



September 13, 2021

The Honorable Board of Supervisors
County Administration Building
1221 Oak Street
Oakland, CA 94612

Dear Board Members:

SUBJECT: ADOPT AN ORDINANCE AUTHORIZING THE TRANSITION TO A SINGLE MEDI-CAL MANAGED CARE HEALTH PLAN MODEL FOR THE COUNTY OF ALAMEDA'S MEDI-CAL BENEFICIARIES

RECOMMENDATIONS

Adopt an ordinance authorizing the transition to a Single Medi-Cal Managed Care Health Plan Model for the County of Alameda's Medi-Cal Beneficiaries

DISCUSSION/SUMMARY

Medi-Cal managed care plans in California are regulated by two State agencies: the Department of Health Care Services (DHCS) and the Department of Managed Health Care (DMHC). Part of that oversight is the periodic procurement and selection of the plans to operate in counties. On October 15, 2020, DHCS announced that counties would have the opportunity to transition to a single, local health plan model of Medi-Cal managed care. On April 20, 2021, your Board authorized the Board President to sign and for the Health Care Services Agency (HCSA) Director to submit a non-binding Letter of Intent to DHCS that expressed interest in changing the Medi-Cal delivery model in Alameda County from a Two-Plan model to a new delivery model that includes only a single public plan (File No. 30628; Item No. 11). The non-binding Letter of Intent, signed by the Board President, was submitted to DHCS by the HCSA Director and was ultimately accepted. Subsequently, DHCS set forth a formal deadline of October 10, 2021 for counties to confirm their intent to transition to a single health plan model via ordinance.

Currently, there are approximately 350,000 County of Alameda residents served by Medi-Cal managed care insurance coverage ("Beneficiaries"). The County of Alameda's current Medi-Cal delivery model is a two-plan model with two Medi-Cal insurance plans from which Beneficiaries may choose. Alameda Alliance for Health is the local public Medi-Cal managed care health plan and Anthem Blue Cross is the commercial Medi-Cal managed care health plan. The Alameda Alliance for Health local public Medi-Cal managed care health plan covers and serves more than 80% of the County of Alameda's Beneficiaries. Each plan currently delegates health service responsibilities to networks of hospitals, community clinics, medical groups, independent physicians, community-based organizations, and other health systems who provide care to the enrolled members. The County of Alameda intends to move from the two plan model described above to a single Medi-Cal managed care health plan model.

This single health plan model will provide several opportunities to align the shared mission across the County of Alameda's safety net partners, improve the quality and timely access to services, and establish more consistent navigation of care for Beneficiaries and health care providers. Adoption of this ordinance will enable the County of Alameda to adopt a single Medi-Cal managed care health plan model (also referred to as a single managed care plan by DHCS), using the Alameda Alliance for Health as the local public plan and foregoing the commercial plan, upon approval by the appropriate State and Federal authorities. The transition to this new single Medi-Cal managed care health plan model shall be effective on or before January 1, 2024. Adoption of the ordinance will not preclude the County of Alameda from returning to a two plan model or from opting into any other Medi-Cal health plan model as may be established under State or Federal law.

It is requested that your Board adopt the attached ordinance authorizing the transition to a single Medi-Cal managed care health plan model for the County of Alameda's Medi-Cal Beneficiaries, no later than September 28, 2021 in order to meet the formal filing deadline of October 10, 2021 set forth by DHCS.

FINANCING

Approval of this recommendation will have no impact on net County cost.

VISION 2026

Exploring opportunities to improve the Medi-Cal managed care service delivery model to provide health care access and services to Alameda County Medi-Cal Beneficiaries meets the 10X goal pathway of **Healthcare for All** in support of our shared vision of a **Thriving & Resilient Population**.

Sincerely,

DocuSigned by:

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Colleen Chawla, Director
Health Care Services Agency

ORDINANCE NO. 2021 - _____

AN ORDINANCE AUTHORIZING THE TRANSITION TO A SINGLE MEDI-CAL MANAGED CARE HEALTH PLAN MODEL FOR THE COUNTY OF ALAMEDA'S MEDI-CAL BENEFICIARIES

IT IS HEREBY ORDAINED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF ALAMEDA AS FOLLOWS:

Section 1. Findings and Declarations

The Board of Supervisors of the County of Alameda finds and declares that:

- A. Current Medi-Cal Managed Care Health Plan Model In the County of Alameda.
 - 1. Currently, there are approximately 350,000 County of Alameda residents served by Medi-Cal managed care insurance coverage ("Beneficiaries"), including adults, children, and seniors aged 65+.
 - 2. The County of Alameda's current Medi-Cal delivery model is a two-plan model. It has two Medi-Cal insurance plans from which Beneficiaries may choose. Alameda Alliance for Health is the local public Medi-Cal managed care health plan; Anthem Blue Cross is the commercial Medi-Cal managed care health plan.
 - 3. The Alameda Alliance for Health covers and serves 81% of the County of Alameda's Beneficiaries.
- B. The California Department of Health Care Services has offered counties the opportunity to transition to a single local health plan model of Medi-Cal managed care.
- C. New Medi-Cal Managed Care Health Plan Model In the County of Alameda.
 - 1. The County of Alameda intends to move from the two plan model described above to a single Medi-Cal managed care health plan model. Under the single health plan model, the County of Alameda will use the local public plan, the Alameda Alliance for Health, and forego the commercial plan.
 - 2. This single health plan model will provide several opportunities to align the shared mission across the County of Alameda's safety net partners, improve the quality and timely access to services, and establish a more consistent navigation for Beneficiaries and health care providers.

Section 2. Single Local Health Plan Model

The Board of Supervisors, in enacting this Ordinance, declares that the County of Alameda intends to adopt a single Medi-Cal managed care health plan model (also referred to as a single managed care plan by the California Department of Health Care Services), using the Alameda Alliance for Health as the local public plan, upon approval by the appropriate state and federal authorities.

Should it occur, the transition to this new single Medi-Cal managed care health plan model shall be effective on or before January 1, 2024.

Section 3. Other Contracting Models

Nothing herein shall preclude the County of Alameda from returning to a two-plan model or from opting into any other Medi-Cal health plan model as may be established under state or federal law.

Section 4. Severability

If any section, subsection, subdivision, paragraph, sentence, clause, or phrase of this Ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases of this Ordinance, or its application to any other person or circumstance. The Board of Supervisors hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause, or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

Section 5. Effective Date

- A. This Ordinance shall take effect thirty (30) days from and after the date of passage.
- B. Before the expiration of fifteen (15) days after its passage, it shall be published once with the names of the members voting for and against the same in the Inter-City Express, a newspaper published in the County of Alameda.

Adopted by the Board of Supervisors of the County of Alameda, State of California, on _____
_____, 2021, by the following called vote:

AYES:

NOES:

EXCUSED:

Keith Carson
President of the Board of Supervisors
County of Alameda, State of California

ATTEST:
Clerk of the Board of Supervisors
County of Alameda

By: _____

APPROVED AS TO FORM:
DONNA R. ZIEGLER, COUNTY COUNSEL
County of Alameda

By:  _____
DocuSigned by:
Counsel Raymond Lara
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Raymond Lara, Senior Deputy County Counsel

**ALAMEDA COUNTY MEDICAL MANAGED CARE
SINGLE-PLAN MODEL ASSESSMENT
AND PROPOSED MODEL CHANGE**

**COLLEEN CHAWLA, HCSA DIRECTOR
SCOTT COFFIN, ALAMEDA ALLIANCE FOR HEALTH CEO**

**BOARD OF SUPERVISORS MEETING
SEPTEMBER 21, 2021**



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Overview

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- Background and Timeline
- Assessment Key Take-Aways
- Importance for Alameda County
- Impact of Transition to a Single Plan
 - ▣ Members/Providers/County/Financial
- Alameda Alliance Readiness
- Draft County Ordinance
 - ▣ Background/timeline/overview
- Immediate Next Steps
- Appendix



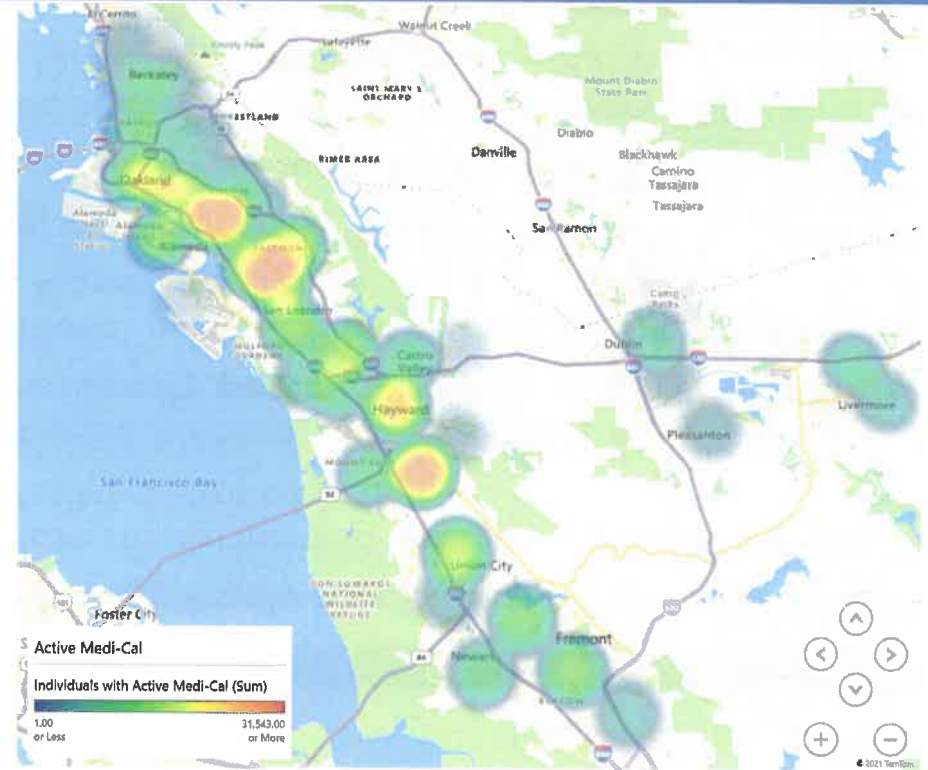
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Background

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- California has six main county-based models of Medi-Cal managed care.
- Alameda County is a two-plan model county, covering approximately 350,000 people, or 83% of the County's 422,000 Medi-Cal beneficiaries.
 - Alameda Alliance for Health
 - The Local Initiative, a county-sponsored Medi-Cal managed care plan.
 - Approximately 283,000 members, or 81% of managed care enrollees.
 - Anthem Blue Cross
 - The Commercial Plan, competitively procured by the State Department of Health Care Services.
 - Approximately 67,000 members, or 19% of managed care enrollees.



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Timeline

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- Fall 2020: State offered unique opportunity to change county Medi-Cal managed care models.
- April 2021: Alameda County Board of Supervisors, in partnership with the Alameda Alliance for Health (Alameda Alliance) submitted non-binding Letter of Intent.
- May – Aug. 2021: Alameda County HCSA, Alameda Alliance, and key safety net partners participated in a systems assessment to identify potential impacts of a model change.
- Sep. 2, 2021: Alameda County received ‘conditional approval’ for a model change and requiring additional financial information from Alameda Alliance.
- Oct.10, 2021: Deadline to pass local ordinance, as required by State.
- Jan. 1, 2024: Single plan effective date, if approved by state and federal authorities.
 - Single plan would need to be reapproved via federal Medicaid waiver every five years until federal legislative designation for a County Organized Health System (COHS).
 - Single plan transition coincides with multi-year CalAIM development and implementation in progress.



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Assessment Key Take-Aways

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- Findings:
 - ▣ In the near term, there may be some confusion and disruption for members and providers.
 - ▣ In the long term, anticipate opportunities for greater systems alignment with a more unified safety net that will yield easier access and higher quality for members.
 - ▣ Alameda Alliance would need to increase overall capacity, including member services, provider services, compliance, and other operations.
- Recommendations:
 - ▣ Proceed with process to change Medi-Cal managed care model in Alameda County from the current two-plan model to a single plan model.
 - ▣ Alameda Alliance should serve as the single plan.
 - ▣ Increase designated safety net representation on the Alameda Alliance Board of Governors.



Importance for Alameda County

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- Opportunity to increase quality of care and simplify access to care for members through a single plan option.
- Opportunity to further focus local Medi-Cal managed care decisions on what is important to Alameda County.
 - Support and sustain critical homeless health care infrastructure Alameda County created through the Whole Person Care program.
 - Increase alignment with Alameda County Vision 2026 10X goals to provide Healthcare for All, Eliminate Homelessness, and Eliminate Poverty & Hunger.
 - Maximize opportunities presented by CalAIM; promote access to and integration of behavioral health services; address social determinants of health, etc.
 - Leverage and align additional funding for local priorities.

Impact of Transition: Members

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Opportunities

- Single standard of care for all Medi-Cal managed care beneficiaries.
- Transitioning Anthem members will benefit from Alameda Alliance's high scores in quality, member satisfaction, and access to physician services, including language access.
- Increased accountability to local priorities with greater safety net representation on the Alameda Alliance Board of Governors.
- Minimal disruption in transitioning Anthem members' primary care.
 - >95% of Anthem members enrolled with primary care physicians already in Alameda Alliance network.

Challenges

- Number of Medi-Cal managed care plan choices reduces from two to one.
- Transitioning Anthem members will see a disruption in their health plan relationship.
- A small number of transitioning Anthem members may experience some disruption in continuity of care, particularly for durable medical equipment and ancillary care.



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Impact of Transition: Providers

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Opportunities

- Administrative efficiencies dealing with one instead of two Medi-Cal managed care plans (submitting claims, participating in quality incentive programs).
- Potential for improved operational and clinical coordination.
- Increased accountability to local priorities with greater safety net representation on the Alameda Alliance Board of Governors.

Challenges

- Reduced leverage in contract negotiations.
- Vulnerability expressed about status of future Medi-Cal managed care rate changes.



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Impact of Transition: County

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- No anticipated impact on liability or financial risk for Alameda County.
- Passage of County ordinance required by October 10, 2021.
- Increased County representation on Alameda Alliance Board of Governors.
- County advocacy required at the federal level for permanent single plan status.



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Systemwide Financial Impact of Transition

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- County: Minimal financial impact.
- Alameda Alliance:
 - ▣ Revenue increase of approximately \$250 Million annually.
 - ▣ Marginal profit outlook as the majority of new revenue will be spent on new health care services for the new members.
 - ▣ Administrative efficiencies resulting from only variable administrative costs added.
 - ▣ Alameda Alliance funds the operational transition and readiness costs currently estimated to be between \$3 Million and \$4 Million.
- Providers:
 - ▣ No major financial impact overall.
 - ▣ Alameda Alliance committed to working with providers to mitigate potential financial challenges.
 - ▣ Small administrative efficiencies.
 - ▣ Small opportunity for better coordination in intergovernmental transfers and supplemental safety net funds.



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Alameda Alliance Readiness

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- High scores for quality and timely access to care, when compared to statewide performance and regulatory requirements.
- Year over year improvement in measured industry standards for quality and access to care.
- Current provider network is adequate; additional physicians and services to be added to accommodate growth in membership.
- Core system and infrastructure capacity capable of expanding to accommodate 60,000+ new members.
- Financial solvency, over five times the required reserves.
- No significant audit issues such as “material weakness or lack of internal control.”
- Operational readiness planning begins in 2022, to include phasing, hiring additional staff, systems enhancements, member and provider communications, and provider network expansion prior to January 1, 2024.



County Ordinance Background and Timeline

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- State requires passage of an ordinance that confirms commitment to transition to a single local public Medi-Cal managed care plan.
- Deadline for ordinance passage is October 10.
- Plan to bring ordinance to the Board for first reading on September 21 and second reading on September 28.



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Draft Ordinance Overview

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Now:

- Declare intent to pursue Medi-Cal Managed Care model change in Alameda County from the current two-plan model to a single plan model, contingent upon state/federal approvals.
- Designate Alameda Alliance as the single plan.

For future consideration, pending legal review and further discussions:

- Add 3 seats on Alameda Alliance Board of Governors for County agencies and safety-net health centers, through restructuring or expanding Alameda Alliance's Board



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Immediate Next Steps

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Alameda County:

- Recommendation from Health Committee to full Board of Supervisors
- Board of Supervisors consideration of ordinance changes on Sept. 21 (first reading) and Sept. 28 (second reading)

Alameda Alliance:

- Submit additional financial information to State by Oct. 15
- Submit network strategy to ensure sufficient provider network for single plan to State by Dec. 3

Regular reporting on transition to BOS Health Committee, Alameda Alliance Board of Governors, and providers



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APPENDIX

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- Additional materials, used for impact assessment:
 - Provider Network Review
 - Timely Access Results
 - HEDIS/Performance Measure Scores
 - Member Survey Results
 - Financial Findings Highlights



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Thank you

Questions?



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