



**AGENDA**

**Local Health Authority Commission  
July 8th, 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
<b>Dr. Theodore Affue</b>	LHA Commissioner – Imperial County Medical Society	
<b>Dr. Bushra Ahmad</b>	LHA Commissioner – County of Imperial – Chief Medical Officer	
<b>Dr. Carlos Ramirez</b>	LHA Commissioner – Unicare – CNO, COO	
<b>Dr. Unnati Sampat</b>	LHA Commissioner – MD, Imperial Valley Family Care Medical Group	
<b>Dr. Allen Wu</b>	LHA Commissioner – Inncare, Chief Medical Officer	
<b>Christopher Bjornberg</b>	LHA Commissioner-Chief Executive Office of PMHD	
<b>Miguel Figueroa</b>	LHA Commissioner – County of Imperial – Chief Executive Officer	
<b>Paula Llanas</b>	LHA Commissioner – County of Imperial – Director of Social Services	
<b>Ryan E. Kelley</b>	LHA Commissioner – County of Imperial – Board of Supervisors	
<b>Pablo Velez</b>	LHA Commissioner – ECRMC Chief Executive Officer	
<b>Yvonne Bell</b>	LHA Vice-Chair – Chief Executive Officer – Inncare	
<b>Lee Hindman</b>	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. CLOSED SESSION**

Pursuant to Welfare and Institutions Code § 14087.38 (n) Report Involving Trade Secret new product discussion (estimated date of disclosure, 01/2024)

- A. Update/Action on Contract with Health Net Community Solutions, Inc.

**4. RECONVENE OPEN SESSION**

- A. Report on actions taken in closed session.

**5. 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 6/10/2024
- B. Accept Monthly Financial Reports reviewed and accepted by the Finance Committee.
  - 1. May 2024 P&L Variance Report
  - 2. May 2024 Cash Transactions
  - 3. May 2024 Cash Reconciliation
  - 4. May 2024 Statement of Revenues, Expenses, and Changes in Net Position
  - 5. May 2024 Statement of Net Position
  - 6. May 2024 Statement of Revenues, Expenses, and Changes in Net Position (YTD)
- C. Employee Dependent Medical Insurance Premium Coverage will be added at 75%

**6. ACTION**

- A. Accept Health Management Associates (HMA) Interim CFO Agreement

**7. INFORMATION**

- A. Health Services Report (*Dr. Gordon Arakawa, CMO*)
- B. Financial Services Report (*Tony Godinez, Senior Manager of Accounting*)
- C. Compliance Report (*Elysse Tarabola, CCO*)



- 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*)
- G. Commissioner Remarks (*Lee Hindman, Chair*)

**Adjournment**

Next meeting: August 12, 2024, at 5:30 PM



**MINUTES**

**Local Health Authority Commission**

**June 10th, 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	✓ R
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	✓
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	A
Pablo Velez	LHA Commissioner – ECRMC Chief Executive Officer	A
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*

*Meeting called to order at 5:35 p.m.*

A. Roll Call

*Donna Ponce, Commission Clerk*

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

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

*(Ramirez/Wu) Approved to move item 7D to the front of the agenda. Motion carried.*

**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. CLOSED SESSION**

Pursuant to Welfare and Institutions Code § 14087.38 (n) Report Involving Trade Secret new product discussion (estimated date of disclosure, 01/2024)

- A. Update/Action on Contract with Health Net Community Solutions, Inc.
- B. Draft Bylaws Update-General Counsel Report (*Bill Smerdon, Legal Counsel*)
- C. Employee Benefits

**4. RECONVENE OPEN SESSION**

- A. Report on actions taken in closed session.

**5. 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 5/13/2024
- B. Accept Monthly Financial Reports reviewed and accepted by the Finance Committee.
  - 1. April 2024 P&L Variance Report
  - 2. April 2024 Cash Transactions
  - 3. April 2024 Cash Reconciliation
  - 4. April 2024 Statement of Revenues, Expenses, and Changes in Net Position
  - 5. April 2024 Statement of Net Position
  - 6. April 2024 Statement of Revenues, Expenses, and Changes in Net Position (YTD)

*(Ramirez/Ahmad) To approve the Consent Agenda. Motion carried.*

**6. ACTION**

- A. Accept the 2023 Annual Audit presented by Moss Adams as reviewed and accepted by the Finance Committee.

*Stelian Damu, Audit Engagement Partner and Kyle Rogers, Audit Senior Manager of Moss Adams presented the 2023 audit results for CHPIV.*

*(Ramirez/Sampat) To accept the 2023 annual audit as present. Motion carried.*



- B. Discussion/Action on Resolution for removal of a signatory for First Foundation Bank.  
*(Wu/Sampat) To approve resolution for removal of a signatory for First Foundation Bank.  
Motion carried.*

**7. INFORMATION**

- A. Health Services Report *(Dr. Gordon Arakawa, CMO)*  
*CMO, Dr. Gordon Arakawa updated the commission on the following:*
- 1. Review of Health Net's Q2 QIHEC Materials*
  - 2. National Commission for Quality Assurance Accreditation*
  - 3. Meetings with Health Net Counterparts*
- B. Financial Services Report *(Tony Godinez, Senior Manager of Accounting)*  
*Senior Manager of Accounting, SMA, Tony Godinez provided clarification on the 2023 Annual Audit as conducted by Moss Adams regarding the following:*
- Significant Deficiencies-Co-Chair Bell asked if CHPIV would get a management letter if there were significant deficiencies. Mr. Godinez confirmed that this was correct.*
  - Segregation of Duties*
  - Quick Books*
- Chair Hindman added that if ever there are questions regarding financial matters, feel free to contact CEO, Larry Lewis and SMA, Tony Godinez.*
- C. Compliance Report *(Elysse Tarabola, CCO)*  
*CCO, Elysse Tarabola and Senior Director of Compliance, Chelsea Hardy, updated the commission on the following:*
- Delegation Oversight Monitoring Program which includes monitoring activities for all the high-risk areas. Elysse added that she hoped that a final scorecard and dashboard would be available for the July LHA meeting.*
  - The Regulatory Compliance Oversight Committee is in the process of setting a Q2 meeting date.*
- D. Human Resources and Community Relations Report *(Michelle S. Ortiz-Trujillo, SDHRCR)*  
*Senior Director of Human Resources and Community Relations (SDHRCR), Michelle Ortiz-Trujillo updated the commission of the following:*
- 1. Human Resources*
    - a. Workplace Violence Prevention Training assigned to CHPIV team*
  - 2. Community Relations. Michelle added that the Receptionist/Member Services Coordinator position has been filled. The new hire is Ariday Rosales who started on June 3, 2024.*
    - b. Quarter 2-Community Advisory Committee (CAC)*  
*The meeting was held on June 6, 2024. Michelle reported that there was a total of seventeen Medi-Cal members. Meeting minutes to be shared at July LHA meeting.*
  - 3. Member Services*  
*CHPIV is working with the Compliance team for the monitoring of the call center.*



E. CEO Report (*Larry Lewis, CEO*)

*CEO, Larry Lewis updated the commission on the following:*

- *CFO Resignation. CHPIV has engaged with a recruiting agency, HMA Consulting, in search of a permanent replacement. In the meantime, HMA is assisting in seeking a fractional, or part time CFO to assist.*
- *DSNP Program Application*
- *Facility Update-Receptionist/Member Services Coordinator position has been filled by Ariday Rosales. Executive Assistant/Commission Clerk, Donna Ponce has moved to one of the hoteling spaces supporting the CEO, CMO, CCO, as well as the future CFO. SMA, Tony Godinez has relocated to SDHRCR's old office. Air Conditioning unit has been replaced.*

F. Other new or old business (*Lee Hindman, Chair*) *None.*

G. Commissioner Remarks (*Lee Hindman, Chair*)

*Newly appointed Commissioner Christopher Bjornberg of Pioneers Memorial Healthcare District introduced himself to the commission. CHPIV Commission and staff also took the time to introduce themselves to Commissioner Bjornberg.*

*Commissioner Sampat stated that she attended a conference in Washington, D.C. on behalf of the American College of Physicians, chosen to represent one of the Southern California Physicians.*

**Adjournment**

*The meeting was adjourned at 6:29 p.m.*

**IMPERIAL COUNTY LOCAL HEALTH AUTHORITY**  
**dba Community Health Plan of Imperial Valley**  
**Year to Date P&L Variance**  
**1/1/2024 to 5/31/2024**

	May	May	May	Year To Date	
	Forecast	Actual	Variance	Variance	Explanation
<b>REVENUE</b>					
HN Settlements	-	-	-	(142)	
Premium	22,249,362	23,553,944	1,304,582	1,304,579	Actual premium more than projected.
Pass-Through	883,592	404,583	(479,009)	(479,008)	Actual pass-through less than projected.
Profit Share Revenue		602,764	602,764	602,764	Actual profit share revenue more than projected.
<b>TOTAL REVENUE</b>	<b>23,233,300</b>	<b>24,561,290</b>	<b>1,327,990</b>	<b>1,265,862</b>	
<b>HEALTH CARE COSTS</b>	<b>22,465,472</b>	<b>23,155,324</b>	<b>689,852</b>	<b>689,850</b>	
<b>Gross Margin</b>	<b>767,827</b>	<b>1,405,966</b>	<b>638,139</b>	<b>576,012</b>	
<b>ADMINISTRATIVE EXPENSE</b>					
Salaries	235,344	355,425	120,081	33,835	
Benefits and Bonus	76,826	33,873	(42,953)	(171,562)	The bonus has not been accrued.
<b>Total Labor Costs</b>	<b>312,170</b>	<b>389,298</b>	<b>77,128</b>	<b>(137,727)</b>	
Consulting, Audit, Legal, other Prof	10,508	41,141	30,632	121,976	Increase in legal and recruiting/hiring fees.
Office Occupancy	14,606	17,602	2,996	36,760	
Other Misc Admin	21,976	29,404	7,427	50,766	
<b>Total Administrative Expense</b>	<b>359,261</b>	<b>477,445</b>	<b>118,184</b>	<b>71,775</b>	
<b>Non-Operating Income</b>					
Dividend & Investment Income	100,347	87,271	(13,075)	(75,061)	
Rental Income	-	5,800	5,800	5,800	
<b>Total Non-Operating Income</b>	<b>100,347</b>	<b>93,071</b>	<b>(7,275)</b>	<b>(69,261)</b>	
<b>Excess Revenues from Operations</b>	<b>408,566</b>	<b>1,021,592</b>	<b>613,026</b>	<b>650,843</b>	

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

Date	Account	Vendor	Memo/Description	Amount
<b>Chase Checking</b>				
05/03/2024	Chase Checking	JPMorgan Chase	Dividend Income - Apr 2024	\$ 15,703.16
05/03/2024	Chase Checking	Centene Corporation	May 2024 Rental Income	5,800.00
05/03/2024	Chase Checking	Centene Corporation	05/01/24 - Centene Payment	-22,384,873.00
05/03/2024	Chase Checking	Mid Atlantic Trust Company	05/01/24 - Mid Atlantic Payment	-17,641.62
05/03/2024	Chase Checking	JPMorgan Chase	Apr 2024 Service Charges	-1,808.92
05/03/2024	Chase Checking	360 Business Products	Chase Bill Pay - Invoice	-405.66
05/03/2024	Chase Checking	Brawley Rotary Club	Chase Bill Pay - Invoice	-160.00
05/03/2024	Chase Checking	City of Imperial	Chase Bill Pay - Invoice	-193.92
05/03/2024	Chase Checking	i.Access, Inc.	Chase Bill Pay - Invoice	-45.00
05/03/2024	Chase Checking	Imperial Irrigation District	Chase Bill Pay - Invoice	-1,426.53
05/03/2024	Chase Checking	I.V. Termite & Pest Control	Chase Bill Pay - Invoice	-120.00
05/03/2024	Chase Checking	Kaz-Bros Design Shop	Chase Bill Pay - Invoice	-301.68
05/03/2024	Chase Checking	Law Office of William S. Smerdon	Chase Bill Pay - Invoice	-1,457.50
05/03/2024	Chase Checking	Nossaman LLP	Chase Bill Pay - Invoice	-13,609.30
05/03/2024	Chase Checking	Quench USA	Chase Bill Pay - Invoice	-453.43
05/03/2024	Chase Checking	City of Imperial	Chase Bill Pay - Invoice	-141.17
05/03/2024	Chase Checking	VDC Arellano 3 LLC	Chase Bill Pay - Invoice	-2,500.00
05/03/2024	Chase Checking	Vic's Air Conditioning & Electrical	Chase Bill Pay - Invoice	-4,885.07
05/10/2024	Chase Checking	Mid Atlantic Trust Company	Chase Bill Pay - Invoice	-9,243.90
05/10/2024	Chase Checking	360 Business Products	Chase Bill Pay - Invoice# OE-QT-31813-3	-300.49
05/10/2024	Chase Checking	CLEANBC, LLC	Chase Bill Pay - Invoice# 007	-700.00
05/10/2024	Chase Checking	Conveyor Group	Chase Bill Pay - Invoice# 11110	-7,940.00
05/10/2024	Chase Checking	Health Management Associates, Inc.	Chase Bill Pay - Invoice# 0000015	-6,750.00
05/10/2024	Chase Checking	Department of Health Care Services	Chase Bill Pay - Invoice# 0001	-90.00
05/17/2024	Chase Checking	Department of Health Care Services	05/14 Receipt - DHCS	22,312,479.97
05/17/2024	Chase Checking	Department of Health Care Services	05/14 Receipt - DHCS	397,640.18
05/17/2024	Chase Checking	Department of Health Care Services	05/14 Receipt - DHCS	59,229.68
05/17/2024	Chase Checking	Department of Health Care Services	05/14 Receipt - DHCS	7,490.52
05/17/2024	Chase Checking	Department of Health Care Services	05/14 Receipt - DHCS	897.00
05/17/2024	Chase Checking	360 Business Products	Chase Bill Pay - Invoice# OE-65543-1	-99.87
05/17/2024	Chase Checking	ADT Security Services	Chase Bill Pay - Invoice# 9199UE00	-355.58
05/17/2024	Chase Checking	AM Copiers Inc.	Chase Bill Pay - Invoice# IN5019	-193.03
05/17/2024	Chase Checking	Brawley Chamber of Commerce	Chase Bill Pay - Invoice# 22967	-75.00
05/17/2024	Chase Checking	Employee: Donna Ponce	Chase Check# 6666 - Ponce, Donna Payroll	-98.85
05/17/2024	Chase Checking	Imperial Desert Landscape	Chase Check# 6665 - Invoice# 24-089	-2,650.00
05/17/2024	Chase Checking	KY Cakes	Chase Check# 6664 - Invoice# 0002	-30.00
05/17/2024	Chase Checking	Vic's Air Conditioning & Electrical	Chase Bill Pay - Invoice# 98059	-9,180.00
05/24/2024	Chase Checking	Mid Atlantic Trust Company	05/24/24 - Mid Atlantic Payment	-9,243.90
05/24/2024	Chase Checking	ADT Security Services	Chase Bill Pay - May Statement	-138.26
05/24/2024	Chase Checking	Air Med Care Network	Chase Check# 6667 - Agreement	-1,500.00
05/24/2024	Chase Checking	Economic Group Pension Services	Chase Bill Pay - Invoice# 189075	-535.00
05/24/2024	Chase Checking	Morgan Consulting	Chase Bill Pay - Invoice# 3475	-16,333.00
05/24/2024	Chase Checking	State Compensation Insurance Fund	Chase Bill Pay - Invoice# 1002048091	-815.08
05/24/2024	Chase Checking	State Compensation Insurance Fund	Chase Bill Pay - Invoice# 1002048092	-815.08
05/24/2024	Chase Checking	Technology Depo	Chase Bill Pay - Invoice# 13789	-120.16
05/24/2024	Chase Checking	Technology Depo	Chase Bill Pay - Invoice# 13898	-497.95
05/31/2024	Chase Checking	Centene Corporation	05/31/24 - Centene Payment	-22,103,856.00
05/31/2024	Chase Checking	Department of Managed Health Care	Chase Bill Pay - Invoice# 23-10630	-346.08
05/31/2024	Chase Checking	Great America Financial Services	Chase Bill Pay - Invoice# 36588034	-336.61
05/31/2024	Chase Checking	Imperial Irrigation District	Chase Bill Pay - Service Date 04/24/24 - 05/22/24	-1,570.04
05/31/2024	Chase Checking	KY Cakes	Chase Check# 6668 - Invoice# 0003 & 0004	-95.00
05/31/2024	Chase Checking	Republic Services	Chase Bill Pay - Pickup Service 06/01/24 - 06/30/24	-141.17
05/31/2024	Chase Checking	VDC Arellano 3 LLC	Chase Bill Pay - Invoice# VDC3-1004	-2,500.00
<b>First Foundation Bank</b>				
05/31/2024	FFB Payroll	First Foundation Bank	05/01/24 - Wire Fee	-10.00
05/31/2024	FFB Payroll	Paychex, Inc.	05/02/24 - Paychex TPS Taxes	-39,353.96
05/31/2024	FFB Payroll	Paychex, Inc.	05/02/24 - Paychex Payroll	-72,274.38
05/31/2024	FFB Payroll	Paychex, Inc.	05/03/24 - EIB Invoice	-65.73
05/31/2024	FFB Payroll	First Foundation Credit Card	05/03/24 - Credit Card Payment	-9,429.83
05/31/2024	FFB Payroll	Paychex, Inc.	05/16/24 - Paychex TPS Taxes	-39,218.48
05/31/2024	FFB Payroll	Paychex, Inc.	05/16/24 - Paychex Payroll	-71,273.42
05/31/2024	FFB Payroll	Paychex, Inc.	05/17/24 - EIB Invoice	-69.29
05/31/2024	FFB Payroll	Paychex, Inc.	05/20/24 - OAB Invoice	-49.50
05/31/2024	FFB Payroll	First Foundation Credit Card	05/30/24 - Credit Card Payment	-13,944.91
05/31/2024	FFB Payroll	Blue Shield CA	05/30/24 - Health Ins Payment	-14,555.31
05/31/2024	FFB Payroll	Paychex, Inc.	05/30/24 - Paychex TPS Taxes	-38,306.50
05/31/2024	FFB Payroll	Paychex, Inc.	05/30/24 - Paychex Payroll	-76,444.73
05/31/2024	FFB Payroll	Paychex, Inc.	05/30/24 - EIB Invoice	-70.45
05/31/2024	FFB Payroll	First Foundation Bank	05/15/24 - Wire Fee	-10.00
05/31/2024	FFB Payroll	First Foundation Bank	05/29/24 - Wire Fee	-10.00
05/31/2024	FFB Payroll	Pablo Velez	05/28/24 - Check# 10158	-200.00
<b>J.P. Morgan Securities</b>				
05/31/2024	J.P. Morgan Securities	J.P. Morgan Securities	Investment Income - May 2024	75,918.04
05/31/2024	J.P. Morgan Securities	J.P. Morgan Securities	Bank Fee - May 2024 (Bond Portfolio)	\$ -1,744.80

**Community Health Plan of Imperial Valley  
Cash Reconciliation - May 2024**

**Chase Bank - Checking Account #3723**

Bank Balance - May 2024	\$	200,000.00	
Add: Deposits in Transit		0.00	
Less: Outstanding Transactions		(1,500.00)	
CHPIV Balance - May 2024	\$	<u>198,500.00</u>	[A]

**J.P. Morgan Securities - Bond Account #4427**

Bank Balance - May 2024	\$	8,683,445.84	
Add: Deposits in Transit		0.00	
Less: Outstanding Transactions		0.00	
CHPIV Balance - May 2024	\$	<u>8,683,445.84</u>	[A]

**First Foundation Bank - Restricted Deposit #4602**

Bank Balance - May 2024	\$	300,000.00	
Add: Deposits in Transit		0.00	
Less: Outstanding Transactions		0.00	
CHPIV Balance - May 2024	\$	<u>300,000.00</u>	[A]

**Chase Bank - Money Market Sweep #3723**

Bank Balance - May 2024	\$	3,142,157.49	
Add: Deposits in Transit		0.00	
Less: Outstanding Transactions		0.00	
CHPIV Balance - May 2024	\$	<u>3,142,157.49</u>	[A]

**First Foundation Bank - Payroll Account #2698**

Bank Balance - May 2024	\$	30,701.13	
Add: Deposits in Transit		0.00	
Less: Outstanding Transactions		0.00	
CHPIV Balance - May 2024	\$	<u>30,701.13</u>	[A]

**Total Cash Reconciliation**

QuickBooks - Cash (Current)	\$	12,054,804.46	
QuickBooks - Cash (Noncurrent)		<u>300,000.00</u>	
Total Cash Per QuickBooks		12,354,804.46	
Total Cash Per Reconciliation		<u>12,354,804.46</u>	[A]
Difference	\$	-	

**NOTE: The County of Imperial fund has been closed.**

*Tony Godinez, Jr.*  
Preparer: Tony Godinez, Jr. - Senior Accounting Manager

*Larry Lewis, CEO*  
Approver: Larry Lewis - Chief Executive Officer

**Community Health Plan of Imperial Valley**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For May 2024**

**REVENUES**

DHCS Premium	\$ 23,553,944
DHCS Pass-Through	404,583
Profit Share Revenue	602,764
<b>Total Operating Revenues</b>	<b>24,561,290</b>

**OPERATING EXPENSES**

Medical Expenses	
Healthcare Capitation	22,750,742
Healthcare Pass-Through	404,583
<b>Total Medical Expenses</b>	<b>23,155,324</b>

Administrative Expenses

Salaries, Wages, and Employee Benefits	390,798
Professional fees	41,141
Office Expenses & Administrative	27,053
Occupancy - Cleaning, Landscape, Rent, Utilities	8,031
Supplies & Services	851
Depreciation and Amortization	9,571
<b>Total Administrative Expenses</b>	<b>477,445</b>

<b>Total Operating Expenses</b>	<b>23,632,770</b>
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<b>OPERATING INCOME</b>	<b>928,521</b>
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**NON-OPERATING REVENUES**

Dividend Income - Chase Money Market	17,681
Investment Income - J.P. Morgan Securities	69,590
Rental Income - HealthNet Office Space	5,800
<b>Total Non-Operating Revenues</b>	<b>93,071</b>

<b>Increase In Net Position</b>	<b>1,021,592</b>
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<b>NET POSITION, beginning of period</b>	<b>17,089,316</b>
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<b>NET POSITION, ending of period</b>	<b>\$ 18,110,908</b>
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**Community Health Plan of Imperial Valley**  
**Statement of Net Position**  
**As of May 31, 2024**

**ASSETS**

Current Assets

Cash and Investments	
Chase - Checking	\$ 198,500
Chase - Money Market	3,142,157
JPMorgan Securities	8,683,446
First Foundation Bank	30,701
Receivables	
Accounts Receivable	2,028,239
Dividend Receivable	17,681
Premium Receivable	24,222,967
Pass-Through Receivable	404,583
Other Current Assets	
Prepaid Expenses	11,696
<hr/>	
<b>Total Current Assets</b>	<b>38,739,970</b>

Noncurrent Assets

Restricted Deposit	
First Foundation Bank - Restricted	300,000
Capital Assets	
Buildings - Net	3,017,339
Computer Hardware & Office Equipment - Net	8,908
Improvements - Net	21,061
Intangible Assets - Net	22,139
Operating ROU Asset (Copier) - Net	8,445
<hr/>	
<b>Total Noncurrent Assets</b>	<b>3,377,892</b>
 <b>Total Assets</b>	 <b><u>\$ 42,117,862</u></b>

**Community Health Plan of Imperial Valley  
Statement of Net Position  
As of May 31, 2024**

**LIABILITIES**

CURRENT LIABILITIES

Payables	
Accounts Payable	\$ 36,681
Capitation Payable	23,496,278
Pass-Through Payable	404,583
Credit Card Payable	650

Other Current Liabilities	
Short Term Lease Liability - Copier	3,283
Vacation Accrual	60,204

<b>Total Current Assets</b>	<b>24,001,678</b>
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NON-CURRENT LIABILITIES

Long Term Lease Liability - Copier	5,276
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<b>Total Noncurrent Liabilities</b>	<b>5,276</b>
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<b>Total Liabilities</b>	<b>24,006,954</b>
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**NET POSITION**

Net investment in Capital Assets	3,377,892
Restricted by Legislative Authority	300,000
Unrestricted	12,287,616
Net Revenue	2,145,400

<b>Total Net Position</b>	<b>18,110,908</b>
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<b>Total Liabilities and Net Position</b>	<b>\$ 42,117,862</b>
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**Community Health Plan of Imperial Valley**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**As of May 31, 2024**

**REVENUES**

DHCS Premium	\$ 112,551,388
DHCS Pass-Through	3,938,951
Profit Share Revenue	602,764
Health Net Contributions	134,859
<b>Total Operating Revenues</b>	<b>117,227,961</b>

**OPERATING EXPENSES**

Medical Expenses	
Healthcare Capitation	109,078,262
Healthcare Pass-Through	3,938,951
<b>Total Medical Expenses</b>	<b>113,017,212</b>

Administrative Expenses

Salaries, Wages, and Employee Benefits	1,368,305
Professional fees	185,952
Office Expenses & Administrative	107,226
Occupancy - Cleaning, Landscape, Rent, Utilities	63,339
Supplies & Services	21,969
Depreciation and Amortization	46,847
<b>Total Administrative Expenses</b>	<b>1,793,638</b>

<b>Total Operating Expenses</b>	<b>114,810,850</b>
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<b>OPERATING INCOME</b>	<b><u>2,417,110.81</u></b>
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**NON-OPERATING REVENUES**

Dividend Income - Chase Money Market	123,345
Investment Income - J.P. Morgan Securities	187,817
Interest Income - County of Imperial	2,018
Rental Income - HealthNet Office Space	5,800
<b>Total Non-Operating Revenues</b>	<b>318,979</b>

<b>Increase In Net Position</b>	<b>2,736,090</b>
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<b>NET POSITION, beginning of year</b>	<b><u>15,374,819</u></b>
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<b>NET POSITION, ending of period</b>	<b><u>\$ 18,110,908</u></b>
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### **Background Information**

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For a variety of reasons, employers frequently include health insurance in their employee benefits packages.

Enticing and Retaining Talent: By providing health insurance, an organization can enhance its appeal to prospective employees and aid in the retention of existing personnel.

A healthy workforce is more likely to be productive and to be absent from work because of illness or injury, resulting in decreased absenteeism.

Contributing to a healthier work environment, employer-sponsored programs can assist in the promotion of physical and mental health.

The confluence of these elements may result in a workforce that is more consistent and efficient, which is advantageous for the overall prosperity of an organization.

### **Research**

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We have obtained data from a variety of health plans in California (CalOptima, LA Care, IEHP, and more) and have determined that, on average, they cover 80% of the premiums for employees and dependents.

The proposal is to increase the coverage for dependents from 0% to 75% has been reviewed by the Finance and Executive committees. Increasing the annual cost of our health benefits by approximately \$40,000.

This will still be below the cost of other plans' medical insurance contributions.

### **Recommendations**

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I have attached a spreadsheet that shows the cost difference between what we currently cover VS. what enhancing the coverage would take us to in the budget.

We are recommending that the commission approve the contribution to dependents' health insurance premium coverage to 75%.

# HEALTH MANAGEMENT ASSOCIATES

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June 4, 2024

Larry Lewis  
Chief Executive Officer  
Community Health Plan of Imperial Valley  
512 West Aten  
Imperial, CA 92251

Re: Interim Chief Financial Officer Services

Dear Larry:

On behalf of Health Management Associates, Inc. (HMA), thank you for the opportunity to submit our proposal to provide interim Chief Financial Officer (CFO) services for the Community Health Plan of Imperial Valley (CHPIV). This proposal stems from the communications we had on Tuesday, May 21<sup>st</sup> regarding the imminent departure of the current CFO and your desire to obtain interim services as soon as possible, and our follow up discussion with you on Thursday, May 30, 2024.

HMA has successfully tackled a wide variety of health care issues, working directly with federal, state, and local government agencies, hospitals and health systems, health plans, providers, foundations, investors, community organizations, and associations to effect change. We stand ready to assist CHPIV with the provision of interim CFO services while the health plan pursues the recruitment of a CFO, which is already underway.

As a follow-up to our discussion, we propose the following Letter Agreement.

## SCOPE OF SERVICES

HMA will provide the following services and any other tasks, as requested:

- Provide interim CFO leadership to the CHPIV finance department for approximately 25-to-30 hours per week and support them with the following services:
  - » Report to the CEO
  - » Oversee and manage the accounting department and ensure timely, accurate, and compliant accounting practices are followed
  - » Preparation of monthly financial statements, management financial reports, and California Department of Managed Health monthly, quarterly, and annual financial statement filings
  - » Financial analysis for provider contracting, budget, accounting, and ad-hoc reports
  - » Review of financial data provided by CHPIV's delegated subcontractor partner (Health Net of California)
  - » Review of Encounter data submission reports before submission to the Department of Health Care Services
  - » Review actuarial reports for incurred but not reported (IBNR) and rate setting

- » Review monthly financial reporting package and board and finance committee presentations
- » Support any state audits, planned or unplanned, from county, state, or federal regulators
- » Assist in delegation oversight of financial aspects of Health Net contract
- » Manage existing CHPIV finance and accounting staff, as applicable
- » Support the finance team as necessary.

Such services shall be made available until otherwise directed by CHPIV.

Prior to the commencement of services, HMA requires that Community Health Plan of Imperial Valley provide documentation that Health Management Associates, Inc. and its employees Mike Engelhard and Aaron Ramthun are listed as an additional insured on your Directors and Officers insurance for the duration of the interim services contract.

## DELIVERABLES

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

Deliverable		Description	Date
<b>1.</b>	Initial Scope of Services discussion	Call and/or meeting with CEO	May 30, 2024
<b>2.</b>	Commencement of Interim Services	Set weekly responsibilities and workload expectations	Beginning June 3, 2024

## STAFFING

Mike Engelhard will serve as the project manager and will ensure timely completion of deliverables, coordinate team activities, and provide consistent communication with Community Health Plan of Imperial Valley. Aaron Ramthun, associate principal, will provide remote, day-to-day interim CFO services with subject matter consultation and involvement from Mr. Engelhard. Additional HMA staff, including from Cirdan Health Systems and Consulting, will provide services for the project as appropriate upon your approval.

Short biographies for the individuals who will work on this project, along with an overview of HMA, are provided at the end of this letter.

## TERM OF AGREEMENT

This Agreement will begin on May 30, 2024, and continue in effect until either party gives the other party thirty (30) days written notice of termination. If this Agreement is terminated by a party's written notice of termination, you agree to compensate HMA for all services rendered prior to HMA's actual knowledge of termination and for all out-of-pocket expenses incurred to date.

## PROJECT FEES

The services described above will be provided on a time-and-materials basis. In addition, all out-of-pocket expenses will be reimbursed. Professional hourly rates and travel time will be billed as indicated

in the table below. Based on the currently available information, we estimate professional fees and travel time of \$225,000, including expenses. As the project progresses, additional requests are made, or the scope evolves, we will provide updated estimates on the overall professional fees and expenses if necessary. We will submit invoices monthly for services provided in the previous month. These invoices will be payable upon receipt.

Title	2024 Professional Hourly Rates	2024 Travel Time Rates
Managing Principal/Director	\$485	\$270
Associate Principal	\$400	\$235

HMA billing rates increase on January 1 of each calendar year unless agreed otherwise in writing.

### CONFIDENTIALITY, NON-DISCLOSURE, CONFLICTS AND GENERAL TERMS

HMA often serves multiple clients within a certain industry or market, including those with potentially opposing interests, and HMA’s relationship with you will not be an exclusive relationship. Accordingly, HMA may have served, may currently be serving, or may in the future serve, other companies whose interests may be adverse to yours. In all such situations, HMA is committed to maintaining the confidentiality of each client’s information, and ensuring that your interests, proprietary and otherwise, are protected. To that end, HMA strictly adheres to our Policy and Guidelines Related to Conflicts of Interest and Proprietary Information which contain nondisclosure procedures (such as firewall protocols and other safeguards) for the purpose of maintaining each client’s confidential information and ensuring that your interests are protected.

Both parties acknowledge that, in the course of performing work under this Agreement, a party may learn of or receive confidential, trade secret, or other proprietary information concerning the other party or third parties to whom the party has an obligation of confidentiality (Confidential Information). Each party agrees to take at least such reasonable precautions to protect the other party’s Confidential Information as it takes to protect its own Confidential Information and agrees to not disclose to any third party any Confidential Information belonging to the other party.

All of the services will be performed by HMA as an independent contractor. This Agreement does not create a relationship between the parties of employment, joint venture, or agency. You agree that, for a period of two (2) years from the date of termination of this Agreement, neither you nor any of your representatives will entice away, solicit for employment, or employ any current or former employee of HMA without the express written consent of HMA. With prior notice, HMA may change the staff assigned to provide the Consulting Services with staff of equal abilities and qualifications. HMA may enter into subcontractor agreements for the performance of the services.

Attached are our standard terms and conditions for the provision of services ("Terms and Conditions"), which are incorporated into this Letter Agreement. This Letter Agreement and the Terms and Conditions will constitute the entire agreement between HMA and Community Health Plan of Imperial Valley related to the project described above. We are happy to discuss the proposed services and terms with you or provide any additional information you may require. The proposed services, staffing arrangements, and this Letter Agreement are valid for sixty days from the date of HMA’s signature, after which the project fees and staff availability may be subject to change.

If this Letter Agreement is acceptable to you, please sign and return to HMA's contracts senior director, Jeff DeVries via email, fax, or mail to the following address.

Jeff DeVries  
Health Management Associates  
2501 Woodlake Cir, Ste 100  
Okemos, MI 48864  
contracts@healthmanagement.com  
517-482-0920 (fax)

Questions can be directed to me at (714) 732-4925 or [mengelhard@healthmanagement.com](mailto:mengelhard@healthmanagement.com).

Sincerely,



Michael Engelhard  
Managing Director

Approved by:



Kelly Johnson, Chief Administrative Officer  
Health Management Associates, Inc.

June 4, 2024

Date

For Community Health Plan of Imperial Valley

Date

Please complete for invoicing purposes:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail: \_\_\_\_\_

Phone: \_\_\_\_\_

PO Number \_\_\_\_\_

Receive invoices via e-mail

## STAFF EXPERIENCE



### **Michael P. Engelhard, MBA, Managing Director, Regional Managed Care Organizations**

An accomplished health plan executive, Michael Engelhard has more than 30 years of executive, operational, and financial leadership in healthcare, banking, and business services. He understands all aspects of publicly funded healthcare programs. A strategic thinker, he knows how to strengthen an organization's business operations and outcomes.

During his tenure at HMA, Mr. Engelhard has led an array of projects, including strategic planning for California-based Medi-Cal plans; assessing one Texas-based health plan's operations and financial forecast and ongoing support; developing a five-year strategic plan for another Texas Medicaid health plan; restructuring a health plan's internal finance and accounting department; designing an independent practice association and clinic system strategy involving service area expansion; advising a provider group and provider association regarding Medicaid program policy and reimbursement; and supporting Programs of All-Inclusive Care for the Elderly (PACE) organizations regarding expansion and rate setting.

His expertise includes organizational leadership, strategy and strategic planning, financial analysis and modeling, rate setting, Medicaid and Medicare program design and expertise, and program compliance.

Prior to joining HMA, Mr. Engelhard served as CEO at Gold Coast Health Plan, where he oversaw all aspects of the plan's operations, including board, regulatory, finance, and community relations. He ensured members had access to quality healthcare and that services were delivered in a cost-effective manner.

He previously served as CFO and treasurer at CalOptima, a Medicaid and Medicare Dual Eligible Special Needs Plan in Orange County, California. He led the plan's finance, treasury, accounting, procurement, and actuarial services. As treasurer, he served as acting chairman of the board of directors' investment committee. In addition, he was part of the executive team that established the CalOptima Foundation; purchased, designed, and oversaw the construction of a headquarters building; and secured state approvals to open a PACE program and participate in the state's Medicaid-Medicare pilot program.

Prior to joining CalOptima, Mr. Engelhard worked at Health Net, Inc., in multiple positions, including vice president and regional finance officer for the company's senior products division and as Health Net's vice president of investor relations.

He began his career as a nuclear engineer, working for the Bechtel Corporation in San Francisco, California.

Mr. Engelhard earned his master's degree in business administration with a concentration in finance from Columbia Business School in New York City and his bachelor's degree in nuclear engineering from the University of California, Santa Barbara.



### **Aaron Ramthun, Associate Principal**

Aaron Ramthun is a financial professional with more than 20 years of experience working across the healthcare finance field, including Medicare bids, Medicaid rate book reviews, and budgeting. Mr. Ramthun has a demonstrated track record of improving operational efficiency and implementing innovative forecasting practices. He is skilled in financial modeling, determining the financial viability of

entering a new product or geographical area, and predicting the financial implications of Dual Eligible Special Needs Plan supplemental benefits, changes to quality measures, and Star rating changes.

Before joining HMA, Mr. Ramthun was associate director of finance and, previously, finance manager of UnitedHealthcare's Medicare and Retirement's complex care products. In these positions, he provided focused financial direction to the portfolio and coordinated the development of the five-year long-range model by incorporating known factors, estimating risk-adjustment factors, providing actuarial guidance on medical trends, anticipating membership volumes, and understanding impacts from strategic investments. He incorporated foreseeable market forces into the quarterly forecast process and generated a product-oriented monthly reporting package on current performance versus forecast expectations, engaging cross-functional partners in field finance, actuary, marketing, sales management, and healthcare affordability teams.

During this time, Mr. Ramthun also assisted UnitedHealthcare's Community and State segment as the interim community plan market CFO. He led a cross-functional team to complete contractually required financial statements for the Commonwealth of Massachusetts, including income statements, encounter-to-financial crosswalks, and annual rate-setting documents. Further demonstrating his collaboration skills, he partnered with plan leaders to identify market developments and worked with clinical and operations leaders to avoid duplicative positions and invest in needed roles, allowing him to correct performance gaps that directly impacted revenue payments. Mr. Ramthun also developed segment resources to improve market forecasting accuracy, annual budgets, and long-range business plans.

Before joining UnitedHealthcare, Mr. Ramthun worked with Ecolab Inc. as an associate financial analyst, a financial analyst in the textile care division, and a senior financial analyst in corporate planning and analysis. As a senior financial analyst, he summarized and reported on business performance related to strategic investments, analyzed gross margins, and reviewed cash flow variance. Mr. Ramthun created new processes that generated thoughtful analysis and actionable details for the operational review package. He also used the Lean Six Sigma framework to create and implement standardized templates and reporting methodologies to accurately detail results and forecast future periods.

Mr. Ramthun earned his bachelor of science degree in accounting from Globe College and his bachelor of arts degree in biology from Saint John's University.

## ABOUT HEALTH MANAGEMENT ASSOCIATES

The HMA team including our subsidiaries, is more than 750 consulting colleagues strong and growing, with experience that spans the healthcare industry and stretches across the nation. Dedicated to serving populations who depend on publicly funded services, HMA successfully tackles a wide variety of healthcare issues, working directly with federal, state, and local government agencies, health systems, providers, health plans, foundations, associations, and others to effect change. Our colleagues have held senior level positions in medical and behavioral health provider systems, public health agencies, community-based organizations, state and federal agencies, managed care, and accountable care organizations. We offer a breadth and depth of experience we believe is valuable to our clients in helping them achieve their goals and effect change.

Founded in 1985, HMA is a private, for-profit "C" corporation, incorporated in the State of Michigan in good standing and legally doing business as Health Management Associates, Inc.

### THREE MONTHS FREE ACCESS TO HMA INFORMATION SERVICES

As an HMA consulting client, you may be eligible for a three-month free trial to HMA Information Services (HMAIS), an online, subscription database that provides competitive information on the structure of Medicaid and Medicare by state. For additional information and to activate your free trial, [click here](#).

## TERMS AND CONDITIONS

**1. Compensation and Expenses.** You agree to compensate HMA for the services to be provided by HMA ("Consulting Services") in accordance with the compensation schedule set forth in the Letter Agreement (the "Fees"). At its discretion, HMA may change the compensation schedule from time to time provided that (a) HMA may not change compensation quoted as a fixed price for an entire project for specified Consulting Services, and (b) individual hourly billing rates set forth in the Letter Agreement may not be increased more than once in any calendar year. You also agree to pay directly, or reimburse HMA, for HMA's reasonable and necessary out of pocket expenses incurred in rendering Consulting Services. Such reasonable and necessary expenses may include without limitation the expenses of telephone, photocopying, data acquisition, data generation, travel, lodging, meals, postage, overnight mail, and relevant supplies. HMA's expenses will be paid or reimbursed at HMA's cost, without any markup, margin, or profit to HMA.

**2. Billing and Payment.** At such intervals as are set forth in the Letter Agreement, HMA will send billing statements to you with a reasonable itemization of the Consulting Services performed by HMA, the expenses incurred by HMA, and the Fees payable by you for such Consulting Services. HMA's invoices are due upon receipt and become past due thirty (30) days after receipt. Past due invoices shall be subject to late charges of one percent (1%) per month. Until further notice from you, HMA's billing statements are to be sent by email, fax, and/or regular mail to the addressee of the Letter Agreement. You agree to pay each HMA billing statement in full within thirty (30) days of receiving the billing statement. Payments to HMA are preferred via electronic funds transfer (Bank: Bank of America, Account no. 375011515507 Account name: Health Management Associates, Inc. Routing no. 072000805 Wire routing no. 026009593), or, unless otherwise directed by HMA, mailed to the following address:

Health Management Associates, Inc.  
PO Box 7411071  
Chicago, IL 60674-1071

**3. Contacts and Notices.** For the purposes of this Agreement, each party agrees to identify a primary contact person to whom all Agreement matters and notices may be communicated. A party may change its contact person from time to time by written notice to the other party. Notice from one party to another relating to this Agreement is effective if made in writing (including fax and email) and delivered to the recipient's address, fax number, or email address. Until further notice, HMA's primary contact person and notice addresses are:

Contracts Senior Director  
Health Management Associates, Inc.  
2501 Woodlake Cir, Ste 100  
Okemos, Michigan 48864  
Fax 517-482-0920  
E Mail: [contracts@healthmanagement.com](mailto:contracts@healthmanagement.com)

Until further notice, your primary contact person and notice addresses are the addressee of the Letter Agreement.

**4. Liability; Disclaimer of Warranty.**

A. Subject to the limitations of this Section 4, each party agrees to be responsible for its own negligence, gross negligence, or deliberately wrongful acts and omissions and neither party will be liable to the other for consequential, punitive, special, incidental, and exemplary loss, damage or expenses (or for business interruption, lost business, lost profits or lost savings), whether based on breach of contract, tort (including negligence), strict liability, product liability, under statute or otherwise, even if it has been advised of the possibility of such damage.

B. Your exclusive remedy, and HMA's sole obligation, for any breach of this Agreement will be for HMA, upon receipt of written notice from you, to use commercially reasonable efforts to cure the breach at its own expense, or, if HMA is unwilling or unable to do so, to return any Fees paid to it by you for the Consulting Services related to such breach.

C. The limit of HMA's liability (whether in contract, tort, negligence, strict liability, product liability, under statute or otherwise) to you or to any third party concerning performance or non-performance by HMA, or in any manner related to this Agreement, for any and all claims, will not in the aggregate exceed the Fees and expenses paid by you to HMA hereunder.

D. All Consulting Services provided pursuant to this Agreement are provided on an "as is" basis. HMA makes and gives no warranty concerning the Consulting Services, express or implied, including any implied warranties of fitness for a particular purpose, all of which are hereby disclaimed.

E. This Section 4 will survive any termination of this Agreement.

**5. Taxes.** Each party is solely and completely responsible for any and all income taxes due and owing by it to any governmental entity or agency (local, state and/or federal) on any monies or compensation received by it. This paragraph will survive any termination of this Agreement.

## 6. Work Product & Residuals.

A. **Definitions.** The definitions set forth in this Section 6(A) shall apply to this Agreement:

(i) "Preexisting Work" shall mean all of a party's content, expression, materials, documentation, software and technology possessed by the party prior to this Agreement or developed independently of this Agreement.

(ii) "Residuals" shall mean all of HMA's ideas, know-how, approaches, methodologies, concepts, skills, tools, techniques and processes, and all intellectual property rights such as patent, trademark, and copyright, irrespective of whether possessed by HMA prior to, or acquired, developed or refined by HMA under this Agreement.

(iii) "Work Product" shall mean the deliverables hereunder including but not limited to all written, graphic, stored, and/or recorded materials prepared or generated in connection with HMA's Consulting Services, whether individually by HMA or jointly with you.

B. Except for the license granted in Section 6(H) below, all right, title, and interest (including, but not limited to, all copyrights, patents, trademarks, trade secrets and other

intellectual property rights) in all Work Product is and will remain the property of HMA.

C. All right, title, and interest (including, but not limited to, all copyrights, patents, trademarks, trade secrets and other intellectual property rights) in the Residuals and HMA's Preexisting Work are and will remain the property of HMA, together with any and all modifications, improvements, enhancements, or derivatives of the same, that were conceived, derived, authored, developed, or reduced to practice by HMA or otherwise were in HMA's possession prior to performance of the Consulting Services, or that are conceived, derived, authored, developed, or reduced to practice during the course of or in connection with the provision of Consulting Services whether by HMA alone or jointly with any input or participation from you.

D. To the extent such Work Product and Residuals are not deemed owned by HMA, you hereby assign to HMA all right, title and interest in the Work Product and Residuals, except for any of content, expression, materials, documentation, software and technology possessed by you prior to this Agreement which is incorporated therein ("Client IP"). You exclusively own and retain all right, title and interest (including, but not limited to, all copyrights, patents, trademarks, trade secrets and other intellectual property rights) to all Client IP.

E. HMA's ownership and use of Work Product and Residuals is subject to the restrictions of this Agreement as to your Confidential Information.

F. HMA retains the right to use any generalized knowledge, ideas, concepts, techniques, methodologies, practices, processes and know-how learned by its personnel in the course of performing the Consulting Services under this Agreement, which are retained in intangible form in the unaided memory of HMA's personnel, without any obligation to account to you. If during the performance of this Agreement, you suggest to HMA any new features, concepts or improvements related to or based upon HMA's Preexisting Work or Residuals or the Work Product (the "Enhancements"), the Enhancements shall be the sole and exclusive property of HMA and shall be free from the confidentiality restrictions provided in the Agreement.

G. The parties agree to sign documents and take other actions reasonably necessary to protect and enforce the rights and obligations created by this Section 6. This Section 6 will survive any termination of this Agreement.

H. **License.** Notwithstanding the foregoing, upon final payment of all amounts due to HMA hereunder, HMA grants you an irrevocable, nonexclusive, non-transferable, perpetual, paid-up, worldwide license (except as set forth in Section 6(H)(i)) to the Work Product, including any Residuals or HMA Preexisting Work therein, to use, copy, modify and prepare derivative works for your internal business purposes only. You may not distribute or sublicense the Work Product to any third party, except to independent contractors who will use the same solely for your benefit, and who have entered into a written agreement containing confidentiality provisions at least as protective of HMA's confidential information as those set forth in this Agreement. Under no circumstances may you distribute the Work Product, any Residuals or Company Preexisting Work to any entity which

competes with HMA without the express written permission of HMA.

(i) If this Agreement is terminated due to your breach, all licenses granted hereunder shall terminate.

**7. HIPAA.** The parties understand and agree that this Agreement is subject to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the Privacy Regulations, 45 C.F.R. Parts 160 and 164 issued under HIPAA. The parties agree to comply with HIPAA and the regulations issued under HIPAA and to execute any documents that may be required by HIPAA or the HIPAA Privacy Regulations.

**8. Force Majeure.** If, due to circumstances beyond the control of a party (such as war, act of God, flood, severe adverse weather conditions, riots, strikes, labor stoppages, natural disaster or fire), a party is unable to perform its obligations under this Agreement, then it will not be liable to the other party for failure to perform if it has, in good faith, used its best efforts to perform under the circumstances. A party will resume performance as soon as reasonably practical after the cessation of the circumstances that prevented its performance.

**9. Publicity.** HMA may, in the context of a written list containing its clients, publish the fact that you are its client.

**10. Severability.** If any clause, portion, provision, concept, or section of this Agreement is legally unenforceable or invalid for any reason, the parties acknowledge and agree that such unenforceability or invalidity shall not affect the enforceability or validity of the remainder of the Agreement.

**11. Governing Law.** This Agreement will be construed, governed, and enforced in accordance with the laws of the State of Michigan without giving effect to any choice or conflict of law provision or rule. The parties agree that, for purposes of jurisdiction and venue, all litigation arising under or in connection with this Agreement will be conducted in courts located in the State of Michigan.

**12. Entire Agreement and Amendments.** These Terms and Conditions and the attached Letter Agreement constitute the entire Agreement of the parties pertaining to the Consulting Services, and this Agreement supersedes and cancels all previous written or oral negotiations, proposals, agreements, or representations relating to the subject matter of the Consulting Services. This Agreement may not be amended unless the amendment is in writing and signed by both you and HMA.

**13. Assignment.** Neither party may assign this Agreement without the prior written consent of the other party, which consent may be granted or withheld for any reason or no reason. However, if a party is sold (through a sale of substantially all of its stock, membership interests, and/or assets), the sale transaction will not be treated as an assignment, the prior written consent of the other party is not required, and the selling party's successor in interest will be recognized as a party to this Agreement.

**14. Non-Waiver.** The failure of a party to insist in any one or more instances upon performance of any of the provisions of this Agreement, or the failure of a party to pursue its rights under this Agreement, will not be construed as a waiver of any such provisions or the relinquishment of any such rights.

**15. Counterparts.** This Agreement may be executed and delivered in two (2) or more counterparts (including by facsimile or PDF), each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

3/22/2024



## Health Services Report

1. Q2 QIHEC
2. National Commission for Quality Assurance (NCQA) Accreditation
3. Meetings with Health Net Counterparts



# Local Health Authority Commission

Executive Summary: CHPIV Compliance Department Update July 2024

## Delegation Oversight Monitoring Program - 2024 Quarter 1

The CHPIV Delegation Oversight Monitoring Program is currently evaluating Health Net’s performance across various delegated functions for 2024 Quarter 1 (January through March). 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.

As of now, the only logs that have passed data validation and have been deemed accurate are Appeals and Grievances. These areas have achieved 100% timeliness in the acknowledgment, decisions, and member notifications for appeals; and 98% and 100% timeliness in acknowledgment and resolution of grievances, respectively. However, the process for overturned appeals needs improvement, with a current compliance rate of 80%.

To provide more context, the table below summarizes data log issues that were identified, which has required multiple resubmissions for all areas.

Area	Data Log Issues	Data Validation Audit Status	Next Steps
<b>Appeals</b>	<ul style="list-style-type: none"> <li>Noncompliance with report specifications</li> <li>Time discrepancies (effectuation time reported prior to decision time)</li> </ul>	<b>Pass</b>	Scores final.
<b>Claims</b>	<ul style="list-style-type: none"> <li>Noncompliance with report specifications</li> <li>Incorrectly reporting RA/EOB generation date instead of mail date</li> <li>Inability to report claims acknowledgement date</li> </ul>	<b>Revalidation Pending</b>	Pending log resubmission on 7/1/2024
<b>Continuity of Care</b>	<ul style="list-style-type: none"> <li>Missing CoC Determination Letter Mailed Date</li> <li>Misclassification of urgent cases as non-urgent)</li> </ul>	<b>Revalidation Pending</b>	Pending revalidation on revised log on 6/27/2024
<b>Grievances</b>	<ul style="list-style-type: none"> <li>Date/time discrepancies (Resolution dates/times prior to decision dates/time)</li> </ul>	<b>Corrected</b>	Scores final.
<b>Member Services - ID Card</b>	<ul style="list-style-type: none"> <li>7k+ cases reported effective date several months later than the member ID card mailed date</li> <li>Incorrect inclusion of reissued ID cards for existing members</li> </ul>	<b>Revalidation Pending</b>	Pending log resubmission on 6/25/2024



# Local Health Authority Commission

Executive Summary: CHPIV Compliance Department Update July 2024

Area	Data Log Issues	Data Validation Audit Status	Next Steps
<b>Provider Dispute Resolution (PDR)</b>	<ul style="list-style-type: none"> <li>• Noncompliance with report specifications</li> <li>• Cases reported prior to CHPIV go-live</li> <li>• Incorrect reporting RA/EOB generation date instead of mail date</li> <li>• Using claims data instead of claims data (Adjusted claim number and not the PDR tracking number, Original claim submission type and not the PDR submission type, Claim payment/processing date and not the PDR decision date)</li> </ul>	<b>Revalidation Pending</b>	Pending log resubmission on 7/1/2024
<b>Utilization Management</b>	<ul style="list-style-type: none"> <li>• Noncompliance with report specifications</li> <li>• Time discrepancies (Columns are not consistently reflecting either CST or PST)</li> </ul>	<b>Revalidation Pending</b>	Pending log resubmission on 6/25/2024

A final scorecard will be released once all data logs pass data validation and KPI scores are recalculated using accurate data. Further, we will be able to show claims payment timeliness scores specifically for Pioneer Memorial Hospital and El Centro Regional Medical Center, as requested by the Regulatory Compliance Oversight Committee of the Commission.

We acknowledge the delay in delivering the first preliminary scorecard for Q1 (January - March) data. This delay occurred because it was Health Net's first submission of this type of report, which includes a more comprehensive set of data points than previously required. This significant implementation and best practice monitoring process took considerable time and effort to develop. Despite the slight delay, it is a remarkable achievement that we've come this far. Moving forward, we anticipate receiving data from Health Net by the 20th of each month, which will enable us to release scorecards more promptly.



Human Resources | Community Relations | Member Services

1. Human Resources

- a. Workplace Violence Prevention Training has been completed.

Definition of Workplace Violence: As per Labor Code section 6401.9, “workplace violence” includes any act of violence or threat of violence that occurs in a place of employment. This encompasses physical force, threats, or actions that result in injury, psychological trauma, or stress for employees, regardless of whether an actual injury occurs.

2. Community Relations

- a. Building connections with CBO’s
- b. Community Advisory Committee Q3 06-06-2024
- c. Selection Committee Meeting Minutes
- d. Imperial Valley FoodBank Volunteers Presentation



## CEO Report

1. CFO Recruitment Update
2. Facilities Update