Your team members are dedicated to completing their obligations related to these Professional Services and their assigned tasks under the project work plan.
- 22)** Be responsible for post-production, following post Go-Live support, for maintenance and support of the NSEPM instance.
- 23)** Be responsible for data migration and system integrations between the NSEPM instance and legacy applications.
- 24)** Be responsible for exporting and manipulating relevant data from the NSEPM instance to satisfy localized taxation and reporting requirements, if applicable.
- 25)** Make reasonable efforts to limit Oracle's access to personal data to the minimum necessary to accomplish the intended purposes. You acknowledge that You are solely responsible for providing any required notices and obtaining any required consents for the processing or transfers of personal data. You acknowledge that Oracle may provide the Professional Services from Oracle's global locations.
- 26)** Prior to the NSEPM kick-off, designate and identify a business resource that will be responsible for coordinating Your participation in this project and provide on-going support for Your implementation of the in-scope applications within the NSEPM instance. Responsibilities include but are not limited to:
 - a. Provide user feedback during configuration and validation.
 - b. Be available as needed during the project to answer Oracle's questions, provide business decisions and other items as required.

- c. Provide on-going support to internal users following performance of the Professional Services.
- 27)** Be responsible for providing Your organization structure prior to personalization.
- 28)** Be responsible for having Your designated attendee, as agreed upon between You and Oracle, attend pre-requisite NSEPM business process essentials no later than ten (10) consecutive business days after the NSEPM kick-off.
- 29)** UAT Obligations:
 - a. Validate and modify UAT template test scenarios.
 - b. Define additional UAT test scenarios.
 - c. Be responsible for and complete UAT in line with testing scenarios.
 - d. Be responsible for removing all unnecessary data, as determined by You, prior to Go-Live.
- 30)** Provide Your users with all user guide(s), training material(s) and end user training relevant to Your configuration; either by ensuring Your users complete the applicable Learning Cloud Support (“LCS”) courses, or by developing and delivering the relevant user guides, training materials and training to Your users.
- 31)** Ensure that Your team members have completed the applicable NSEPM instance product training prior to NSEPM kick-off.
- 32)** Create and maintain a current backup copy of Your non-NetSuite data.
- 33)** NSPB-specific Obligations:
 - a. Be responsible for ensuring that common, consistent planning and budgeting processes exist across Your organization, including any applicable parent and subsidiary companies.
 - b. Be responsible for manually loading the NSPB employee roster template to the NSPB application.
 - c. Be responsible for client-led data load validation for actual trial balances in the NSEPM instance to NS ERP saved search results at the G/L journal entry level.
 - d. Prior to the NSEPM kick-off, be responsible for procuring and establishing a NS ERP production environment to include:
 - i. Finalized COAs.
 - ii. Segments finalized and populated with members.
 - iii. Custom Segments finalized and populated with members.
 - iv. At least up to four (4) to six (6) months of transactional level data loaded.
 - v. Any additional information, segmentation, etc. required for planning and budgeting.
 - e. Metadata and Data Migration Obligations:
 - i. Be responsible for resolving issues related to validation import errors.
 - ii. Be responsible for reconciling trial balance accounts to the NSEPM instance.
 - f. Be responsible for the NSPB application metadata maintenance (i.e., dimensions, hierarchies, member movements etc.) using Smart View or directly using NSPB application dimension editor.
 - g. If compatible with Your NS ERP configuration and business processes, You are required to set up the schedule to import pre-defined segment hierarchies from NS ERP into the NSEPM instance using standard saved searches.

3.2. Project Assumptions

- 1)** All Professional Services will be performed remotely.
- 2)** All project documentation, presentations and project communications are in English, or such other available languages the parties may agree upon in writing.
- 3)** You do not require Oracle resources to work outside their standard local country workday hours.
- 4)** Oracle resources are not dedicated to any single project and are engaged across many projects for various customers.
- 5)** Any Professional Services not expressly included in the above Description of Services are considered out of scope.
- 6)** Project timeline estimates are based on availability of Your resources and key decision makers. Lack of

access or change to project stakeholders will impact project timelines and costs if decisions cannot be made in a timely fashion.

- 7) It is Customer's responsibility to ensure that all Deliverables provided under this SOW, if any, comply with the laws and regulations applicable to Customer, its business, its services, and its customers.
- 8) Any targeted timelines or completion dates discussed with You are estimated dates and are intended for planning purposes only.
- 9) All Professional Services for configuration, customization or personalization will be in the one (1) NSEPM production instance.
- 10) Actuals data and list data (metadata) must be final in NS ERP.
- 11) The lowest level of granularity for time periods to load data to the NSEPM instance will be at the Month level.
- 12) If You have multiple entities across multiple currencies, the data for all such entities would be loaded at their base/functional currency in the applicable in-scope application. Data for all the entities at functional currency level would be sourced from NS ERP.
- 13) The applicable in-scope application will only access in-scope data, as defined in this SOW, maintained in NS ERP native tables. Data manually entered, or fed by third-party software, in NS ERP custom tables are not supported and are not in the scope of this project.
- 14) You and Oracle understand and acknowledge that go-live occurs upon completion of UAT support as the cut-over to Your production environment ("Go-Live") and that post Go-Live support begins at cut-over.
- 15) The Professional Services are designed to Go-Live in the production environment at one (1) time with all users (i.e., Go-Live is not performed in stages).
- 16) There will be no outbound interfaces from the NSEPM instance, unless otherwise specified in this SOW.
- 17) The following are not included in the scope of, or fees for, Professional Services under this SOW:
 - a. Performance testing, tuning or any management of performance services.
 - b. User guides, training materials and/or training.
 - c. Disaster Recovery planning and testing.
 - d. Configuration of NSPB task management for NSAR.
 - e. Anything not expressly identified in Section 2, Description of Services, above.
- 18) NSPB-specific Assumptions:
 - a. Data import automation is limited to balance sheet and income statement balances.
 - b. Drill back functionality from the NSEPM instance to NS ERP is limited to the income statement.
 - c. Importing of existing budgets in NS ERP is limited to a manual input into the NSEPM instance.
 - d. A single currency will be used as the global reporting currency.
 - e. Unified COA reporting layout and structure will be followed for all legal entities, business stream and location.
 - f. NSEPM kick-off is dependent on having all dimensions and dimension data (values) for metadata solidified and available in Your NS ERP production instance. If NS ERP and NSPB application are ordered at the same time, the NS ERP implementation kick-off walkthrough activities must be completed prior to the NSEPM kick-off.
 - g. The process area webforms and business rules will be limited to up to two (2) years forecast outlook from the current year, unless otherwise specified in the SOW.
 - h. Only standard trial balance saved searches are included in the SuiteSuccess bundle.
 - i. There will be no integration between any HR/Payroll system; all information will be uploaded via Smart View or CSV import.
 - j. Subsidiaries, entities, locations and departments will be on the same calendar/fiscal year for budgeting and reporting purposes.
 - k. Web reporting studio reports are limited to one (1) version of each balance sheet, income statement and cash flow statement.
 - l. Metadata and actuals trial balances loads are limited to two (2) refresh cycles.
 - m. The following are not included in the scope of, or fees for, Professional Services under this SOW:
 - i. Any additional Smart View reports/forms not specifically itemized out above in section 2.2.B.

- ii. Anything not expressly identified in Section 2, Description of Services, above.
- n. Go-Live for the NSEPM instance should be scheduled no earlier than thirty (30) days following the cut-over by You of NS ERP Go-Live.
- o. Segment is defined as a classification, (location, department, employee).
- p. A dimension is defined as the method of structuring data in the NSPB application and is typically a segment (e.g., account, location, department) or object (e.g., items, customers, vendors) from NS ERP.
- q. Balance sheet planning (working capital) is limited to Subsidiary and COA dimensions, unless otherwise specified in this SOW.
- r. If You have multi-book implemented in Your NS ERP environment prior to the NSEPM kick-off, then the single, primary book will be the source of all NSPB data.

4. Pricing & Payment Terms

Fixed Fees: The pricing set forth in this SOW represents the fixed fees for the Professional Services set forth in this SOW. Additional discounts (if any) for these Professional Services will be reflected in Your Estimate/Order Form that references this SOW and/or these Professional Services. In the event of a conflict between the pricing set forth in this SOW and the pricing set forth in Your Estimate/Order Form governing this SOW and/or these Professional Services, then the pricing set forth in Your Estimate/Order Form shall govern and control. Any expenses (as described below) are not included in the fixed fees and are an additional cost to You. The payment obligation is non-cancellable, and sum paid non-refundable except as otherwise expressly provided in Your Estimate/Order Form.

You agree to pay Oracle the fees as specified in the Estimate/Order Form for the Professional Services described in this SOW.

You acknowledge that the fixed price is based solely on the information provided to Oracle and the assumptions documented in this SOW. The total fees for this SOW are as follows:

Professional Services Fees	
Professional Services	39,900.00 USD
Total Professional Services Fees (excluding expenses described below)	39,900.00 USD

- a) **Payment Terms.** Unless otherwise noted in Your Estimate/Order Form, fees are due Net 30 days from invoice date.
- b) **Expenses:** Reasonable travel and living expenses required in connection with delivering the Professional Services will be incurred in accordance with Oracle’s internal travel and expense policy and billed monthly as actual charges.
- c) **Currency:** US Dollar.

5. Project Point of Contact

You and Oracle each agree to designate a project point of contact who shall be responsible for coordinating its activities under this SOW. You and Oracle each shall direct all inquiries concerning the Professional Services to

the other party's project point of contact. Your project point of contact shall have the authority to approve Professional Services on Your behalf. Oracle's project point of contact shall have the sole right to exercise direct control and supervision over the work assignments of Oracle resources.

6. Additional Terms

6.1 Unused Services.

The effective date of this SOW shall be the date it is last signed. The Professional Services herein must be used within the Term listed on Your Estimate/Order Form. Any portion of the Professional Services not used within the Term will be automatically forfeited by You, with no further action required of either party, and You will not be entitled to a refund, or any credit toward additional or other Professional Services, for any unused portion of the fees paid for any unused portion of the Professional Services. You may not use the fees for any services other than the Professional Services stated herein.

6.2 Change Control Process.

Any requirement(s) not included herein or items not contemplated will be handled through the Change Control Process, and may result in additional cost to You. Any and all requests for any change in Professional Services must be in writing. Oracle shall not be obligated to perform, and You shall not be obligated to pay for any such changes unless agreed upon in an Estimate/Order Form and an amendment (i.e., a change order) to this SOW, signed by both parties.

6.3 Deliverables and Tools. In the event Oracle provides You with any Deliverables under this SOW, Customer shall have the non-exclusive, worldwide, limited right to use any Deliverables solely for Your internal business operations and in connection with Your authorized use of the applicable Cloud Services. Deliverables may require the use of SuiteCloud features which are governed by the Agreement and the SuiteCloud Terms of Service found at <https://www.oracle.com/corporate/contracts/cloud-services/netsuite/other-terms.html> (or other URL as determined by Oracle). For purposes of this SOW, "**Deliverables**" means anything developed by Oracle and delivered to Customer as part of the Professional Services.

To the extent Tools are delivered with or as part of the Deliverables, and are needed to utilize the Deliverables, Oracle grants You a non-exclusive, worldwide, limited right to use the Tools solely for Your internal business operations and in connection with Your authorized use of the Deliverables. For purposes of this SOW, "**Tools**" means Oracle's proprietary tools, libraries, know-how, techniques, and expertise used by Oracle to develop the Deliverables. Tools are considered Oracle Confidential Information.

7. Signatures

The Parties expressly disclaim any reliance on any and all prior agreements, understandings, RFPs, verbal and/or written communications related to the Professional Services to be provided by Oracle.

This SOW is valid through **November 30, 2024** and shall become binding upon execution by You and acceptance by Oracle.

CUSTOMER

Authorized Signature: _____

Print Full Name: _____

Job Title: _____

Signature Date: _____

ORACLE AMERICA, INC.

Authorized Signature: _____

Print Full Name: _____

Job Title: _____

Signature Date: _____

This SOW may be signed electronically, in which case signatures may appear above or on the last page.



Health Services Report

1. DHCS Quality Sanctions

a. Updates

2. NCQA

a. Updates

DHCS Quality Sanctions

New Severity Definition

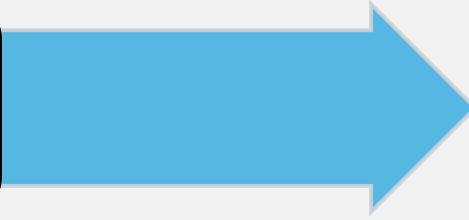
RY2024 Changes

Gordon Arakawa MD PhD

CMO & CHEO

Community Health Plan of Imperial Valley

Current Approach

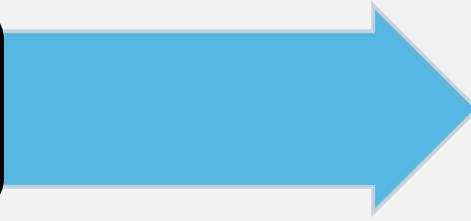


$$\text{Sanctions} = \sum \text{Severity} \times \text{Trend} \times \text{Population Not Served} \times \text{HPI}$$



Quality
Measures

Current Approach



Distance from
MPL



Population
affected by
measure



Sanctions = \sum Severity x Trend x

Population
Not Served x HPI

Comparison to
previous year



Socioeconomics



Quality
Measures

Severity - 2023



Quality
Measures

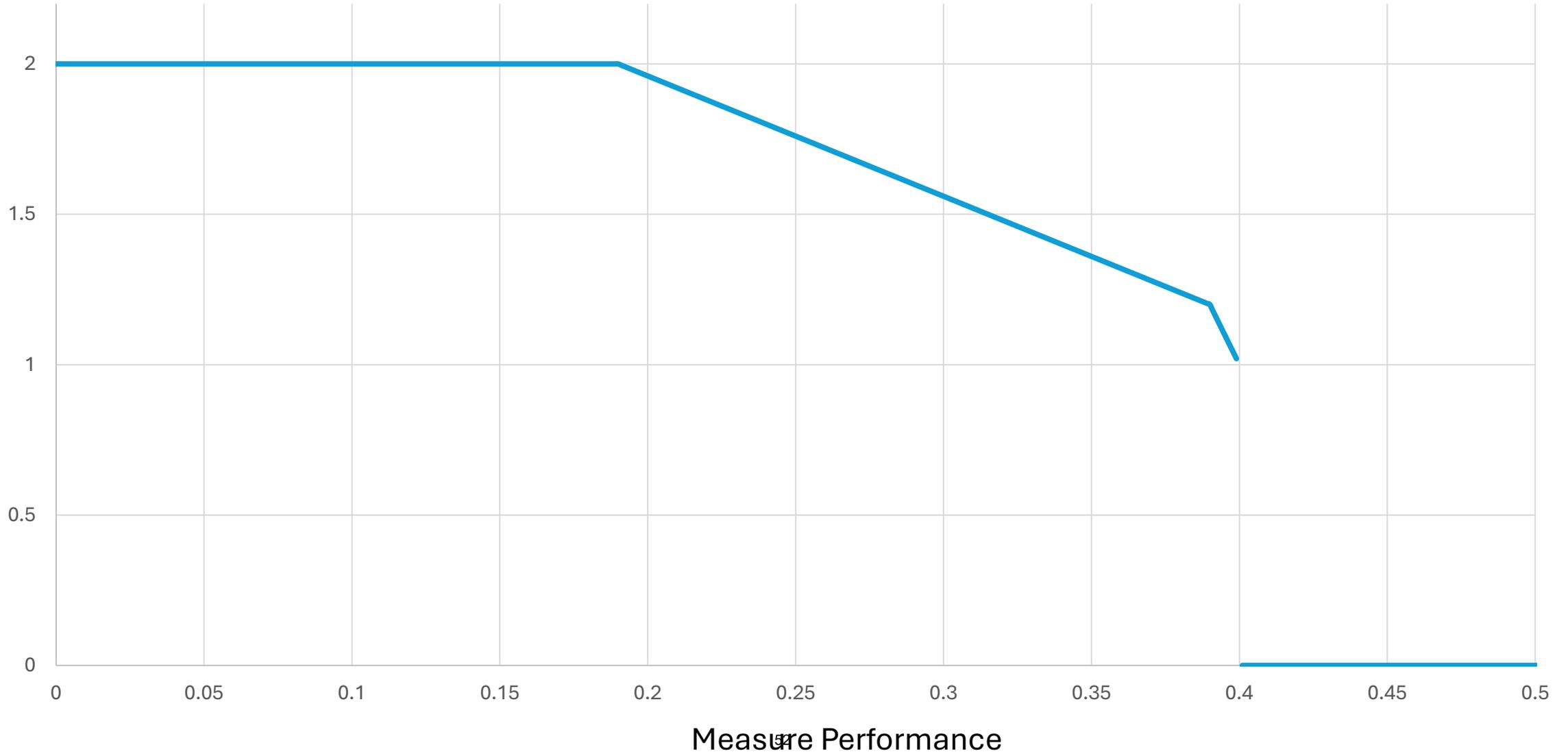
Violation and Beneficiary Impact

Severity/Beneficiary Impact	Violation per Measure	Severity Violation Factor
Minimal violation	<1% below MPL	1.0
Minor Violation	3%-5% below MPL	1.2
Moderate Violation	6%-10% below MPL	1.4
Moderately Severe Violation	11%-15% below MPL	1.6
Severe Violation	16%-20% below MPL	1.8
Extremely Severe Violation	>21% below MPL	2.0



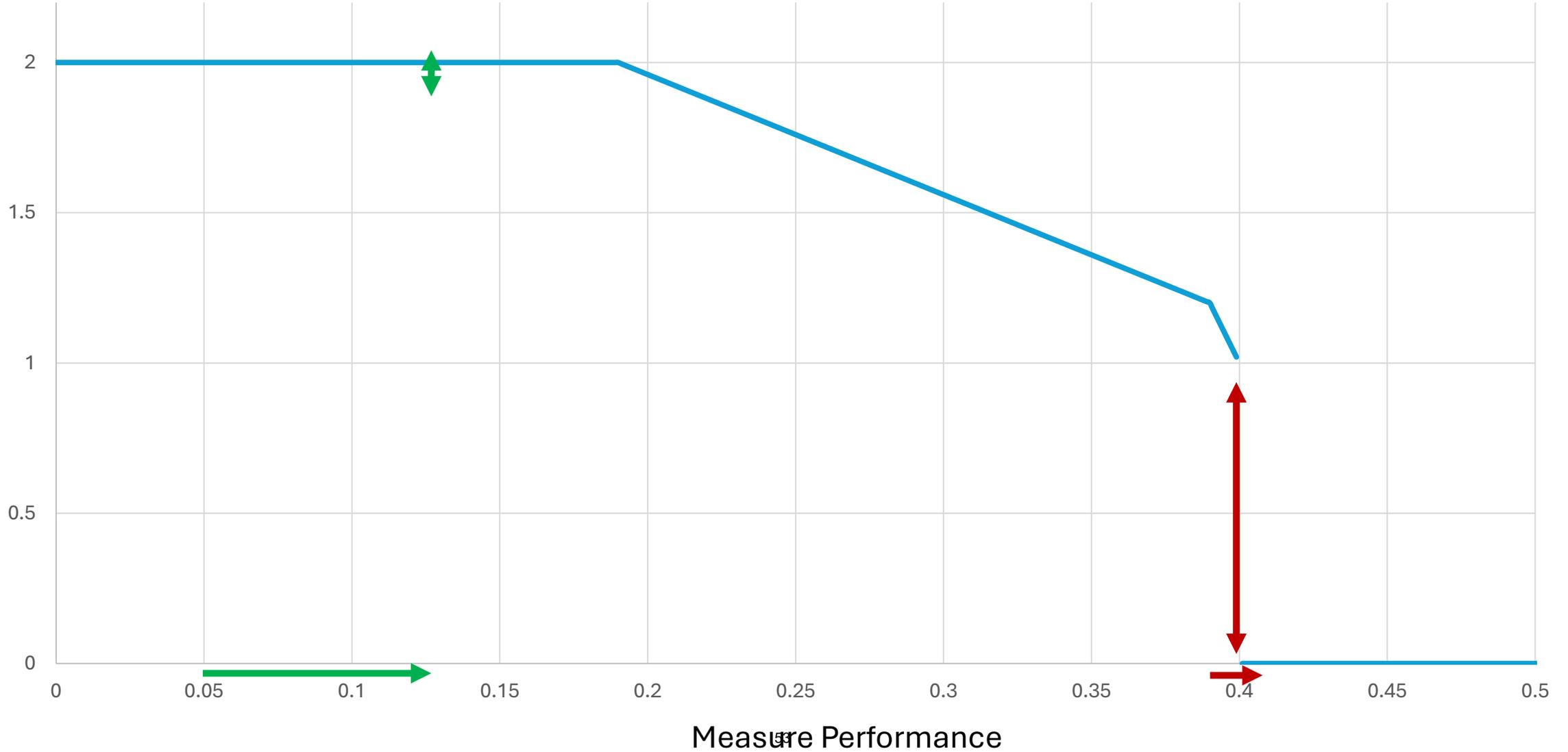
DHCS Severity Score

MPL = 0.4



DHCS Severity Score

MPL = 0.4



Severity - 2024



Quality
Measures

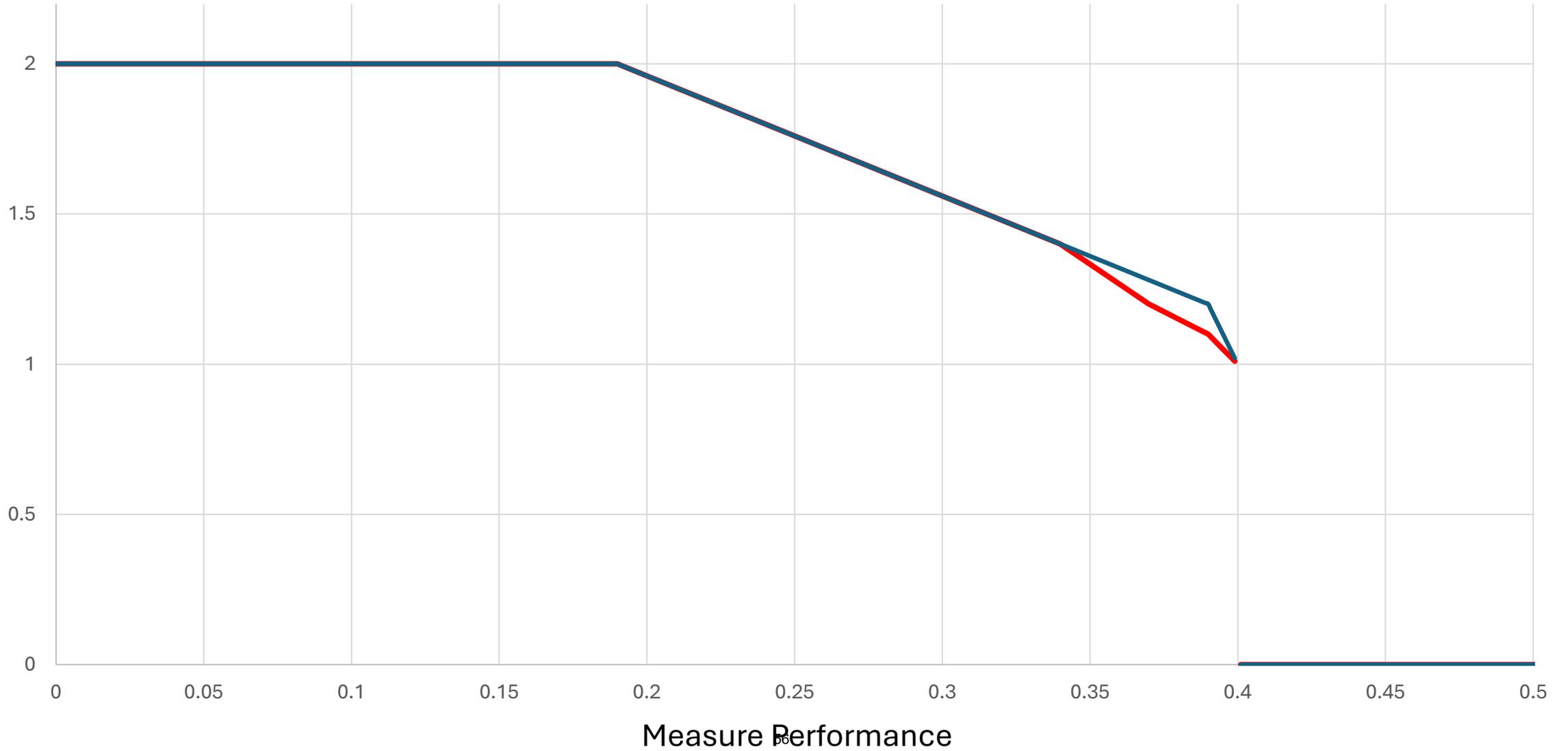
Violation and Beneficiary Impact

Severity/Beneficiary Impact	Violation per Measure	Severity Violation Factor
Minimal violation	<1% below MPL	1.0
“Very Minor Violation”	1%-2% below MPL	1.1
Minor Violation	3%-5% below MPL	1.2
Moderate Violation	6%-10% below MPL	1.4
Moderately Severe Violation	11%-15% below MPL	1.6
Severe Violation	16%-20% below MPL	1.8
Extremely Severe Violation	>21% below MPL	2.0



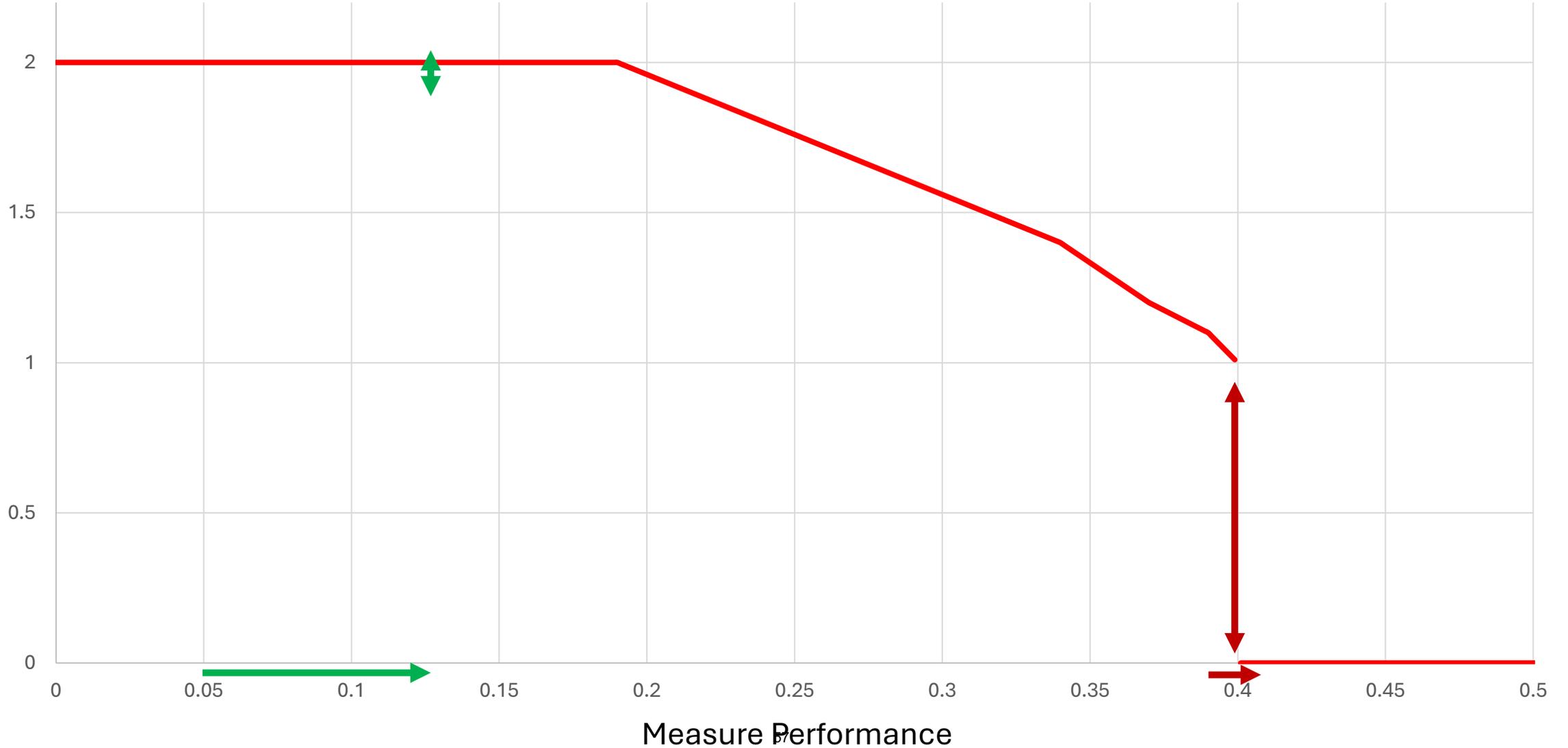
DHCS Severity Score

MPL = 0.4



DHCS Severity Score

MPL = 0.4



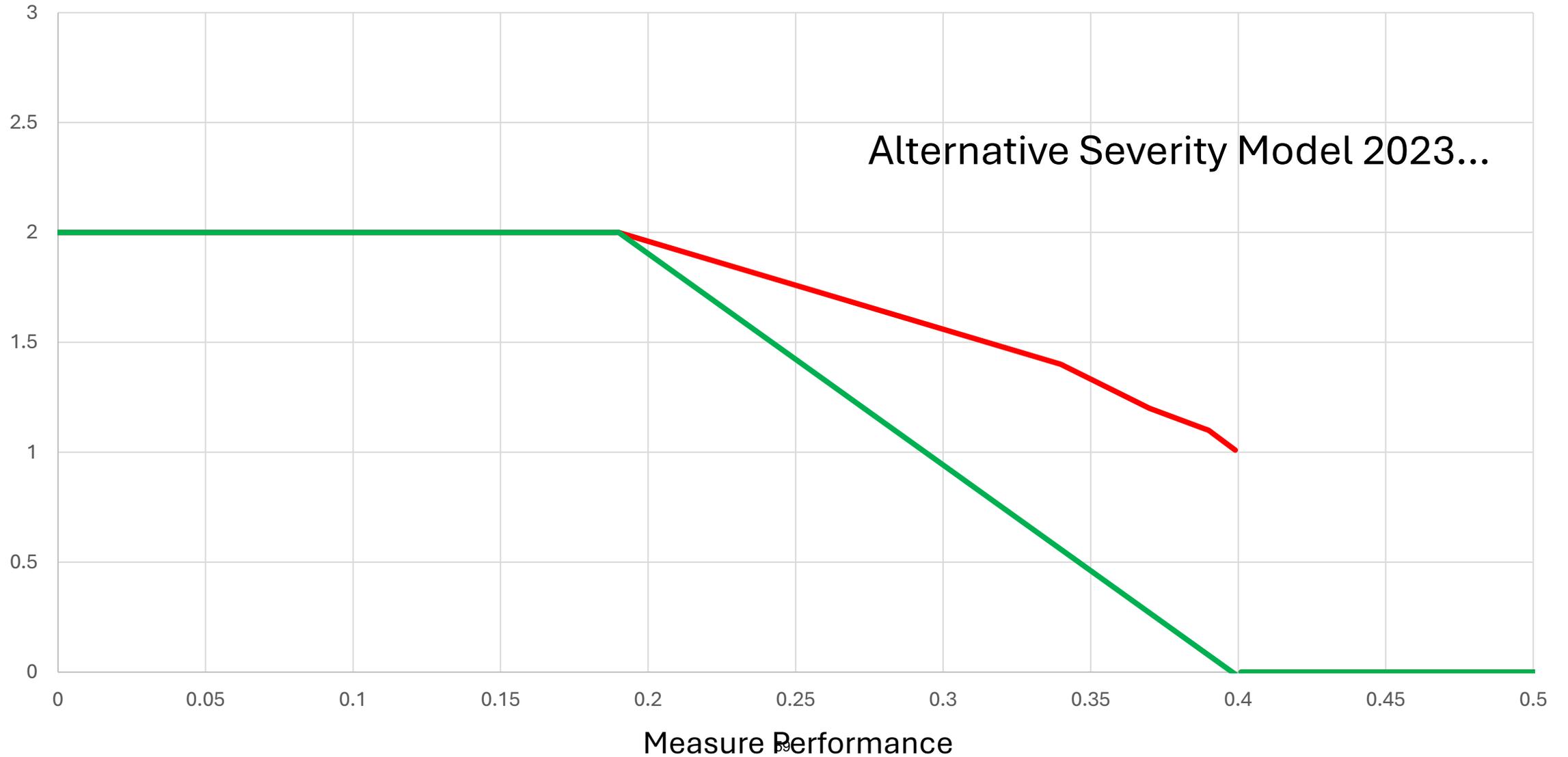
Alternative Severity Options



Quality
Measures

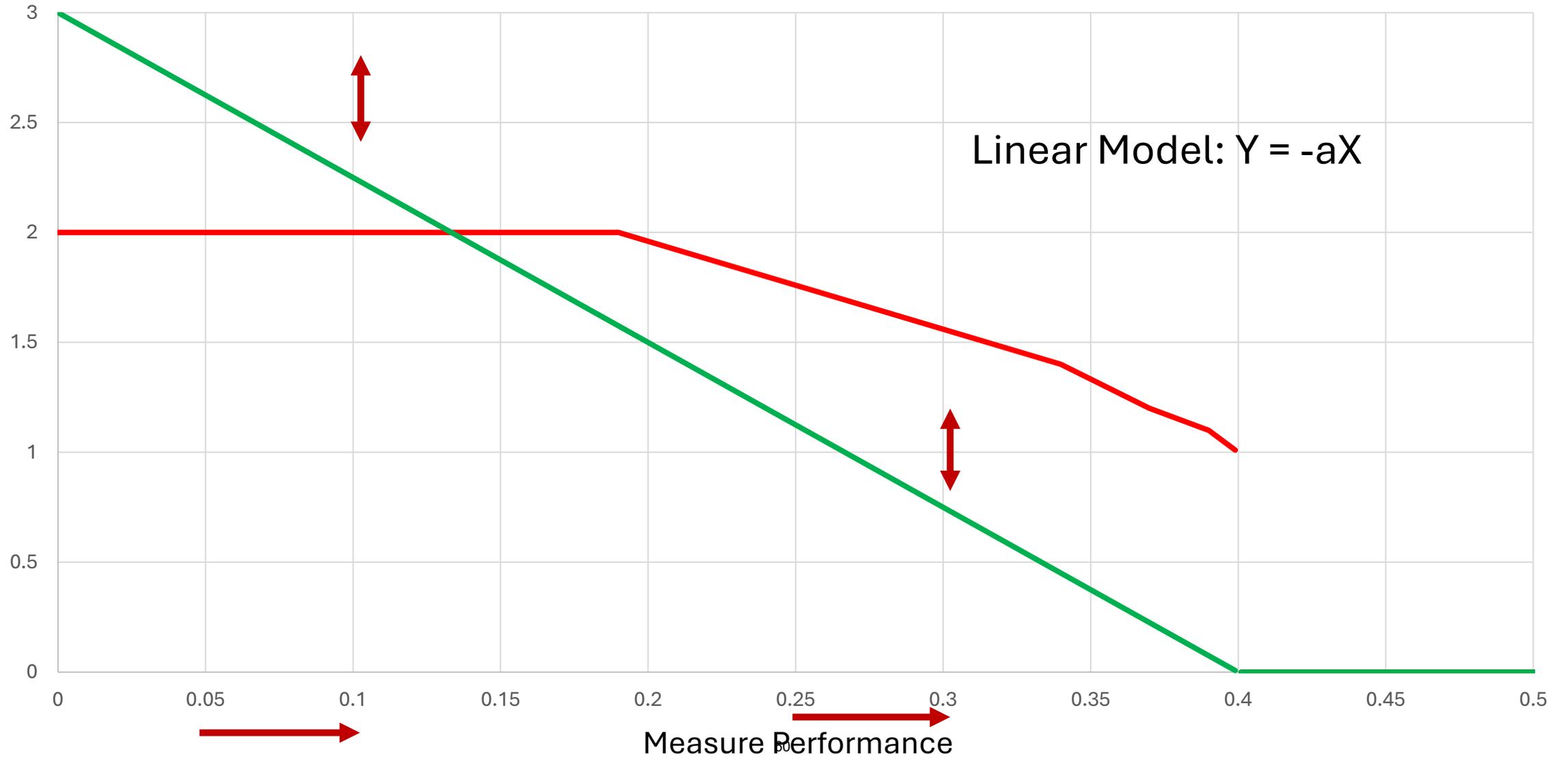
DHCS Severity Score

MPL = 0.4



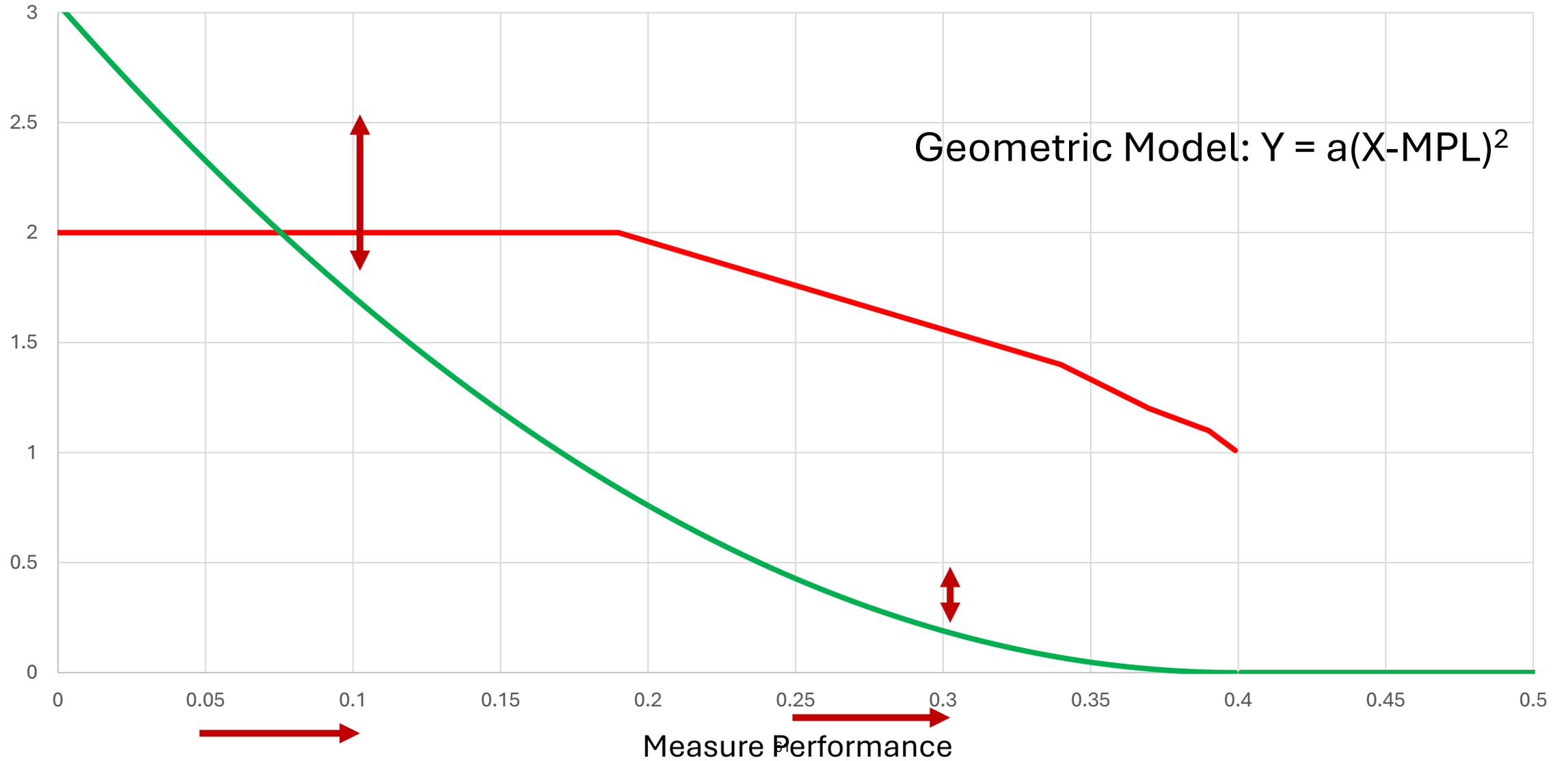
DHCS Severity Score

MPL = 0.4



DHCS Severity Score

MPL = 0.4



Questions/Comments?

NCQA Updates

NCQA Partnership

CHPIV Health Services Team has partnered with HealthNet's NCQA Team to make our NCQA Health Plan Accreditation (HPA) and Health Equity Accreditation (HEA) a success

- Teams meets bi-monthly and Ad-Hoc
- Make updates to P&P's and Audit Tools utilizing NCQA Standards
- HN NCQA Team assists with the application process and questions

NCQA Accreditation TimeLine



Accomplishments and Next Steps

Accomplishments:

- ✓ Completed a detailed review of 2024 Standards for HPA and HE
- ✓ Gap Analysis performed
- ✓ Pre-Application requirements completed
- ✓ Application Submitted

Next Steps:

Continue organizing our P&P's and audit tools

Prepare all documents prior to the lookback period beginning early 12/2024

- Additional policies and procedures will be forthcoming soon and may require approval

Complete an Annual Audit Q1 2025 which will be summarized and sent to NCQA



Local Health Authority Commission

Executive Summary: CHPIV Compliance Department Update October 2024

Updated and New Policies & Procedures

At the October 1, 2024 ad hoc Regulatory Compliance and Oversight Committee of the Commission, 12 new and revised policies and procedures were approved. Most of these were existing policies updated to meet regulatory requirements. Several policies underwent their annual review but did not require changes. Additionally, two new policies, both related to Human Resources, were approved.

The table below lists the 12 policies that were approved along with the summary of changes.

P&P #	P&P Name	Department	Functional Area	Summary of Changes
CMP-002	Delegation Oversight	Compliance	Compliance	Updates for DHCS APL 23-006
CMP-003	Corrective Action Plans	Compliance	Compliance	Annual review; no changes
CMP-005	Confidentiality and Member Privacy	Compliance	Compliance	Annual review; updated to align with AB 254 & AB 352
UM-001	Utilization Management	Health Services	Utilization Management	Annual review; minor non-substantive changes
UM-002	Referrals	Health Services	Utilization Management	Annual review; no changes
QM-001	Quality Management and Improvement	Health Services	Quality Management	Annual review; updates to align with DHCS requirements
GA-001	Grievances Process	Health Services	Appeals & Grievances	Annual review; no updates
GA-002	Appeals Process	Health Services	Appeals & Grievances	Annual review; added the requirement HSC 1368.01(b)
GA-003	Independent Medical Review (IMR)	Health Services	Appeals & Grievances	Annual review; no updates
CPR-001	Public Policy Committee	Executive Services	Community & Public Relations	Annual review; no updates
HR-004	After-Hours Communication	Human Resources	Human Resources	New policy
HR-005	New Positions	Human Resources	Human Resources	New policy



Local Health Authority Commission

Executive Summary: CHPIV Compliance Department Update October 2024

Delegation Oversight Monitoring Program - 2024 Quarter 2

The CHPIV Delegation Oversight Monitoring Program is currently evaluating Health Net’s performance across various high-risk delegated functions for 2024 Quarter 2 (April through June). Performance metrics are classified into four categories based on data accuracy and availability: compliant (green), at risk (yellow), non-compliant (red), and not reportable (grey).

The evaluation process depends on the integrity of data logs. Logs identified as invalid, inaccurate, or containing discrepancies necessitate resubmission by Health Net. Such issues are typically identified during data validation audits, which involve live webinars that examine Health Net's systems and data sources to ensure data point accuracy. Only logs that successfully pass these audits are used for performance measurement.

However, our Claims data validation efforts are ongoing due to unresolved issues related to reporting logic alignment. Specifically, we are working with the Claims team to determine whether Health Net's behavioral claims, processed in a separate system, should be included in the data log. Until this matter is resolved, Claims data will remain temporarily marked as Not Reportable. We will continue collaborating with the Claims team to submit a revised log and obtain final scores as soon as possible.

We are pleased to announce that the Q2 final scorecard was issued on 09/30/2024.

CHPIV Delegation Oversight identified three KPIs that failed to meet compliance standards for two consecutive quarters, triggering Corrective Action Plans (CAPs). These areas include Member Services - ID Cards with 90.61% issuance timeliness, Utilization Management with 90.2% provider notification timeliness, and Continuity of Care with 80% processing timeliness. Health Net must respond to these CAPs by 10/14/2024.

The table below summarizes the KPI results for Q2:

Functional Area	KPI #	KPI	Quarter 2 Results
Appeals	APPEAL001	Timely Acknowledgement of Appeals	100%
Appeals	APPEAL002	Timely Decision of Appeals	100%
Appeals	APPEAL003	Timely Effectuation of Overturned Appeals	100%
Appeals	APPEAL004	Member Notification Timeliness	100%
Claims	CLM001	Claims Payment Timeliness - 30 Calendar Days	Not Reportable
Claims	CLM002	Claims Payment Timeliness - 45 Working Days	Not Reportable
Claims	CLM003	Claims Payment Timeliness - 90 Calendar Days	Not Reportable
Claims	CLM004	Claims Acknowledgement Timeliness	Not Reportable
Claims	CLM005	Misdirected Claims Timeliness	Not Reportable
Claims	CLM006	Timely Interest Payment on Late Claims	Not Reportable
CoC	COC001	CoC Processing Timeliness	80%
CoC	COC002	CoC Notification Timeliness	100%
Grievances	GRV001	Timely Acknowledgement Letter	97.9%
Grievances	GRV002	Timely Grievance Resolution	100%
Grievances	GRV003	Member Notification Timeliness	100%
Member Services	MS001	Calls Answered within 30 seconds	98.11%
Member Services	MS002	Call Center Abandonment Rate Level	0.78%
Member Services	MS003	Timely Issuance of Member ID cards	90.61%
PDR	PDR001	PDR Acknowledgement Timeliness	100%
PDR	PDR002	PDR Written Determination Timeliness	99.92%
PDR	PDR003	Timeliness of Interest Payment on Late PDRs	100%



Local Health Authority Commission

Executive Summary: CHPIV Compliance Department Update October 2024

UM	UM001	Decision Timeliness	99.6%
UM	UM002	Member Notification Timeliness	94.6%
UM	UM003	Provider Notification Timeliness	90.2%

Additionally, we have updated the Q1 2024 scorecard to incorporate results for Claims and PDR previously marked as not reportable. PDR demonstrated strong performance with 99.25% acknowledgement timeliness and 100% for written determination timeliness and interest payment timeliness on late PDRs. Claims also demonstrated compliance with 99.86% payment timeliness within 30 calendar days, 100% payment timeliness within 45 working days and 90 calendar days, 99.76% acknowledgement timeliness, and 99.9% misdirected claims timeliness. However, Claims showed a non-compliant score of 0% timely interest payment on late claims.



Human Resources | Member Services | Community Relations

Human Resources:

1. Rippling System: All Commissioners & Staff have been transferred to our new payroll/HRIS system.
2. DEI Training – for staff & commissioners.

Community Relations:

Upcoming Events:

October 19, 2024, 6-10pm Fiesta de Los Muertos – Imperial

November 2nd 6-10 pm Chili Cook Off – Brawley

November 6th 2024 6-10 pm Mariachi Night – Brawley

November 9th 2024 8 am-1pm Parade – Brawley

December 14th Christmas in a small town – Imperial

CAC Feedback: 47 Total Members | 57 total attendees:

We heard the biggest needs from the community being the following:

- A program for mental health like the one for Pre-Diabetes, more flyers/information on mental health and early signs of depression/anxiety.
- Better interpretation services with at the provider offices
- More local member services staff
- More specialists locally (a constant need).
- Extended office hours with the doctors, many members complained about their jobs not allowing them to take the time off for visiting their PCPS.

