

March 31, 2021

Kirk Davis, Deputy Director
Health Care Delivery Systems,
Department of Health Care Services
SUBMITTED VIA EMAIL TO:
BRIAN.HANSEN@DHCS.CA.GOV

RE: LETTER OF INTENT FOR CONTRA COSTA COUNTY

To Whom it May Concern:

Contra Costa County (“Contra Costa” or “County”) submits this letter of intent to the Department of Health Care Services (“DHCS”) to request a transition from the two-plan model to a single local plan model. As you know, Contra Costa directly owns and operates Contra Costa Health Plan (“CCHP”), which is the local initiative plan in our county. Contra Costa proposes to convert CCHP to a single local plan that is either an HIO authorized by new federal legislation or a non-HIO allowed to contract as a single plan through a federal waiver.

CCHP is well-positioned to take sole responsibility for the Medi-Cal managed care population in Contra Costa. As the local initiative, the plan already serves 84% of the local Medi-Cal population, and contracts with almost all the health care providers who furnish services to Medi-Cal enrollees, including the 16% not enrolled with CCHP. Through CCHP, Contra Costa has a demonstrated record of success in arranging and providing Medi-Cal services through managed care. We believe that the health and well-being of the County’s Medi-Cal population will benefit from transitioning to a single local plan model.

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Local Plan Type

Contra Costa proposes to convert CCHP to a non-HIO allowed to contract as a single plan through a federal waiver and if that is not feasible for some reason then we propose to be an HIO authorized by federal statute.

Description, Contract Model, and Partners

We propose that CCHP assume the role of the single local plan. Because CCHP current operates as the Medi-Cal local initiative plan under the two-plan model, this change will not require joining a different existing plan or developing a new plan. CCHP already has the experience and capacity to serve all the Medi-Cal managed care enrollees in the County.

CCHP offers primary care to 82% of the plan's membership through its two direct networks: Community Provider Network ("CPN") and Contra Costa Regional Medical Center Network inclusive of the Medical Centers eleven Federally Qualified Health Centers ("CCRMCN"). Providers in CPN are private physicians and the Federally Qualified Health Centers who directly contract with CCHP to provide services to our Medi-Cal members. Primary Care providers in CCRMEN are employees of Contra Costa County Health Services; specialty services are contracted.

CCHP also has one subcontracted closed network—Kaiser Foundation Health Plan (KFHP)—that serves the remaining 18% of our membership. KFHP has a service area of Contra Costa County, but is available throughout Kaiser’s network for those assigned.

CCHP’s primary network of specialists draws from both CPN and CCRMCN. Members access specialty care in CPN or CCRMCN by referral from their primary care provider or with prior authorization, depending on specialty service type. CCHP also has an additional specialist network staffed through the County Mental Health Alcohol and other Drugs division that provides mild to moderate mental health specialty care.

Given CCHP’s expansive existing networks and infrastructure, with contracts in place for hospital care, specialty care, primary care and FQHC services, the County would not need to establish any arrangements for the administration and operation of the plan. Nonetheless, the County intends to offer contracts to those few providers not already in one of its networks who serve Medi-Cal enrollees in the commercial plan.

Given CCHP’s existing role in Medi-Cal managed care, dominant enrollment in the county, and existing network structure, the shift to a single-plan MCP model will be seamless as it will affect a small percentage of the population. Additionally, because of our network structure we believe there will be no need for enrollees to change providers.

Readiness Planning

Service utilization: CCHP maintains readiness to provide full service as a Medi-Cal Managed Care Plan. For example, CCHP has existing policies and procedures detailing quality assurance for the entire range of plan activities, including utilization management, geographic and demographic accessibility standards, and time-elapsd standards for service utilization. It also has existing procedures for primary care provider (“PCP”) assignment, claims payment, case management, and coordination of care. Moreover, CCHP oversees quality improvement initiatives to enhance the member experience and operates a robust member service unit, along with an Advice Nurse 24x7 member call center.

Network adequacy: CCHP has annually been certified by DHCS for network adequacy. As described above, CCHP already contracts with primary care, specialty care, hospital, and ancillary providers. It has a wide-range network of providers to meet enrollee needs. Each enrollee in the health plan will have a choice of PCP and will have access through their PCP to the specialty provider network both in and outside of the health plan network. The health plan also contracts with local hospital and subacute care facilities to provide tertiary care. Many specialty care services are accessible on referral from the PCP, while other services require authorization from the health plan that is processed within regulated guidelines.

CCHP also contracts with ancillary care providers including those that provide durable medical equipment, chiropractic services, and acupuncture services. The health plan is committed to

ensuring that all members have access to all covered benefits, including enhanced benefits such as in lieu of services.

Quality and monitoring including utilization management protocols: CCHP's well-established procedures will ensure overall quality of plan services, including monitoring and correcting for systemic problems through mechanisms such as:

- Utilization review protocols to detect under and overutilization
- Processes to detect and report fraud, waste and abuse
- Member complaint and grievance procedures
- Medical occurrence screening (e.g., potential quality incidents) and follow-up
- Facility site reviews and corrective action plans
- Quality improvement projects (QIPs) related to problems identified from HEDIS results and member satisfaction surveys
- Addressing the service deficiencies from the population needs assessment
- Health education system to support member education and support preventive care
- Integration in the County safety net through partnerships with the Health Services Division delivery systems, Public Health, BH/MH, Homeless Program, and CCRMC.

Accessibility standards: On an annual basis, CCHP submits network data to the Department of Health Care Services ("DHCS") according to current Annual Network Certification ("ANC") requirements to assess network adequacy. Targeted recruitment efforts are used to address shortages found by this review. CCHP complies with both Department of Managed Health Care ("DMHC") and DHCS regulatory requirements for provider/hospital ratios, time/distance standards, and DMHC time elapsed standards. CCHP additionally complies with DHCS monitoring in collaboration with their external quality monitoring organization.

If required, CCHP will apply to DMHC and DHCS for alternative access standards by zip code or provider type to satisfy network adequacy requirements.

Any additional efforts undertaken by the MCP: CCHP has demonstrated success working collaboratively with the County's Health Services divisions to fully realize an integrated model of care in Contra Costa County.

Attestations

Financial Attestation: County hereby attests that it has a reasonable expectation it will meet the following financial requirements based on our knowledge and intent as of the date of this Letter of Intent:

- a. County is in good financial standing, has a working capital ratio of at least 1:1, and is able to assume financial risk for Medi-Cal managed care plan services for Medi-Cal members in Contra Costa County.

- b. County will have the ability to self-fund all pre-implementation activities, including readiness requirements, and will not require funding from DHCS related to the cost of these activities.
- c. County will meet financial readiness requirements that are similar to the example requirements listed in Exhibit A, Attachment 18 to the current Med-Cal Managed Care Two-Plan Boilerplate Contract at Section 2 “Financial Information”, Section 8 “Provider Compensation Arrangements”, and Section 20 “Budget Detail and Payment Provisions”.

General Readiness Attestation: County hereby attests that it has a reasonable expectation it will meet the following general readiness requirements based on our knowledge and intent as of the date of this Letter of Intent:

- a. The local plan will meet non-financial readiness requirements and timelines that are similar to the example requirements listed in the Med-Cal Managed Care Two-Plan Boilerplate Contract.
- b. If the local plan is a COHS (or equivalent single-MCP model plan), it will meet network capacity requirements for 100% of the Eligible Beneficiaries in the county. (This requirement differs from what is listed in the Two-Plan model contract.)
- c. The local plan will implement all applicable Medi-Cal managed care plan requirements that are added through new legislation or other guidance, including but not limited to, all elements of the final CalAIM proposal (California Advancing and Innovating Medi-Cal).

Network Contracts Attestation: County hereby attests that it has a reasonable expectation it will meet the following general readiness requirements based on our knowledge and intent as of the date of this Letter of Intent: By September 2021, the County and CCHP will describe preliminary planning for a network contracting strategy and ongoing negotiations to support the increased capacity necessary for the new local plan responsibility for January 2024.

Regulatory Requirements Attestation: County hereby attests that it has a reasonable expectation it will meet the following general readiness requirements based on our knowledge and intent as of the date of this Letter of Intent:

- a. County does not believe a new State statute is necessary to shift CCHP to a single local plan model.
- b. The County will bring an ordinance to the Board of Supervisors authorizing the shift of the County to a local plan model by October 2021, for the Board's consideration.

Required Attachments

See the Contra Costa County Comprehensive Annual Financial Report (CAFR) Fiscal Year Ended June 30, 2020 at:

<https://www.contracosta.ca.gov/DocumentCenter/View/69335/CAFR-2020-PDF?bidId>

The audited financial statements for the CCHP Medi-Cal line of business can be found at pages 28-30; the CCHP Commercial product can be found on pages 152-154 of the CAFR above.

See attached Annual Forecast.

There are no health-related financial sanctions currently in effect for CCHP or Contra Costa County. While CCHP has had corrective actions plans related to medical audits, CCHP has completed all of the issued CAPs and as of the date of this letter is not under any current CAP.

County Board of Supervisors

Diane Burgis, Chair

Date: _____

Contra Costa Health Plan

Sharron A. Mackey, CEO

Date: _____