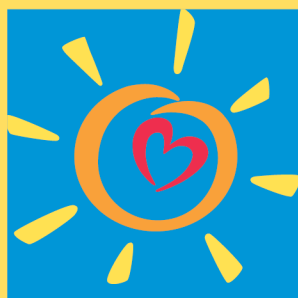




L.A. Care Health Plan John Baackes, CEO



L.A. Care
HEALTH PLAN®

Hospital Association of Southern California
2018 Annual Meeting
What's next for Medi-Cal?



How to live and thrive in LA with Medi-Cal and Covered California

L.A. Care Membership

Since the ACA was implemented, L.A. Care has almost doubled in size and taken on higher risk populations.

Product Line	Enrollment (March 2018)
Medi-Cal	2,056,571
L.A. Care	(1,053,341)
Subcontracted Plan Partners	
Anthem Blue Cross	(456,151)
Care 1 st	(347,503)
Kaiser Permanente	(199,576)
L.A. Care Covered	71,180
Cal MediConnect	15,411
PASC-SEIU	49,921
Total	2,193,083

Since the 2016 election, the additional enrollees since the ACA was implemented are threatened

- Repeal and Replace of the ACA failed
 - Future funding in jeopardy – current growth rate unsustainable
 - There has been no recession since the 2014 implementation to test California's capacity to support the local share for the expanded population
- Termination of CSRs and the Individual Mandate threaten to destabilize Covered California
 - CSR termination factored into 2018 rates...cushioned by APTC
 - Impact of Individual Mandate elimination untested until 2019

Additional Threats

2016 Megal Rule published by CMS

- Will change how public and private hospitals receive supplemental payments
 - HQAF, EPP, QIP, etc.
- Currently Medi-Cal Managed Care plans distribute funds regardless of contractual status but do not determine amounts
- To comply with new regs California is proposing payments go to plans who pay hospitals with contracts with the plan
 - **NO** MMC Plan contract **NO** \$\$
- Calculation of payments will rely heavily on encounter data
 - Incomplete encounter data submissions will jeopardize the amount a hospital receives

Strategic Initiatives to Mitigate Threats

Reimbursement compression

- Value-based contracting between plans and Medi-Cal in the future
- L.A. Care has introduced Value Initiative for IPA Performance to prepare IPAs and other contracted medical groups by improving their performance on a set of measures likely to be incorporated in Value-based contracting.
 - Access and Availability
 - 17 HEDIS measures
 - CAHPS
 - Five utilization metrics around hospital and ER use
 - Timeliness of encounter data submission

Example VIIP Scorecard



Provider Group Name: [REDACTED]

Domain	Domain Score*	Points	Final Score
Access and Availability	N.R.	25	N.R.
HEDIS	0.483	25	12.08
Member Satisfaction	0.938	20	18.76
Utilization	0.453	15	6.80
Encounter Timeliness	1.000	15	15.00

Points Earned out of Total Possible 75 **52.64**

	Prior Year (Report Year 2016 Measurement Year 2015)	Current Year (Report Year 2017 Measurement Year 2016)
Percent Score	29.86%	70.19%
Total Rank	16 Out of 56 Groups	2 Out of 58 Groups

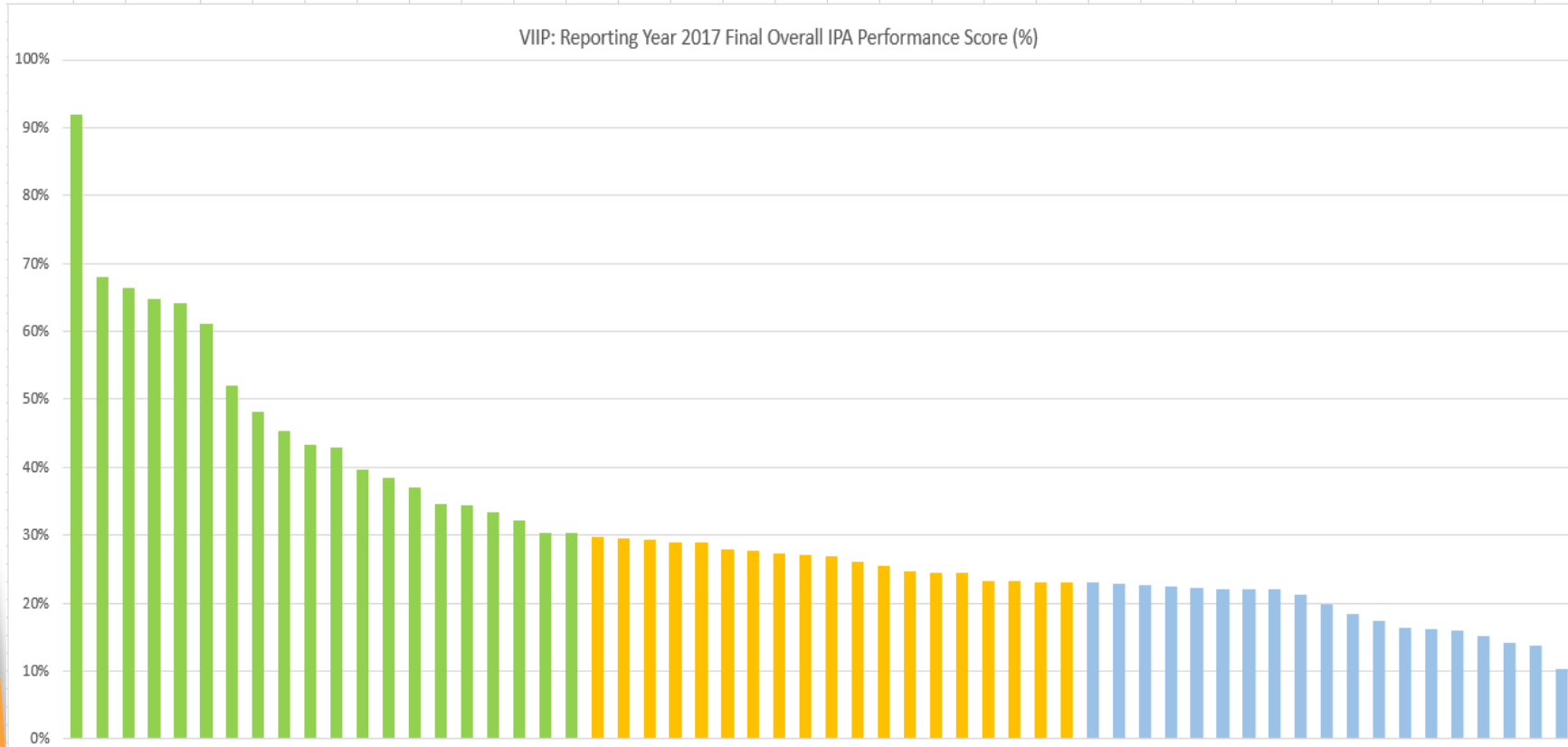
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N.R. = Not Reportable or not applicable as these measure(s) were not obtained or did not have the minimum 30 eligible members needed; compliance rates were not assigned.
* Domain scores are calculated by dividing average final scores by 10.

Value Initiative for IPA Performance (VIIP)

VIIP 2017 Results



Color	%	Rank	Tertile
Green	30% - 91%	1-20	Upper
Yellow	23% - 30%	20-39	Middle
Blue	0%-23%	40-58	Lower

Strategic Initiatives to Mitigate Threats

Direct contracting with MDs

- L.A. Care has been a delegated model exclusively until 2016 – 58 separate delegated entities
 - All are measured in the VIIP



- Began direct contracting to provide additional access in underserved areas in 2016
 - 273 providers contracted and growing
 - Offers opportunity to reduce admin costs and provide more \$\$ for providers



Strategic Initiatives to Add Value to Members and Providers

Family Resource Centers

- Centers for health and wellness in the community
- L.A. Care currently has five Family Resource Centers (FRCs) located in Lynwood, Inglewood, Pacoima, Boyle Heights and Palmdale
- Goal is to have a total of 13 FRCs by end of 2020
- FRCs offer free
 - Health education classes
 - Exercise classes
 - Health screenings
 - Health coverage information
 - Plan to offer additional services including Case Management and Disease Management

Strategic Initiatives to Add Value to Members and Providers

In-Home Supportive Services + Home Care Integration Training

- L.A. Care sponsored California Long-term Care Education Center (CLTCEC) to provide the IHSS+ Home Care Integration Training Program, a 10-week course that prepares IHSS providers in:
 - CPR/first aid
 - Infection control
 - Nutrition and diet
 - Body mechanics
 - Model of care and communication with health care providers, including participation in interdisciplinary care team meetings
- Accomplishments since launching in July 2017:
 - 17 classes over 2 trimesters
 - Taught in 5 languages (Armenian, Cantonese, English, Mandarin, Spanish)
 - Taught in 9 communities across L.A. County
 - Most recent trimester had a 96.66% attendance rate and an 87% completion rate
 - Trained 579 IHSS Providers
 - These providers care for 696 L.A. Care members

Strategic Initiatives to Add Value to Members and Providers

Community Investment

Since 2000, L.A. Care's Community Health Investment Fund (CHIF) has funded about 500 projects for over \$66 million, benefitting over 135 community clinics, CBOs and the L.A. County Departments of Health Services and Public Health.

Recent Highlights:

- \$20M long-term investment to support homeless housing (over five years)
- \$554K to 26 community health clinics for adaptive medical equipment
- Grants to seven agencies to support CalFresh enrollments and assist with Earned Income Tax Credits
- Funding for CHIRLA and CARECEN to provide legal education and services for immigrants

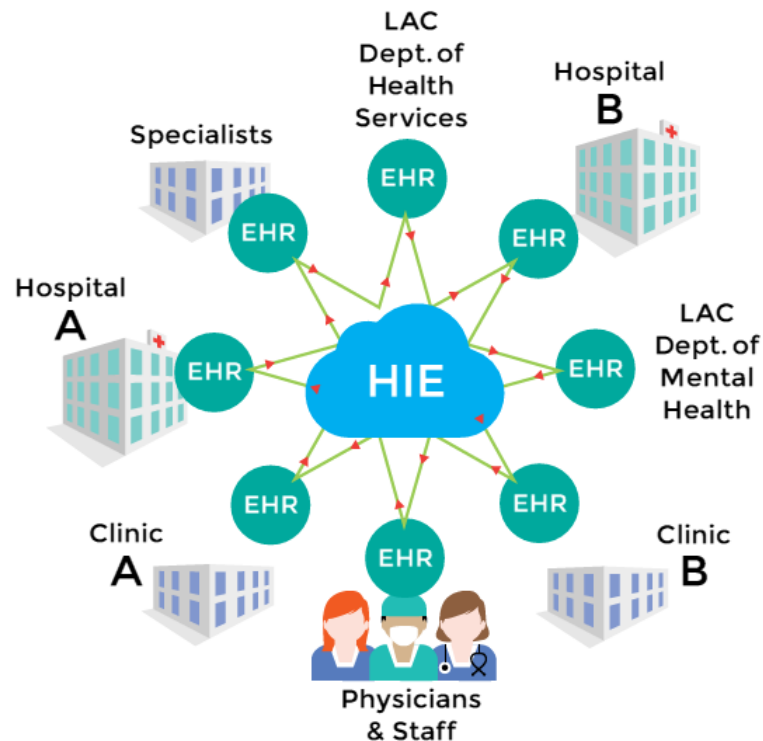
Strategic Initiatives to Add Value to Members and Providers

Transforming Clinical Practice Initiative (TCPI) is a \$685 million CMS program to help 140,000 clinicians nationwide improve quality of care, increase patients' access to information, and spend dollars more effectively.

- TCPI aims to achieve several nationwide quality improvement goals:
 - Transform 140,000 clinicians' practices
 - Improve health outcomes
 - Reduce unnecessary hospitalization
 - Save \$1-\$4 billion
 - Reduce unnecessary testing and procedures
 - Transformation includes practice readiness for Value Based Payments
 - Build practice transformation evidence base
- In 4Q 2015, L.A. Care received \$16 million over four years to help 3,200 L.A. County clinicians serving more than one million patients improve diabetes and/or depression outcomes and transform their practices.
- In 2.5 years, the L.A. Care program is already meeting target points for several diabetes and depression related clinical measures and producing tens of millions of dollars in cost savings.

Strategic Initiatives to Add Value to Members and Providers

Los Angeles Network for Enhanced Services (LANES) is a nonprofit health information exchange (HIE) organization for L.A. County that allow participating physicians, health care facilities, hospitals and other health care providers to efficiently share patient medical information.



To Live and Thrive in LA with Medi-Cal and Covered California

- Plans, providers and regulators will need a new level of communication and trust based on data sharing and transparency
 - HIEs must be embraced and provide value to providers
- Simplification of contractual structures and accountability will be critical
 - Less delegation and sub-delegation
- Interoperability between providers and payers is essential to eliminate waste, errors and frustration for patients and providers
 - If the financial industry can provide the ability for a consumer to access cash, account balances and make deposits from any ATM on the planet regardless of the consumers' home bank...why can't health care get into the 21st century?