Board of Commissioners Meeting Agenda

Via Webex

December 7, 2022: 10:00 a.m. – 1:30 p.m.

In-person Locations:

PHC's Southeast Region Office located at 4605 Business Center Drive, Fairfield, CA

PHC's Northeast Region Office located at 2525 Airpark Dr., Redding, CA

****** As signed by the Governor on September 16, AB361, allows for Brown Act teleconferencing flexibilities during states of emergency ******

AB361 authorizes public meetings with Brown Act requirements to be held via teleconference or telephone. It waives the Brown Act requirement for physical presence at the meeting for members, the clerk, and/ or other personnel of the body as a condition of participation for a quorum.

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Public Participation

The PHC Board of Commissioners meeting may be accessed through Webex:
https://partnershiphp.webex.com/meet/boardmeeting

Participant Pin: 803 736 976

Toll Free Number: 1-844-621-3956

Public comment is welcome during designated "Public Comments" time frames or by emailing comments to the Board Clerk at Board_FinanceClerk@partnershiphp.org by 5:00p.m on December 6, 2022. Comments received will be read during the meeting.

10:00A.M – Opening			
1.1 **Call to Order**			
1.2 **Roll Call**			*Clerk*
1.3	***ACTION***: Resolution to Approve the New Board Member Appointment of Jonathan Portney	4-5	*Liz Gibboney*
1.4	***ACTION:*** Resolution to Approve Recognition for the Hospital QIP Top Performers for 2021	6-7	*Liz Gibboney / Nancy Steffen*
1.5	***ACTION:*** Approval of Agenda and Board Meeting Minutes for October 26, 2022	8-16	*Chair*
1.6 **Commissioner Comment**			*Chair*
1.7 **Public Comment & Correspondence**			*Clerk*
1.8	***INFORMATION:*** **CEO Report**	17-19	*Liz Gibboney*

10:30A.M. – Consent Calendar			
3	***ACTION:*** Consent Calendar ▪ **3.1** Resolution to Accept all PHC Committee Minutes, Department Operating Report, and PHC Policies, Program Descriptions, and PCP QIP Changes Approved by PAC. ▪ **3.2** Resolution to Approve Physician Advisory Committee, Quality / Utilization Advisory and Peer Review Committees Membership Changes. ▪ **3.3** Resolution to Approve Findings That, as a Result of the Continuing COVID-19 Pandemic State of Emergency, Meeting in Person Would Present Imminent Risks to the Health or Safety of Attendees	20-22 23-25 26-27	*Liz Gibboney*

PAC Approved Policy Updates
Finance Committee – November 2022
Physician Advisory Committee for November 2022
Quality and Utilization Advisory Committee (Q/UAC) – November 2022
Northern Region Consumer Advisory Committee – December 2022
Strategic Planning Committee – October 2022

10:40A.M. – Regular Agenda Items			
4.1	***ACTION:*** Resolution to Approve Compliance Program Dashboard, Compliance Plan, Audit Work Plan	28-63	*Amy Turnipseed*
4.2	***ACTION:*** Resolution to Approve the Compliance Dashboard for Q32022	64-66	*Amy Turnipseed*
11:00A.M. – Reports			
5.1	***INFORMATION:*** Metrics and Financial Update	67-80	*Patti McFarland*
5.2	***INFORMATION:*** Operations Update	81-82	*Sonja Bjork*
5.3	***INFORMATION:*** Legislative & Media Update	83-84	*Written Report*
5.4	***INFORMATION:*** CMO Report on Quality	85-88	*Nancy Steffen*
11:40A.M – Education Sessions			

6.1	***INFORMATION:*** IT Department Update	*Kirt Kemp*
6.2	***INFORMATION:*** Annual Compliance Training	*Amy Turnipseed*
6.3	***INFORMATION:*** Member Experience / Grand Analysis	*Kevin Spencer*
12:25-12:40 Break		
12:45P.M – Closed Session		
7.1	Discussion Pursuant to Government Code §54956.9(d)(1) - CONFERENCE WITH LEGAL COUNSEL **EXISTING LITIGATION** Case Name Unspecified: (disclosure would jeopardize settlement negotiations)	*Full Board, Outside Counsel Liz Gibboney Patti McFarland, Jeff Ingram, Sonja Bjork, Amy Turnipseed, Kirt Kemp and Ashlyn Scott, Board Clerk*
7.2	Discussion Pursuant to Government Code § 54957(b) – PERSONNEL MATTER **Public Employment** *Title*: Chief Executive Officer	*Full Board and Naomi Gordon*
1:30 P.M. – Adjournment		

Upcoming Meetings:
2/21/2023 – Strategic Planning Retreat Board Diner (location is TBD)
02/22/2023 – Strategic Planning Retreat (location is TBD)
04/26/2023 – PHC's Fairfield Office

BOARD MEMBER APPOINTMENT AGENDA REQUEST
for
PARTNERSHIP HEALTHPLAN OF CALIFORNIA

Board Meeting Date:
December 7, 2022

Agenda Item Number:
1.3

Resolution Sponsor:
Liz Gibboney, CEO, Partnership HealthPlan of CA

Recommendation by:
Lake County Board of Supervisors

Topic Description:
Jonathan Portney, MPH, Health Services Director for Lake County was appointed by the Lake County Board of Supervisors to the Partnership HealthPlan of California (PHC) Commission (known as the Board) to replace Erik McLaughlin, MD.

Jonathan Portney's appointment commences on December 7, 2022 and concludes December 6, 2026.

Reason for Resolution:
To obtain Board approval to appoint Jonathan Portney to the PHC Board as a Lake County Representative.

Financial Impact:
There is no financial impact to the HealthPlan.

Requested Action of the Board:
Based on the recommendation of the Lake County Board of Supervisors, the Board is asked to approve the new appointment of Jonathan Portney to the PHC Board.

BOARD MEMBER APPOINTMENT AGENDA REQUEST
for
PARTNERSHIP HEALTHPLAN OF CALIFORNIA

Board Meeting Date:
December 7, 2022

Agenda Item Number:
1.3

Resolution Number:
22-

IN THE MATTER OF: APPROVING THE NEW LAKE COUNTY APPOINTMENT OF JONATHAN PORTNEY TO THE PHC BOARD

Recital: Whereas,

A. Certain agencies have responsibility for appointing Board members.

B. Lake County has a vacant seat.

C. The Board has authority to approve and appoint committee members.

Now, Therefore, It Is Hereby Resolved As Follows:

1. To approve the new Lake County appointment of Jonathan Portney to the PHC Board.

PASSED, APPROVED, AND ADOPTED by the Partnership HealthPlan of California this 7th day of December 2022 by motion of Commissioner, seconded by Commissioner, and by the following votes:

AYES: Commissioners:

NOES: Commissioners:

ABSTAINED: Commissioners:

ABSENT: Commissioners:

EXCUSED: Commissioners:

_____
Alicia Hardy, Chair

_____
Date

ATTEST:

BY: _____
Ashlyn Scott, Board Clerk

REGULAR AGENDA REQUEST
for
PARTNERSHIP HEALTHPLAN OF CALIFORNIA

Board Meeting Date:
December 7, 2022

Agenda Item Number:
1.4

Resolution Sponsor:
Liz Gibboney, CEO, Partnership HealthPlan of CA

Recommendation by:
PHC Staff

Topic Description:
For the 2021-2022 Hospital Quality Improvement Program (HQIP), there were nine top performing hospitals that achieved QIP scores above 90%: Adventist Health Clearlake, Adventist Health Howard Memorial, Adventist Health Ukiah Valley, Banner Lassen Medical Center, Healdsburg District Hospital, Mendocino Coast District Hospital, Mercy Medical Center Mt. Shasta, Petaluma Valley Hospital, and Redwood Memorial Hospital.

Reason for Resolution:
To recognize the top performing hospitals in the 2021-2022 QIP, which is evidence of the excellent care they provided to PHC members.

Financial Impact:
There is no financial impact to the HealthPlan.

Requested Action of the Board:
Based on the recommendation from PHC staff, the Board is asked to commend the top performing hospitals in the 2021-2022 QIP.

REGULAR AGENDA REQUEST
for
PARTNERSHIP HEALTHPLAN OF CALIFORNIA

Board Meeting Date:
December 7. 2022

Agenda Item Number:
1.4

Resolution Number: 22-

IN THE MATTER OF: COMMENDING THE NINE TOP PERFORMING HOSPITALS OF THE 2021-2022 HOSPITAL QIP

Recital: Whereas,

A. Adventist Health Clearlake, Adventist Health Howard Memorial, Adventist Health Ukiah Valley, Banner Lassen Medical Center, Healdsburg District Hospital, Mendocino Coast District Hospital, Mercy Medical Center Mt. Shasta, Petaluma Valley Hospital, and Redwood Memorial Hospital were top performers in the 2021-2022 Hospital QIP.

Now, Therefore, It Is Hereby Resolved As Follows:

1. To commend the nine top performing hospitals in the 2021-2022 Hospital QIP.

PASSED, APPROVED, AND ADOPTED by the Partnership HealthPlan of California this 7th day of December 2022 by motion of Commissioner Andrus, seconded by Commissioner Powell, and by the following votes:

AYES: Commissioners:

NOES: Commissioners:

ABSTAINED: Commissioners:

ABSENT: Commissioners:

EXCUSED: Commissioners:

_____
Alicia Hardy, Chair

_____
Date

ATTEST:

BY: _____
Ashlyn Scott, Clerk

MINUTES OF THE MEETING OF
PARTNERSHIP HEALTHPLAN OF CALIFORNIA (PHC) BOARD OF COMMISSIONERS
Meeting held via Webex
In person locations:
PHC's Southeast Office located at 4665 Business Center Drive, Fairfield
PHC's Northeast Office located at 2525 Airpark, Redding
On
October 26, 2022

Members Present: Darcie Antle (10:04 arrival), Gena Bravo, Lewis Broschard, M.D., Paula Cohen, Cathryn Couch, Greta Elliott, Alicia Hardy (Chair), Randall Hempling, Gerald Huber, Lance LeClair, Wendy Longwell (10:05 arrival), Viola Lujan, Benita McLarin, Mitesh Popat, M.D. Nolan Sullivan, Kim Tangermann Nancy Starck, Keri Thomas, Jennifer Yasumoto.
Members Absent: None
Members Excused:, Mary Kay Brooks, Ranell Brown, Laura Burch, Dean Germano, Liz Lara O'Rourke, Liz Hamilton, Dave Jones, Melissa Marshall, M.D., Kathryn Powell, Tory Starr
Staff: Amy Agle, Sonja Bjork, Rebecca Boyd-Anderson, Katherine Barresi, Mark Bontrager, Dell Coats, Marissa Dominguez, Kim Fillette, Patty Hayes, Matt Hintereder, Peggy Hoover, Jeff Ingram, Kirt Kemp, Mary Kerlin, Vicky Klakken, Marshall Kubota M.D., John Lemoine, Regina Littlefield, Dustin Lyda, Lisa Malvo, Melissa McCartney, Patti McFarland, Robert Moore M.D., Lisa O'Connell, Jose Puga, Kathryn Power, Jeff Ribbordy, MD, Nikki Rotherham, Jing Sancho, Lynn Scuri, Nancy Steffen, Colleen Valenti, Wendi West, Liz Gibboney, CEO and Ashlyn Scott, Board Clerk
Guests: Chris Pritchard, Rianne Suicio

AGENDA ITEM	DISCUSSION	MOTION / ACTION
1.0 Opening	Commissioner Alicia Hardy, Board Chair, called the bi-monthly meeting to order via Webex video conference and welcomed everyone to the meeting. Board members and attendees were informed that California bill AB 361, which relates to social distancing measures being taken for COVID-19, waives the Brown Act requirement for physical presence at the meeting for members, the clerk and/ or other personnel of the body as a condition of participation for a quorum. Board members were reminded to abstain from voting on any agenda item where they might have a conflict of interest, and to state their name before asking questions or making motions. As a reminder, Commissioner Hardy read the PHC Mission Statement: "to help our members, and the	None

	communities we serve, be healthy." She also mentioned that guests would have an opportunity to speak at designated times throughout the agenda.	
1.2 Roll Call	Ashlyn Scott, Clerk of the Commission, called the roll indicating there was a quorum.	None
1.3 Resolution to Approve the New Board Member Appointment of Ranell Brown	Ms. Gibboney introduced Ranell Brown, whom the Del Norte county Board of Supervisors appointed as the County Representative for Del Norte County on the PHC Board, replacing Heather Snow on the PHC Board.	*Commissioner Huber moved to approve resolution 1.3 as presented, seconded by Commissioner Andrus.* ***ACTION SUMMARY:*** Yes: 18 No: 0 Abstention: 0 Excused: 10 (Brooks, Brown, Burch, Germano, Lara-O'Rourke, Hamilton, Jones, Marshall, Powell, Starr) Absent: 0 **MOTION CARRIED**
1.4 Resolution to Approve the New Board Member Appointment of Nolan Sullivan	Ms. Gibboney introduced Nolan Sullivan, who is the Director of Health and Human Services in Yolo County. Mr. Sullivan was appointed by the Yolo Board of Supervisors on August 30, 2022, replacing Karen Larsen on the PHC Board.	*Commissioner Couch moved to approve resolution 1.4 as presented, seconded by Commissioner Starck.* ***ACTION SUMMARY:*** Yes: 18 No: 0 Abstention: 0 Excused: 10 (Brooks, Brown, Burch, Germano, Lara-O'Rourke, Hamilton, Jones, Marshall, Powell, Starr) Absent: 0 **MOTION CARRIED**
1.5 Approval of Agenda and the Board Meeting Minutes for August 24, 2022	Chairwoman Hardy asked if anyone had changes for the agenda or corrections for the August 24, 2022 minutes. Hearing no requests for modification, she asked for a motion to approve the agenda and minutes. Ashlyn Scott, Clerk, noted there was one error in the August 24, 2022 minutes – in section 1.7 naming "Chairwoman Starck." This will be corrected to state "Chairwoman Hardy."	*Commissioner Antle moved to approve the agenda and minutes, seconded by Commissioner Tangermann.* ***ACTION SUMMARY:*** Yes: 19

		No: 0 Abstention: 0 Excused: 10 (Brooks, Brown, Burch, Germano, Lara-O'Rourke, Hamilton, Jones, Marshall, Powell, Starr) Absent: 0 **MOTION CARRIED**
1.6 Commissioner Comment	Chairwoman Hardy asked if there were any commissioner comments. Hearing none, she moved to Public Comment.	None
1.7 Public Comment and Correspondence	Chairwoman Hardy asked if there were any public comments. Hearing no requests, she moved on to correspondence. Ashlyn Scott, Clerk, stated that there had been no correspondence since the last Board Meeting.	None
1.8 CEO Report	Ms. Gibboney gave a report covering the following topics: - ***CalAIM/Enhanced Care Management*** – PHC has 890 members currently enrolled in Enhanced Care Management (ECM), with another 1740 pending or in process. PHC has provided 1,250 Community Support (CS) services for 1,041 members. PHC sponsored 80 attendees to attend the "Putting Care at the Center", Camden Coalition meeting in late September, which focused on ECM. PHC staff attended and participated on panels. - ***Housing and Homelessness Incentive Program (HHIP)*** **–** Plans will administer funds, by coordinating with continuums of care (CoC) in each respective county. PHC submitted all 14 "Investment Plans" from each CoC in late September. Lisa O'Connell from our Provider Relations department was hired as our Associate Director of housing, who will oversee housing and other state incentive programs. She starts in the position next week. - ***Regional Convenings with DHCS leadership*** **–** DHCS leaders, namely Director Baass and Deputy Director Cooper, are traveling to different regions of the state to hold "Listening Tours" with representatives from local counties, housing, CS providers and health care providers. PHC is organizing three of the convenings: November 7th in Fairfield, November 29th in Eureka and November 30th in Redding. The meetings will be comprised of small groups with in-person only attendance to facilitate candid conversations. - ***Health Equity & Practice Transformation Grants*** **–** There was $700 million allocated in the state budget for Health Equity & Practice Transformation Grants in an effort to advance equity and reduce care gaps. Funding in years 1-3 will focus on tech infrastructure. More information will be released with the formal application in December and the first payments will be awarded in Quarter 1 of 2023. - ***Student Behavioral Health Incentive Program ("SBHIP")*** **–** PHC has been working with all 14 counties to prepare County Needs Assessments for submittal to DHCS in early November. $22M has been allocated for PHC's service area. 86 different school districts from our service area are participating. PHC is participating in the workgroup that is	None

	developing the statewide fee schedule for school-based services. These discussions are leading to new relationships with our school partners. - ***Alternative Payment Methodology (APM)*** **–** With APM, DHCS aims to transform care delivery, allowing for greater flexibility to use non-clinicians that are not currently billable services. Voluntary participation in the program begins in 2024 for federal qualified health centers (FQHCs). DHCS is looking for ideal candidates with strong leadership, strong claims/encounter data submittals, strong QIP scores and previous engagement with PHC on other initiatives. Health plans must provide a formal assessment that will go either with the letter of intent or the application to DHCS. DHCS will release the application on December 1, which is due at the end of January. *Commissioner Hardy questioned if PHC has a target number of providers they will look to recommend for APM.* *Ms. Gibboney responded that thus far, PHC has received 4 requests for endorsement and we know of a handful more that have expressed interest. The Executive Team is reviewing the 4 requests and will respond within a week.* ***Project Phoenix ("Health Rules Payor") Testing and Go-Live*** **–** Provider files will be tested from November to February, with the assistance of invited providers. PHC may ask additional providers to participate in testing after the initial phase. The Provider Education plan is near completion to ensure provider readiness and address any questions. ***Geographic Expansion*** – PHC staff continues to travel for provider visits in the expansion counties. The next round of visits focuses on the counties, especially behavioral health departments. DHCS understands rate timing is important. ***Upcoming Board Events & Meetings*** • Board Meeting: Wednesday, December 7, 2022 • Board Dinner: Tuesday, February 21, 2023 • Board Meeting & Retreat: Wednesday, February 22, 2023	
2 & 3 Consent Calendar	Chairwoman Hardy stated that all items on the consent calendar would be approved with one motion unless someone requests to pull an item for further discussion. Hearing no requests, she asked for a motion to approve resolutions 2.1, 3.1, 3.2, 3.3, 3.4, 3.5, 3.6 ▪ **2.1** Resolution to Ratify Finance Committee's Approval of the Q2-2022 Compliance Dashboard ▪ **3.1** Resolution to Accept all PHC Committee Minutes, Department Operating Report, and PHC Policies, Program Descriptions, and PCP QIP Changes Approved by PAC. ▪ **3.2** Resolution to Approve the Quality and Performance Improvement Program	*Commissioner Hempling moved to approve Resolutions 2.1, 3.1, 3.2, 3.3, 3.4, 3.5, 3.6 as presented, seconded by Commissioner Couch.* ***ACTION SUMMARY:*** Yes: 19

	Description, Work Plan, and Evaluation. ▪ **3.3** Resolution to Approve the 2023 Primary Care Provider Quality Improvement Program (PCPQIP) Measurement Set as Approved by PAC. ▪ **3.4** Resolution to Approve the 2023 Proposed Measure Changes for Long Term Care Quality Improvement Program (LTCQIP) as Approved by PAC. ▪ **3.5** Resolution to Approve Commendations and Appreciation for Erik McLaughlin's Service to PHC ▪ **3.6** Resolution to Approve Findings That, as a Result of the Continuing COVID-19 Pandemic State of Emergency, Meeting in Person Would Present Imminent Risks to the Health or Safety of Attendees	No: 0 Abstention: 0 Excused: 10 (Brooks, Brown, Burch, Germano, Lara-O'Rourke, Hamilton, Jones, Marshall, Powell, Starr) Absent: 0 **MOTION CARRIED**
4.1 Resolution to Accept the Moss Adams Audit Report for FY 2021-2022; This resolution accepts the audit report completed by Moss Adams on PHC's financial statements for the period July 1, 2021 to June 30, 2022.	Mr. Pritchard and Ms. Suico, Auditors from Moss Adams, began their presentation by thanking the PHC Finance team for their hard work in gathering and submitting all documents and data necessary to complete the audit. The audit concluded that PHC's financial statements were consistent with their findings. They were able to confirm the balances of PHC's cash equivalents with the banking institutions and did not have any issues with reconciling. Mr. Pritchard added that this result is a testament to the organization's accounting practices and principles and this has been consistent throughout the relationship to date. PHC's net equity position is in a healthy position, much higher than what is required per the DHCS contract. Moss Adams detected no fraud in conducting the audit. The entire written audit report is included in the Board packet and is available upon request. *Commissioner Hempling questioned if the IT costs related to the system disruption were included in this audit.* *Ms. McFarland responded that capital costs from the disruption will be included in this fiscal year's costs. We did increase the budget, mostly under Administration, due to disruption costs.* *Commissioner Starck asked if there is danger in having reserves so high.* *Ms. McFarland said the State's reserve requirement is too low, and they will be adjusting that threshold with the new contract, but PHC aims to have mid-level reserves in comparison to the other local health plans.* *Commissioner Andrus asked, with the upcoming leadership changes, if it is advisable PHC continue to use Moss Adams for future audits.* *Ms. McFarland responded yes, Moss Adams is the only auditor that truly knows the*	*Commissioner Andrus moved to approve Resolution 4.1 as presented, seconded by Commissioner Antle.* ***ACTION SUMMARY:*** Yes: 19 No: 0 Abstention: 0 Excused: 10 (Brooks, Brown, Burch, Germano, Lara-O'Rourke, Hamilton, Jones, Marshall, Powell, Starr) Absent: 0 **MOTION CARRIED**

	unique, local health plan market.	
5.1 Metrics and Financial Update	Patti McFarland, Chief Financial Officer, reported on PHC's August 2022 financial performance. PHC experienced a loss for the month, which brings the total year-to-date deficit to -$3.3 million, primarily due to timing differences of supplemental submissions to DHCS, and special payments. We are seeing an increase in utilization, which is related to COVID, a trend that other health plans are experiencing as well. PHC has yet to receive CY2022 final rates from DHCS and base rates for CY2023 are expected in December. Membership continues to increase, greater than what was budgeted, due to the continued hold on Medi-Cal redeterminations. PHC is favorable by $2.4 million in administrative costs, bringing total favorability for the year-to-date to $5.7 million. This is typical for so early in the fiscal year, and the variance is expected to decrease by the end of the fiscal year. *Commissioner Huber stated that he is worried about the public health emergency ending. How can the State and PHC project what reserve levels are needed for expansion if we do not know what Medi-Cal population will be when redeterminations resume.* *Ms. McFarland responded that the reserve level requirement will decrease as a result of decreased membership, however what's more unnerving is not having regional rates*. Ms. McFarland's presentation was included in the Board Packet and is available upon request.	None
5.2 Operations Update	Sonja Bjork, Chief Operating Officer, gave an update on her experience as a newly appointed member of the Medicaid and CHIP Payment and Access Commission (MACPAC), which is a national, bi-partisan committee that provides Medicaid recommendations to Congress. One concern that MACPAC is reviewing is the unwinding of the public health emergency. Data quality is another issue that the commission has discussed in depth. *Commissioner Starck stated she is really proud of Ms. Bjork and expressed how great it is to have representation on the federal level.* *Ms. Bjork responded that she always tries to advocate for rural areas and how we carry out Medicaid in our area. She added that she also advocates for the consumers and thinks about the members that PHC serves.* Ms. Bjork continued to give a brief company-wide operations update. Most departments are preparing for the DHCS audit, which begins in early December. PHC will be in the midst of the interview-phase of the audit during the December Board Meeting, but we should have some results to share by the February meeting. It has also been challenging operationally to get prepared for the public health emergency to end, when it continues to be extended. *Commissioner Lujan asked, with the end of the PHE, will the eligibility workers have the capacity*	None

	to both process redeterminations and enroll the newly eligible population of undocumented individuals. *Ms. Bjork responded that the State has decided that they will process the undocumented individuals last, in an attempt, to avoid lapse in coverage.* *Commissioner McLarin questioned how PHC is doing in terms of recruitment.* *Ms. Bjork responded that no one in healthcare is immune from the workforce shortages but a lot of hiring is currently underway.* Ms. Bjork's full report is included in the Board packet.	
5.3 Media Update	Written Report	None
5.4 CMO Report on Quality	Written Report	None
6.1 Pharmacy and Quality Update	***Pharmacy Update:*** Pharmacy Director, Stan Leung, gave an update on PHC's Pharmacy department. Medi-Cal Rx launched on January 1, 2022 and transitioned the Medi-Cal pharmacy benefit for more than 14 million Medi-Cal beneficiaries to a single delivery system. Medi-Cal Rx covers prescription and other medical supplies. Since 2019, pharmacy staff have been reduced from approximately 60 full-time employees to 18 full-time employees. A potential impact for consideration, is the D-SNP requirement that will be implemented in 2026. All SNPs must provide Medicare drug coverage (Part D) and Medicare Part D covers most outpatient prescription drugs. Medicare Part D plans are rated on 12 measures under 4 domains. PartnershipAdvantage, PHC's previous D-SNP program, did receive a 4 star rating before its sunset. *Commissioner LeClair said he received a notice from Magellan requiring Medi-Cal beneficiaries to review their enrollment with Magellan on their birthday every year. He expressed confusion as to why this is necessary.* *Dr. Moore thanked Commissioner LeClair for sharing this information and asked him to share the notice with Mr. Leung offline.* ***Quality Update:*** Dr. Moore, Chief Medical Officer and Nancy Steffen, Senior Director of Quality & Performance Improvement, presented a quality update to the Board. Ms. Steffen began by saying that quality is the job of everyone at PHC. The Quality Improvement (QI) department works with providers, members and community pillars to support PHC's mission. Activities of the QI Department include: overseeing HEDIS measurements, performance improvement, pay-for-performance, organization-wide coordination of NCQA Accreditation, assess potential quality issues, conduct peer reviews and site reviews. The Board Quality Workgroup is comprised of 5 PHC Board	None

	Member and meets quality to review quality documents in detail. In 2019, PHC made a goal of obtaining 5-star status from NCQA by 2025. Only 1/278 plans are currently rated 5-stars. 42/278 plans have obtained a 4-star rating, including 7 California health plans. The Quality Strategic plan drives and guides PHC activities towards the goal of obtaining 5-star status, by identifying high-level areas of focus and underlying strategies. The drill-down details in this document continues to drive the organization forward. DHCS is placing any plan that doesn't meet the 50th national percentile (MPL) for any MY2021 MCAS measure into a Quality Improvement Tier. PHC is in the Red Tier, which means we are subject to a Corrective Action Plan (CAP). Dr. Moore presented a graphic of the ranking of California health plans for MY2021. PHC's Southwest region is ranked 19th, with the Southeast region ranked 22nd. The Northeast and Northwest regions are ranked 51st and 52nd, respectively. COVID-19 impact appears to be consistent among all plans. State eligibility redeterminations and hold on adverse actions, in theory, appear to be a consistent factor across all plans. As historically noted, the Southern Region is stronger in performance which is highly impacted by Kaiser data. The Pharmacy and Quality presentations have been distributed to Board Members and is available upon request.	
6.2 Northern Region Update	Wendi West, Senior Director of the Northern Region, began her report by saying that 27% of PHC's members live in the Northern Region and PHC covers around 40-45% of the populations in these counties. Access continues to be a major challenge for the Northern Region. Of the 58 counties in California, all of PHC's Northern Region counties rank 39 or lower for important health determinants. The unique challenges of the Northern Regions include provider shortages, limited and poor quality internet bandwidth and limited transportation options. In addition, local government leaders and healthcare stakeholders often oppose mandates and requirements that have been imposed by DHCS and state government and there has been high levels of turnover in key positions such as HHS Directors and Public Health Officers. Ms. West continued by covering the many things the Northern Region is doing well, despite all of the challenges, including: processing and paying claims quickly, processing TAR's in 5 days or less, securing ECM and CS providers in each of the NR counties and supporting members and providers with multiple local disasters. *Commissioner Couch thanked Ms. West for her presentation and added how helpful it is to understand the environment of the Northern Region.* Ms. West's full presentation has been distributed to Board Members and is available upon request.	None
6.3 Physician	Mary Kerlin, Senior Director of Provider Relations, gave an overview of the results of the annual	None

Satisfactory Survey Results	Physician Satisfaction Survey. The survey was conducted from April through June 2022 for PCPs and Specialists physicians, across PHC's fourteen counties. The primary objectives of the survey are to measure satisfaction with the PHC plan, identify strengths and opportunities for improvement and identify trends. On April 1, 2022, PHC's vendor, SPH, emailed an invitation to provider contacts with a direct link to the online survey, which was new for 2021, as previous surveys had been mailed. Surveys were mailed to those who had not completed the survey online on April 15 and followed up with 3 reminders. The response rate was 64.5%, higher than the PHC goal of 40%. The statewide average response rate is 60%. 98% of providers responded that they strongly agree or agree that they are satisfied with PHC. Last year, Commissioner Popat recommended adding a survey question regarding CCS, as a result, the survey included a new question this year; "I know how to submit a potential CCS child to the local County agency for eligibility." Mental Health was identified as the #1 challenge this year and in all years surveyed. Access to care is another challenge identified and PHC looks forward to working with our provider network to ensure broader access, with telehealth being an important strategy. Ms. Kerlin's full presentation has been distributed to Board Members and is available upon request.	
Adjournment	The Board adjourned at 12:42P.M.	None

Respectfully submitted by:
Ashlyn Scott, Board Clerk

Board Approval Date: 12/7/22

Signed: _____ _____
Ashlyn Scott, Clerk Alicia Hardy, Chair

Report from the Chief Executive Officer

December, 2022

DHCS Regional Convenings. During the month of November, we hosted three separate "regional convenings" at the request of DHCS leadership to engage local stakeholders to give feedback on CalAIM, quality/access requirements, MediCal redeterminations and other timely topics for DHCS leadership to consider. These sessions were very well-attended by over 75 hospital, health center, county and community based organization management. DHCS is on a listening tour across California in the coming weeks, and we were pleased to host the first three of a dozen similar sessions.

CalAIM Waiver/Enhanced Care Management and Community Supports. As we continue to grow our provider network under both initiatives, we are also growing our membership. Additional "populations of focus" will come online in January and July, some of which remain contingent on pending CMS approval. We will begin planning for Medicare D-SNP to come online in 2026, soon.

Project Phoenix. We have experienced a several-week delay from our vendor in receiving the latest version of the software for our planned go-live next spring. We are currently assessing that impact on our testing schedule. We are still planning the month-long "cutover" to Health Rules Payor ("HRP") to begin April 6, 2023 and to finish by May 5, 2023. We are messaging more about testing with providers externally now and have a robust testing schedule in place. Kirt Kemp, CIO, will provide an update on the HRP conversion at this Board meeting.

Geographic Expansion & Procurement. In our current round of provider meetings, we are focusing on County behavioral health leaders and programs. There is no public update yet on the commercial plan procurement that is being conducted in parallel to other local plan expansions/model changes. We are planning to convene the Board's Governance Committee in early 2023 to begin discussing governance options for an expanded Board to include the new counties in 2024.

California State Budget/Provider Health Equity Payments. This five year grant program is now "on hold" likely due to the projected $25B State budget deficit. This program involved $700M in provider "equity" payments to be administered in large part by managed care plans like PHC. These were to be a combination of grants focused on infrastructure building for quality improvement as well as incentives. We will share more information if it becomes available.

Housing and Homeless Incentive Program ("HHIP"). This is just one of a number of major initiatives at the state addressing homelessness and housing. We submitted "Investment Plans" for all fourteen counties to DHCS at the end of September. Our new Associate Director of Housing/Incentive Programs,

Lisa O'Connell, has started in this newly-created position and will lead our housing work, along with other State incentive programs.

Alternative Payment Methodology ("APM"). The State has received over 40 "Letters of Intent" from federally qualified health centers ("FQHCs") across California, demonstrating their interest in participating in the first phase of this innovative new payment model. Seven health centers are from PHC's service area, but we are also noting that an LOI is not required. Final applications will be released this month and are due back to DHCS in January, 2023. We will review those applications as an Executive Team, and will consider factors including past and current performance on quality metrics, current patient visit rates, and leadership engagement on other initiatives, among other indicators. The APM program starts statewide in 2024.

Behavioral Health. We are pleased to note that DHCS has officially accepted the Implementation Plan for Lake County's inclusion in our regional "Wellness and Recovery" drug treatment model, joining seven other counties. The hoped for 'go-live' date for Lake's inclusion is July 1, 2023. PHC is also working with all county mental health partners to meet new regulatory and data sharing requirements between managed care and county mental health. The new MOU template is due out from DHCS in December. Meanwhile, PHC is working with SacValley MedShare (HIE) to use it as the vehicle to share data between county mental health and PHC, timely. Finally, we are close to reaching our goal of having all 14 county student behavioral health needs assessments completed and submitted to DHCS, leading the way to implementing interventions that will run through 2024.

NCQA Accreditation & HEDIS Performance. DHCS has released some guidance on potential sanctions for plans that do not meet the Minimum Performance Level ("MPL") on individual HEDIS metrics. PHC currently reports across four regions. Along with the other local plans, we have asked DHCS for more clarity on how sanctions might be calculated (e.g. planwide vs. reporting region, etc). Additionally, we are meeting with all of the Joint Leadership Initiative ("JLI") provider sites to review current performance on quality metrics.

DHCS Annual Medical Audit. Starting December 5th, we will be "virtually" hosting our annual DHCS Medical Audit team. Over the course of two weeks, DHCS auditors will interview staff from a variety of areas to cover utilization management, care coordination, grievance/appeals and member services, quality improvement, provider relations and other administrative functions. We will, as always, report back on audit recommendations and/or findings.

DHCS Contract. We are continuing to submit documentation and information to DHCS as required as part of their "readiness" contract in preparation for a host of new requirements under an even more comprehensive and robust DHCS contract. Submissions to DHCS should be completed by June, 2023.

Diversity, Equity and Inclusion. We continue to review new NCQA quality standards focused on Health Equity Accreditation. We are also pleased to announce that we have hired a new Health Equity Director who will join PHC in early January.

Holiday Celebrations. As 2022 winds down to a close, we are getting back to more in-person events, gatherings and celebrations at PHC. This fall, we celebrated Halloween, Thanksgiving/Employee Appreciation and several other events in a manner much more in keeping with our history. The management team is committed to making these occasions special and well-organized to engage all staff, regardless of work schedule.

Staff Count. We currently have 882 employees.

Upcoming 2022 & 2023 Board Meetings and Events.

- February 21st – Board Dinner
- February 22nd – Board Meeting and Strategic Planning Retreat
- April 26th – Board Meeting
- June 28th – Board Meeting

CONSENT AGENDA REQUEST
for
PARTNERSHIP HEALTHPLAN OF CALIFORNIA

Board Meeting Date:
December 7, 2022

Agenda Item Number:
3.1

Resolution Sponsor:
Liz Gibboney, CEO, Partnership HealthPlan of CA

Recommendation by:
PHC Advisory Groups and Committees

Topic Description:
Partnership HealthPlan of California (PHC) has a number of advisory groups and committees established by the Commission (known as the Board) with direct reporting responsibilities. These are the 340B, Compliance, Consumer Advisory, Finance, Personnel, Policies and Benefits, Physicians Advisory, Substance Use Services, Provider Advisory and Strategic Planning.

The Physician's Advisory Committee (PAC) has responsibility for oversight and monitoring for the quality and cost-effectiveness of medical care provided to PHC's members. A number of other PHC advisory groups and committees have direct reporting responsibilities to PAC. These are the Credentialing, Cultural & Linguistics & Health Education, Internal Quality Improvement, Member Grievance Review, Over/Under Utilization Workgroup, Peer Review, Pharmacy & Therapeutics, Provider Grievance Review, Quality/Utilization Advisory, Substance Use Services Internal Quality Improvement and Substance Use Services.

The Board is responsible for reviewing and accepting all minutes and packets approved by the various PHC advisory groups and committees, and approving the policies, program descriptions, and QIP policy changes that were approved by the PAC, from October 2022 through November 2022.

Reason for Resolution:
To provide commissioners with all PHC committee minutes and packets. In addition, to provide commissioners with all PHC policies and program descriptions approved by PAC and recommended for approval.

Financial Impact:
Any financial impact to the HealthPlan is included in the budget assumptions.

Requested Action of the Board:
Based on the recommendation of PHC's advisory groups & committees, the Board is asked to accept receipt of all PHC committee minutes and packets. In addition, to approve all PHC policies and program descriptions approved by PAC linked to the packet.

CONSENT AGENDA REQUEST
for
PARTNERSHIP HEALTHPLAN OF CALIFORNIA

Board Meeting Date:
December 7, 2022

Agenda Item Number:
3.1

Resolution Number:
22-

IN THE MATTER OF: ACCEPTING ALL PARTNERSHIP HEALTHPLAN OF CALIFORNIA (PHC) COMMITTEE MINUTES AND PACKETS. IN ADDITION, TO APPROVE ALL PHC POLICIES AND PROGRAM DESCRIPTIONS APPROVED BY THE PHYSICIANS ADVISORY COMMITTEE (PAC)

Recital: Whereas,

A. The Board has fiduciary responsibility for the operation of the organization.

B. The Board has responsibility to review and accept all PHC committee minutes and packets. In addition to review and approve all PHC policies and program descriptions approved by PAC.

Now, Therefore, It Is Hereby Resolved As Follows:

1. To accept receipt of all PHC committee minutes and packets and .
2. To obtain approval for all PHC policies and program descriptions approved by PAC and recommended for Board approval.

PASSED, APPROVED, AND ADOPTED by the Partnership HealthPlan of California this 7th day of December 2022 by motion of Commissioner seconded by Commissioner and by the following votes:

AYES: Commissioners:

NOES: Commissioners

ABSTAINED: Commissioners

ABSENT: Commissioners

EXCUSED: Commissioners

_____
Alicia Hardy, Chair

_____
Date

ATTEST:

BY: _____
Ashlyn Scott, Clerk

CONSENT AGENDA REQUEST
for
PARTNERSHIP HEALTHPLAN OF CALIFORNIA

Agenda Item Number: 3.2

Board Meeting Date: December 7, 2022

Resolution Sponsor:
Liz Gibboney, CEO, Partnership HealthPlan of CA

Approved by:
Physician Advisory Committee

Topic Description:
Candy Stockton, MD, Public Health Officer for Humboldt County, has expressed her interest in participating on the Physician Advisory Committee (PAC). Dr. Stockton was previously a member of the PAC and the Credentials Committee, but conflicting commitments required her to resign. Dr. Stockton is Board Certified in Family and Addiction Medicine.

Dr. Madhusudan Borde, Cardiologist, is winding down his medical practice and has requested resignation from the Quality/Utilization Advisory Committee.

Dr. Jeffrey Gaborko, Pediatrician, offers his resignation as PAC Chairperson. However, he will remain a member of the PAC until further notice.

Dr. Steve Gwiazdowski, Neonatologist for NorthBay Healthcare, volunteers to serve as PAC Chairperson.

Reason for Resolution:
To obtain Board approval to accept the membership changes for Physician Advisory Committee and Quality / Utilization Advisory Committee (Q/UAC).

Financial Impact:
There is no measurable financial impact to the HealthPlan.

Requested Action of the Board:
Based on the approval of the Physician Advisory Committee, the Board is asked to ratify the membership changes for the Physician Advisory Committee and Quality / Utilization Advisory Committee (Q/UAC).

CONSENT AGENDA REQUEST
for
PARTNERSHIP HEALTHPLAN OF CALIFORNIA

Board Meeting Date: December 7, 2022 **Agenda Item Number:** 3.2

Resolution Number:
22-

IN THE MATTER OF: APPROVING PHYSICIAN ADVISORY COMMITTEE AND QUALITY / UTILIZATION ADVISORY COMMITTEE MEMBER CHANGES

Recital: Whereas,

A. Candy Stockton, MD, has been appointed to the Physician Advisory Committee.

B. Dr. Madhusudan Borde is resigning from the Quality / Utilization Advisory Committee (Q/UAC).

C. Dr. Jeffrey Gaborko, is resigning as PAC Chairperson.

D. Dr. Steve Gwiazdowski, has been appointed to serve as PAC Chairperson.

E. The Board has authority to appoint committee members.

Now, Therefore, It Is Hereby Resolved As Follows:

1. To approve the membership changes for Physician Advisory Committee, Quality / Utilization Advisory Committee, and Peer Review Committee

PASSED, APPROVED, AND ADOPTED by the Partnership HealthPlan of California this 7th day of December 2022 by motion of Commissioner, seconded by Commissioner, and by the following votes:

AYES: Commissioners:

NOES: Commissioners:

ABSTAINED: Commissioners:

ABSENT: Commissioners:

EXCUSED: Commissioners:

_____
Alicia Hardy, Chair

_____
Date

ATTEST:

BY: _____
Ashlyn Scott, Board Clerk

CONSENT AGENDA REQUEST
for
PARTNERSHIP HEALTHPLAN OF CALIFORNIA

Board Meeting Date:
December 7, 2022

Agenda Item Number:
3.3

Resolution Sponsor:
Liz Gibboney, CEO, Partnership HealthPlan of CA

Recommendation by:
PHC Staff

Topic Description:
AB361 authorizes public meetings with Brown Act requirements to be held via teleconference or telephone during a state of emergency. Virtual public meetings still require standard meeting agendas and notices and the ability for the public to provide public comment. To continue virtual meetings, the Commission must make findings every 30 days that 1) it has reconsidered the circumstances of the ongoing COVID-19 pandemic state of emergency and 2) either the state of emergency continues to directly impact the ability of the public to meet safely in person, or state or local officials continue to impose or recommend measures to promote social distancing.

Due to the ongoing risk of community transmission of COVID-19, it is recommended that the Partnership HealthPlan of California Commission continues to offer virtual attendance as an option and encourages in-person attendance following current PHC guidelines with regard to vaccinations, masking, social distancing and other protective measures.

Reason for Resolution:
To allow the Board the opportunity to review and approve ongoing virtual Board Meetings, due to the ongoing risk of community transmission of COVID-19.

Financial Impact:
There is no additional financial impact to the HealthPlan.

Requested Action of the Board:
Based on the recommendation of PHC staff and public health officials, the Board is asked to approve the recommended to continue to offer virtual attendance, due to the ongoing risk of community transmission of COVID-19.

CONSENT AGENDA REQUEST
for
PARTNERSHIP HEALTHPLAN OF CALIFORNIA

Board Meeting Date:
December 7, 2022

Agenda Item Number:
3.3

Resolution Number:
22-

IN THE MATTER OF: APPROVING THE RECOMMENDED CONTINUATION OF MEETING VIRTUALLY

Recital: Whereas,

A. AB361, signed by Governor Newsom on September 16, 2021, requires the Commission must make findings every 30 days to continue to offer virtual attendance.

Now, Therefore, It Is Hereby Resolved As Follows:

1. To approve the recommended continuation of offering virtual attendance for meetings, due to the ongoing risk of COVID-19 transmission, for the next 30 days, per AB 361.

PASSED, APPROVED, AND ADOPTED by the Partnership HealthPlan of California this 7th day of December 2022 by motion of Commissioner, seconded by Commissioner, and by the following votes:

AYES: Commissioners:

NOES: Commissioners:

ABSTAINED: Commissioners:

ABSENT: Commissioners:

EXCUSED: Commissioners:

_____
Alicia Hardy, Chair

_____
Date

ATTEST:

BY: _____
Ashlyn Scott, Clerk

REGULAR AGENDA REQUEST
for
PARTNERSHIP HEALTHPLAN OF CALIFORNIA

Board Meeting Date:
December 7, 2022

Agenda Item Number:
4.1

Resolution Sponsor:
Liz Gibboney, CEO, Partnership HealthPlan of CA

Recommendation by:
Compliance Committee and PHC Staff

Topic Description:
The Compliance Plan clarifies how PHC conducts its business, operations, and defines compliance activities in regards to contractual obligations, ethical standards and all applicable statues, rules and regulations pertaining to PHCs Compliance Program.

The Compliance Audit Plan also defines internal audit activities in preparation for Centers for Medicare & Medicaid Services (CMS), Department of Health Care Services (DHCS), and other regulatory audits.

The Compliance Dashboard outlines activities to track the HealthPlan's Compliance Program and regulatory and contractual requirements.

Reason for Resolution:
To ensure Board members know and understand PHCs Compliance Program, and have the opportunity to review and approve the entire Compliance Program plans and dashboard biannually.

Financial Impact:
There is no measurable impact to the HealthPlan.

Requested Action of the Board:
Based on the recommendation of the Compliance Committee, the Board is being asked to approve PHCs Compliance Program Plan, Audit Plan, and Dashboard.

REGULAR AGENDA REQUEST
for
PARTNERSHIP HEALTHPLAN OF CALIFORNIA

Board Meeting Date:
December 7, 2022

Agenda Item Number:
4.1

Resolution Number:
22-

IN THE MATTER OF: APPROVING PARTNERSHIP HEALTHPLAN (PHC) COMPLIANCE PROGRAM PLAN, AUDIT PLAN, AND DASHBOARD

Recital: Whereas,

A. PHC staff is committed to conducting business in compliance with all required standards.

B. The Board has responsibility for approving the organizational Compliance Plan.

Now, Therefore, It Is Hereby Resolved As Follows:

1. To approve PHCs Compliance Program Plan, Audit Plan, and Dashboard.

PASSED, APPROVED, AND ADOPTED by the Partnership HealthPlan of California this 7th day of December 2022 by motion of Commissioner, seconded by Commissioner, and by the following votes:

AYES: Commissioners:

NOES: Commissioners:

ABSTAINED: Commissioners:

ABSENT: Commissioners:

EXCUSED: Commissioners:

_____
Alicia Hardy, Chair

_____
Date

ATTEST:

BY: _____
Ashlyn Scott, Clerk

Compliance Plan & Audit Calendar Calendar Year 2023

Table of Contents

ATTACHMENTS:

A. COMPLIANCE COMMITTEE CHARTER

B. FRAUD PRVENTION PROGRAM

C. 2023 AUDIT & DELEGATION OVERSIGHT PROGRAM CALENDAR

D. 2023 INTERNAL AUDITING & MONITORING PROGRAM CALENDAR.

SUMMARY

Partnership HealthPlan of California (PHC) is committed to conducting its business operations in compliance with ethical standards, contractual obligations, and all applicable statutes, regulations, and rules pertaining to Medi-Cal.

PHC has a Compliance Officer who oversees and maintains a formal compliance program. PHC's compliance program incorporates critical compliance elements as identified by the U.S. Department of Health and Human Services (HHS), Office of the Inspector General (OIG), Code of Federal Regulations (CFR) related to Medicaid program integrity requirements, and the California Department of Health Care Services (DHCS). PHC also has a designated Chief Information Officer (CIO), whose role is to actively assess and manage security risks. The CIO provides regular updates to the PHC Board of Commissioners (Commission) and Executive Staff. Additionally, PHC's Privacy Officer actively participates in conducting risk analyses, oversees PHC audits, and manages Fraud, Waste, and Abuse (FWA) and HIPAA (Health Insurance Portability and Accountability Act of 1996) /privacy reporting. This comprehensive approach is intended to prevent and detect any violations of ethical standards, contractual obligations, and applicable laws within PHC's operations, senior leadership, or Board of Commissioners (Commission). The Compliance Plan is a continually evolving document that is annually reviewed and amended, as necessary, based on risk analysis, ongoing compliance monitoring, and newly identified areas of risk. The Compliance Plan applies to employees, temporary personnel, volunteers, interns, health care providers, commissioners, subcontractors, and delegates, collectively, workforce members and affiliates.

This plan has been updated to reflect the ongoing priorities of the organization. In 2022, DHCS announced its intent to repaper all managed care contracts by 2024. DHCS is restructuring its managed care contracts- adding robust requirements that will have impacts across the organization. The Plan must demonstrate robust accountability, compliance, monitoring, and oversight programs, including for all delegated entities, to increase transparency, improve equity, and ensure members have access to high quality care. Managed care plans will be held accountable for the quality of care at all levels of delegation. In addition, PHC continues to move forward in our efforts to implement a new claims system, CalAIM and expand to 10 new counties.

PHC prioritizes its commitments by completing an annual risk analysis. The Compliance Plan reflects the application of this risk analysis by focusing PHC's limited resources in a manner that most effectively protects PHC from FWA, HIPAA breaches, and other risks to PHC, its workforce members, affiliates, and members.

This plan is reviewed and approved annually by PHC's Board of Commissioners.

THE COMPLIANCE PLAN

This Compliance Plan sets forth PHC's commitment to legal and ethical conduct by establishing principles, standards, and policies and procedures in order to efficiently monitor compliance with applicable laws and regulations. The Compliance Plan is designed to ensure PHC's operations and the practices of its workforce members and affiliates, comply with contractual requirements, ethical standards, and applicable laws.

The first part of the Compliance Plan addresses the review and implementation of contractual, legal, and regulatory obligations for PHC's operations. Additionally, PHC maintains policies and procedures relating to its business operations and compliance program. The Compliance Plan highlights critical elements of an effective compliance program. This includes, but is not limited to, the structure and operational aspects of the program, delegation of authority, training and education processes, monitoring and auditing activities, enforcement/discipline, and corrective action.

If a PHC workforce member or affiliate has any questions about the application of this Compliance Plan, PHC values, or PHC policies and procedures, they can seek guidance from the Compliance Officer, or any member of the Compliance Committee. PHC workforce members and/or affiliates should be generally familiar with the contractual, legal, and regulatory requirements pertinent to their roles with PHC. All PHC workforce members receive annual evaluations, which include measurements of job-specific knowledge and knowledge of departmental and company policies and procedures.

This Compliance Plan is not intended to address all of PHC's compliance activities, but to provide the framework for the compliance program. Workforce members and affiliates should seek the guidance of their supervisor, direct report, the Compliance Officer, or PHC Senior Management, as it relates to compliance functions stated within this plan or otherwise.

WRITTEN STANDARDS, POLICIES, AND PROCEDURES

Regulatory Affairs and Compliance (RAC), under the supervision of the Compliance Officer, analyzes potential implications and prepares summaries of new requirements or changes to existing requirements, for discussion with PHC leadership and at the Compliance Committee and/or appropriate venue.

Policies and Procedures

PHC regularly and systematically reviews and updates its policies and procedures to ensure business operations are compliant with new and existing contractual, legal, accreditation, and regulatory requirements. Thisdecentralized process is managed through PHC operational teams and regular committee meetings to review and approve PHC's policies and procedures.

Policies and procedures shall be reviewed no less than annually to ensure that PHC, its workforce members, and affiliates operate under and comply with current standards and/or requirements. Policies and procedures are developed or amended more frequently as needed and in response to new or amended standards, requirements, and potential risk areas identified by PHC and federal and/or state regulatory agencies.

Policies and procedures are maintained and made available in a manner that assures workforce members and affiliates are able to fulfill their roles and responsibilities, in compliance with applicable standards, requirements, laws, and regulations. PHC policies and procedures are available on the PHC intranet and as applicable, accessible through the external PHC website at www.partnershiphp.org.

Code of Conduct

The Code of Conduct (Code) is PHC's foundational document detailing fundamental principles, values, and the framework for business practices within and applicable to PHC, its workforce members and affiliates. PHC's Code was reviewed in August 2022 to ensure its alignment with current state and federal requirements and that it is representative of our mission, values, and emphasizes standards of professional conduct. Workforce members and Commissioners review and attest to their understanding of and compliance with the Code at onboarding, annually thereafter, and upon any changes.

COMPLIANCE PROGRAM ADMINISTRATION

Commission

PHC's Board of Commissioners, herein after referred to as "Commission," has the duty to assure that PHC implements and maintains a Compliance Program governing PHC's operations. The Commission receives and reviews reports from the Compliance Officer. The Commission delegates the Compliance Program oversight and day-to-day activities tothe Chief Executive Officer (CEO). As the Compliance Officer, the Chief Strategy & Government Affairs Officer is designated, by the CEO, to manage the day-to-day activities and oversight of the Compliance Program and Plan. Furthermore, the Commission may deputize compliance responsibilities to subcommittees, created by the Commission. The Commission retains the ultimate responsibility of ensuring the successful implementation and effectiveness of the PHC Compliance Program. The Commission's compliance responsibility includes, but is not limited to:

- Understanding the content and operations of PHC's Compliance Program;
- Review and approval of all policies and procedures related to PHC's contractual and regulatory compliance, including operationalizing the compliance program;
- Approving the Compliance Plan;
- Reviewing semi-annual compliance reports, including, but not limited to, summaries of overall compliance activities, and upon review, making recommendations for improvement as necessary; and
- Completing annual compliance training.

Compliance Officer

The Chief Strategy & Government Affairs Officer serves as the PHC Compliance Officer andas such, is responsible for developing, implementing, and ensuring the maintenance of compliance activities and programs in accordance with applicable laws, state and federal statutes and regulations, and contractual obligations. The Compliance Officer reports directly to the CEO and retains the authority to report matters directly to the Commission at any time.

The Compliance Officer shall receive periodic regulatory and compliance training and has the authority to oversee and direct compliance efforts. Through annual performance evaluations, the Compliance Officer will be assessed for fulfilling compliance responsibilities and promoting adherence to the Compliance Program.

Privacy Officer

The Director of Regulatory Affairs & Program Development serves as the Privacy Officer, is a privacy subject matter expert, and is responsible for ensuring PHC and our staff comply with all state and federal privacy laws including, but not limited to the Health Insurance Portability and Accountability Act (HIPAA), Health Information Technology for Economic and Clinical Health (HITECH) Act, and other rules as applicable.

Security Officer

The Chief Information Officer serves as the Security Officer and is responsible for the administration of the information security program and maintaining the confidentiality, integrity and availability of data within the organization's information systems for the Health Information Exchange and in compliance with HIPAA, HITECH, and related rules.

Fraud Prevention Officer

The Chief Strategy & Government Affairs Officer serves as the Fraud Prevention Officer and reports directly to the CEO and retains the authority to report matters directly to the Board of Commissioners, "the Commission," at any time. The Fraud Prevention Officer also attends and participates in DHCS' quarterly program integrity meetings, as scheduled and attends the California Department of Justice (DOJ) Managed Care Anti-Fraud trainings, as scheduled.

Health Equity Officer

At the time of this publication, PHC is in the process of hiring a Health Equity Officer (HEO). The HEO will provide leadership in the design and implementation of strategies and programs improving health equity and reducing health disparities. The HEO will develop quantifiable metrics that can track and evaluate the results of the targeted interventions designed to eliminate health inequities. The HEO will ensure all PHC staff, delegates, and network providers receive mandatory diversity, equity and inclusion training.

Compliance Committee

Purpose

The Compliance Committee, chaired by the Compliance Officer, has general responsibility to oversee PHC's Compliance Program. The purpose of the Committee is to: (i) oversee PHC's implementation of the Compliance Program, interventions designed to mitigate compliance risk, policies and procedures that support the prevention and detection of violations with applicable law, regulations, and rules; (ii) provide a mechanism for regular and direct communication with management, those persons responsible for the internal compliance function, and the Commission; and (iii) perform any other duties as directed by the Commission or the CEO.

The Compliance Committee is comprised of Senior Management and operational staff, as designated by the CEO and staffed by RAC. The Compliance Committee Charter is included as *Attachment A*. Individuals selected as members of the Compliance Committee are department heads (or their designated proxy), and other staff, as appropriate, based upon their job function. A complete list of positions for members of the Compliance Committee is included in the Compliance Committee Charter. The Compliance Committee meets no less than four times annually. PHC maintains minutes of Compliance Committee meetings that shall include, but is not limited to, summary of reports, discussion, recommendations for corrective action that may include sanctions and/or revocation of agreements, and/or recommendations or referrals to other PHC committees (subject to the attorney/client privilege, proprietary rights, et cetera).

Delegation Oversight Review Subcommittee (DORS)

The Delegation Oversight Review Subcommittee (DORS) is a subcommittee of the Compliance Committee and is chaired by a senior staff member of RAC. Membership is comprised of key subject matter experts from internal departments that are responsible for overseeing functions for which PHC has delegated authority to an external entity. The DORS has overall responsibility for ensuring PHC's compliance with oversight of delegated responsibilities and activities set forth by PHC's policies and procedures, national accreditation standards, and applicable federal and/or state statutes, regulations, and contractual obligations.

The DORS meets no less than four times annually. RAC sets an external/delegate audit calendar that is reviewed by the Compliance Committee and/or CEO and results of these audits are reviewed by DORS.

The Physical, Technical, and Administrative Safeguards (PTAS) Subcommittee

The Physical, Technical, and Administrative Safeguards (PTAS) Subcommittee is chaired by a senior staff member of RAC. Membership is comprised of key stakeholders from internal departments. This group implements and reviews reasonable and appropriate security measures to safeguard protected health information (PHI) and has oversight of policies and procedures intended to identify, prepare for, and respond to, potential or actual privacy and/or security incidents.

The PTAS meets no less than four times annually. All privacy and security policies are reviewed by PTAS, prior to being submitted to the Compliance Committee.

The Fraud, Waste and Abuse (FWA) Subcommittee

The Fraud, Waste and Abuse (FWA) Subcommittee is chaired by a senior staff member of RAC. Membership is comprised of key stakeholders from internal departments. This group meets to identify irregularities in the practices of workforce members, affiliates, and members where potential FWA is identified and to make recommendations for prevention activities and interventions.

The FWA meets no less than four times annually. All FWA and overpayment recovery related policies are reviewed by FWA, prior to being submitted to the Compliance Committee.

Executive Leadership Team

The CEO and Executive Leadership Team at PHC shall:

- Ensure that the Compliance Officer is integrated into the organization and is given the authority, and resources necessary to operate a robust and effective compliance program;
- Review periodic reports from the Compliance Officer related to operational risk, the strategies being implemented to address them, and the results of those strategies;
- Maintain working knowledge of contractual obligations, law, regulations, and rules; and
- Be advised of all governmental compliance and enforcement findings and activity, including audit findings, notices of non-compliance, formal enforcement actions, and as applicable, imposition of corrective actions and sanctions and official responses.

Project Management Office

The Project Management Office (OpEx/PMO) is responsible for ensuring that PHC's non-provider agreements are compliant with state and federal regulations and adhere to current business associate agreement requirements.

Provider Relations Department

The Provider Relations Department is responsible for ensuring that all provider contracts are in compliance with associated state and federal regulatory requirements, that providers are not suspended or ineligible to participate in Medi-Cal, and as applicable, are Medi-Cal enrolled. Additionally, Provider Relations is responsible for communicating regulatory updates and PHC policy changes to the provider network and as needed, providing education to promote understanding of and compliancewith updates.

Other Departments

Other PHC Departments including, but not limited to, Behavioral Health, Claims, Communications, Configuration, Grievances and Appeals, Population Health Management, Care Coordination, Utilization Management, Quality Improvement, Pharmacy, Legal Affairs, Pharmacy, Finance, Human Resources (HR), Information Technology, and Member Services serve as subject matter experts and as the liaisons between PHC andour community. It is the responsibility of these departments to respond to, implement regulatory guidance, and where applicable, support the oversight of delegated activities for their respective functional areas.

EDUCATION AND TRAINING

PHC provides general and specialized trainings and education to workforce members and affiliates to promote understanding of and adherence with the Compliance Program, including the Compliance Plan, Code of Conduct, and applicable policies and procedures. Through training and education, workforce members are apprised of applicable state and federal laws, regulations, standards of ethical conduct, and corrective and/or disciplinary action for any violation of those rules.

PHC provides training to commissioners, workforce members, and affiliates, as follows:

Initial and Continuing Education and Training

Through onboarding, workforce members receive PHC's Code of Conduct and Compliance Primer and must attest their receipt and understanding. They also have access to all PHC policies and procedures, including those pertinent to the individual's job and/or responsibilities. The HR Department, in coordination with RAC, ensure workforce members receive training on theCompliance Plan during new hire orientation.

Ongoing Compliance Training

All PHC workforce members, regardless of position, are required to complete certain mandatory ComplianceTrainings at the time of hire and annually thereafter. These trainings include:

- Information privacy and security (DHCS COHS contract 08-85215, Exhibit G)
- Fraud, waste, and abuse (DHCS COHS contract 08-85215, Exhibit E, Attachment 2, Provision 27 (B))

RAC coordinates with the HR Department to manage the implementation of this training through PHC's Learning Management System (LMS).

As a result of COVID-19, the physical location of staffs' place of work remains dynamic. In response, PHC maintains staff training regarding working remotely, including how to handle PHI. This training covers best practices and reminders on existing privacy related policies.

Specialized Training

Workforce members may receive additional compliance training as is reasonable and necessary based on the scope of their job function and duties or as necessitated by improvement opportunities or non-compliance. The Compliance Plan and compliance policies and procedures are accessible to workforce members via, PHC's intranet.

In addition to maintaining an internal/external policy on how to report potential or actual compliance incidents and the training methods described within this Compliance Plan, PHC may provide specialized training to the Commission, delegates, subcontractors, and/or providers to ensure appropriate response and reporting of compliance inquiries and potential or actual non-compliance.

Commissioner Compliance Training

The Clerk to the Commission (*Board Clerk*) provides new commissioners with a copy of the Compliance Plan, The Code of Conduct, and Confidentiality Agreement upon their appointment. PHC's Compliance Officer, or designee, provides a general overview of the Compliance Program to all Commission members on an annual basis.

Provider Compliance Training

Under the direction of the Senior Director of Provider Relations, providers shall be familiarized with the PHC Provider Manual. This information is available on the provider section of the external PHC website.Providers are encouraged to make available and/or disseminate copies of the Provider Manual to theiremployees, agents, and subcontractors that furnish items or services to PHC or its members. Individual and group providers are encouraged to provide compliance training to their employees using these tools.

In compliance with the Deficit Reduction Act (DRA) of 2005, Providers are given a copy of PHC's False Claims Act policy (CMP-07) through the Provider Manual.

Failure to Participate in Annual Training

RAC & HR Departments will make a good faith effort to ensure all workforce members participate in annual compliance training. Workforce member training is tracked through the LMS and monitored by RAC for completion. If identified as having failed to participate in the annual training, the workforce member's direct report is contacted. Failure to complete annual training within a reasonable amount of time may be reported at the Compliance Committee. Additionally, the Compliance Officer may discuss training non-compliance with department directors. Continued non-compliance with training requirements may require the development and imposition of a corrective action plan.

Diversity, Equity and Inclusion Training

Under the direction and leadership of the HEO, each staff member is required to complete sensitivity, diversity and cultural competency trainings.

Documentation

RAC and/or HR shall maintain documentation of workforce member training and education via electronic means or hard copy signed attestations and/or sign-in sheets.

Other Education Program Communications

When appropriate, PHC informs workforce members and affiliates of any relevant federal and state fraud alerts and regulatory guidance, pending/new legislation reports, updates, andadvisory bulletins through regular operations meetings, ad hoc workgroups, and/or via electronic communication as appropriate. .

- PHC uses electronic communication and/or other forms of communication (as appropriate) to inform workforce members and affiliates of changes in applicable federal and state laws and regulations.
- PHC informs workforce members and affiliates that they can obtain additional information from the Compliance Officer. Any questions, which cannot be answered by the Compliance Officer, shall be referred to the Compliance Committee.

COMMUNICATION

The Compliance Program, including provisions of the Compliance Plan, is implemented and maintained on behalf of PHC by the Compliance Officer and through the Compliance Committee.

Distribution of Compliance Plan

Workforce members and the Commissioners

The Compliance Plan, Code of Conduct, and policies and procedures are made available on the PHC intranet. Workforce members receive compliance training, the Compliance Plan, and the Code of Conduct during the New Hire Orientation and annually thereafter.

A copy of this Compliance Plan, Code of Conduct, and Confidentiality Agreement is distributed to the Commission member(s) upon their appointment, and annually thereafter for review and approval. PHC's Compliance Officer or Clerk of the Commission shall have responsibility to distribute and obtain a signed Confidentiality Agreement from the Commission annually.

Annual Attestation

PHC requires that the Compliance Plan and Code of Conduct and applicable policies and procedures be affirmed each calendar year. The Compliance Plan and Code of Conduct is reviewed by workforce members annually. At the time of annual distribution, recipients will be advised of any changes. Each workforce member shall attest to their understanding of and compliance with these documents.

REPORTING

Disclosure, Confidentiality and Non-Retaliation Establishment, and Publication of Reporting System

PHC has established various avenues for the reporting of privacy incidents, FWA, misconduct or other compliance violation(s). This reporting system provides several lines of "upstream" communication to ensure an effective collection of possible misconduct. Confidentiality, when requested, will be honored to the extent allowed by law. PHC workforce members and the Commissioners have an affirmative duty and are directed in the Code of Conduct, and policies and procedures to report compliance concerns, questionable conduct or practices, and suspected or actual violations immediately upon discovery.

The various means of reporting are described below:

Open Door Policy

All PHC workforce members are notified upon hire, and annually thereafter of PHC's open door policy. This is incorporated into new hire onboarding and training. All workforce members may approach their supervisor, manager, or director with any issue. PHC encourages check-ins with supervisors, managers, or directors regarding compliance issues, complaints, or questions. Management staff is trained to handle these situations and forward any necessary information to the Compliance Officer and/or RAC for review and/or investigation. Dedicated staff members are assigned to investigate and forward reports of potential or actual privacy incidents and FWA to the State or Federal Government, as applicable.

Compliance Hotline

PHC has an anonymous telephone hotline (Compliance Hotline) for PHC workforce members, affiliates, and members, and other interested persons to report all potential or actual violations of law and/or the Compliance Program and/or questionable or unethical conduct or practices, without limitation. The Compliance Hotline also provides an anonymous and confidential way to report concerns about potential or actual violations of PHC's business standards.

The Compliance Hotline is a toll-free number: (800) 601-2146, and is accessible 24 hours a day, 7 days a week, excluding designated holidays (when callers are routed to a voice mail message alerting them to call back during established hours of operation).

PHC makes information about the Compliance Hotline accessible through PHC's intranet, external website, member handbook, e-newsletters, and/or posting hotline posters in prominent common areas.

Notification of hotline reports are sent directly to the Compliance Officer, the Privacy Officer, and the RAC Reporting inbox.

Dedicated Reporting Resources

RAC promotes and maintains a portal for use by workforce members in reporting any compliance, privacy orFWA issues. Furthermore, RAC has a dedicated email address to receive and manage reports of any compliance, privacy orFWA issues from external parties. This dedicated email address is RAC_Reporting@partnershiphp.org.

Confidentiality, Anonymous Reporting and Non-Retaliation/Non-Intimidation

PHC takes all reports of violations, suspected violations, questionable conduct or practices seriously.

Reports of compliance issues are treated with confidentiality to the extent permitted by applicable law and circumstances. For hotline reports the caller and/or author need not provide their name or identity.

Communications via the Compliance Hotline or in writing are treated as privileged to the extent permitted by applicable law.

PHC's policy prohibits any retaliatory action against a workforce member or affiliate for making any verbal or written report in good faith. In addition, PHC policy prohibits any attempt to intimidate an individual reporting a compliance issue, for any reason.

Voluntary Disclosure and Prohibition Against Insulation

PHC workforce members are notified annually during compliance training of PHC's policy of voluntary disclosure. PHC workforce members are encouraged to disclose mistakes and misconduct to their supervisors, managers, directors or the Compliance Officer to prevent or deter FWA.

PHC takes violations of this reporting policy seriously and the Compliance Officer will review disciplinary and/or other corrective action for violations, as appropriate, with the Compliance Committee or Senior Director of Human Resources.

MONITORING

Each PHC department is responsible for implementing controls and oversight mechanisms to ensure compliance with governing requirements for their respective functions. Additionally, RAC facilitates an internal oversight function designed to detect inconsistencies and/or non-compliance with contractual and regulatory requirements, , accreditation standards, and policies and procedures..

RAC, in coordination with the Compliance Committee, is responsible for assisting in the development and maintenance of regular auditing and monitoring activities, through the use of a risk assessment reviewed by the Compliance Committee. RAC is responsible for maintaining governing monitoring andauditing policies and procedures as approved by the Compliance Committee.

It is the responsibility of the Compliance Officer to report compliance and risk related information ina format sufficient to satisfy the interests or concerns of the Commission and to fit their capacity to review that information.

Monitoring Systems

Organizational Monitoring

Reports of potential or actual compliance violations, unethical conduct, privacy, FWA, and/or questionable conduct made by workforce members and/or affiliates in writing or verbally, formally or informally, are subject to review and investigation as provided below, as needed, in consultation with legal counsel, by PHC's Compliance Officer and/or their designee.

The Compliance Officer will work under the supervision of the CEO to investigate reports and initiate follow-up actions as appropriate.

Internal Monitoring

Department directors regularly review internal status/progress reports to ensure compliance and efficiency in departmental activities. "Red flags" that are identified in these reports are reviewed by the department director and/or specially trained staff to determine if misconduct has occurred. Instances of FWA or other misconduct are investigated by the department director and reported to RAC. As necessary, a report is prepared and brought before the Compliance Committee. Corrective actions may be applied by the reviewing department director under the direction of the Compliance Committee. Resolution of cases identified for possible or actual FWA are reported to the Compliance Committee at the next quarterly meeting.

Oversight of Delegated Activities

While PHC remains ultimately responsible for the obligations of the DHCS Medi-Cal contract, PHC may elect to delegate certain responsibilities. Under the context of the DHCS Medi-Cal contract and/or NCQA accreditation, PHC may give the authority of performing certain functions and/or processes to external entities, known as subcontractors and/or delegates. Before entering into such an agreement, PHC shall assess the capacity of a potential subcontractor/delegate to perform proposed responsibilities. PHC maintains agreements, inclusive of a mutually agreed upon reporting calendar, with subcontractors and/or delegates to enforce compliance with contractual, legal, and regulatory requirements and applicable Plan policies. Furthermore, PHC maintains policies that govern the oversight requirements of subcontractor/delegate relationships, including regular monitoring and auditing, escalation of compliance issues and related corrective action plans, and administrative sanctions and penalties. Other programmatic documents include a matrix of delegated responsibilities by entity, a calendar of annual audits, tracking of corrective action, and a master calendar of reporting deliverables.

RAC, in coordination with subject matter experts from respective functional areas, ensures the regular oversight of subcontractors/delegates. No less than quarterly, evidence of oversight, monitoring, and/or auditing activities, including identification of deficiencies, improvement opportunities, and corrective actions (recommended or imposed) shall be presented to DORS. Any recommendations for the imposition of administrative or financial sanctions, up to the revocation of the agreement, shall be reported to DORS for review. Upon acceptance of recommendation, matters shall be escalated in compliance with applicable PHC policy and procedure.

Please see *Attachment C* for a schedule of Delegate Audits planned for 2022.

Availability of Records

PHC and its delegate and provider records are available for review by regulatory agencies, or their designee. Records are maintained according to the contractual obligations specified under contract with DHCS and/or between PHC and the provider, and are not kept for a period of time less than that mandated by applicable federal and/or state law.

Records under Medi-Cal are maintained for 10 years.

Minimum Use

PHC has policies and procedures that regulate minimum use by workforce members and affiliates. Compliance with these requirements is regularly discussed during the PTAS Subcommittee and Compliance Committee meetings.

Audit Systems

Internal Audits

In order to comply with its regulatory and contractual requirements, PHC conducts periodic internal audits of its operations. Audits may be routine or ad hoc, depending on the needs of PHC, the function/department that is being assessed, or pursuant to a regulatory agency request, notification, or alert. Audits are based on assessed risk, contractual or regulatory obligations, or PHC policies and procedures.

Please see *Attachment D* for a schedule of Internal Audits planned for 2022.

External Audits

Compliance with Contractual Requirements

As a Medi-Cal managed care plan, PHC maintains a contract with the Department of Health Care Services (DHCS). PHC undergoes annual audit by DHCS to ensure compliance with contractual and regulatory requirements. RAC is responsible for coordinating audits as conducted by DHCS. Results from the DHCS audit are referenced in the development, maintenance and as needed, modification of auditing plans.

Separate from the annual DHCS audit, PHC undergoes an annual Financial Audit that is conducted by an outside Certified Public Accounting Firm. The results of this audit are reported directly to the Commission.

Subcontractor and/or Delegate Oversight

PHC ensures subcontractor and/or delegate compliance with governing requirements. PHC policies and procedures, and nationally recognized accreditation requirements through regular monitoring and at least annual auditing. PHC maintains policies and procedures, an auditing calendar, and audit work plans that govern the auditing process.

Evidence of subcontractor and/or delegate oversight activities, including audit outcomes are presented to DORS no less than quarterly for review and as needed, recommendation of corrective action. DORS

committee minutes are reportedto the Compliance Committee.

Please see *Attachment D* for a schedule of delegate/subcontractor audits planned for 2022.

Government-Identified Risk Areas
The Compliance Officer or designee monitors for specific compliance issues identified by health care regulatory agencies. This includes, but is not limited to areas of risk identified in the OIG's Annual Work Plan, specifically the OIG's Medicaid Managed Care and State Management of Medicaid work plan, the results of managed care organization oversight as conducted by health care regulatory agencies, and compliance issues identified and reported to RAC.

PHC Monitoring and Auditing Work Plan
PHC maintains policies, procedures, and a monitoring and auditing work plan that includes:

- Summary of internal monitoring processes;
- Calendar of internal and external audits;
- Audit narrative, including:
  - Audit objectives
  - Scope and methodology;
- Staff responsible for specific audits
- Audit tools and workbooks;
- Strategy to monitor and audit PHC's subcontractors and/or delegates; and
- Process for developing follow-up and corrective action.

The monitoring and auditing plan is modified based on risk assessment and/or recommendation from leadership. The risk assessment is usedto determine which areas of PHC's business may be susceptible to privacy, FWA or other non-compliance risks. Audit guides, experiences of other COHS plans, resources developed by regulatory agencies and other health care industry standards, are all referenced to identify high-risk areas. RAC with input from PHC leadership and the Compliance Committee, prioritizes the monitoring and auditing strategy based on assessed risk/vulnerabilities and available resources.

Areas in PHC's business that are found to be deficient are reviewed for redress. Recommendations or corrective actions and/or sanctions may be required depending on the severity of the findings and shall be reviewed and imposed under the authority of the Compliance Committee and/or the CEO in accordance with applicable state and/or federal regulations and PHC policy and procedure.
Actions taken as a result of the audit work plan are tracked to evaluate the success of interventions. A report on internal or regulatory monitoring and auditing results are presented to the Compliance Committee in the quarter following the finalization of the audit report.

Compliance Program Annual Review
Through regular reporting of RAC activities and statistics, the Compliance Committee oversees the effectiveness of the Compliance Program that includes an annual review of this Compliance Plan.

The Compliance Plan's functionality will be reviewed to ensure that best efforts are made to protect PHC from FWA and privacy risks and other misconduct that could endanger PHC, delivery of services, members, providers, and other affiliated parties.

Participation Status Review and Background Checks

PHC does not knowingly hire, contract with, or retain on its behalf, any person or entity that is currently suspended, excluded or otherwise ineligible to participate in federal and/or state health care programs; and/or has ever been excluded from participation in federal and/or state health care programs based on a mandatory exclusion.

Under the direction of the Senior Director of Human Resources, PHC conducts participation status reviews upon hiring of new workforce members and monthly thereafter, to ensure individuals are not excluded or do not become excluded from participating in federal and state health programs.

Under the direction of the Senior Director of Provider Relations, verification of a provider's eligibility to contract with PHC is facilitated by Provider Relations through the credentialing and re-credentialing and regular exclusion/sanction checks, no less frequently than monthly. Consistent with applicable requirements, providers found to be ineligible or excluded are reported to the appropriate oversight agency. Payments made by PHC (i) to excluded persons or entities; or (ii) for items or services furnished at the medical direction; or (iii) on the prescription of an excluded or suspended physician are subject to repayment/recoupment.

The Clerk of the Commission conducts participation status reviews upon appointment of members to the Commission, and monthly thereafter, to ensure commissioners are not excluded or do not become excluded from participating in federal and state health programs.

Workforce members are required to notify the HR Department if, after hiring their ability to participate in federal and/or state health care programs changes. In the event PHC discoversthe status of any workforce member no longer permits them to work for PHC, corrective actions willbe taken.

ENFORCEMENT

Conduct Subject to Enforcement and Discipline

Commissioners may be subject to removal; workforce members to discipline, up to and including termination; and providers, subcontractors, and/or delegates to contract termination for non-compliance, including but not limited to:

- Conduct that leads to the filing of a false or improper claim in violation of federal or state laws, or failure to seek recoupment of known overpayment of a claim involving federal or state Medicaid funds;
- Conduct that results in a violation or violations of any other federal or state laws or contractual requirements relating to participation in federal and/or state health care programs;
- Failure to report potential or actual violations of the Compliance Program or applicable laws or to report suspected or actual FWA issues to an appropriate person; and
- Failing to disclose a conflict of interest.

Enforcement and Discipline

PHC maintains a "zero tolerance" policy towards any illegal conduct that affects the operation, mission, or good standing of PHC. Any workforce member or affiliate engaging in a violation of laws or regulations is subject to discipline scalable to the severity of the violation, up to and including, termination of employment or of their contract. PHC will accord no weight to a claim that any improper conduct was undertaken for the benefit of PHC. Such conduct is not for PHC's benefit and is expressly prohibited.

PHC maintains a policy on workforce member conduct and work rules which specifies unacceptable workforce member behavior. Necessary discipline is determined by the Senior Director of HR. In determining the appropriate discipline or corrective action for any violation of the Compliance Program or applicable law, PHC will not take into consideration a particular persons or entities economic benefit to the organization.

Workforce members and affiliates should also be aware that violations of applicable laws and regulations, even unintentional, could potentially subject them or PHC to civil, criminal, or administrative sanctions and penalties. Further, violations could lead to suspension or exclusion from participation in federal and/or state health care programs.

INVESTIGATIONS AND REMEDIATION

Notice of Potential or Actual Violation

If a PHC workforce member or affiliate becomes aware of a potential or actual violation or questionable or unethical conduct in violation of the Compliance Plan or applicable law, individual or entity shall notify PHC immediately. The commissioner, workforce member, or affiliate may report any violation, suspected violation, or questionable conduct to their immediate supervisor or director, including the Compliance Officer or RAC, by direct verbal orwritten report. Such reports may also be made to the Compliance Hotline.

Response to Notice of Violation or Suspected Violation

Upon receipt of a report of non-compliance (whether a general compliance issue, HIPAA or FWA), RAC is responsible for review and investigation. High-risk issues, including but not limited to, workforce member misconduct, may be reported directly to the Compliance Officer or Senior Director of Human Resources for investigation as appropriate.

RAC will work with the appropriate PHC workforce members and/or affiliates to remediate any current or potential for future instances of non-compliance.

Reported issues are tracked by RAC for routine reporting on a quarterly basis to the Compliance Committee. In addition, statistics on compliance issue reporting are provided to the Commission for regular review.

Any identification of deficiencies, improvement opportunities, and corrective actions (recommended or imposed) shall be reported to the (sub)committee with subject matter jurisdiction and as necessary, forwarded to the Compliance Committee for further action. Any recommendations for the imposition of administrative or financial sanctions, penalties and/or corrective action, up to the revocation of the agreement, shall be reported to the subcommittee with subject matter jurisdiction for review and as appropriate, forwarded to the Compliance Committee and/or CEO for review and final action. It is the responsibility of the Senior Director of Human Resources or their designee to implement any disciplinary action with regard to workforce member misconduct.

FRAUD

PHC must comply with specific regulatory requirements pertaining to FWA prevention. Such regulations dictate the investigative, reporting and monitoring activities related to FWA prevention. PHC's approach to identifying and monitoring potential fraud activity is multi-faceted.

Fraud, Waste, and Abuse Program (FWA)

PHC's workforce has the responsibility to understand their job functions and associated processes in order to identify irregularities in the practices of workforce members, affiliates, and members to report any potential FWA to RAC. PHC's approach to identifying and monitoring potential fraud activity is multi-faceted and further detailed in the Fraud Prevention Program, which is included as *Attachment B* to the Compliance Plan. The FWA program was established to detect and receive reports of suspected fraud, and conduct an initial investigation. RAC maintains a tracking system and records all reported allegation of fraud.

FILING SYSTEMS

The Compliance Officer, in coordination with the Security and Privacy Officer as appropriate, will establish and maintain a filing system (or systems) for all compliance- related documents. Records retention is handled according to PHC's contractual and regulatory obligations. Records related to the Compliance Program, including edits to the Compliance Plan, minutes of Compliance Committee meetings, documentation of education, and similar documentationis maintained for no less than 10 years, pursuant to CMS requirements.

RISK ASSESSMENT

Risk Assessment Process

This year RAC conducted an initial acount of the compliance landscape and potential risks to the plan and specifically, the Compliance Program. This account took into consideration changes to the health care delivery system, both voluntary and mandatory, and those activities which have the potential to affect PHC such as, benefit implementation, member experience, regulatory compliance, and operational infrastructure. This assessment informed RAC's development of a risk assessment tool used to survey executive and operational leadership to identify organizational and regulatory risks.

Risk Priorities Identified

Although there are a myriad of potential risks and areas of concern for PHC, the focus is on our collaboration with operational departments to support their preparation for the many proposed changes demanded by the external environment.

The survey identified the top operational and regulatory priorities according to the PHC's leadership. The top r priorities are:

1. **DHCS 2024 Contract Restatement:** PHC must prepare, submit, and implement hundreds of deliverables in demonstration of operational readiness over the course of 12 -18 months regarding the 2024 contract. Focus areas include, but are not limited to:
    - Program integrity and fraud prevention;
    - Diversity, health equity, and inclusion;
    - Subcontractor delegate transparency and oversight including that of financial oversight;
    - Emergency/disaster preparedness and response;
    - Board of commissioner responsibilities and governance of specific programs; and
    - Network provider management and oversight.

2. **Cyber Security:** PHC had a significant system disruption in March 2022 impacting all aspects of our operation In addition, the Health and Human Services (HHS) Office of Inspector General (OIG) Work Plan 2022 highlighted their priorities as it relates to cyber security. In the current climate and cybersecurity risks throughout the health care industry, it is important that PHC assess the preparedness and responsiveness of providers and subcontractors.

3. **New Claims System Implementation**: PHC is embarking on the implementation of a new core system, which not only constitutes a significant financial investment, it will impact all operational departments. This was identified in the 2019 assessment as the number one priority and continues to be top of mind as PHC prepares for the new core system implementation in quarter two of calendar year 2023.

4. **Medi-Cal Delivery System Reform/California Advancing and Innovating Medi-Cal (CalAIM):** this is a multi-year initiative by DHCS to standardize the benefit delivery system, reducing complexity and building flexibilities; in doing so, improve quality outcomes and reduce health care costs. Responsibility for carrying out DHCS led initiatives are passed-through to managed care plans like PHC, necessitating our prioritization of operations and strategic goals in close alignment with our regulator. This effort necessitates PHC build resources, knowledge, and invest into benefits, programs, and in some cases, regulators with little to no historic familiarity.

5. **Geographic Expansion – County Plan Model Changes**: as a result of DHCS' request for proposals regarding Medi-Cal managed care plan (MCP) contract procurement and county led MCP model changes, no sooner than 2024, PHC, operating as a county organized health system (COHS), may be selected by interested counties as the preferred MCP. This may result in PHC expansion into additional geographic locations throughout Northern California. This will necessitate PHC investment into and demonstrated readiness of infrastructure, community familiarity, resources, and financial solvency.

By identifying key priorities of the PHC leadership, the RAC team can take proactive steps towards managing and mitigating risk. The RAC team wants to serve as partners in thesekey initiatives and support in the successful implementation.

A component of our risk assessment is to be actively engaged in the implementation and oversight of these initiatives. Any issues that come to our attention will be addressed at the Compliance Committee.

ATTACHMENT A

COMPLIANCE COMMITTEE CHARTER

PURPOSE

The Compliance Committee (Committee) has the fiduciary responsibility to oversee Partnership HealthPlan of California's (PHC) regulatory Compliance Program and shall ensure the establishment and maintenance of a regulatory compliance program that constitutes part of an "effective compliance program." Specifically, the Committee shall be primarily responsible for overseeing, monitoring and evaluating PHC's compliance with all regulatory and contractual obligations of PHC (federal, state and local), as applicable.

AUTHORITY AND RESPONSIBILITIES

Among its authority and responsibilities, the Compliance Committee shall:

1) Oversee the development, review, evaluation, and implementation of the annual, plan-wide, Compliance Program.

2) Assist the Compliance Officer in developing and maintaining written policies and procedures, which provide guidance and promote PHC workforce members and affiliates awareness of and compliance with all applicable laws, regulations, guidance, and contractual obligations. The Committee has final review and approval authority of PHC's compliance policies and procedures, and ensures regular review and updates, as applicable. As appropriate, the Compliance Committee participates in the review and approval of policies and procedures that are required under any contract with government agencies for PHC lines of business, or plan-wide policies and procedures.

3) Receive, review, and act upon reports and recommendations from the Compliance Officer, subcommittees, and workgroups regarding compliance and/or ethics issues generated through internal and external audits, monitoring, and individual reporting or referrals. Assists the Compliance Officer in developing initiatives to detect and prevent fraud, waste, and abuse across all lines of business.

4) The Compliance Committee is responsible for maintaining the Code of Conduct, subject to the ultimate authority of the Board of Commissioners (the Commission).

5) Assist the Compliance Officer in identifying and mitigating potential compliance and regulatory risk areas.

6) Recommend and monitor the development of policies and procedures to govern its operations as a Compliance Committee.

7) Advise the Compliance Officer in the development and implementation of general and specialized compliance and regulatory training materials related to specific compliance issues and risk areas.

8) Has the authority to conduct any investigation appropriate to fulfill its responsibilities and has direct access to anyone in the company, as well as, any third party who may perform compliance related consulting services for the company. The Committee shall retain the services of attorneys, accountants, consultants, and other professionals as needed to ensure compliance with applicable laws.

9) Respond appropriately if a violation is uncovered, including proper reporting of violations of law to the duly authorized law enforcement or regulatory agencies.

10) Maintain a working knowledge of relevant compliance issues, laws, regulations, and contractual obligations.

11) Perform other functions as reasonably necessary to assist the Compliance Officer in fulfilling the intent and purpose of the Compliance Program.

12) Ensure that legal counsel is consulted as appropriate and that all applicable privileges are preserved, including the attorney-client privilege and/or work product doctrine.

GOVERNANCE, STRUCTURE AND ORGANIZATION

The Chair of the Compliance Committee shall be PHC's Compliance Officer or their designee. The Chair, in consultation with other members of the Committee, will determine the frequency and duration of the meetings of the Committee and the agenda of items to be addressed at each meeting.

Committee Structure: To promote compliance with state and federal regulations, contractual obligations, and industry practices, the Committee shall have a director or above (or his/her designated proxy), represented from all PHC operational departments.

The following groups shall report meeting minutes and other relevant materials or details, as applicable, to the Compliance Committee at all regularly scheduled meetings:*

- Delegation Oversight Review Sub-Committee (DORS)
- Fraud, Waste, and Abuse Sub-Committee (FWA)
- Physical, Technical, and Administrative Safeguards (PTAS)
- Sub-Committee

**Above list is subject to change, and shall not be considered an exhaustive list*

Meetings Schedule: The Committee will meet no less than four times per year. A majority of the members, or at minimum, half of the Committee, present in person or by means of a conference call or other communication equipment by means of which all persons participating in the meeting can hear each other, shall constitute a quorum.

Agenda and Minutes: The Chair shall preside over the meetings of the Committee and shall appoint a secretary (who need not be a member of the Committee) to take written minutes of the meetings. The Committee shall maintain minutes of its meetings and records relating to those meetings.

MEMBERSHIP

- Chief Executive Officer
- Chief Operating Officer
- Chief Financial Officer
- Chief Medical Officer
- Chief Information Officer
- Senior Director of Human Resources
- Northern Region Executive Director
- Chief Strategy & Government Affairs Officer (also serves as the Compliance Officer), *Chair*
- Behavioral Health Administrator
- Regional Director, Administration (Santa Rosa)
- Senior Director, Health Services
- Senior Director, Provider Relations
- Director, Legal Affairs
- Director, Health Services (NR)
- Director, Member Services
- Director, Member Services and Provider Relations (NR)
- Director, Pharmacy Services
- Associate Director of Compliance and Program Strategy
- Director, Claims (SR)
- Director, Claims (NR)
- Director of Configuration
- Associate Director of Program Management Office (OpEx/PMO)

- Associate Director of Grievance and Appeals
- Manager of Quality Assurance and Patient Safety
- Regional Manager, Administration (Eureka)

ATTACHMENT B

FRAUD PREVENTION PROGRAM

As a Medi-Cal managed care plan, contracted with the Department of Health Care Services (DHCS) for the administration of Medi-Cal benefits, PHC must comply with specific regulatory and/contractual requirements pertaining to Fraud Waste and Abuse "FWA" prevention. Such requirements dictate the investigative, reporting and monitoring activities related to FWA prevention. PHC's approach to identifying and monitoring potential fraud activity is multi-faceted.

PHC's FWA Program was developed in consideration of State and Federal laws and regulations as well as Centers for Medicare and Medicaid Services (CMS) and Medi-Cal requirements. PHC uses the following definitions:

Abuse – per DHCS 2024 Operational Readiness Contract 22-20196, "DHCS Contract," means any provider practices that are inconsistent with sound fiscal, business, or medical practice, and result in an unnecessary cost, or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards for healthcare. It also includes member practices that result in unnecessary cost to Medicare or Medi-Cal.

Fraud – per DHCS contract, means an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to the individual or other person. It includes any act that constitutes fraud under applicable Federal or State law.

Waste – per DHCS contract, means an overutilization or misuse of resources that results in unnecessary costs to the healthcare system, either directly or indirectly.

A. Relevant Federal and State Laws and Regulations

PHC must also address relevant laws pertaining to fraud, waste, and abuse to include:

The Affordable Care Act requires providers, suppliers, Medicare Advantage plans, and Medicare Part D plans to report and return Medicare and Medicaid overpayments within 60 days of awareness.

Federal False Claims Act prohibits knowingly presenting or causing to be presented to the Federal government a false claim for payment or approval, knowingly making or using or causing to be made or used a false record or statement to have a false or fraudulent claim paid or approved by the government, and knowingly making or using or causing to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the government. The False Claims Act defines "knowing" and "knowingly" to mean that a person with respect to the information: 1) has actual knowledge of the information, 2) acts in deliberate ignorance of the truth of falsity of the information, or 3) acts in reckless disregard of the truth or falsity of the information, and 4) no proof of specific intent to defraud is required. See PHC policy CMP07 False Claims Act for more information.

The Deficit Reduction Act requires PHC to disseminate information to employees and FDRs, about our mutual roles and responsibilities to detect and prevent fraud, waste, and abuse in the healthcare system.

California False Claims Act (California Government Code §12650-12656) was enacted by California to enhance the State's ability to recover and impose penalties upon the "knowing" submission of false claims to state or local government programs, including Medi-Cal and was modeled after the Federal False Claims Act. See PHC policy CMP07 False Claims Act for more information.

Federal Anti-Kickback Statute prohibits anyone from knowingly and deliberately offering, giving, or receiving remuneration in exchange for referrals or healthcare goods or services that will be paid for in whole or in part by Medicare or Medicaid.

Federal Stark Law prohibits a physician from referring patients to a facility (such as a clinical laboratory) in which the physician has a financial or ownership interest. The law applies when the facility receives reimbursement from Medicare or Medicaid. The underlying assumption of the law is that allowing such referrals would lead to unnecessary tests and increase costs. A violation of the law is a civil penalty rather than criminal penalty.

Fraud Enforcement & Recovery Act (FERA) is a public law that was enacted in 2009. The law enhanced criminal enforcement of federal fraud laws, especially regarding financial institutions, mortgage fraud, and securities fraud or commodities fraud.

Health Insurance Portability and Accountability Act (HIPAA) established the national Health Care Fraud and Abuse Control Program ("HCFAC") to coordinate federal, state, and local law enforcement activities with respect to healthcare fraud and abuse. HIPAA also enacted an additional prohibition of healthcare fraud, forbidding knowing and willful acts to defraud a healthcare benefit program by false or fraudulent pretenses. Note: HIPAA also protects and safeguards the information health plans, and other covered entities, maintain and transmit about members, whether in paper, electronic or any other form. Member information must be kept confidential and its use and disclosure is only permitted, as required, by state and federal laws and regulations.

Health Information Technology for Economic and Clinical Health (HITECH) Act enacted as part of the American Recovery and Reinvestment Act of 2009, imposes notification requirements on covered entities, business associates, vendors of personal health records, and related entities in the event of certain security breaches relating to protected health information (PHI).

B. Fraud Prevention Officer

The PHC Fraud Prevention Officer , is responsible for developing, implementing, and ensuring the maintenance of program integrity activities including FWA in accordance with applicable laws, state and federal statutes and regulations, and contractual obligations. The Fraud Prevention Officer reports directly to the CEO and retains the authority to report matters directly to the Board of Commissioners, “the Commission,” at any time. The Fraud Prevention Officer also attends and participates in DHCS’ quarterly program integrity meetings, as scheduled and attends the California Department of Justice (DOJ)Managed Care Anti-Fraud trainings, as scheduled.

C. PHC Workforce Members

PHC’s workforce, which includes PHC employees, volunteers, temporary personnel, interns, and/or member of the PHC Board of Commissioners, has the responsibility to understand their job functions and associated processes inorder to identify irregularities in the practices of workforce members network providers, subcontractors/delegates, or members, in order to report any potential FWA to Regulatory Affairs and Compliance (RAC). PHC’s approach to identifying and monitoring potential fraud activity is multi-faceted. The FWA program was established to receive and conduct investigations regarding reports of suspected fraud, which may include collaboration from various PHC departments. a RAC maintains a tracking system and records all reported allegations of fraud.

D. Training and Education

To promote awareness of and adherence with PHC’s Fraud Prevention Program, PHC must ensure that fraud, waste, and abuse training and education is provided to workforce members in accordance with PHC Policy CMP28 Training Program Requirements.

E. Fraud Detection

The foundation of fraud detection is rooted in knowing what can go wrong and who may be responsible for wrongdoing. Structural elements of fraud detection include:

- Knowing what opportunities exist and understanding the systems and controls designed to minimize the opportunities; and
- Knowing the symptoms or patterns of the occurrence both at the individual and system level; ensuring workforce members are versed in problem spotting and building/maintaining programs to identify patterns.

PHC believes that knowing what can go wrong consists of identifying fraud indicators that warrant closer scrutiny, including the types of fraud, common fraud schemes and trends, "red-flags" and situations leading to potential fraud.

PHC remains apprised of trends or "global" schemes in Medicaid (Medi-Cal), Medicare or healthcare fraud and abuse as reported in newspapers, journals, through CMS Fraud Alerts, and other publications.
To monitor and detect potential or actual fraud, waste, and abuse, the PHC FWA Plan includes the following key elements, in addition to those set forth in PHC policy CMP09 Investigating and Reporting Fraud, Waste, and Abuse:

- Implement pre- and post- payment claims editing within the claims adjudication system to monitor claims for billing errors such as unbundling, double billing, the inappropriate use of modifiers, and the correct Diagnosis Related Grouping (DRG) assignment.
- Develop and maintain methods to verify that services that have been represented as rendered have been delivered, which may include but is not limited to, random sampling of medical records and chart notes, member surveying, and electronic visit verification, as applicable.
- Investigate State, Federal, and other industry referrals regarding fraud, waste, and abuse.
- Analyze claims history to identify provider outliers in service levels for members based upon current healthcare needs.
- Complete credentialing and regular exclusion/sanctions validations for all contracted network providers.
- Review contracts to include full disclosure of conflicts of interest, prices, and assure contractors understand the PHC's requirement related to the Compliance Program including the FWA Plan.
- Review appeals and grievances reports to identify case referrals to the Compliance Department.
- Validate that OIG/GSA checks are performed on Commissioners and all workforce members.
- Identify, through the Pharmacy Department potential over utilization cases and take appropriate action.
- Provide education to PHC workforce members and network providers regarding best practices to prevent, detect, make investigative referrals, and correct fraud, waste, and abuse.
- Perform internal audits of operational departments for possible noncompliance risks as informed by PHC's risk assessment, auditing, and monitoring processes.
- Educate management on how to monitor staff activities and identify fraud, waste, and abuse risk areas.

F. Departmental Monitoring Activities and Reporting requirements

I. Monitoring activities:

Fraud detection requires that fraud be proactively sought through a variety of means. Each PHC department isresponsible for taking proactive steps to detect fraud. PHC exercises diligence and actively searchesfor possible fraudulent behavior through the course of regular business, and as a result of fraud alertsprovided by regulatory agencies, which is monitoring and communicated by RAC. Once a trend or pattern has been identified, furtherresearch is warranted to determine whether or not there is reasonable suspicion of fraudulent behavior.

II. Internal Reporting

PHC Workforce Members will report suspected FWA in accordance with CMP-09, Investigating & Reporting Fraud, Waste and Abuse.

G. Important Trends in HealthCare Fraud, Waste, and Abuse

Fraud, waste, and abuse in healthcare may happen in many places and present itself in many forms. The common perpetrators of healthcare fraud and abuse may be grouped into four categories: 1) Providers, 2) Applicants or Members, 3) Employees Some specific examples of fraud by each category are follows:

I. Provider Schemes

Common provider schemes are identified below.

- Claim for services not rendered: Submitting claims when the services were not performed.
- Invalid services: Falsifying a patient's diagnosis to justify tests, surgeries, or procedures that are not medically necessary.
- Invalid provider: Submitting claims for non-licensed providers under another licensed individual's name.
- Coding substitutions: Misrepresenting procedures to obtain payment for non-covered services (e.g., cosmetic surgery).
- Un-bundling: Billing each stage of a procedure as if it were a separate treatment.
- Up-coding: Billing for a costlier service than what was actually performed.

II. Member Schemes

Common member schemes are identified below.

- ID sharing: A member "loans" their insurance ID card to a friend to obtain medical services using the member's name and ID.
- False documents: An applicant provides false information, altered ID documents, bills or receipts to get health insurance coverage.
- False claims: A member requests transportation to the doctor's office. The doctor's office is next to a mall. The member actually when shopping and used the transportation services inappropriately.
- Cash payments: A member gives his or her Medicare or Medi-Cal Identification Number to a provider who pays the member $20 a month to use the member's information to submit false claims.

III. Employee Schemes

Employee schemes are unfortunately something that the FWA Plan must deal with in conjunction with Human Resources. Common employee schemes are identified below.

- False expense reports: An employee falsifies mileage, tolls, and lunch expenses on a company expense report, e.g., bills for a business lunch when it was actually lunch with a friend.
- Misuse of business credit cards: An employee uses the business credit card for personal expenses.
- Forgery: An employee forges a signature on an application or other document.
- Inappropriately recording time and attendance: An employee arrives at work but then takes 4 hours off at to go to a "meeting." The employee was really visiting her friend while the employee was allegedly at a business meeting.

RAC, in collaboration with the Fraud Prevention Officer, is responsible to investigate and resolve any allegation of potential or actual fraud, waste, and abuse.

ATTACHMENT C

DELEGATION OVERSIGHT AUDITING SCHEDULE

Audit activities are conducted pursuant to all requirements set forth by the delegation service agreements during the review period.

At minimum, the audit plan will include compliance oversight and review of the following:

- Program Integrity
- Policies & Procedures
- DHCS Requirements *(during review period)*
- NCQA Standards *(during review period)*
- Case File Review (*only applicable scope areas*)

The following Delegation Oversight Audit Grid demonstrates all scope areas which are subject to annual evaluation by PHC for each active delegate, and includes:

1.) The current auditable scope areas; and
2.) This year's estimated start and completion dates for the annual delegation oversight audits.

DELEGATED ENTITY	DELEGATED SCOPE AREAS	RESPONSIBLE DEPTS.	REVIEW PERIOD (*LOOKBACK*)	2023 AUDIT START DATE	2023 AUDIT END DATE
Name	Subcontracted Functions	PHC Department	Calendar Year	Estimated	Estimated
Dignity Health Medical Foundation *Mercy Medical Group*	CR/Re-Cred (NCQA) ; Screen/Enroll	Provider Relations	CY 2022	Jan-23	Mar-23
Lucile Packard Children's Hospital Med Group	CR/Re-Cred (NCQA) ; Screen/Enroll	Provider Relations	CY 2022	Jan-23	Mar -23
Sutter Medical Foundation - SMG (Yolo & Solano)	CR/Re-Cred (NCQA) ; Screen/Enroll	Provider Relations	CY 2022	Jan-23	Mar -23
Sutter Pacific Medical Foundation *(PFMA/Marin Headlands/SMG Redwoods) Palo Alto Med Foundation*	CR/Re-Cred (NCQA) ; Screen/Enroll	Provider Relations	CY 2022	Jan-23	Mar -23
UCSF/Bay Childrens	CR/Re-Cred (NCQA) ; Screen/Enroll	Provider Relations	CY 2022	Jan-23	Mar -23
UC Davis Medical Group (UCD MG)	CR/Re-Cred (NCQA) ; Screen/Enroll	Provider Relations	CY 2022	Jan-23	Mar -23
Vision Service Plan (VSP)	CR/Re-Cred (NCQA) ; Screen/Enroll	Provider Relations	CY 2022	Jul-23	Sept -23
Woodland Medical Goup (Dignity)	CR/Re-Cred (NCQA) ; Screen/Enroll	Provider Relations	CY 2022	Feb-23	Mar -23
Vision Service Plan (VSP) Credentialing completed by PR	Call Center/Member Services Claims/PDRs Compliance - *not delegated, review in admin capacity* Net. Management including New Provider Training Cultural & Linguistics Provision of Vision Services (UM)	Member Services Claims RAC PR HECL Compliance	CY 2022	Feb-23	May-23
Medical Transportation Management, Inc. (MTM)	Call Center/Member Services Compliance - *not delegated, review in admin capacity* NMT - file review only Claims Cultural Linguistics Network Mangement CR/Re-Cred ; Screen/Enroll	Member Services RAC Care Coordination Claims Health Education CMP CMP	CY 2022	Feb-23	May-23
Adventist Health: AHCL, AHSH, AHUV & MDCH (AH)	Inpatient UM	Utilization Management	CY 2022	Apr-23	Jul-23
Marin General Hospital (MGH)	Inpatient UM	Utilization Management	CY 2022	Apr-23	Jul-23
NorthBay Medical Center & VacaValley Hospital (NBMC)	Inpatient UM	Utilization Management	CY 2022	Apr-23	Jul-23
Queen of the Valley Medical Center (QVMC)	Inpatient UM	Utilization Management	CY 2022	Apr-23	Jul-23
Woodland Memorial Hospital and Woodland Medical Goup (Dignity)	CR/Re-Cred (NCQA) ; Screen/Enroll UM Claims Cultural Linguistics Compliance - *not delegated, review in admin capacity* Net. Management including New Provider Training	Provider Relations UM Claims Health Education RAC PR	CY 2022	Apr-23	Jul-23
Napa County - Housing and Homelessness Division	Call center/member services Claims/PDRs Compliance - *not delegated, review in admin capacity* Cultural Linguistics Net. Management including New Provider Training & Vetting	Member Services Claims RAC Health Education PR	FY 22/23	Jun-23	Sep-23
Beacon/CHIPA	Call Center Case Management/Care Coordination Claims/PDRs/Misdirected/Prop 56 CR/Re-Cred (NCQA) ; Screen/Enroll Cultural Linguistics Quality Improvement Network Mangement G&A Utilization Management (*as applicable*) Member Experience Compliance- *delegated FWA, remaining review is admin capacity*	Member Services Care Coordination Claims Provider Relations Health Education Quality Improvement Provider Relations Grievance & Appeals Utilization Management G&A/Member Services RAC	CY 2022	July-23	Oct-23
Kaiser Foundation Health Plan (KFHP)	BH/MH Call Center Claims/PDR/Misdirected/Prop 56 CR/Re-Cred (NCQA) ; Screen/Enroll Cultural Linguistics/HE Compliance (FWA/HIPAA) G&A Member Experience NEMT/NMT Network Mangement New Provider Training PHM/Care Coordination PQI Quality Improvement Enhanced Care Management (ECM) UM	Behavioral Health Member Services Claims Provider Relations Health Education RAC Grievance & Appeals G&A/Member Services Care Coordination Provider Relations Provider Relations Population Health Quality Improvement Quality Improvement Care Coordination Utilization Management	Fiscal Year 2022-2023	22-Sep	Q1 2024
CareNet	Call Center/Member Services Compliance - *not delegated, review in admin capacity* Advise Nurse Cultural Linguistics	Member Services RAC Care Coordination Health Education	CY 2022	Oct-23	Jan-24

ATTACHMENT D

INTERNAL AUDIT & MONITORING WORK PLAN

As the internal audits/monitoring activities are concluded, this plan will be re-evaluated to determine if recurring audits or retesting of the business function should be conducted and at what frequency. Certain risks justify the need for annual reviews, regardless of prior internal audit results.

The following internal audit calendar provides the planned internal audits and monitoring activities that includes the anticipated dates which the internal audits will commence. Unexpected ad-hoc internal audits are not listed on this grid, but updates will be shared with Compliance Committee.

INTERNAL AUDITS (IA) & MONITORING					
Audit Title	**Scope Description**	**Auditee(s)**	**Reported To (Frequency)**	**Estimated Start Date**	**Estimated End Date**
Caught You Being Compliant (CYBC)	Compliance with Physical, Technical and Security policy.	All Staff	PTAS (Quarterly)	**Once a qtr**	**n/a**
Verification and validation of delegate reporting oversight	Assess PHC operational departments documented process of verification/validation of delegate reporting to ensure appropriate and consistent oversight	Operational depts. who have delegate oversight responsibility	Compliance Committee (Yearly)	**Feb-23**	**Mar-23**
Ownership and disclosure fillings (PHC and subcontractors)	Assess PHC's processes for filing its ownership and disclosure statement and ensuring subcontractors submit initial and ongoing disclosures as appropriate	Operational depts who have delegate oversight responsibility	Compliance Committee (Yearly)	**Oct-23**	**Nov-23**
Enhanced Care Management (ECM)	Ensure adherence with ECM program requirements as required under CalAIM.	CC and other depts. as appropriate	Compliance Committee (Yearly)	**May-23**	**Jun-23**
CalAIM - MMCE Implementation	Assess implementation of aid code changes as required by MMCE	Configuration, Claims, Enrollment, Finance	Compliance Committee (Yearly)	**Nov-23**	**Dec-23**
COVID-19 Regulatory Flexibility "Sunset"	Assess PHC reinstatement of regulatory requirements post-public health emergency	Multiple	Compliance Committee (Yearly)	**Sep-23**	**Oct-23**
HRP Audit	Test the appropriate configuration and payment of claims in HRP	Configuration/Claims	Compliance Committee (Yearly)	**Oct-23**	**Nov-23**
DOPNA, SOPNA, Provider term process	Assess PHC's documented process and related adherence to monitor DOPNA, SOPNA reports and evaluate the effectiveness of the provider term process	PR, UM, MS, Claims/Config	Compliance Committee (Yearly)	**Jun-23**	**Jul-23**
Provider dispute resolution process and provider bill of rights	Assess PHC's documented process and related adherence with provide dispute resolution and ensure provider bill of rights is being upheld	PR	Compliance Committee (Yearly)	**Jul-23**	**Aug-23**
IT oversight of cyber security rules	Assess and evaluate the effectiveness of and adherence with IT's documented process for overseeing contractor and subcontractor and vendor compliance with cyber security rules	IT	Compliance Committee (Yearly)	**Aug-23**	**Sep-23**

REGULAR AGENDA REQUEST
for
PARTNERSHIP HEALTHPLAN OF CALIFORNIA

Board Meeting Date:
December 7, 2022

Agenda Item Number:
4.2

Resolution Sponsor:
Liz Gibboney, CEO, Partnership HealthPlan of CA

Recommendation by:
Compliance Committee and PHC Staff

Topic Description:
The Compliance Dashboard outlines activities to track Partnership HealthPlan's Compliance Program and regulatory and contractual requirements.

Reason for Resolution:
To ensure Board members have the opportunity to review the Compliance dashboard biannually.

Financial Impact:
There is no measurable impact to the HealthPlan.

Requested Action of the Board:
Based on the recommendation of the Compliance Committee, the Board is being asked to approve PHCs Q32022 Compliance Dashboard.

REGULAR AGENDA REQUEST
for
PARTNERSHIP HEALTHPLAN OF CALIFORNIA

Board Meeting Date:
December 7, 2022

Agenda Item Number:
4.2

Resolution Number:
22-

IN THE MATTER OF: APPROVING PARTNERSHIP HEALTHPLAN (PHC) COMPLIANCE DASHBOARD

Recital: Whereas,

A. PHC staff is committed to conducting business in compliance with all required standards.

B. The Board has responsibility for reviewing and approving the organizational Compliance Dashboard.

Now, Therefore, It Is Hereby Resolved As Follows:

1. To approve PHCs Q32022 Compliance Dashboard.

PASSED, APPROVED, AND ADOPTED by the Partnership HealthPlan of California this 7th day of December 2022 by motion of Commissioner seconded by Commissioner and by the following votes:

AYES: Commissioners:

NOES: Commissioners:

ABSTAINED: Commissioners:

ABSENT: Commissioners:

EXCUSED:Commissioners:

_____
Alicia Hardy, Chair

ATTEST:

_____
Date

BY: _____
Ashlyn Scott, Clerk

2022 Regulatory Affairs and Compliance Dashboard

Category	Description	Q1	Q2	Q3	YTD	Comments
DELEGATION OVERSIGHT	**Annual Delegate / Subcontractor Audits**	**5 / 5**	**2 / 2**	**7 / 7**	**14 / 14**	
When PHC delegates administrative functions that it is required by contract or regulation to perform, PHC retains the ultimate responsibility for the performance of these functions and must monitor and evaluate the performance of these functions when performed by a delegate.	Quarterly percentage to demonstrate the total number of annual delegate/subcontractor audits completed within 30 days following the planned months, as defined by the audit calendar.	**100%**	**100%**	**100%**	**100%**	
	Oversight of Delegate Reporting	**139 / 147**	**125 / 127**	**149 / 150**	**413 / 424**	
	Percentage of timely submissions of regulatory reports.	**94.6%**	**98.4%**	**99%**	**97.4%**	
REGULATORY REPORTING	**DHCS Reports Submitted Timely**	**49 / 55**	**56 / 56**	**52 / 52**	**157 / 163**	
Regulatory Affairs works collaboratively with all PHC departments to implement and track the timely submission of regulatory reporting requirements to PHC's governing agencies.	Percentage of regulatory reports submitted timely by RAC to DHCS with no missed due date per RAC Master Tracker and Regulatory Reporting Calendar.	**89.1%**	**100%**	**100%**	**96%**	6 regulatory reports were late due to the system disruption in March.
	Report Acceptance Rate	**49 / 49**	**53 / 56**	**51 / 52**	**153 / 157**	
	Percentage of standard regulatory reports submitted by RAC and not rejected by DHCS for being incomplete, on the wrong template, or for other findings.	**100.0%**	**94.6%**	**98%**	**97.5%**	3 regulatory reports were sent back from DHCS for revisions.
HIPAA REFERRALS	**Timely DHCS Privacy Notification Filings**	**15 / 15**	**9 / 9**	**10 / 10**	**34 / 34**	
Appropriate safeguards, including administrative policies & procedures, to protect the confidentiality of PHI and ensure compliance with HIPAA regulatory requirements.	Percentage of reportable notifications that PHC filed timely within applicable DHCS required timeframe. **Initial notice within 24 hours, initial PIR within 72 hours, and final PIR within 10 business days. If any deadline is missed, it will be counted as untimely.*	**100.0%**	**100.0%**	**100.0%**	**100.0%**	Q1 2022- 2 PHC Breach, 2 Delegate Breach. Q2 2022- no breaches were reported. Q3 2022- no breaches were reported.
FWA REFERRALS	**Timely DHCS FWA Notifications**	**15 / 17**	**14 / 14**	**34 / 34**	**63 / 65**	
Regulatory Affairs oversees the Fraud, Waste and Abuse Prevention program intended to prevent, detect, investigate, report and resolve suspected and/or actual FWA in the PHC daily operations and interactions, whether internal or external.	Percentage of reportable notifications that PHC filed timely with DHCS within 10 business of discovery per contractual obligations.	**88.2%**	**100%**	**100%**	**97%**	2 Incidents not reported timely due to system disruption in March.

***Threshold percentages for the above measures are as follows:**
≥ 95% = GREEN 90 - 94.9% = YELLOW < 90% = RED

CAP Tracker

*Please note that the above threshold percentages do not apply here

FINANCIAL HIGHLIGHTS
Of The Partnership HealthPlan Of California
For the Period Ending September 30, 2022

Financial Analysis for the Current Period

Total (Deficit) Surplus

For the month ending September 30, 2022, PHC reported a net surplus of $2.0 million, reducing the year-to-date deficit to -$1.2 million. Significant variances are explained below.

Revenue

Total Revenue is greater than budget by $1.4 million for the month and lower than budget by $711,014 for the year-to-date. Supplemental revenues are unfavorable $6.7 million due primarily to timing differences of submissions to DHCS. Medi-Cal revenue is $4.8 million unfavorable due to unbudgeted revenue adjustments related to acuity adjustments for CY 2022 rates. Other revenue is favorable $5.5 million due to unbudgeted CalAIM and COVID vaccine incentive program revenues; corresponding expenses are being recorded in Healthcare Investment Funds. Interest income is $3.9 million favorable due to higher than anticipated interest rates. MCO tax revenue is $1.2 million favorable due to higher than budgeted enrollment.

Healthcare Costs

Total Healthcare Costs are greater than budget by $10.0 million for the month and $23.2 million for the year-to-date. Physician and Ancillary expenses are $23.7 million unfavorable as a result of adjustments to IBNR reserves for Physician Services, Outpatient Hospital, and ER due to increases in utilization and potential retro adjustments. Global Subcapitation is $9.6 million unfavorable due to timing of contracted rate changes; pending contract changes will continue to produce a variance until agreements are finalized and true-ups are completed. Healthcare Investment Funds is $5.8 million unfavorable due to unbudgeted CalAIM and Covid vaccine incentive program expenses; offsets are mentioned in revenue above. Long term care expenses are $9.2 million favorable due to prior year expense adjustments related to decrease in utilization and rate adjustments effective January 2022. Transportation expense is $2.5 million favorable for the month due to lower than budgeted expenses.

Administrative Costs

Total administrative costs are lower than budget by $2.2 million for the month and $7.9 million for the year-to-date. This is primarily from the positive variance in Employee expenses due to a higher number of open positions budgeted for than originally anticipated. The variance in Computer and Data is from the additional dollars budgeted for HealthEdge. Lastly, the budget for Professional Services includes consultant costs which have yet to occur but are expected to be realized in the upcoming months. All of these variances should decrease as the year progresses.

Balance Sheet

Total Cash & Cash Equivalents increased by $116.5 million for the month. $449.8 million in State Capitation payments, including $125.7 million in directed payment receipts, were received during the month; additionally, $1.9 million in Drug Medi-Cal payments and $1.7 million in interest earnings were received, and $4.3 million in board-designated reserve transfers were recorded during the month. These inflows were offset by $201.3 million in healthcare cost payments, $2.9 million in Drug Medi-Cal payments,

$125.7 million in directed payment disbursements, and $11.5 million in administrative and capital costs. The remaining difference can be attributed to other revenues.

General Statistics

Membership

Membership had a total net increase of 4,308 members for the month.

Utilization Metrics and High Dollar Case

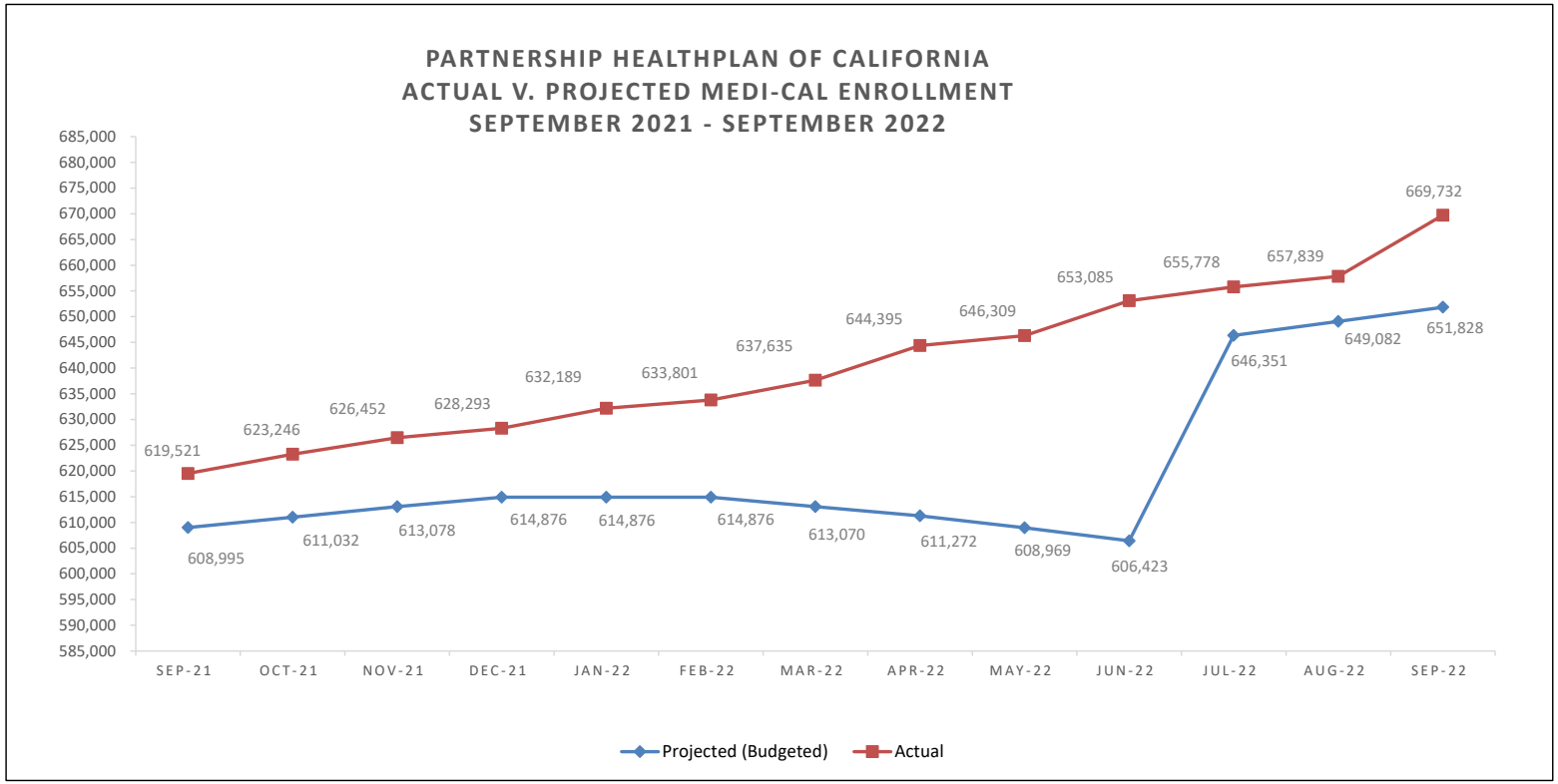
For the fiscal year 2022/23 through September 30, 2022, 70 members reached the $250,000 threshold with an average cost of $431,692. For fiscal year 2021/22, 566 members reached the $250,000 threshold with an average cost per case was $489,344. For fiscal year 2020/21, 508 members reached the $250,000 threshold with an average claims cost of $492,300.

Current Ratio/Required Reserves

Current Ratio Including Required Reserves	**1.78**
Current Ratio Excluding Required Reserves:	**0.74**
Required Reserves:	**$977,570,424**
Total Fund Balance:	**$765,502,320**

Days of Cash on Hand

Including Required Reserves:	**138.67**
Excluding Required Reserves:	**49.80**



Member Months by County:

County	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
Solano	123,349	124,247	125,202	125,748	126,876	127,721	128,602	130,389	130,408	132,152	132,795	133,221	135,456
Napa	31,879	31,874	32,186	32,223	32,566	32,447	32,696	33,096	33,622	33,994	33,921	34,122	34,908
Yolo	56,687	57,644	58,371	58,386	58,531	58,770	59,008	59,247	59,768	60,067	60,315	60,352	61,422
Sonoma	118,578	119,138	119,850	120,345	121,061	121,635	122,221	123,035	124,906	125,724	126,276	127,033	129,477
Marin	44,239	44,637	44,731	44,833	45,288	45,344	45,716	46,275	47,488	48,025	48,307	48,355	50,793
Mendocino	38,942	39,128	39,272	39,266	39,507	39,422	39,655	40,143	39,955	40,422	40,476	40,585	41,232
Lake	33,083	33,137	33,281	33,340	33,552	33,537	33,682	33,892	34,005	34,202	34,267	34,460	34,935
Del Norte	12,138	12,175	12,166	12,271	12,233	12,245	12,323	12,378	12,331	12,415	12,470	12,438	12,559
Humboldt	57,895	58,203	58,217	58,347	58,779	58,818	59,127	59,837	59,059	59,637	59,988	60,064	60,580
Lassen	8,186	8,189	8,264	8,343	8,413	8,383	8,459	8,616	8,474	8,631	8,692	8,696	8,841
Modoc	3,785	3,809	3,803	3,820	3,871	3,883	3,896	3,981	3,887	3,976	3,990	4,000	4,062
Shasta	66,734	66,922	67,042	67,225	67,304	67,413	67,990	68,974	68,078	69,215	69,530	69,767	70,415
Siskiyou	18,826	18,926	18,830	18,859	18,921	18,911	18,900	19,094	18,865	19,120	19,184	19,208	19,408
Trinity	5,200	5,217	5,237	5,287	5,287	5,272	5,360	5,438	5,463	5,505	5,567	5,538	5,644
All Counties Total	**619,521**	**623,246**	**626,452**	**628,293**	**632,189**	**633,801**	**637,635**	**644,395**	**646,309**	**653,085**	**655,778**	**657,839**	**669,732**

Medi-Cal Region 1: Solano, Napa, Yolo & Marin; Medi-Cal Region 2: Sonoma, Mendocino & Rural 8 Counties

Partnership HealthPlan of California
Comparative Financial Indicators Monthly Report
Fiscal Year 2022 - 2023 & Fiscal Year 2021 - 2022

FINANCIAL INDICATORS	Jul-22	Aug-22	Sep-22										YTD	Avg / Month As of Sep-22
Total Enrollment	656,979	659,818	664,126										1,980,923	660,308
Total Revenue	267,284,264	274,023,503	275,982,353										817,290,120	272,430,040
Total Healthcare Costs	241,534,619	251,300,354	248,258,707										741,093,677	247,031,226
Total Administrative Costs	10,017,179	11,227,839	10,474,205										31,719,226	10,573,075
Medi-Cal Hospital & Managed Care Taxes	15,239,583	15,239,583	15,239,583										45,718,749	15,239,583
Total Current Year Surplus (Deficit)	492,883	(3,744,273)	2,009,858										(1,241,532)	(413,844)
Total Claims Payable	477,170,822	462,743,832	493,164,597										493,164,597	477,693,084
Total Fund Balance	767,236,734	763,492,462	765,502,320										765,502,320	765,410,505
Reserved Funds														
State Financial Performace Guarantee	544,383,000	541,137,000	538,073,000										538,073,000	541,197,667
State Financial Performace Guarantee - 2024 Expansion Counties	176,589,000	176,452,000	176,272,000										176,272,000	176,437,667
Regulatory Reserve Requirement	95,682,198	96,841,016	96,447,591										96,447,591	96,323,602
Board Approved Capital and Infrastructure Purchases	58,903,733	57,323,454	56,632,864										56,632,864	57,620,017
Capital Assets	108,759,668	109,892,826	110,144,969										110,144,969	109,599,154
Strategic Use of Reserve-Board Approved Community Reinvestments	73,609,149	73,596,300	73,393,537										73,393,537	73,532,995
Unrestricted Fund Balance	(290,690,013)	(291,750,135)	(285,461,641)										(285,461,641)	(289,300,596)
Fund Balance as % of Reserved Funds	72.52%	72.35%	72.84%										72.84%	72.57%
Current Ratio (including Required Reserves)	1.83:1	1.84:1	1.78:1										1.78:1	1.82:1
Medical Loss Ratio w/o Tax	96.06%	97.35%	95.55%										96.32%	96.32%
Admin Ratio w/o Tax	3.98%	4.35%	4.03%										4.12%	4.12%
Profit Margin Ratio	0.18%	-1.37%	0.73%										-0.15%	-0.15%

FINANCIAL INDICATORS	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	YTD	Avg / Month As of Jun-22
Total Enrollment	612,565	615,504	619,135	622,749	625,752	627,918	632,226	633,903	637,424	643,907	650,413	653,187	7,574,683	631,224
Total Revenue	285,770,409	290,492,773	289,217,239	289,434,715	295,168,702	291,059,764	280,860,131	279,174,488	277,787,868	221,339,725	251,583,638	257,635,957	3,309,525,408	275,793,784
Total Healthcare Costs	258,057,572	256,910,666	252,438,582	251,402,013	258,737,530	263,716,815	230,109,224	227,347,263	219,750,867	215,289,341	225,173,550	215,139,622	2,874,073,045	239,506,087
Total Administrative Costs	9,527,532	9,674,878	10,915,842	10,456,654	10,013,386	12,195,146	11,432,906	10,800,639	16,431,194	10,231,596	11,360,634	29,890,467	152,930,874	12,744,239
Medi-Cal Hospital & Managed Care Taxes	13,854,167	13,854,167	13,854,167	13,854,167	13,854,167	13,854,167	13,854,167	13,854,167	13,854,167	13,854,167	13,854,167	13,854,163	166,250,000	13,854,167
Total Current Year Surplus (Deficit)	4,331,138	10,053,062	12,008,648	13,721,881	12,563,619	1,293,636	25,463,834	27,172,419	27,751,640	(18,035,379)	1,195,287	(1,248,295)	116,271,489	9,689,291
Total Claims Payable	479,612,906	469,987,817	490,436,456	489,196,877	474,284,933	488,534,512	474,970,355	492,259,098	538,975,371	558,387,815	481,431,569	457,967,956	457,967,956	491,337,139
Total Fund Balance	654,962,002	665,015,064	677,023,711	690,745,592	703,309,211	704,602,847	730,066,681	757,239,100	784,990,740	766,955,362	768,150,648	766,743,852	766,743,852	722,483,734
Reserved Funds														
Required Reserves	316,541,291	315,879,635	319,469,943	321,526,405	323,304,964	326,844,174	328,526,038	328,039,443	325,955,436	322,661,996	319,373,345	-	-	295,676,889
State Financial Performace Guarantee	-	-	-	-	-	-	-	-	-	-	-	547,630,000	547,630,000	45,635,833
State Financial Performace Guarantee - 2024 Expansion Counties	-	-	-	-	-	-	-	-	-	-	-	168,159,000	168,159,000	14,013,250
Regulatory Reserve Requirement	102,368,056	105,893,648	103,703,232	103,061,873	104,622,613	105,274,263	101,599,402	101,205,061	100,276,930	97,507,282	98,770,865	98,186,315	98,186,315	8,182,193
Board Approved Capital and Infrastructure Purchases	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	60,383,581	60,383,581	18,781,965
Capital Assets	105,684,355	105,331,238	106,055,796	106,519,267	106,191,511	106,189,354	106,721,219	106,521,169	106,252,966	108,221,301	107,962,012	107,920,578	107,920,578	106,630,897
Strategic Use of Reserve-Board Approved Community Reinvestments	80,012,212	79,785,705	76,769,579	76,300,252	76,231,209	76,149,155	75,717,707	74,488,498	73,989,726	73,956,826	73,743,606	73,686,338	73,686,338	75,902,568
Unrestricted Fund Balance	35,356,088	43,124,838	56,025,161	68,337,796	77,958,915	75,145,902	102,502,315	131,984,929	163,515,682	149,607,956	153,300,820	(289,221,960)	(289,221,960)	63,969,870
Fund Balance as % of Reserved Funds	105.71%	106.93%	109.02%	110.98%	112.47%	111.94%	116.33%	121.11%	126.31%	124.23%	124.93%	72.61%	72.61%	109.71%
Current Ratio (including Required Reserves)	1.77:1	1.77:1	1.74:1	1.79:1	1.80:1	1.71:1	1.68:1	1.83:1	1.68:1	1.79:1	1.84:1	1.84:1	1.84:1	1.77:1
Medical Loss Ratio w/o Tax	94.94%	92.93%	91.76%	91.34%	92.11%	95.29%	86.64%	86.16%	83.75%	104.62%	95.42%	83.59%	91.32%	91.32%
Admin Ratio w/o Tax	3.51%	3.50%	3.97%	3.80%	3.56%	4.41%	4.30%	4.09%	6.26%	4.97%	4.81%	11.69%	4.87%	4.87%
Profit Margin Ratio	1.52%	3.46%	4.15%	4.74%	4.26%	0.44%	9.07%	9.73%	9.99%	-8.15%	0.48%	-0.55%	3.51%	3.51%

PARTNERSHIP HEALTHPLAN OF CALIFORNIA
Membership and Financial Summary
For The Period Ending September 30, 2022

CURRENT MONTH	PRIOR MONTH	INC / DEC	MEMBERSHIP SUMMARY	CURRENT YTD AVG	PRIOR YTD AVG	VARIANCE
664,126	659,818	4,308	**Total Membership**	660,308	615,735	44,573

ACTUAL MONTH	BUDGET MONTH	$ VARIANCE MONTH	FINANCIAL SUMMARY	ACTUAL YTD	BUDGET YTD	$ VARIANCE YTD
275,982,353	274,546,386	1,435,967	**Total Revenue**	817,290,120	818,001,134	(711,014)
248,258,707	238,232,871	(10,025,836)	**Total Healthcare Costs**	741,093,677	717,904,234	(23,189,443)
10,474,205	12,651,326	2,177,121	**Total Administrative Costs**	31,719,226	39,576,441	7,857,215
15,239,583	15,239,583	-	**Medi-Cal Managed Care Tax**	45,718,749	45,718,749	-
2,009,858	**8,422,606**	**(6,412,748)**	**Total Current Year Surplus (Deficit)**	**(1,241,532)**	**14,801,710**	**(16,043,242)**
95.55%	91.99%		**Medical Loss Ratio (HC Costs as a % of Rev, excluding Managed Care Tax)**	96.32%	93.06%	
4.03%	4.88%		**Admin Ratio (Admin Costs as a % of Rev, excluding Managed Care Tax)**	4.12%	5.13%	

PARTNERSHIP HEALTHPLAN OF CALIFORNIA
Balance Sheet
As Of September 30, 2022

	September 2022	August 2022
A S S E T S		
Current Assets		
Cash &Cash Equivalents	**486,039,878**	**369,544,156**
Receivables		
Accrued Interest	402,900	257,100
State DHS - Cap Rec	94,134,822	148,783,121
Other Healthcare Receivable	17,180,722	12,116,302
Miscellaneous Receivable	8,282,642	8,291,544
Total Receivables	**120,001,086**	**169,448,067**
Other Current Assets		
Payroll Clearing	(5,693)	6,931
Prepaid Expenses	6,100,430	6,145,811
Total Other Current Assets	**6,094,737**	**6,152,742**
Total Current Assets	**612,135,701**	**545,144,965**
Non-Current Assets		
Fixed Assets		
Motor Vehicles	188,086	154,341
Furniture & Fixtures	7,518,859	7,518,859
Computer Equipment - HP	541,886	541,886
Computer Equipment	20,760,657	20,760,657
Computer Software	20,714,113	20,714,113
Leasehold Improvements	962,374	962,374
Land	6,767,292	6,767,292
Building	55,932,088	55,932,088
Building Improvements	31,231,667	31,231,667
Accum Depr - Motor Vehicles	(150,671)	(148,720)
Accum Depr - Furniture	(7,201,108)	(7,172,397)
Accum Depr - Comp Equip - HP	(541,886)	(541,886)
Accum Depr - Comp Equipment	(20,098,987)	(20,041,245)
Accum Depr - Comp Software	(19,589,297)	(19,529,839)
Accum Depr - Leasehold Improvements	(962,374)	(962,374)
Accum Depr - Building	(9,538,127)	(9,418,614)
Accum Depr - Bldg Improvements	(10,159,349)	(9,988,276)
Construction Work-In-Progress	33,769,745	33,112,899
Total Fixed Assets	**110,144,968**	**109,892,825**
Other Non-Current Assets		
Deposits	7,154	81,785
Board-Designated Reserves	867,125,455	871,453,470
Knox-Keene Reserves	300,000	300,000
Prepaid - Other Non-Current	3,330,336	3,527,897
Net Pension Asset	3,475,861	3,475,861
Deferred Outflows Of Resources	2,884,773	2,884,773
Total Other Non-Current Assets	**877,123,579**	**881,723,786**
Total Non-Current Assets	**987,268,547**	**991,616,611**

PARTNERSHIP HEALTHPLAN OF CALIFORNIA
Balance Sheet
As Of September 30, 2022

	September 2022	August 2022
Total Assets	**1,599,404,248**	**1,536,761,576**
L I A B I L I T I E S & F U N D B A L A N C E		
Liabilities		
Current Liabilities		
Accounts Payable	144,606,666	122,788,000
Unearned Income	17,819,410	22,319,415
Suspense Account	3,419,062	2,709,684
Capitation Payable	20,259,081	18,867,146
State DHS - Cap Payable	32,633,113	32,633,113
Accrued Healthcare Costs	11,186,712	7,252,527
Claims Payable	111,933,463	108,964,166
Incurred But Not Reported-IBNR	381,231,134	353,779,666
Quality Improvement Programs	107,821,697	100,963,807
Total Current Liabilities	**830,910,338**	**770,277,524**
Non-Current Liabilities		
Deferred Inflows Of Resources	2,991,590	2,991,590
Total Non-Current Liabilities	**2,991,590**	**2,991,590**
Total Liabilities	**833,901,928**	**773,269,114**
Fund Balance		
Unrestricted Fund Balance	**(285,461,641)**	**(291,750,135)**
Reserved Funds		
State Financial Performance Guarantee	538,073,000	541,137,000
State Financial Performance Guarantee - Expansion Counties	176,272,000	176,452,000
Regulatory Reserve Requirement	96,447,591	96,841,016
Board Approved Capital and Infrastructure Purchases	56,632,864	57,323,454
Capital Assets	110,144,969	109,892,826
Strategic Use of Reserve-Board Approved Community Reinvestments	73,393,537	73,596,300
Total Reserved Funds	**1,050,963,961**	**1,055,242,596**
Total Fund Balance	**765,502,320**	**763,492,462**
Total Liabilities And Fund Balance	**1,599,404,248**	**1,536,761,576**

PARTNERSHIP HEALTHPLAN OF CALIFORNIA
Statement of Cash Flow
For The Period Ending September 30, 2022

	Current Month Activity	Year-To-Date Activity
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received From:		
Capitation from California Department of Health Care Services	449,829,847	1,012,956,375
Other Revenues	110,547	2,002,574
Cash Payments to Providers for Medi-Cal Members		
Capitation Payments	(49,440,209)	(143,571,820)
Medical Claims Payments	(151,821,501)	(536,289,890)
Drug Medi-Cal		
DMC Receipts from Counties	1,891,558	7,895,732
DMC Payments to Providers	(2,929,999)	(8,904,623)
Cash Payments to Vendors	(127,954,103)	(177,395,084)
Cash Payments to Employees	(8,418,101)	(26,741,732)
Net Cash (Used) Provided by Operating Activities	**111,268,039**	**129,951,532**
CASH FLOWS FROM CAPITAL FINANCING & RELATED ACTIVITIES:		
Purchases of Capital Assets	(838,218)	(3,855,144)
Net Cash Used by Capital Financial & Related Activities	**(838,218)**	**(3,855,144)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Board-Designated Reserve Transfers	4,328,015	6,933,441
Interest and Dividends on Investments	1,737,886	3,933,347
Net Cash (Used) Provided by Investing Activities	**6,065,901**	**10,866,788**
NET (DECREASE) INCREASE IN CASH & CASH EQUIVALENTS	**116,495,722**	**136,963,176**
CASH & CASH EQUIVALENTS, BEGINNING	**369,544,156**	**349,076,702**
CASH & CASH EQUIVALENTS, ENDING	**486,039,878**	**486,039,878**
RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
TOTAL OPERATING (LOSS) INCOME	**126,172**	**(5,429,479)**
DEPRECIATION	**438,447**	**1,526,326**
CHANGES IN ASSETS AND LIABILITIES:		
Other Receivables	(5,055,518)	(5,647,884)
California Department of Health Services Receivable	54,648,298	85,444,900
Other Assets	477,826	(1,141,896)
Accounts Payable and Accrued Expenses	23,354,159	(292,831)
Accrued Claims Payable	30,420,765	35,196,641
Quality Improvement Programs	6,857,890	20,295,755
Net Cash Provided (Used) by Operating Activities	**111,268,039**	**129,951,532**

PARTNERSHIP HEALTHPLAN OF CALIFORNIA

Statement of Revenues and Expenses

For The Period Ending September 30, 2022

****The Notes to the Financial Statement are an Integral Part of this Statement****

ACTUAL MONTH	BUDGET MONTH	$ VARIANCE MONTH	ACTUAL MONTH PMPM	BUDGET MONTH PMPM		ACTUAL YTD	BUDGET YTD	$ VARIANCE YTD	ACTUAL YTD PMPM	BUDGET YTD PMPM
664,126	**664,126**	**-**			**TOTAL MEMBERSHIP**	**1,980,923**	**1,980,923**	**-**		
					REVENUE					
270,347,541	273,378,348	(3,030,807)	407.07	411.64	State Capitation Revenue	804,378,517	814,497,020	(10,118,503)	406.06	411.17
1,883,686	97,781	1,785,905	2.84	0.15	Interest Income	4,187,947	293,343	3,894,604	2.11	0.15
3,751,126	1,070,257	2,680,869	5.65	1.61	Other Revenue	8,723,656	3,210,771	5,512,885	4.40	1.62
275,982,353	**274,546,386**	**1,435,967**	**415.56**	**413.40**	**TOTAL REVENUE**	**817,290,120**	**818,001,134**	**(711,014)**	**412.57**	**412.94**
					HEALTHCARE COSTS					
21,949,634	18,796,798	(3,152,836)	33.05	28.30	Global Subcapitation	65,650,292	56,088,230	(9,562,062)	33.14	28.31
2,480,379	2,498,500	18,121	3.73	3.76	Capitated Medical Groups	7,416,817	7,451,364	34,547	3.74	3.76
					Physician Services					
6,405,322	6,210,228	(195,094)	9.64	9.35	PCP Capitation	19,147,514	18,569,455	(578,059)	9.67	9.37
222,416	234,495	12,079	0.33	0.35	Specialty Capitation	665,089	700,573	35,484	0.34	0.35
47,322,601	37,394,360	(9,928,241)	71.26	56.31	Non-Capitated Physician Services	130,802,265	110,916,460	(19,885,805)	66.03	55.99
53,950,339	**43,839,083**	**(10,111,256)**	**81.23**	**66.01**	**Total Physician Services**	**150,614,868**	**130,186,488**	**(20,428,380)**	**76.04**	**65.71**
					Inpatient Hospital					
18,723,179	18,223,024	(500,155)	28.19	27.44	Hospital Capitation	55,897,857	54,388,039	(1,509,818)	28.22	27.46
63,595,187	63,378,010	(217,177)	95.76	95.43	Inpatient Hospital - FFS	189,076,628	193,646,021	4,569,393	95.45	97.76
1,335,255	1,335,255	-	2.01	2.01	Hospital Stoploss	3,985,395	3,985,395	-	2.01	2.01
83,653,621	**82,936,289**	**(717,332)**	**125.96**	**124.88**	**Total Inpatient Hospital**	**248,959,880**	**252,019,455**	**3,059,575**	**125.68**	**127.23**
21,850,227	32,607,033	10,756,806	32.90	49.10	Long Term Care	89,439,587	98,638,813	9,199,226	45.15	49.79
					Ancillary Services					
1,029,277	971,248	(58,029)	1.55	1.46	Ancillary Services - Capitated	3,070,083	2,904,487	(165,596)	1.55	1.47
44,942,981	39,549,573	(5,393,408)	67.67	59.55	Ancillary Services - Non-Capitated	123,564,482	119,769,735	(3,794,747)	62.38	60.46
45,972,258	**40,520,821**	**(5,451,437)**	**69.22**	**61.01**	**Total Ancillary Services**	**126,634,565**	**122,674,222**	**(3,960,343)**	**63.93**	**61.93**
					Other Medical					
2,256,871	2,793,995	537,124	3.40	4.21	Quality Assurance	6,213,054	8,020,779	1,807,725	3.14	4.05
3,838,323	1,184,417	(2,653,906)	5.78	1.78	Healthcare Investment Funds	9,304,431	3,553,251	(5,751,180)	4.70	1.79
91,700	118,575	26,875	0.14	0.18	Advice Nurse	274,700	354,222	79,522	0.14	0.18
472	8,617	8,145	-	0.01	HIPP Payments	1,682	25,743	24,061	-	0.01
5,356,993	6,070,853	713,860	8.07	9.14	Transportation	15,917,113	18,425,679	2,508,566	8.04	9.30
11,544,359	**10,176,457**	**(1,367,902)**	**17.39**	**15.32**	**Total Other Medical**	**31,710,980**	**30,379,674**	**(1,331,306)**	**16.02**	**15.33**
6,857,890	6,857,890	-	10.33	10.33	Quality Improvement Programs	20,666,688	20,465,988	(200,700)	10.43	10.33
248,258,707	**238,232,871**	**(10,025,836)**	**373.81**	**358.71**	**TOTAL HEALTHCARE COSTS**	**741,093,677**	**717,904,234**	**(23,189,443)**	**374.13**	**362.39**
					ADMINISTRATIVE COSTS					
7,336,096	8,135,874	799,778	11.05	12.25	Employee	21,670,282	24,256,837	2,586,555	10.94	12.25
26,063	44,066	18,003	0.04	0.07	Travel And Meals	96,231	138,646	42,415	0.05	0.07
789,128	1,054,231	265,103	1.19	1.59	Occupancy	2,504,972	3,333,054	828,082	1.26	1.68
265,355	437,411	172,056	0.40	0.66	Operational	742,356	1,347,550	605,194	0.37	0.68
1,157,265	1,636,474	479,209	1.74	2.46	Professional Services	3,508,394	4,798,291	1,289,897	1.77	2.42
900,298	1,343,270	442,972	1.36	2.02	Computer And Data	3,196,991	5,702,063	2,505,072	1.61	2.88
10,474,205	**12,651,326**	**2,177,121**	**15.78**	**19.05**	**TOTAL ADMINISTRATIVE COSTS**	**31,719,226**	**39,576,441**	**7,857,215**	**16.00**	**19.98**
15,239,583	15,239,583	-	22.95	22.95	Medi-Cal Managed Care Tax	45,718,749	45,718,749	-	23.08	23.08
2,009,858	**8,422,606**	**(6,412,748)**	**3.02**	**12.69**	**TOTAL CURRENT YEAR SURPLUS (DEFICIT)**	**(1,241,532)**	**14,801,710**	**(16,043,242)**	**(0.64)**	**7.49**

PARTNERSHIP HEALTHPLAN OF CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

1. ORGANIZATION

The Partnership HealthPlan of California (PHC) was formed as a health insurance organization, and is legally a subdivision of the State of California, but is not part of any city, county or state government system. PHC has quasi-independent political jurisdiction to contract with the State for managing Medi-Cal beneficiaries who reside in various Northern California Counties. PHC is a combined public and private effort engaged principally in providing a more cost-effective method of healthcare. PHC began serving Medi-Cal eligible persons in Solano in May 1994. That was followed by Napa in March of 1998, Yolo in March of 2001, Sonoma in October 2009, Marin and Mendocino in July 2011, and eight Northern Counties in September 2013. Beginning July 2018 and in accordance with direction from the Department of Health Care Services (DHCS), PHC has consolidated its reporting from these fourteen counties into two regions; these are in alignment with the two DHCS rating regions.

As a public agency, the HealthPlan is exempt from state and federal income tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING POLICIES:
The accounting and reporting policies of PHC conform to generally-accepted accounting principles and general practices within the healthcare industry.

PROPERTY AND EQUIPMENT:
Effective July 2015, property and equipment totaling $10,000 or more are recorded at cost; this includes assets acquired through capital leases and improvements that significantly add to the productive capacity or extend the useful life of the asset. Costs of maintenance and repairs are expensed as incurred. Depreciation for financial reporting purposes is provided on a straight-line method over the estimated useful life of the asset. The costs of major remodeling and improvements are capitalized as building or leasehold improvements. Leasehold improvements are amortized using the straight-line method over the shorter of the remaining term of the applicable lease or their estimated useful life. Building improvements are depreciated over their estimated useful life.

INVESTMENTS:
PHC investments can consist of U.S. Treasury Securities, Certificates of Deposits, Money Market and Mutual Funds, Government Pooled Funds, Agency Notes, Repurchase Agreements, Shares of Beneficial Interest and Commercial Paper and are carried at fair value.

RESERVED FUNDS:

As of September 2022, PHC has Reserved Funds of $977.6 million, which includes $0.3 million of Knox-Keene Reserves. To account for Board approved Strategic Use of Reserves (SUR) initiatives, which includes funding for the Wellness & Recovery program, an additional $73.4 million has been set aside as a "Strategic Use of Reserve" for community reinvestments. The amount represents the net amount remaining of all of the SUR projects that have been approved to date; this balance is periodically adjusted as projects are completed.

3. STATE CAPITATION REVENUE

Medi-Cal capitation revenue is based on the monthly capitation rates, as provided for in the State contract, and the actual number of Medi-Cal eligible members. Capitation revenues are paid by the State on a monthly basis in arrears based on estimated membership. As such, capitation revenue includes an estimate for amounts receivable from or refundable to the State for projected changes in membership and trued up monthly through a State reconciliation process. These estimates are continually monitored and adjusted, as necessary, as experience develops or new information becomes known.

4. HEALTHCARE COST

PHC continues to develop completion factors to calculate estimated liability for claims incurred but not reported. These factors are reviewed and adjusted as more historical data become available. Budgeted capitation revenues and healthcare costs are adjusted each month to reflect changes in enrollee counts.

5. QUALITY IMPROVEMENT PROGRAM

PHC maintains quality incentive contracts with acute care hospitals and primary care physicians. As of September 2022, PHC has accrued a Quality Incentive Program payout of $107.8 million.

PARTNERSHIP HEALTHPLAN OF CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

6. ESTIMATES

Due to the nature of the operations of the Partnership HealthPlan, it is necessary to estimate amounts for financial statement presentation. Substantial overstatement or understatement of these estimates would have a significant impact on the statements. The items estimated through various methodologies are:

- Value of Claims Incurred But Not Received
- Quality Incentive Payouts
- Earned Capitation Revenues
- Total Number of Members
- Retro Capitation Expense for Certain Providers

7. COMMITMENTS AND CONTINGENCIES

In the ordinary course of business, the HealthPlan is party to claims and legal actions by enrollees, providers, and others. After consulting with legal counsel, HealthPlan management is of the opinion any liability that may ultimately be incurred as a result of claims or legal actions will not have a material effect on the financial position or results of the operations of the HealthPlan.

8. UNUSUAL OR INFREQUENT ITEMS REPORTED IN CURRENT MONTH'S FINANCIAL STATEMENTS

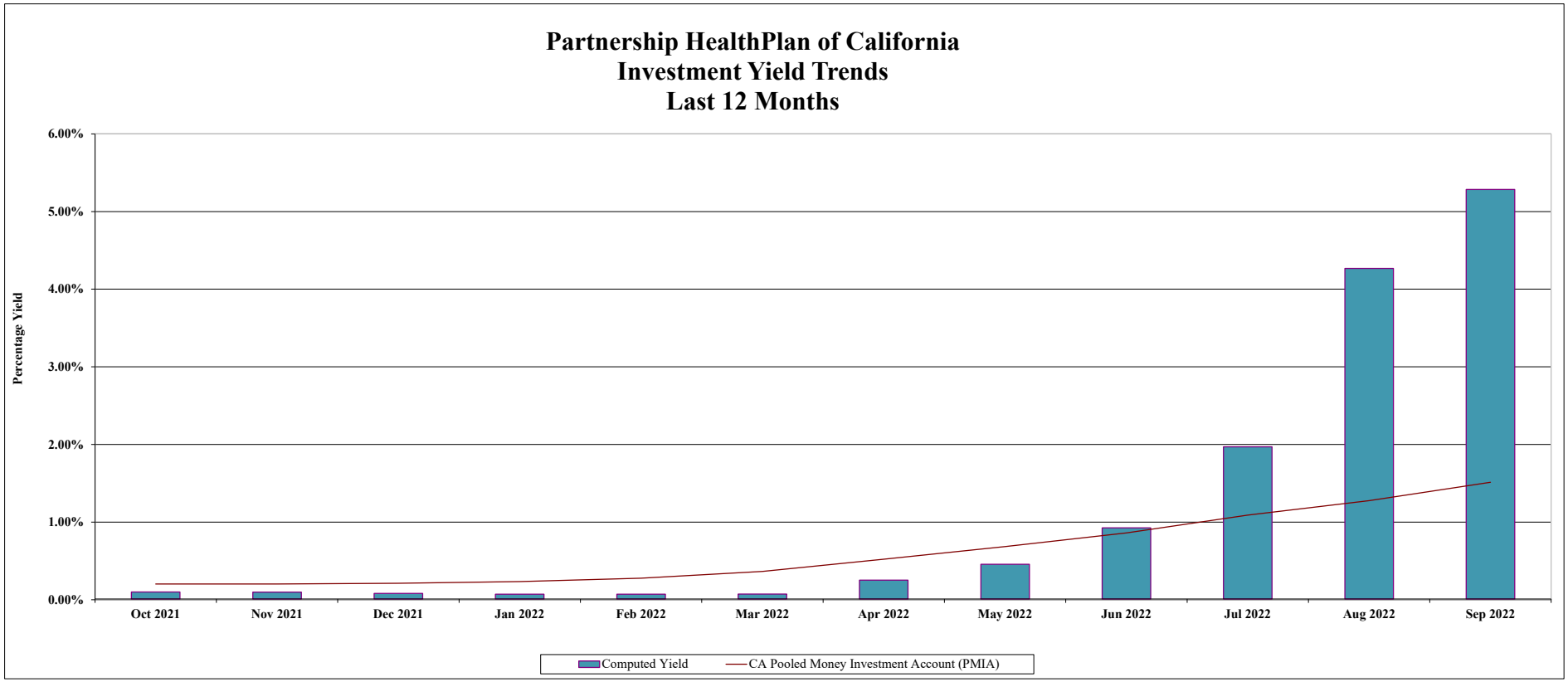
None noted.

Partnership HealthPlan of California
Investment Schedule
September 30, 2022

Name of Investment	Investment Type	Yield to Maturity	Trade Date	Maturity Date	Call Date	Face Value	Purchase Price	Market Value	Credit Rating Agency	Credit Rating
FUNDS HELD FOR INVESTMENT:										
Highmark Money Market	Cash & Cash Equiv	NA	Various	NA	NA	NA	$ 1,539,384	$ 1,539,384	NA	NR
US Treasury Note for Knox Keene	Cash & Cash Equiv	0.01375	1/11/2022	1/31/2025	NA	$ 300,000	$ 303,281	$ 289,218	NA	NR
FUNDS HELD FOR OPERATIONS:										
Merrill Lynch Institutional	Cash for Operations	NA	NA	NA	NA	NA	NA	$ 66,715,929		
Merrill Lynch MMA - Checking	Cash for Operations	NA	NA	NA	NA	NA	NA	$ 187,411		
UB - General, MMA, and Sweeps	Cash for Operations	NA	NA	NA	NA	NA	NA	$ 1,168,731,650		
Government Investment Pools (LAIF)	Cash for Operations	NA	NA	NA	NA	NA	NA	$ 75,000,000		
Government Investment Pools (County)	Cash for Operations	NA	NA	NA	NA	NA	NA	$ 40,625,867		
West America Payroll	Cash for Operations	NA	NA	NA	NA	NA	NA	$ 361,791		
Petty Cash	Cash for Operations	NA	NA	NA	NA	NA	NA	$ 3,300		
GRAND TOTAL:								$ 1,353,454,550		

Partnership HealthPlan of California
Investment Yield Trends

PERIOD		Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022
Interest Income		48,030	35,292	32,599	43,164	43,000	49,137	180,039	300,085	607,934	964,760	1,339,500	1,883,686
Cash & Investments at Historical Cost	(1)	570,252,227	294,587,864	673,772,755	780,352,876	677,905,415	919,704,699	793,880,293	785,132,989	791,201,036	383,827,153	369,544,156	486,039,878
Computed Yield	(2)	0.10%	0.10%	0.08%	0.07%	0.07%	0.07%	0.25%	0.46%	0.93%	1.97%	4.27%	5.28%
CA Pooled Money Investment Account (PMIA)	(3)	0.20%	0.20%	0.21%	0.23%	0.28%	0.37%	0.52%	0.68%	0.86%	1.09%	1.28%	1.51%



(1) Investment balances include Restricted Cash and Board Designated Reserves

(2) Computed yield is calculated by annualizing the current month's interest divided by the current month's average balance.

(3) LAIF limits the amount a single government entity can deposit into LAIF; currently that amount is set at $75 million.

Operations Report

Sonja Bjork, Deputy Chief Executive Officer/Chief Operating Officer

December 7, 2022

Member Services. In anticipation of the end of the Public Health Emergency and the resumption of Medi-Cal eligibility redeterminations, we have signed some of our team members up as DHCS "Coverage Ambassadors." This ensures that we receive the latest updates from DHCS about the state's plans for the unwinding of the PHE. DHCS will be launching a communication and outreach campaign to reach Medi-Cal beneficiaries with reminders to update their contact information and submit needed documentation. This may include FAQs, toolkits and template flyers and we will avail ourselves of these materials in order to support our members' continued Medi-Cal eligibility.

Member Services has been tracking utilization and satisfaction with our video remote interpreting service "AMN." At launch of the service in October, 2021 we had 24 providers enrolled and utilizing video devices or licenses. This has grown to include 393 providers. We survey users after each session and 6843 have responded during this calendar year. The rating scale is 1-5, 5 is the highest score:

- Average interpreter rating – 4.90
- Average quality rating – 4.79

Claims. The Claims team continues to meet and exceed our regulatory timeframes for speed and accuracy of claims payment. Our current focus is on testing the new core system and training our staff. We have developed new workflows and training guides for our team members and have been working with the Provider Education staff on educational webinars.

Configuration. In addition to full engagement in the work related to implementation of our new core system, the team has been working on the configuration for several new benefits, provider types and rules. Community Health Workers (CHW) and the preventative services they provide became a Medi-Cal fee for service benefit in July 1, 2022 and will be part of managed care effective January 1, 2023. Also starting January 1, home health care services (HHCS) providers will be required to utilize the Electronic Visit Verification (EVV) system to confirm the services provided in members' homes. Finally, configuration of location and services codes as well as rules related to provider assignment and referrals are in process for Street Medicine.

Health Services. PHC has 37 Community Supports (CS) providers with 5 organizations currently engaged in the contracting process. We are providing one or more services to over 1200 members across our region.

Our Care Coordination team has been developing our strategy for working with the new DHCS approved provider types and services to address member needs: CHWs, Street Medicine and Doulas. We have prepared our internal procedures and workflows in order to implement the new DHCS "Transitions of Care" requirements.

The Population Health Management team has been reviewing the revised DHCS requirements which have an increased focus on incorporating community and member input on population health strategy. This includes the planning process for population health interventions as well as input into PHC's community investments.

Northern Region. In January, 2023 we will begin a Wellness and Recovery inpatient assessment pilot with Mercy Redding. This fall, we established a separate Transportation Department in order to focus on process improvement and prepare for growth in our service area. In the coming months, the Shasta Medical Society will be taking up residence at our Airpark office.

Southwest Region. PHC regional staff and the Quality Improvement team hosted the Lake and Mendocino County Bi-Annual Quality Improvement Meeting to review year-to-date scores for the primary care QIP program. The meeting was very well attended with lively discussion, questions and recommendation for "sprint" strategies to reach metric benchmarks "within striking distance" in the last six weeks of the measurement year. This was an excellent opportunity to share best practices and learn from one another.

News Updates
December 2022

PHC Press Releases:

[UPDATE: NorthBay Health will continue to serve Medi-Cal community after reaching a tentative agreement with Partnership HealthPlan of California]
November 18, 2022
Partnership HealthPlan of California and NorthBay Health have reached a tentative agreement that will allow Partnership members to continue to receive services from NorthBay providers.

[Partnership HealthPlan of California Committed to Ensuring Access to Care as NorthBay Health Terminates Contract]
October 27, 2022
NorthBay Health is one step closer to terminating its contract with Partnership HealthPlan of California, impacting more than 7,000 Partnership members currently assigned to NorthBay primary care providers, and more than 20,000 utilizing specialty or hospital care in Solano County.

PHC Mentioned:

[NorthBay Health reaches contract agreement with Medi-Cal administrator]
North Bay Business Journal
November 23, 2022
After more than a year of talks, NorthBay Health and Partnership HealthPlan California have reached a tentative agreement on a new contract, the Solano County health care system announced Tuesday.

[NorthBay, Partnership HealthPlan reach deal]
The Reporter
November 22, 2022
NorthBay Health and Partnership HealthPlan have reached an agreement on new contract terms, ensuring no disruption in healthcare services for patients who currently use NorthBay Health primary care and hospital services.

[Joint CSA Alert: Hive Ransomware]
Healthcare Innovation
November 21, 2022
As of this month, Hive ransomware actors have hit more than 1,300 companies and received approximately $100 million in ransom payments—the group remains a serious threat to healthcare.

News Updates
December 2022

Feds Issue Warning to HPH Sector About Aggressive Hive Ransomware Group

HIPAA Journal

November 18, 2022

The Hive ransomware-as-a-service (RaaS) operation first emerged in June 2021 and has aggressively targeted the health and public health sector (HPH) and continues to do so.

NorthBay set to end Partnership HealthPlan contract amid talks

Daily Republic

November 15, 2022

Thousands of Medi-Cal patients may soon lose their doctors if NorthBay Health and Partnership HealthPlan California fail to come to terms on a contract by the end of the month.

Supervisors to consider giving themselves a hefty raise, accepting park property and money donation

Lake County News

October 31, 2022

Consideration of memorandum of understanding between county of Lake and Partnership HealthPlan of California for the Housing and Homelessness Incentive Program for FYs 2022-23 through 2027-28 in the amount of $4,174,059 and allow the director of Behavioral Health Services to sign.

Here's why Redding, not Shasta County, will take lead on a California homeless program

Redding Record Searchlight

October 20, 2022

The city of Redding is taking on a homeless program that it says would typically be administered by Shasta County's Health and Human Services Agency.

CMO Report to Board

December 2022

Topics for this Month:

1. Results of 2022 CG CAHPS survey (of larger PCP organizations)
2. PCP Vacancies across PHC Service Region – Point-In-Time Survey Results
3. Top Performers in Hospital QIP Measurement Year 2021-2022

1. 2022 Patient Experience Survey Results

As part of the Primary Care Provider Quality Improvement Program (PCP QIP), PHC commissions a survey of larger primary care providers using the AHRQ Clinician & Group (CG) Consumer Assessment of Healthcare Providers and System (CAHPS) survey. The purpose of this survey is to understand our members' experience with their healthcare providers and how well a practice meets patient expectations. PCP organizations qualify for this survey if at least 1,200 PHC members completed at least one visit between April 1, 2021 and March 31, 2022. The 2022 survey was conducted between April and July 2022, with results consolidated into two composite scores, one for Access and one for Communications. These composites are summarized on the following pages with reference lines showing the 25th and 50th percentiles nationally.

For **Communication Composite** scores, the following PCP parent organizations scored highest:

Adult respondents:

1. Sutter Medical Foundation West
2. NorthBay Healthcare
3. Alliance Medical Centers
4. La Clinica
5. Petaluma Health Center

Parent respondents: (on behalf of their children)

1. Solano County Health and Human Services
2. Open Door Community Health Centers
3. Dignity Health (Woodland)
4. NorthBay Healthcare
5. Ole Health

For **Access Composite** scores, the following PCP parent organizations scored highest:

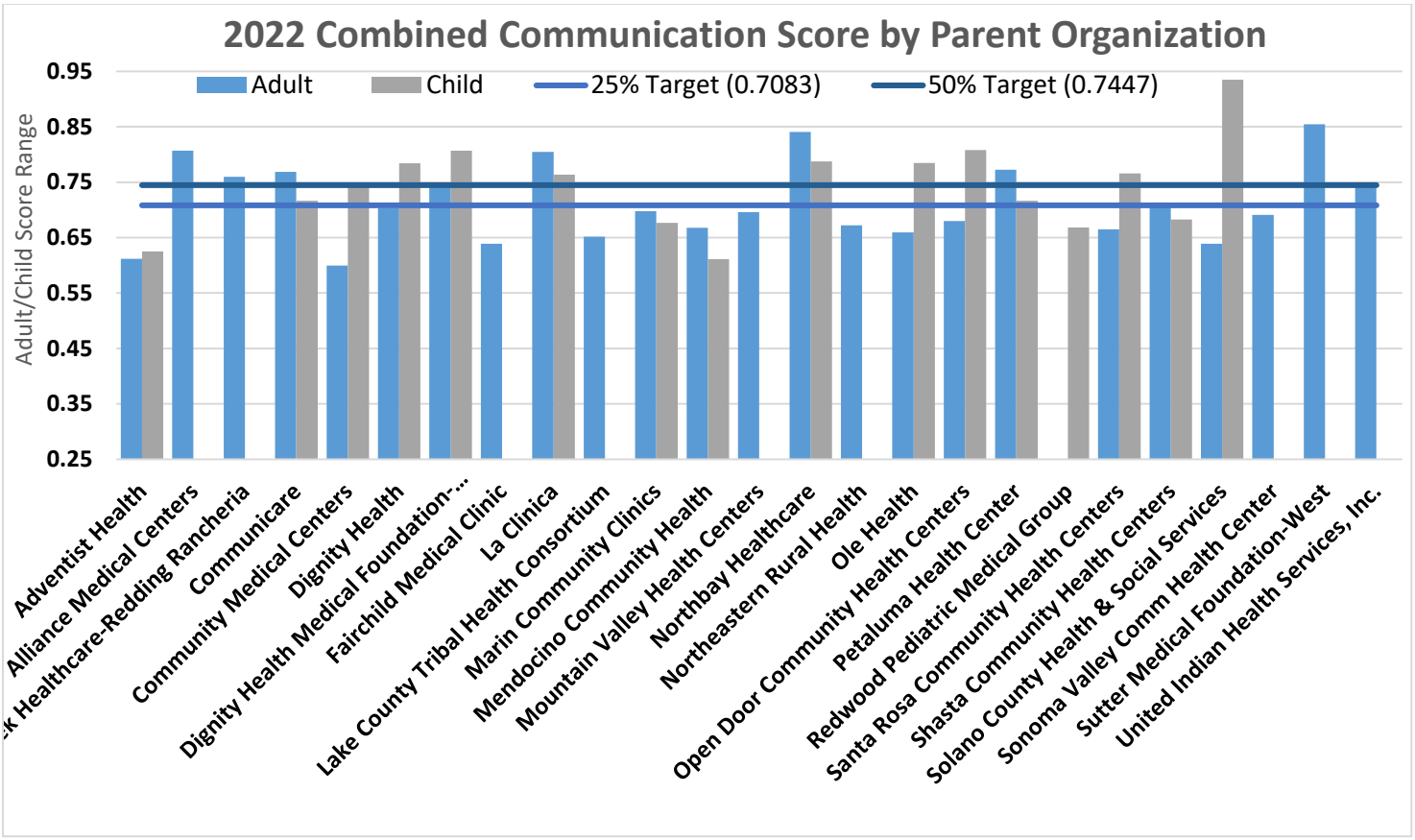
Adult respondents:

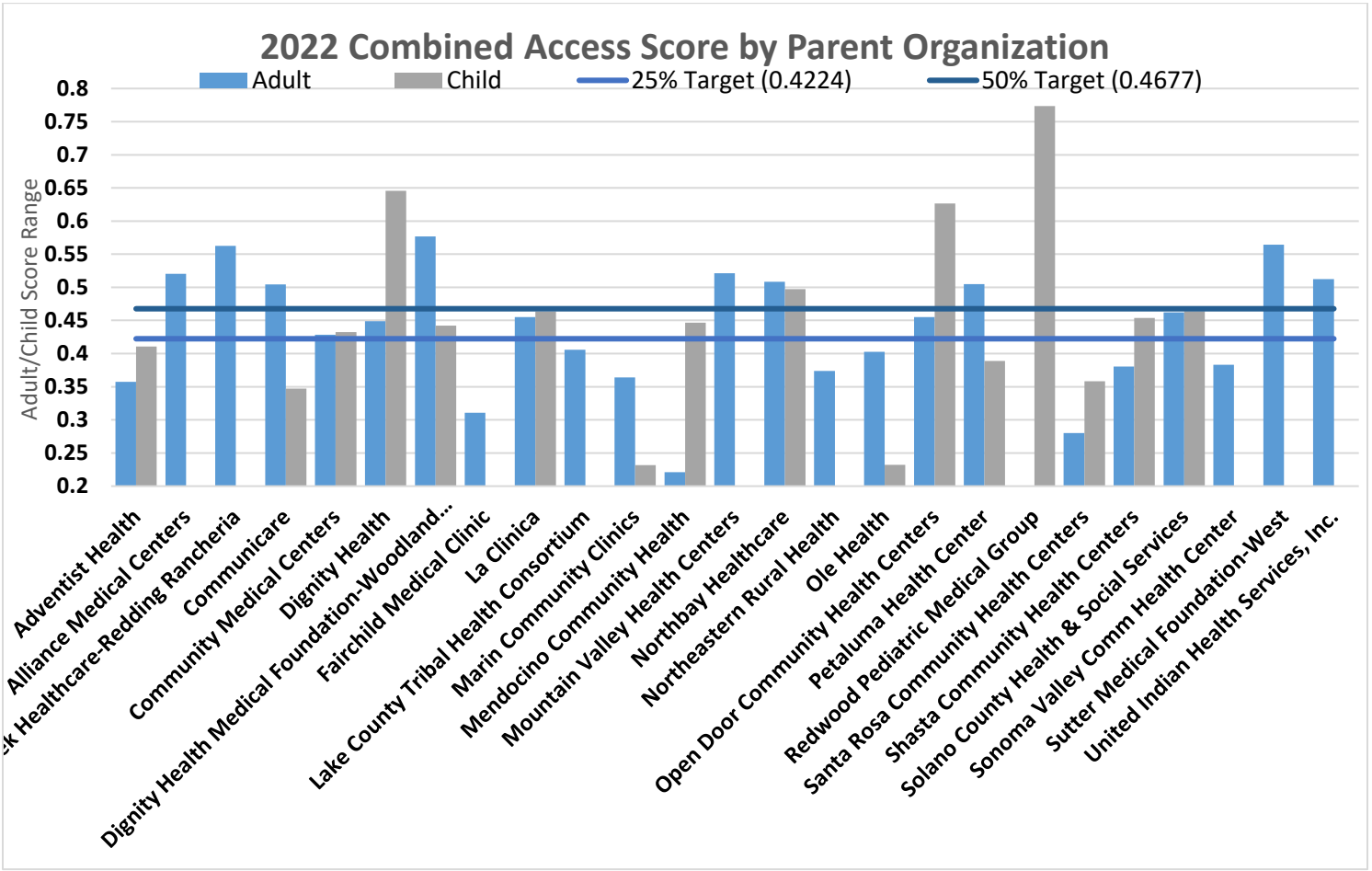
1. Dignity Health (Woodland)
2. Sutter Medical Foundation West
3. Churn Creek Healthcare, Redding Rancheria
4. Mountain Valley Health Centers
5. Alliance Medical Centers

Parent respondents: (on behalf of their children)

1. Redwood Pediatric Medical Group (Fortuna)
2. Dignity Health (Woodland)
3. Open Door Community Health Centers
4. Northbay Healthcare
5. Solano County Health and Human Services

We extend a special thank you on behalf of our members to Dignity Health Woodland and NorthBay Healthcare for being in the top 5 providers in 3 of the 4 categories!

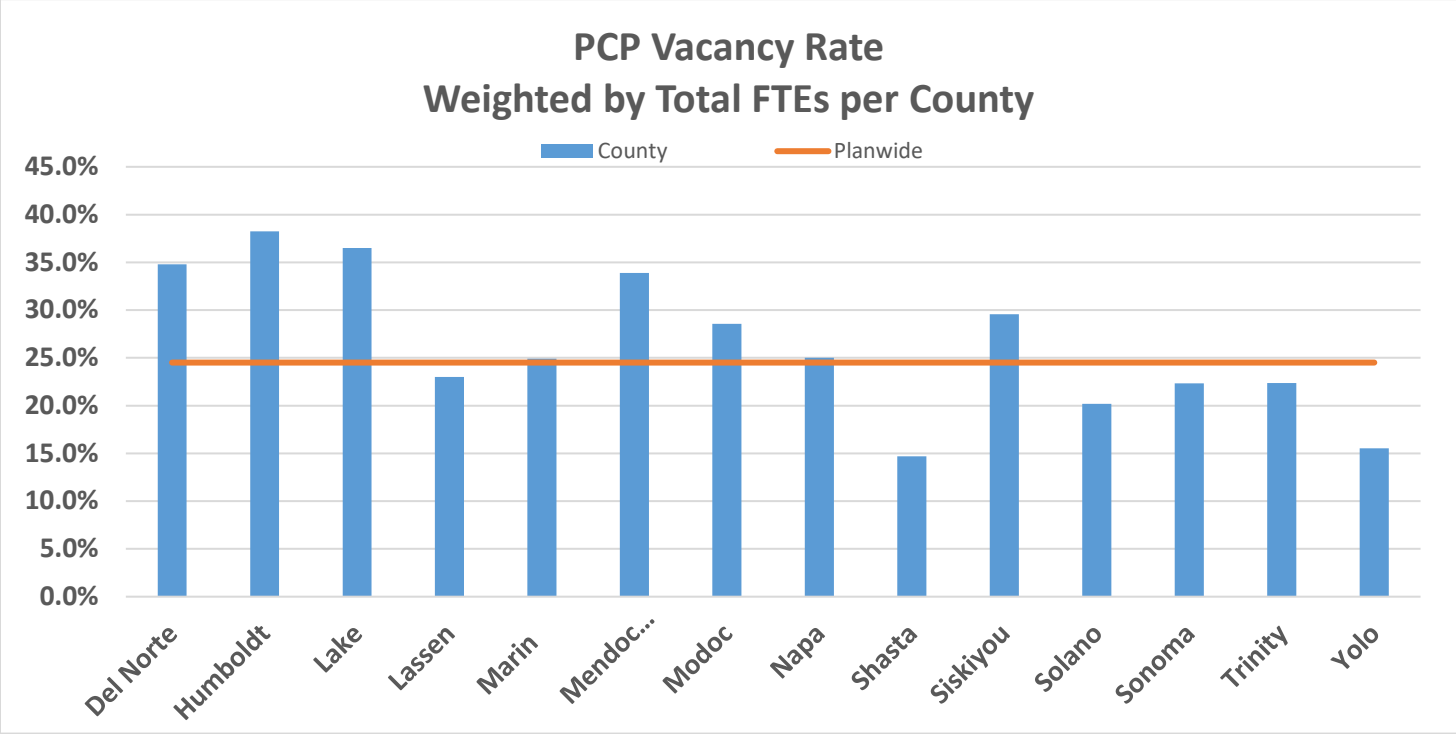

2022 Combined Communication Score by Parent Organization
Adult
Child
25% Target (0.7083)
50% Target (0.7447)
Adult/Child Score Range
0.95
0.85
0.75
0.65
0.55
0.45
0.35
0.25
Adventist Health
Alliance Medical Centers
Healthcare-Redding Rancheria
Communicare
Community Medical Centers
Dignity Health
Dignity Health Medical Foundation-...
Fairchild Medical Clinic
La Clinica
Lake County Tribal Health Consortium
Marin Community Clinics
Mendocino Community Health
Mountain Valley Health Centers
Northbay Healthcare
Northeastern Rural Health
Ole Health
Open Door Community Health Centers
Petaluma Health Center
Redwood Pediatric Medical Group
Santa Rosa Community Health Centers
Shasta Community Health & Social Services
Solano County Health & Social Services
Sonoma Valley Comm Health Center
Sutter Medical Foundation-West
United Indian Health Services, Inc.


2022 Combined Access Score by Parent Organization
Adult
Child
25% Target (0.4224)
50% Target (0.4677)
Adult/Child Score Range
0.8
0.75
0.7
0.65
0.6
0.55
0.5
0.45
0.4
0.35
0.3
0.25
0.2
Adventist Health
Alliance Medical Centers
Healthcare-Redding Rancheria
Communicare
Community Medical Centers
Dignity Health
Dignity Health Medical Foundation-Woodland...
Fairchild Medical Clinic
La Clinica
Lake County Tribal Health Consortium
Marin Community Clinics
Mendocino Community Health
Mountain Valley Health Centers
Northbay Healthcare
Northeastern Rural Health
Ole Health
Open Door Community Health Centers
Petaluma Health Center
Redwood Pediatric Medical Group
Santa Rosa Community Health Centers
Shasta Community Health & Social Services
Solano County Health & Social Services
Sonoma Valley Comm Health Center
Sutter Medical Foundation-West
United Indian Health Services, Inc.

2. PCP Vacancies across PHC Service Region – Point-In-Time Survey Results

PHC's Provider Relations and Provider Recruitment teams recently conducted a point-in-time survey of PCP organizations across all 14 counties. In this survey, provider organizations were asked how many total FTEs were designated per site for physicians (MD, DO), nurse practitioners (NP), and physician assistants (PA). Then, they were asked to identify of those positions, how many were filled, recently departed in the last 12 months, and anticipated for departure in the next 12 months.

The results, shown below, indicate the current primary care provider vacancies weighted by available positions per county. The plan wide vacancy rate is 24.5%. This represents 296 clinician vacancies, including about 200 physician and 100 NP/PA positions.



3. Top Performers in Hospital QIP Measurement Year 2021-2022

PHC is happy to announce the top performing hospitals in the recently concluded Hospital QIP, Measurement Year 2021-2022. There were a total of 9 hospitals achieving final scores between 90-100%. An honorable mention is noted for Trinity Hospital, which is a critical care hospital with less than 25 beds serving a very rural population. This year, Trinity Hospital achieved an 86% which far surpassed the performance of other hospitals of similar size. Congratulations to all participants!

Top Performing HQIP Hospital Participants	**Bed Size:** Tiny (< 25), Small (26-49), Large (50-99), XL (> 100)	Total Earned	Total Possible	QIP Score
Adventist Health Howard Memorial	Small	80	80	100%
Mendocino Coast District Hospital	Small	80	80	100%
Mercy Medical Center Mt. Shasta	Small	100	100	100%
Redwood Memorial Hospital	Small	80	80	100%
Adventist Health Clearlake	Small	95	100	95%
Healdsburg District Hospital	Small	75	80	94%
Petaluma Valley Hospital	Large	85	90	94%
Adventist Health Ukiah Valley	Large	82.5	90	92%
Banner Lassen Medical Center	Small	90	100	90%

** ***Honorable Mention*** to Trinity Hospital, a designated tiny hospital, for achieving 86%!