



**AGENDA**

**Executive Committee**

**October 9th, 2024**

**12:00 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>Lee Hindman</b>	LHA Chairperson – Joint Chambers of Commerce Nominee	
<b>Yvonne Bell</b>	LHA Vice-Chair & Finance Committee Vice-Chair – CEO, Inncare	
<b>Dr. Carlos Ramirez</b>	Finance Committee Chair – CEO/Consultant DCRC	
<b>Dr. Unnati Sampat</b>	LHA Commissioner – Imperial Valley Medical Society	
<b>Dr. Allan Wu</b>	LHA Commissioner – Inncare	

**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 9/4/2024



- B. Motion to recommend to the full commission the acceptance of 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. Motion to recommend to the full commission the acceptance of the updated and new Policy & Procedures as reviewed and accepted by the Regulatory Compliance Oversight Committee.

**4. ACTION**

- A. Motion to recommend to the full commission approval of a resolution to support California Proposition 35 (MCO Tax) *(Larry Lewis, CEO)*
- B. Motion to recommend approval by the full commission the Wakely Statement of Work for CY 26 Medicare Bid preparation, not to exceed \$265,000. *(David Wilson, CFO)*

**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, HRCR)*
- 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, 01/2024)



- A. Update/Action on Contract with Health Net Community Solutions, Inc.
- B. Community Health Group Plan-to-Plan Agreement with Disclosed Planned in by the End of March 2025
- C. Employee Benefits

**7. RECONVENE OPEN SESSION**

- A. Report on actions taken in closed session.

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

**9. ADJOURNMENT**



**MINUTES**

**Executive Committee**

**September 4th, 2024**

**12:00 PM**

**512 W. Aten Rd., Imperial, CA 92251**

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

Committee Members	Representing	Present
Lee Hindman	LHA Chairperson – Joint Chambers of Commerce Nominee	✓
Yvonne Bell	LHA Vice-Chair & Finance Committee Vice-Chair – CEO, Inncare	A
Dr. Carlos Ramirez	Finance Committee Chair – CEO/Consultant DCRC	✓
Dr. Unnati Sampat	LHA Commissioner – Imperial Valley Medical Society	✓
Dr. Allan Wu	LHA Commissioner – Inncare	✓

**1. CALL TO ORDER**

*Lee Hindman, Chair*

*Meeting called to order at 12:01 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/Sampat) Approved to move closed session items after public comments and to approve the order 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.

*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/Wu) To approve the consent agenda. Motion carried.*

- A. Approval of Minutes from 8/7/2024
- B. Motion to recommend to the full commission the acceptance of 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 recommend to the full commission approval of a resolution adding David Wilson, CFO, as a signatory to each bank account currently established  
*(Wu/Ramirez) To recommend to the full commission a resolution adding David Wilson, CFO, as a signatory to each bank account currently established. Motion carried.*

### 5. INFORMATION

- A. Bylaws Update-General Counsel Report *(Bill Smerdon, Legal Counsel)*  
*(Ramirez/Sampat) To recommend the support and approval of the full commission changes of the updated bylaws. Motion carried.*
- B. Guidelines for Remote Meeting Participation *(Lee Hindman, Chair)*  
*Item to be discussed at LHA Commission meeting.*
- C. Health Services Report *(Dr. Gordon Arakawa, CMO and Jeanette Crenshaw, Senior Director of Health Care Services)*  
*CMO, Dr. Arakawa and Senior Director of Healthcare, Jeanette Crenshaw, discussed and presented Quality Measures Sanctions, Health Equity, and NCQA Updates.*



- D. Financial Services Report (*David Wilson, CFO*)
- E. Compliance Report (*Chelsea M. Hardy, Senior Director of Compliance*)  
*SDC, Chelsea Hardy presented the Delegation Oversight Monitoring Program report for 2024 Quarter 2*
- F. 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*
- G. CEO Report (*Larry Lewis, CEO*)
  - *Proposition 35*
  - *LHPC Community Investments*
- H. 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 no action has been taken.*

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

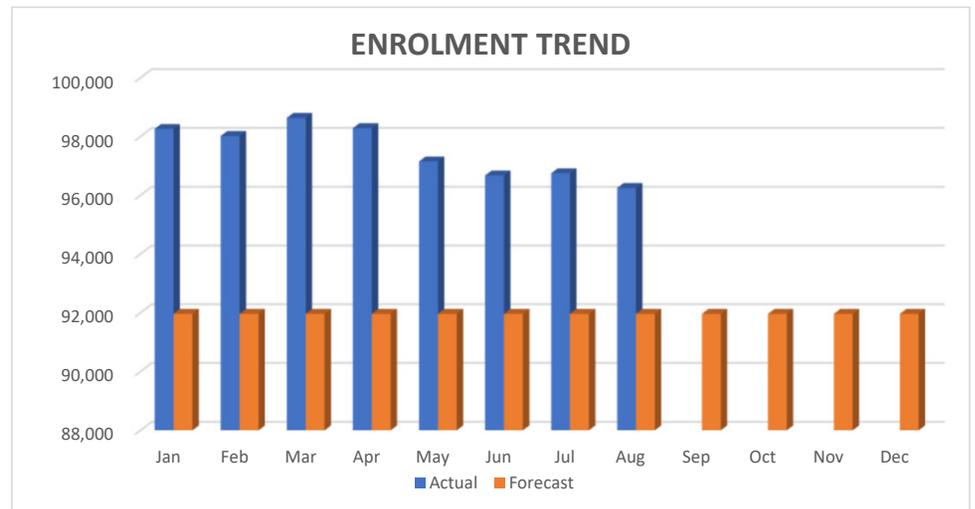
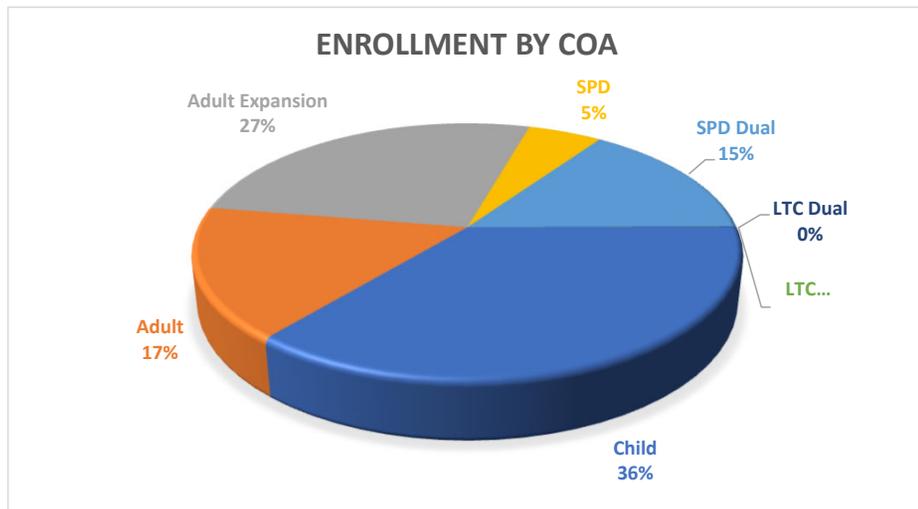
*None.*

## 9. ADJOURNMENT

*The meeting was adjourned at 1:28 p.m.  
Next meeting: October 9<sup>th</sup>, 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						<b>281,189</b>
Adult	17,191	17,152	17,133	14,133	16,014	15,872	15,855	15,764						<b>129,114</b>
Adult Expansion	26,741	26,461	26,559	26,341	25,975	25,717	25,798	25,590						<b>209,182</b>
SPD	5,039	4,985	5,070	5,059	5,095	5,105	5,177	5,158						<b>40,688</b>
SPD Dual	14,520	14,644	14,767	14,903	14,940	15,063	15,061	15,167						<b>119,065</b>
LTC	11	11	10	18	16	14	17	20						<b>117</b>
LTC Dual	81	79	76	84	87	85	88	90						<b>670</b>
<b>Total Medicaid</b>	<b>98,259</b>	<b>98,019</b>	<b>98,635</b>	<b>98,285</b>	<b>97,151</b>	<b>96,676</b>	<b>96,750</b>	<b>96,250</b>						<b>780,025</b>



**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)		Actual	Budget	Variance - B/(W)	
				vs. Forecast	Month				
<b>REVENUE</b>									
Premium	\$ 23,154,295	\$ 23,210,332	\$ 22,249,362	\$ 960,970	\$ 56,037	\$ 182,009,864	\$ 177,994,894	\$ 4,014,971	Favorable change in member volume offset by rate/mix.
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	
<b>TOTAL REVENUE</b>	<b>23,519,758</b>	<b>23,563,645</b>	<b>23,132,953</b>	<b>430,691</b>	<b>43,887</b>	<b>187,782,064</b>	<b>186,198,627</b>	<b>1,583,437</b>	
<b>HEALTH CARE COSTS</b>	<b>\$ 22,825,129</b>	<b>\$ 22,867,335</b>	<b>\$ 22,465,472</b>	<b>\$ (401,862)</b>	<b>\$ (42,206)</b>	<b>\$ 181,487,562</b>	<b>\$ 179,723,780</b>	<b>\$ (1,763,782)</b>	
<b>Gross Margin</b>	<b>694,629</b>	<b>696,310</b>	<b>667,481</b>	<b>28,829</b>	<b>1,681</b>	<b>6,294,502</b>	<b>6,474,847</b>	<b>(180,344)</b>	
<b>ADMINISTRATIVE EXPENSE</b>									
Salaries & Wages	\$ 345,787	\$ 234,558	\$ 237,705	\$ 3,147	\$ 111,229	\$ 1,952,936	\$ 1,845,878	\$ (107,057)	Change driven by timing July expenses.
Benefits and Bonus	61,105	39,147	77,575	38,428	21,958	388,987	602,923	213,936	
<b>Total Labor Costs</b>	<b>406,892</b>	<b>273,705</b>	<b>315,280</b>	<b>41,575</b>	<b>133,187</b>	<b>2,341,922</b>	<b>2,448,801</b>	<b>106,879</b>	
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	
<b>Total Administrative Expense</b>	<b>554,287</b>	<b>510,132</b>	<b>369,037</b>	<b>(141,095)</b>	<b>44,155</b>	<b>3,240,061</b>	<b>2,903,527</b>	<b>(336,534)</b>	
<b>Non-Operating Income</b>									
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	
<b>Total Non-Operating Income</b>	<b>112,037</b>	<b>121,036</b>	<b>100,347</b>	<b>20,689</b>	<b>8,999</b>	<b>653,738</b>	<b>689,279</b>	<b>(35,541)</b>	
<b>Change in Net Position</b>	<b>\$ 252,379</b>	<b>\$ 307,214</b>	<b>\$ 398,790</b>	<b>\$ (91,576)</b>	<b>\$ 54,835</b>	<b>\$ 3,708,180</b>	<b>\$ 4,260,599</b>	<b>\$ (552,419)</b>	
<b>Key Metrics</b>									
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
<b>Total Current Assets</b>	<b>38,523,503</b>	<b>38,852,129</b>	<b>328,626</b>
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)
<b>Total Noncurrent Assets</b>	<b>3,386,079</b>	<b>3,376,278</b>	<b>(9,801)</b>
<b>Total Assets</b>	<b><u>\$ 41,909,582</u></b>	<b><u>\$ 42,228,407</u></b>	<b><u>\$ 318,825</u></b>

**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
<b>Total Current Liabilities</b>	<b>23,205,106</b>	<b>23,217,001</b>	<b>11,896</b>
NON-CURRENT LIABILITIES			
Long Term Lease Liability - Copier	4,711	4,426	(284)
<b>Total Noncurrent Liabilities</b>	<b>4,711</b>	<b>4,426</b>	<b>(284)</b>
<b>Total Liabilities</b>	<b>23,209,816</b>	<b>23,221,428</b>	<b>11,611</b>

**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
<b>Total Net Position</b>	<b>18,699,766</b>	<b>19,006,979</b>	<b>307,214</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 41,909,582</b>	<b>\$ 42,228,407</b>	<b>\$ 318,825</b>

**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
<b>A.</b> Minimum TNE Requirement	\$	1,000,000
<b>B.</b> REVENUES:		
2% of the first \$150 million of annualized premium revenues (lines 1, 2, 4, 5, 7, 9 from Income Statement)	\$	3,000,000
Plus		
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
<b>Chase Checking</b>				
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
<b>First Foundation Bank</b>				
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
<b>J.P. Morgan Securities</b>				
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

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**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

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

#### Background

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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**



## **Health Services Report**

### **1. DHCS Quality Sanctions**

a. Updates

### **2. NCQA**

a. Updates

# DHCS Quality Sanctions

## New Severity Definition

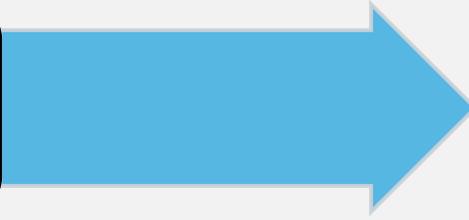
### **RY2024 Changes**

Gordon Arakawa MD PhD

CMO & CHEO

Community Health Plan of Imperial Valley

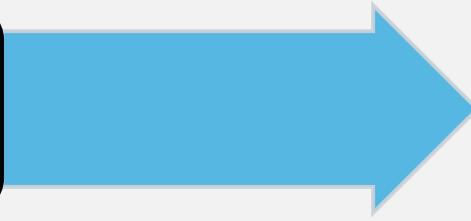
Current Approach



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

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

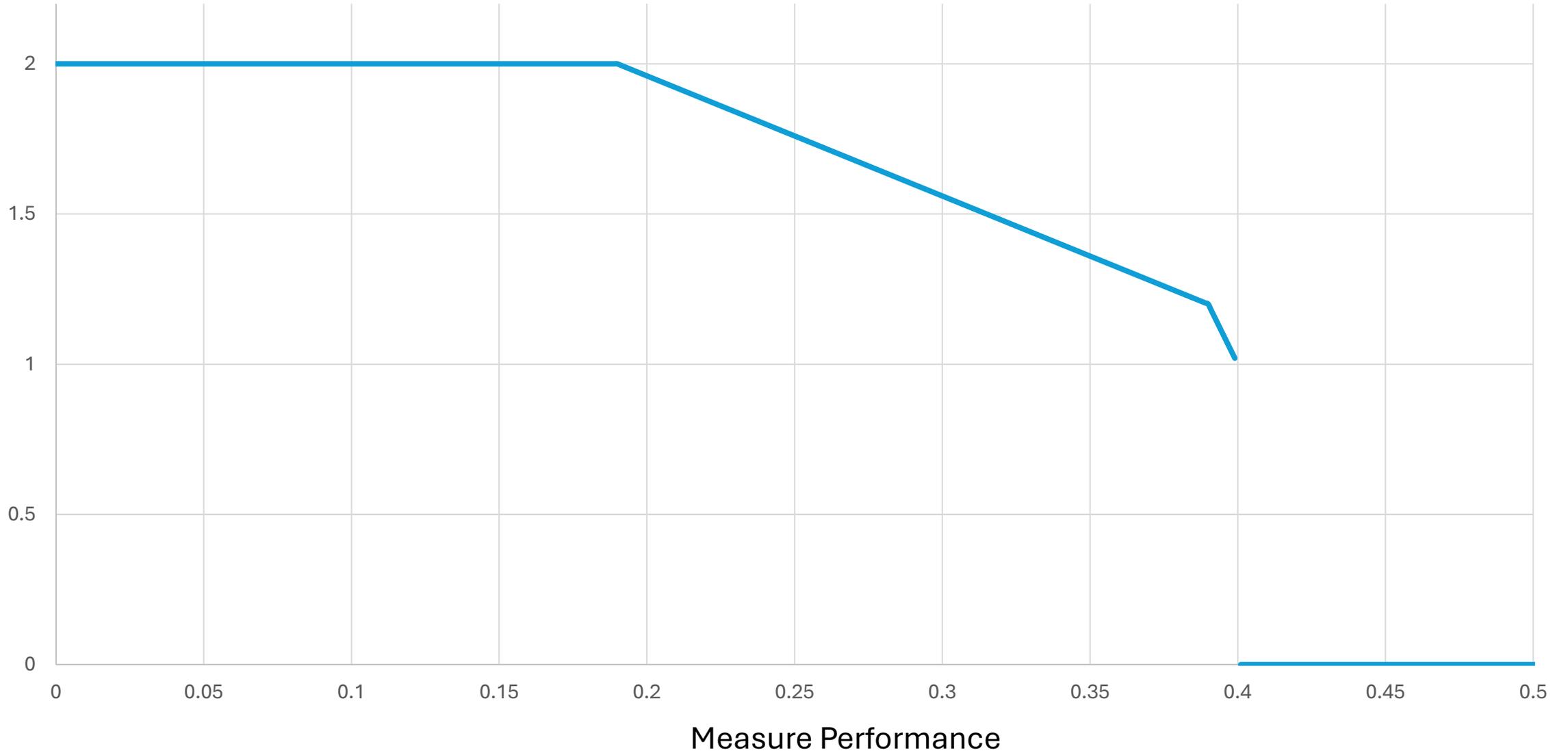
## Violation and Beneficiary Impact

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



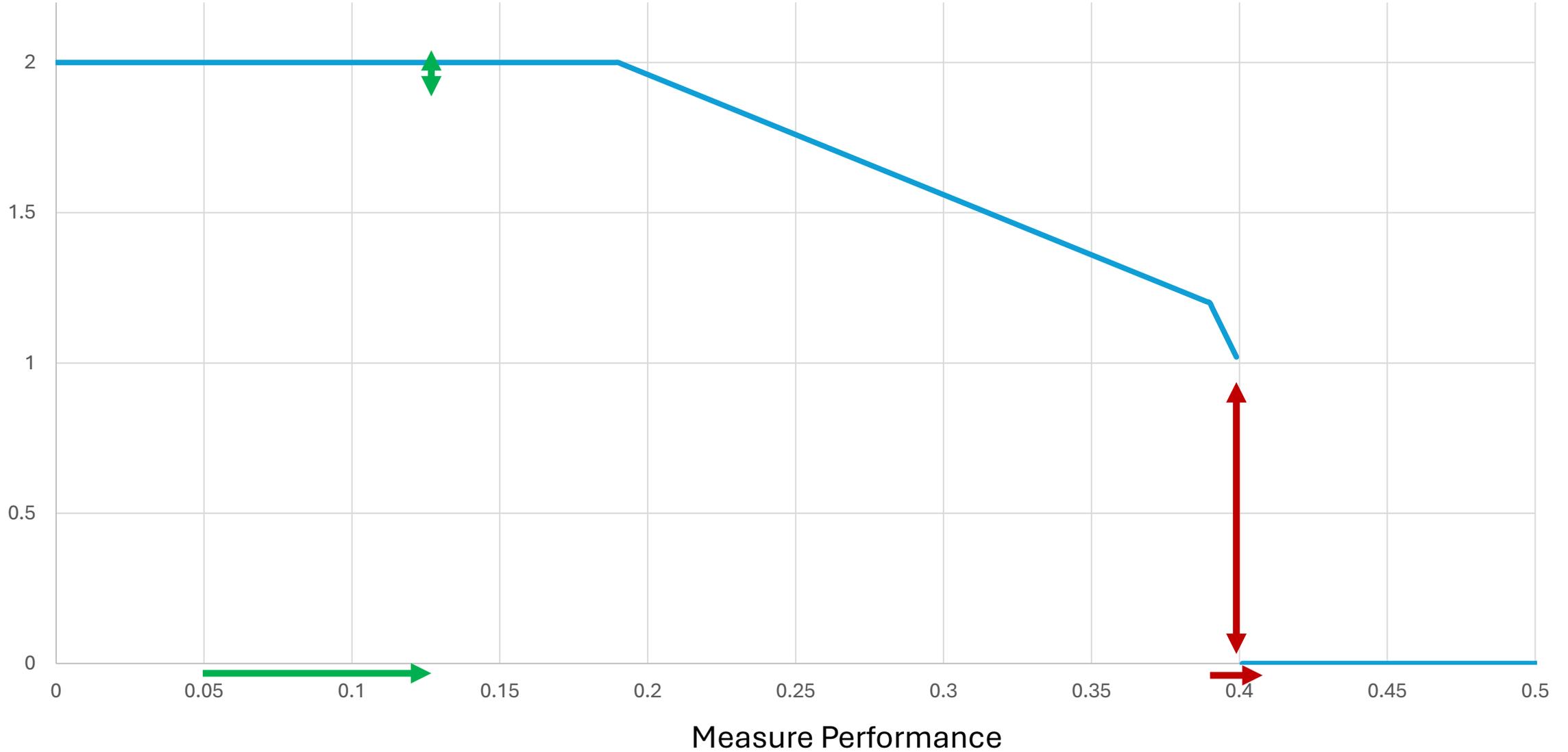
# DHCS Severity Score

MPL = 0.4



# DHCS Severity Score

MPL = 0.4



# Severity - 2024



Quality  
Measures

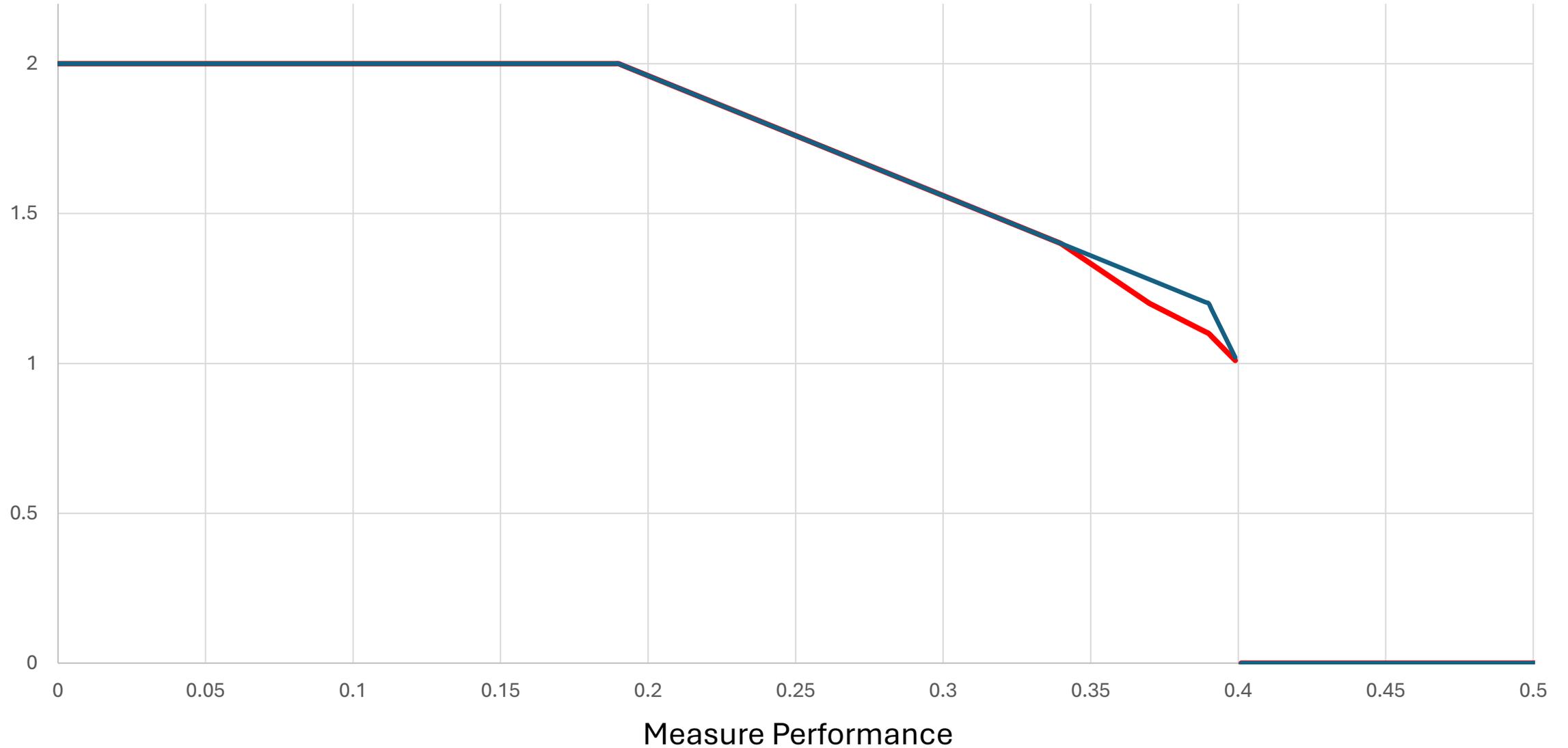
## Violation and Beneficiary Impact

Severity/Beneficiary Impact	Violation per Measure	Severity Violation Factor
Minimal violation	<1% below MPL	1.0
<b>“Very Minor Violation”</b>	<b>1%-2% below MPL</b>	<b>1.1</b>
Minor Violation	3%-5% below MPL	1.2
Moderate Violation	6%-10% below MPL	1.4
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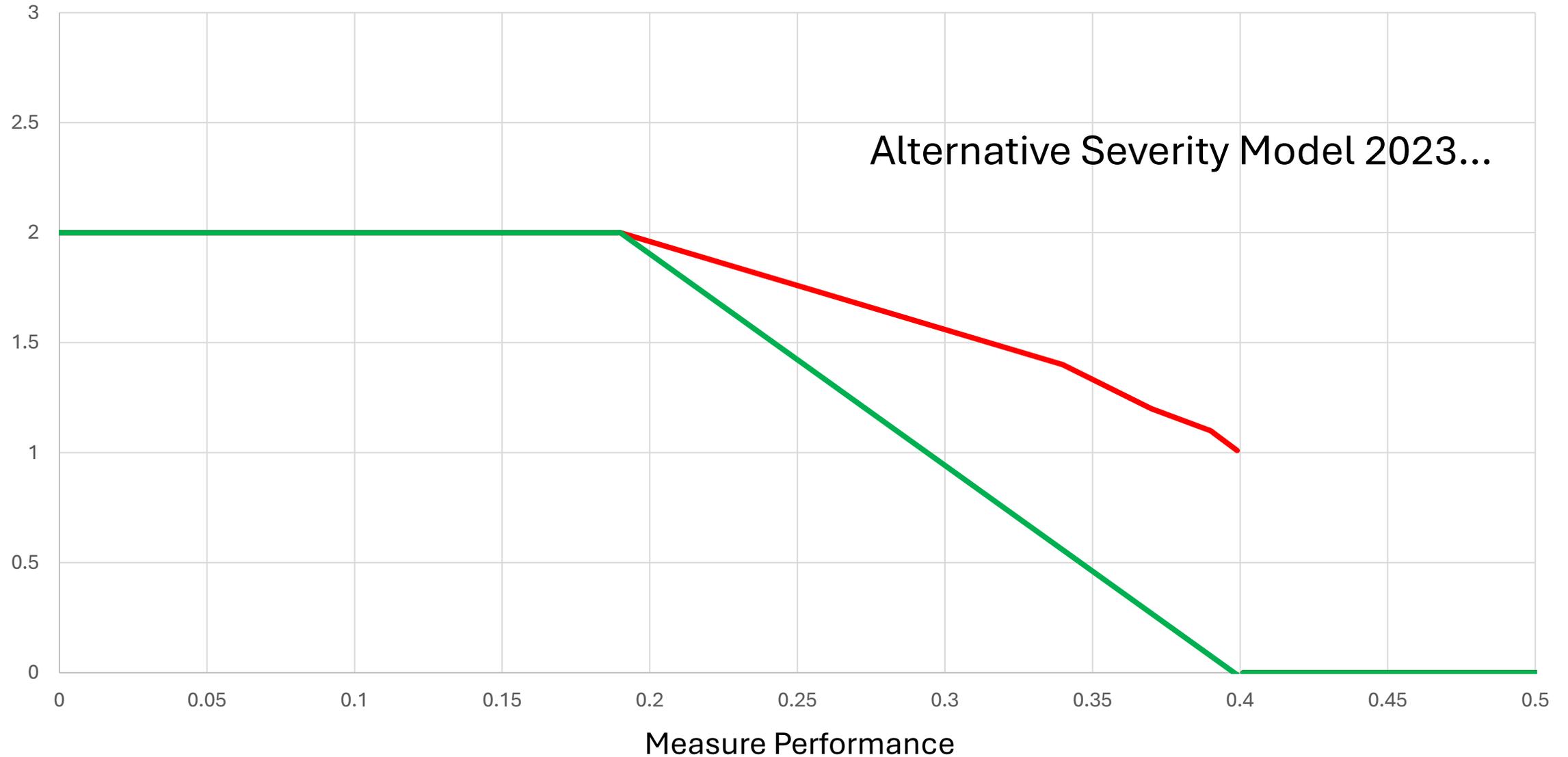
# Alternative Severity Options



Quality  
Measures

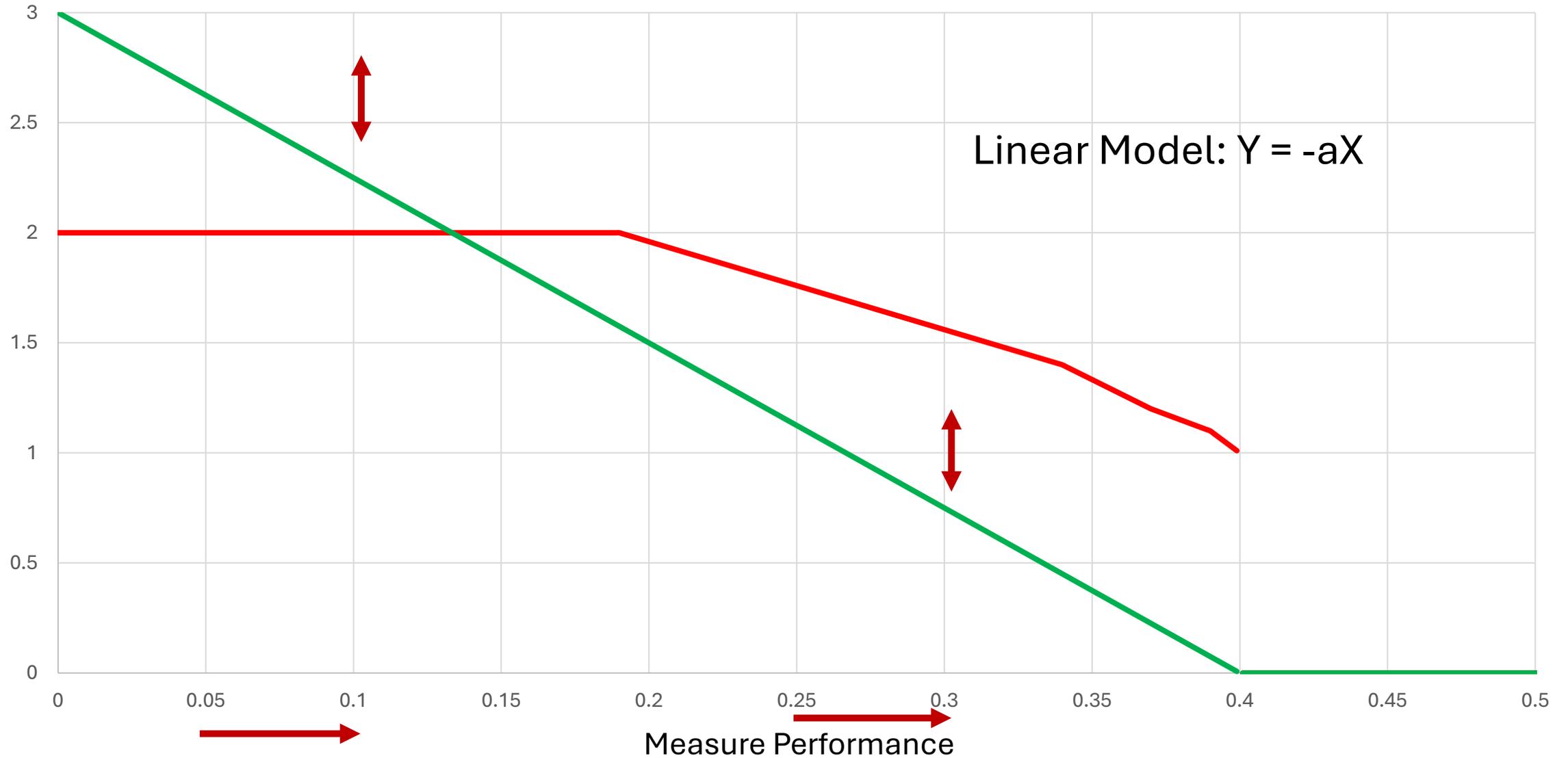
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MPL = 0.4



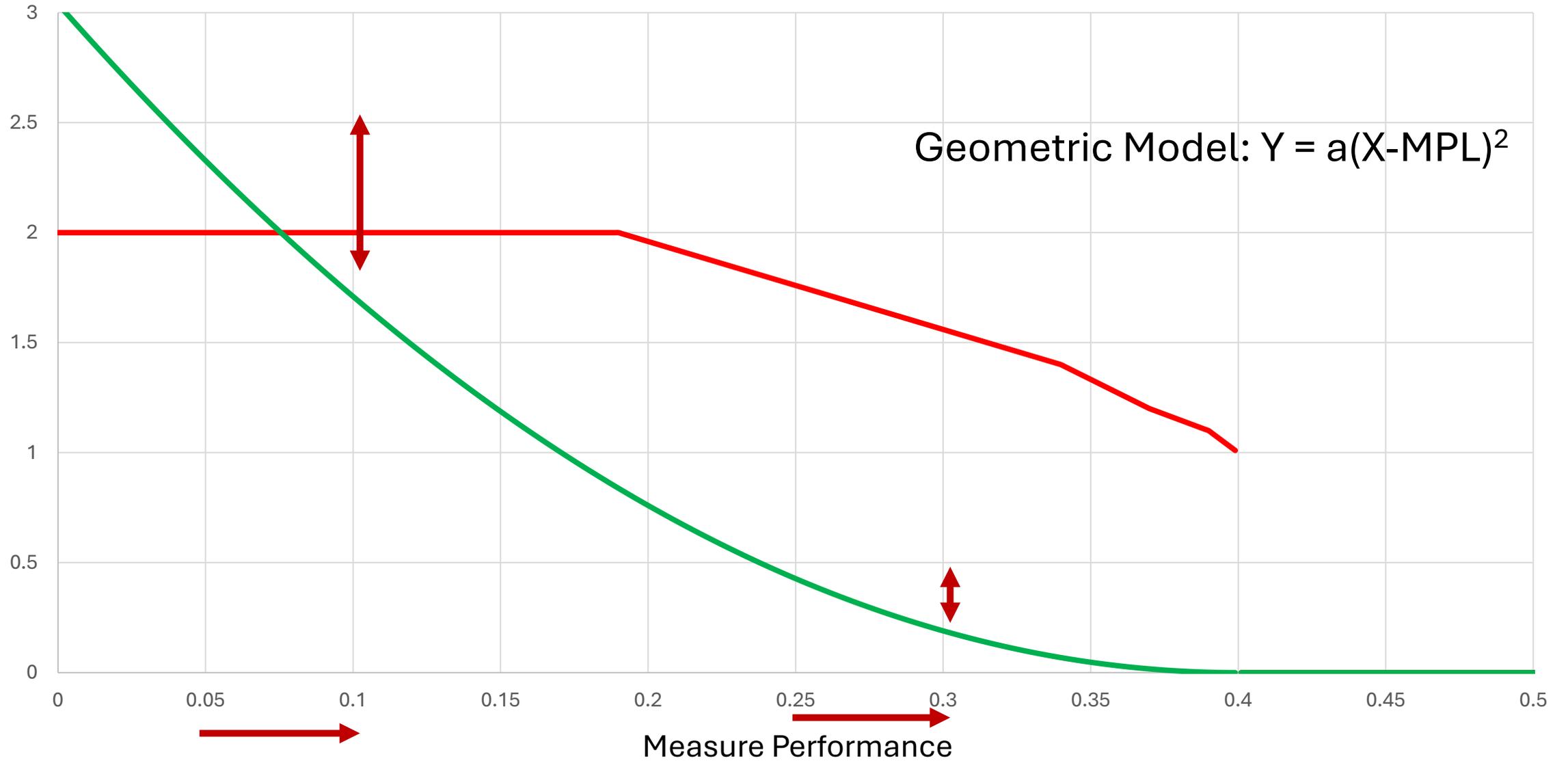
# DHCS Severity Score

MPL = 0.4



# DHCS Severity Score

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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



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



## Local Health Authority Commission

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UM	UM001	Decision Timeliness	<b>99.6%</b>
UM	UM002	Member Notification Timeliness	<b>94.6%</b>
UM	UM003	Provider Notification Timeliness	<b>90.2%</b>

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.

