



**REGULAR MEETING OF THE GOVERNING BOARD  
OF THE  
INLAND EMPIRE HEALTH PLAN AND IEHP HEALTH ACCESS**

**December 11, 2023 - 9:00 AM**

Board Report #344

**Mission Inn Hotel and Spa  
Santa Barbara Conference Room  
3649 Mission Inn Avenue  
Riverside, CA 92501**

If disability-related accommodations are needed to participate in this meeting, please contact Annette Taylor, Secretary to the IEHP Governing Board at (909) 296-3584 during regular business hours of IEHP (M-F 8:00 a.m. – 5:00 p.m.)

**PUBLIC COMMENT AT INLAND EMPIRE HEALTH PLAN GOVERNING BOARD MEETINGS:**

The meeting of the Inland Empire Health Plan Governing Board is open to the public. A member of the public may address the Board on any item on the agenda and on any matter that is within the Board's jurisdiction. Requests to address the Board must be submitted in person to the Secretary of the Governing Board prior to the start of the meeting and indicate any contributions in excess of \$250.00 made by them or their organization in the past twelve (12) months to any IEHP Governing Board member as well as the name of the Governing Board member who received contribution. The Board may limit the public input on any item, based on the number of people requesting to speak and the business of the Board.

All public record documents for matters on the open session of this agenda can be viewed at the meeting location listed above, IEHP main offices at 10801 6<sup>th</sup> Street, Suite 120, Rancho Cucamonga, CA 91730 and online at <http://www.iehp.org>.

**\*\*LIVE STREAMING FOR THIS MEETING WILL NOT BE AVAILABLE\*\***

**AGENDA**

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- I. Call to Order
- II. Pledge of Allegiance
- III. Roll Call
- IV. Changes to the Agenda
- V. Public Comments on Matters on the Agenda
- VI. Conflict of Interest Disclosure
- VII. Adopt and Approve of the Meeting Minutes from the November 13, 2023 Regular Meeting of the Governing Board of the Inland Empire Health Plan and IEHP Health Access

VIII. IEHP

**CONSENT AGENDA**

ADMINISTRATION (Jarrod McNaughton)

1. Approve an Increase in Funding for Statements of Work with Morgan Consulting Resources, Inc.
2. Approve the Amendment to the Defined Contribution Plan for the Leader Retirement Retention Program

FINANCE DEPARTMENT (Keenan Freeman)

3. Monthly Financial Review
4. Ratify and Approve the finalized First Amendment to the Lease Agreement with VNF Properties, LLC

HEALTH SERVICES DEPARTMENT (Takashi Wada, M.D.)

5. Ratify and Approve the First Amendment to the Funding Agreement with San Bernardino County Medical Society
6. Ratify and Approve the First Amendment to the Funding Agreement with Riverside County Medical Association
7. Delegation of Authority to Approve the Memorandum of Understanding with San Bernardino County Department of Behavioral Health
8. Ratify and Approve the Fourth Amendment to the Memorandum of Understanding with Riverside University Health System – Behavioral Health
9. Delegation of Authority to Approve the Professional Services Agreement with the University of Southern California

INFORMATION TECHNOLOGY DEPARTMENT (Vinil Devabhaktuni)

10. Approve Additional Funding to Change Order Q-128311 to the Master Services Agreement with Flexential Corp. (F/K/A Via West Inc.)
11. Delegation of Authority to Approve the SAAS Services Agreement, Order Form and Subsequent Contractual Documents with Dexur Enterprises, Inc.
12. Delegation of Authority to Approve a Contractual Document with Infomagnetics Technologies Corp.

13. Delegation of Authority to Approve the Twelfth Amendment to the Master License and Service Agreement with Edifecs, Inc.

OPERATIONS DEPARTMENT (Susie White)

14. Approve the Second Amendment to the Professional Services Agreement with WISE Healthcare, LLC.
15. 2022 Assessment of Network Adequacy Update

QUALITY DEPARTMENT (Edward Juhn, M.D.)

16. Approve the Fifth Amendment to the Participation Agreement with Manifest Medex
17. Approve the First Amendment to the Letter of Agreement with Walgreen Co.

PROVIDER CONTRACTING DEPARTMENT (Susie White)

18. Approval of Standard Templates
  - 1) Master Attachment <X> - ICF DD Homes
19. Approval of the Evergreen Contracts
  - 1) Mountain View Centers - Residential Care for the Elderly – Montclair
  - 2) Heritage Health Care Inc dba Heritage Gardens Health Care Center – Residential Care for the Elderly - Palm Springs - Loma Linda
  - 3) Alaphia Care Home Health Services Inc – Rancho Cucamonga
  - 4) Andruski Family Counseling dba Andruski Family Counseling Inc - Participating Provider Agreement - Behavioral Health – Hesperia
  - 5) Christina Esquivel Granillo dba Christina Granillo LMFT - Participating Provider Agreement - Behavioral Health – Indio
  - 6) Empire Behavioral Health a Psychological Corporation - Participating Provider Agreement - Behavioral Health – Fontana
  - 7) Family Service Agency of San Bernardino - Participating Provider Agreement - Behavioral Health – San Bernardino
  - 8) Gilbert Marriage and Family Counseling Services A Professional Corporation dba Advent Christian Counseling – Participating Provider Agreement - Behavioral Health - Temecula
  - 9) Julie Ann Orlov Whitesmith dba Julie Orlov Psychotherapy & Consulting - Participating Provider Agreement - Behavioral Health - Idyllwild
  - 10) Mary Tretola - Participating Provider Agreement - Behavioral Health – Corona
  - 11) Melissa C Darnell - Participating Provider Agreement - Behavioral Health – Moreno Valley
  - 12) Nancy Calderon LCSW - Participating Provider Agreement - Behavioral Health – Apple Valley
  - 13) Ramona Carver dba Pathway to Healing Marriage & Family Therapy Inc - Participating Provider Agreement - Behavioral Health – Riverside

- 14) Red Oak Psychology Group Corporation - Participating Provider Agreement - Behavioral Health – Rancho Cucamonga
- 15) Renewing Hope Family Counseling Center Inc - Participating Provider Agreement - Behavioral Health – Riverside
- 16) Southern California Psychiatric Group Inc - Participating Provider Agreement - Behavioral Health – Sun City
- 17) Esther A Fermin dba Esther A Fermin MD INC - Capitated Primary Care Provider Agreement – Victorville
- 18) Joanna Ayala dba Murrieta Primary Care Clinic - Capitated Primary Care Provider Agreement - Murrieta
- 19) Melanchton Atiga Mangoba MD - Capitated Primary Care Provider Agreement – Riverside
- 20) Samuel A Silao MD Inc - Capitated Primary Care Provider Agreement – Chino Hills
- 21) Manzoor A Kazi Medical Associates Inc - Fee-For-Service Primary Care Provider Agreement – Palm Desert
- 22) Brett DiNovi & Associates California LLC - Participating Provider Agreement – QASP – Orange
- 23) Maxim Healthcare Services Inc - Participating Provider Agreement – QASP – Temecula
- 24) Bonnie J Lance DPM - Participating Provider Agreement – Specialist - Upland
- 25) Michael P Milligan MD Inc dba Milligan Dermatology - Participating Provider Agreement – Specialist - Rancho Mirage
- 26) Western Radiation Oncology a Professional Corporation Participating Provider Agreement – Specialist - Participating Provider Agreement – Specialist – Apple Valley
- 27) TotalCare WalkIn Clinic - Urgent Care Provider Agreement – Eastvale
- 28) Jen Hsiang Liu dba Wise Optometry - Participating Provider Agreement – Vision – Rowland Heights

### **POLICY AGENDA AND STATUS REPORT ON AGENCY OPERATIONS**

#### FINANCE DEPARTMENT (Keenan Freeman)

20. Adopt and Approve the IEHP Calendar Year 2024 Operations and Capital Budget

- IX. IEHP Health Access - No Business
- X. Comments from the Public on Matters not on the Agenda
- XI. Board Member Comments

XII. Closed Session

1. With Respect to Every Item of Business to be Discussed in Closed Session Pursuant to California Government Code Section 54956.87 subdivision (b):

HEALTH PLAN TRADE SECRETS: Meeting held for the purpose of discussion or taking action on health plan trade secrets, including initiating a new service, program, marketing strategy, business plan, or technology, or to add a benefit or product where the premature disclosure of the trade secret would create a substantial probability of depriving the health plan of a substantial economic benefit or opportunity.

XIII. Adjournment

The next meeting of the IEHP Governing Board will be held on January 8, 2023, at the Inland Empire Health Plan.

**ADMINISTRATION**

**1. APPROVE AN INCREASE IN FUNDING FOR STATEMENTS OF WORK WITH MORGAN CONSULTING RESOURCES, INC.**

**Recommended Action:**

That the Governing Board of the Inland Empire Health Plan (IEHP) approve additional funding for Statements of Work (SOWs) under the Master Services Agreement (Agreement) with Morgan Consulting Resources, Inc. (MCR) for Retainer Search Services. The additional funding amount shall not to exceed \$240,000.00 through December 31, 2024. The total approved funding amount for the SOWs shall not exceed \$890,000.00 through December 31, 2024.

**Contact:**

Supriya Sood, Chief People Officer

**Background:**

IEHP requires Retainer Search Services to ensure the continuous sourcing and placement of qualified executive and leadership personnel essential for organizational advancement and to meet various operational objectives. MCR has a longstanding relationship with IEHP, having successfully catered to its executive recruitment needs for over a decade.

IEHP would like to continue working with MCR and has determined that as a certified women-owned business, coupled with their proven track record of success with IEHP by providing high placement rates, top-tier candidates, and minimal turnover from new hires, single source procurement is justified. Additionally, MCR has developed a deep understanding of IEHP’s organizational culture, values, and the specific competencies required for leadership roles, which significantly streamlines the recruitment process and enhances the quality of candidates received. Engaging a new vendor for these services would necessitate a substantial investment of time and resources in addition to the risks associated with the unknown quality and fit of candidates provided by a new vendor. The transition would also likely cause a disruption in the recruitment processes, potentially delaying critical hires.

The Governing Board had previously approved the Agreement as follows:

<b>Date Approved</b>	<b>MO#</b>	<b>Purpose</b>	<b>Term Expiration</b>	<b>Cost</b>
July 11, 2022	22-250	Delegation of Authority to approve the MSA and related SOWs for Retainer Search Services	Perpetual	\$650,000.00
Total Cost to date:				\$410,000.00
New Cost				\$240,000.00
Total Cost				\$890,000.00

**Discussion:**

IEHP would like to continue working with MCR to provide unique executive-level Retainer Search Services. To do so, IEHP requires additional funding to enter into individual SOWs with MCR, per retained search at agreed upon terms and rates.

Accordingly, IEHP is requesting additional funding in an amount not exceed \$240,000.00 to enable IEHP to execute subsequent SOWs for continued retainer search services. The total approved funding amount to MCR for execution of the SOWs shall not to exceed \$890,000.00 through December 31, 2024.

<b>Fiscal Impact</b>	<b>Financial Review</b>	<b>Procurement Review</b>	<b>Reviewed by Counsel</b>	<b>Director Approval</b>	<b>Chief Approval</b>
Will be included in CY2024 Budget	D. Ferguson 11/09/2023	C. Andrade 11/15/2023	M. Popka 11/17/23	S. Capenos 11/20/2023	S. Sood 11/21/2023

## ADMINISTRATION

### 2. APPROVE THE AMENDMENT TO THE DEFINED CONTRIBUTION PLAN FOR THE LEADER RETIREMENT RETENTION PROGRAM

#### **Recommended Action:**

That the Governing Board of the Inland Empire Health Plan (IEHP) approve the Amendment to the Defined Contribution Plan for the Leader Retirement Retention Program for the provision of a 5% retirement benefit for eligible leaders.

#### **Contact:**

Supriya Sood, Chief People Officer

#### **Background:**

The goal of the Leader Retirement Retention Program (Program) is to increase retention of IEHP's leadership staff to continue mission critical activities of the organization including a successful entrance into Covered California, progress of strategic goals and initiatives and continued advocacy and administration of the Medi-Cal program to IEHP's providers and members. Recruitment is a costly and time-consuming activity which delays operations and organizational growth.

Eligibility to the Program is limited to IEHP leaders, defined as a team member with a title of Director and above, including the Chief Executive Officer, who were first eligible for California Public Employees' Retirement System (CalPERS) pension benefits on or after January 1, 2013. Under the Program, IEHP will contribute an amount equivalent to five percent (5%) of an eligible leader's base pay into their 401(a) retirement account to be vested after five (5) years of continuous service with IEHP in a leadership role. Vesting began on July 1, 2023 for existing eligible leaders and begins on the first day of employment for eligible leaders employed after July 1, 2023. The Program will be administered by IEHP's existing recordkeeper, Voya.

The Program was approved on June 2, 2023 under Minute Order 23-145, for a five-year duration at an annual estimated cost of \$1.1 million, or \$5.5 million total aggregate cost.

#### **Discussion:**

The purpose of this Amendment is to expand the Program to include additional requirements to ensure compliance with Voya's Cliff Vesting Retirement Plan regulations. Those additional requirements include:

- Defining the specific employee categories
- Qualifying Participants based on years of service
- Updating the vesting options despite death, disability or retirement age
- Allowing IEHP to determine the discretionary amount to be contributed and allocated
- Defining the timing of forfeitures
- Adding in a "rule of parity" provision



CONSENT AGENDA

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Staff recommends approval of the Amendment to the Defined Contribution Plan Document.

<b>Fiscal Impact</b>	<b>Financial Review</b>	<b>Procurement Review</b>	<b>Reviewed by Counsel</b>	<b>Director Approval</b>	<b>Chief Approval</b>
None	N/A	N/A	M. Popka 11/21/23	D. Del Toro 11/21/23	S. Sood 11/29/23

## **FINANCE DEPARTMENT**

### **3. MONTHLY FINANCIAL REVIEW**

**Recommended Action:**

Review and File

**Contact:**

Keenan Freeman, Chief Financial Officer

**Discussion:**

Monthly Financials for Period Ending October 31, 2023.

# FINANCE DIVISION

October 2023

## MONTHLY FINANCIALS

Presented  
December 11, 2023



# Actual vs Budget - Consolidated

	October Month-to-Date			October Year-to-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>Total Revenue</b>	\$ 580,999,286	\$ 571,040,230	\$ 9,959,056	\$ 5,858,447,594	\$ 5,826,113,784	\$ 32,333,810
<b>Total Medical Costs</b>	\$ 555,902,996	\$ 547,403,539	\$ (8,499,457)	\$ 5,259,387,366	\$ 5,389,012,057	\$ 129,624,691
<b>Total Operating Expenses</b>	\$ 35,914,517	\$ 41,564,419	\$ 5,649,902	\$ 337,126,393	\$ 395,821,474	\$ 58,695,081
<b>Total Non Operating Income (Expense)</b>	\$ 7,954,209	\$ 3,250,952	\$ 4,703,257	\$ 61,203,358	\$ 33,287,199	\$ 27,916,159
<b>Non-Medi-Cal/Medicare Expenses</b>	\$ 1,138,251	\$ 666,667	\$ (471,584)	\$ 7,843,057	\$ 6,666,667	\$ (1,176,390)
<b>Net Surplus (Deficit)</b>	\$ (4,002,269)	\$ (15,343,441)	\$ 11,341,174	\$ 315,294,137	\$ 67,900,785	\$ 247,393,351

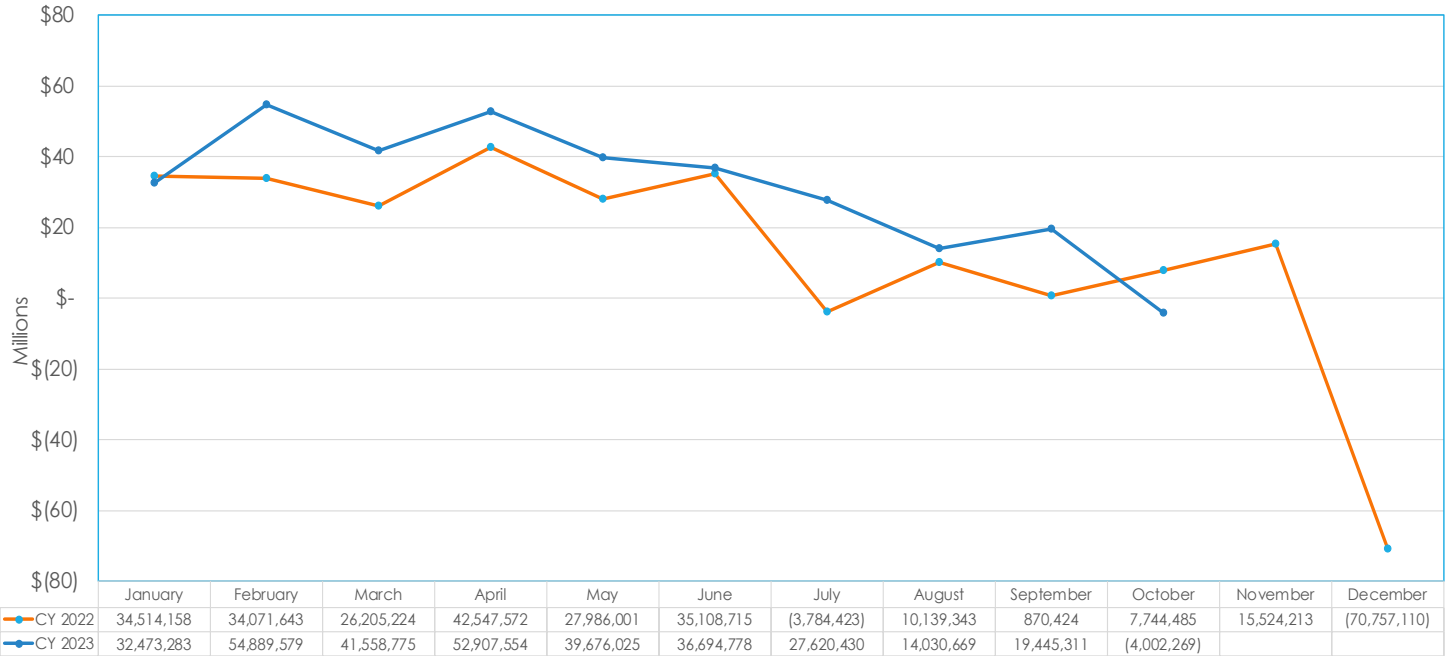
## Highlights for the Month:

- The favorable revenue variance compared to budget is primarily due to higher-than-expected SPD Full Dual, MCE Non-Dual, and LTC Full Dual member months, Part A/B member months and risk scores, partially offset by lower-than-expected Adult member months and unfavorable maternity revenue.
- The unfavorable medical cost variance compared to budget is primarily due to LTC IBNR restatement due to retroactive DHCS CY 2023 rate adjustments, unfavorable outpatient IBNR restatement and claims expense, and higher utilization of BHT, Transportation, HCBS Other, and professional services partially offset by favorable capitation expense due to reassignment of retro Medi-Medi members to IEHP and other adjustments, inpatient and emergency room IBNR restatements, and incentives expense.
- The favorable operating expense variance compared to budget is primarily due to IT project delays, and Marketing and IT underutilization.
- The favorable non-operating income (expense) variance compared to budget is primarily due to higher-than-expected interest income.



# Net Surplus Year-Over-Year - Consolidated

Consolidated  
Net Surplus by Month (Actuals)



# Actual vs Budget: Medi-Cal

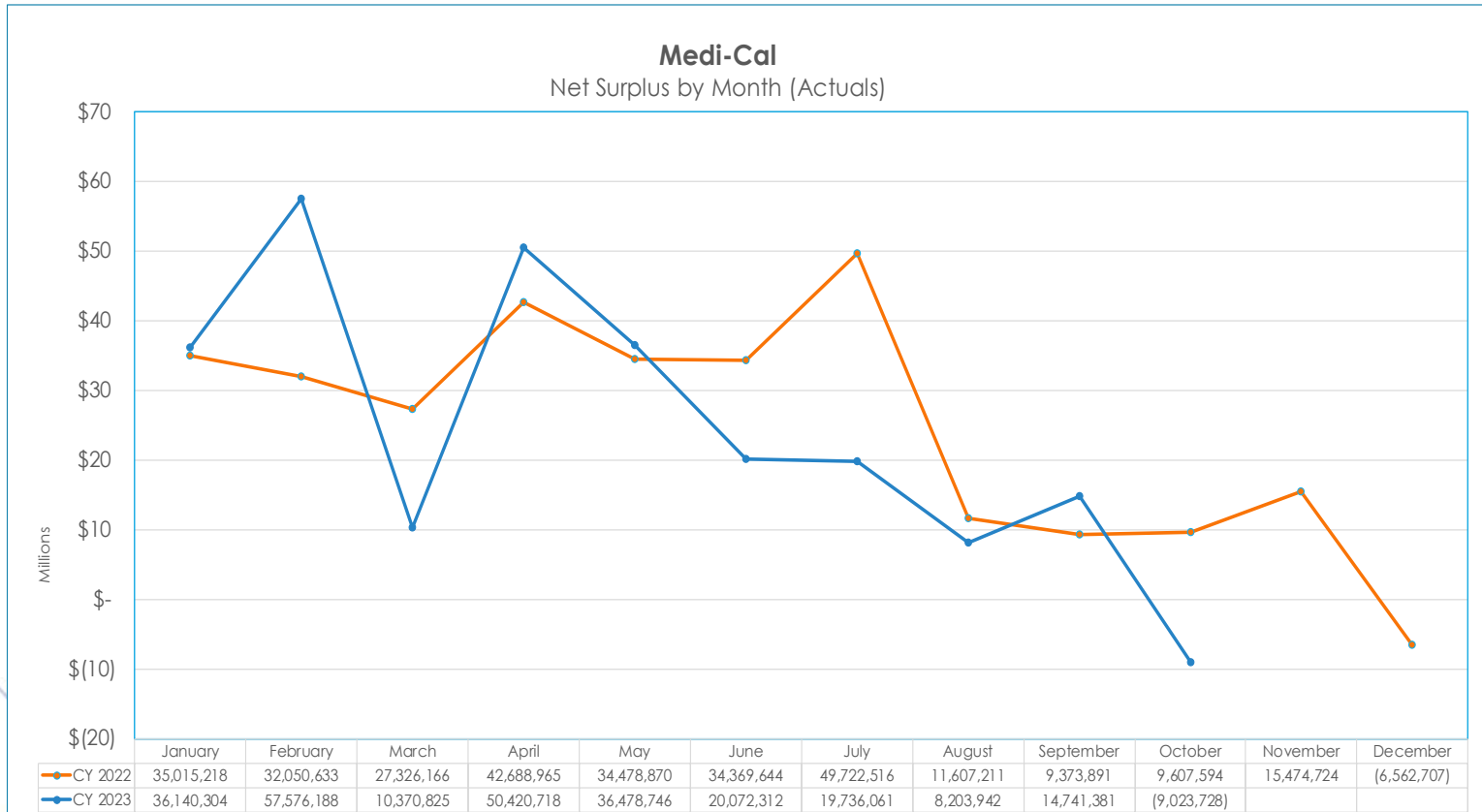
	October Month-to-Date			October Year-to-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>Total Revenue</b>	\$ 520,198,864	\$ 513,589,510	\$ 6,609,354	\$ 5,249,115,255	\$ 5,249,019,109	\$ 96,146
<b>Total Medical Costs</b>	\$ 500,316,734	\$ 494,931,788	\$ (5,384,946)	\$ 4,723,942,177	\$ 4,871,844,575	\$ 147,902,398
<b>Total Operating Expenses</b>	\$ 31,775,214	\$ 36,484,483	\$ 4,709,269	\$ 294,336,482	\$ 346,599,682	\$ 52,263,200
<b>Total Non Operating Income (Expense)</b>	\$ 2,869,356	\$ 2,811,952	\$ 57,404	\$ 13,880,152	\$ 28,544,909	\$ (14,664,757)
<b>Net Surplus (Deficit)</b>	\$ (9,023,728)	\$ (15,014,809)	\$ 5,991,081	\$ 244,716,748	\$ 59,119,762	\$ 185,596,986

## Highlights for the Month:

- The favorable revenue variance compared to budget is primarily due to higher-than-expected SPD Full Dual, MCE Non-Dual, and LTC Full Dual member months member months offset by lower-than-expected Adult member months and unfavorable maternity revenue.
- The unfavorable medical cost variance compared to budget is primarily due to LTC IBNR restatement due to retroactive CY 2023 rate adjustments, unfavorable outpatient IBNR restatement and claims expense, higher utilization of BHT, Transportation, HCBS Other, and professional services partially offset by favorable capitation expense due to reassignment of retro Medi-Medi members to IEHP and other adjustments, and inpatient and emergency room IBNR restatements.
- The favorable operating expense variance compared to budget is primarily due to IT project delays, and Marketing and IT underutilization.



# Net Surplus Year-Over-Year: Medi-Cal



# Actual vs Budget: D-SNP

	October Month-to-Date			October Year-to-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>Total Revenue</b>	\$ 60,798,505	\$ 57,450,721	\$ 3,347,784	\$ 599,637,755	\$ 577,094,674	\$ 22,543,081
<b>Total Medical Costs</b>	\$ 56,130,114	\$ 52,471,750	\$ (3,658,364)	\$ 548,597,841	\$ 517,167,482	\$ (31,430,359)
<b>Total Operating Expenses</b>	\$ 4,139,303	\$ 5,079,935	\$ 940,632	\$ 42,789,911	\$ 49,221,792	\$ 6,431,881
<b>Total Non Operating Income (Expense)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Surplus (Deficit)</b>	\$ 529,087	\$ (100,965)	\$ 630,052	\$ 8,250,003	\$ 10,705,400	\$ (2,455,397)

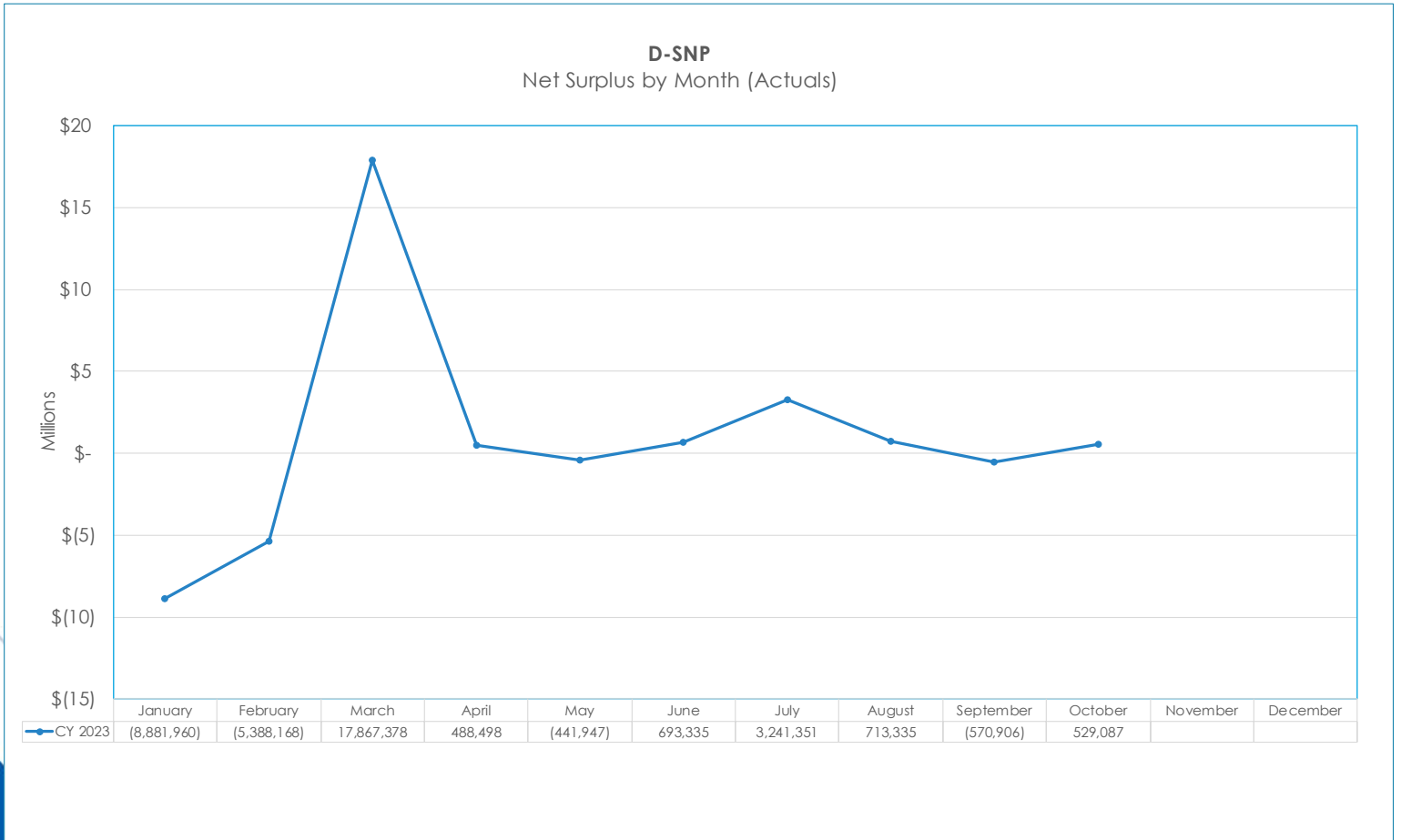
## Highlights for the Month:

- The favorable revenue variance compared to budget is primarily due to higher-than-expected Part A/B member months and risk scores.
- The unfavorable medical cost variance compared to budget is primarily due to unfavorable outpatient and inpatient claims expenses partially offset by incentives expense.





# Net Surplus Year-Over-Year: D-SNP



# Actual vs Budget: CMC

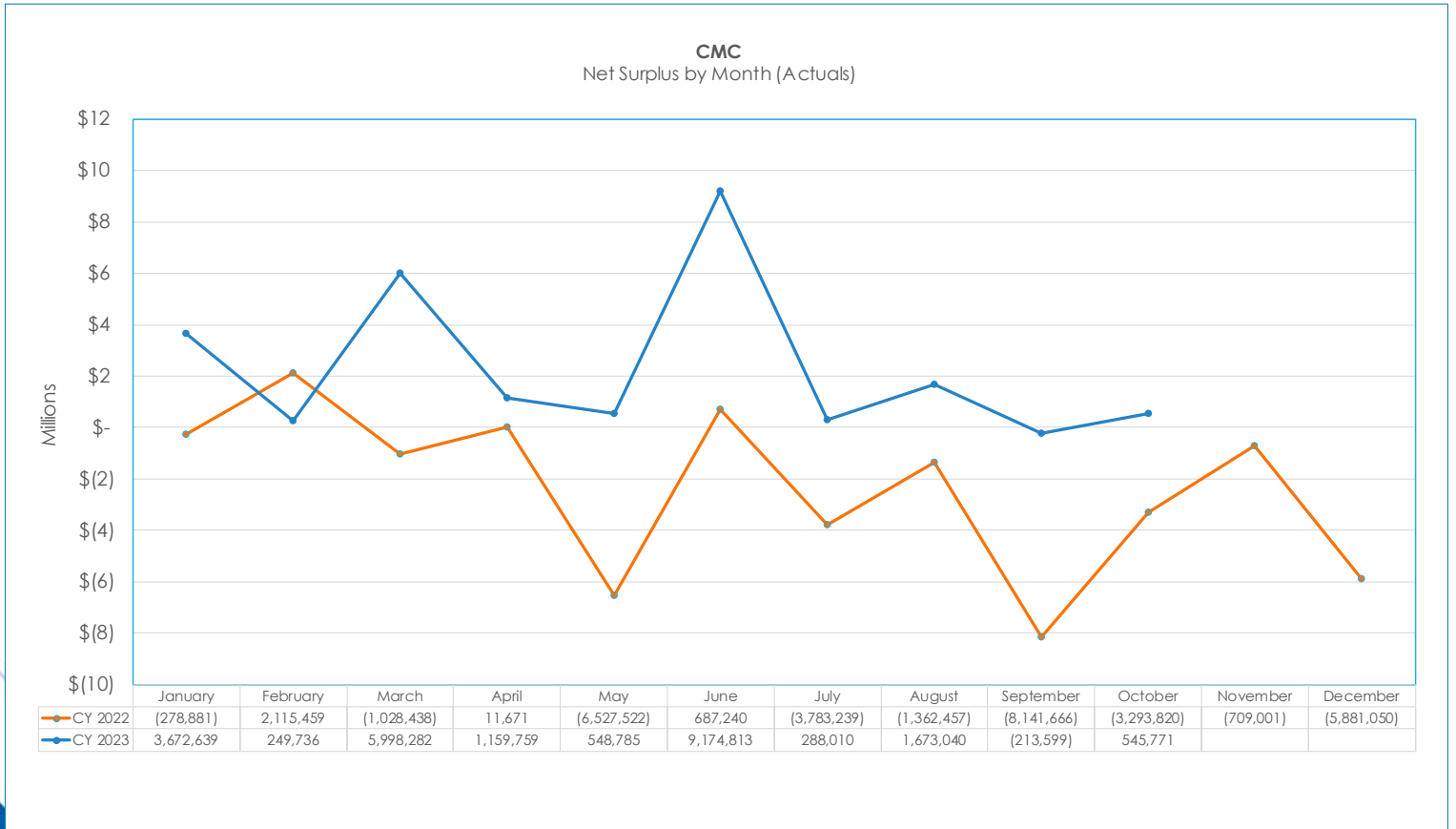
	October Month-to-Date			October Year-to-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>Total Revenue</b>	\$ 1,918	\$ -	\$ 1,918	\$ 9,694,584	\$ -	\$ 9,694,584
<b>Total Medical Costs</b>	\$ (543,853)	\$ -	\$ 543,853	\$ (13,402,652)	\$ -	\$ 13,402,652
<b>Total Operating Expenses</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Non Operating Income (Expense)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Surplus (Deficit)</b>	\$ 545,771	\$ -	\$ 545,771	\$ 23,097,236	\$ -	\$ 23,097,236

Highlights for the Month:

Note: The CMC line of business ended December 31, 2022, and all subsequent activity pertains to prior period dates of service.



# Net Surplus Year-Over-Year: CMC



# Balance Sheet – Current Month vs Prior Month

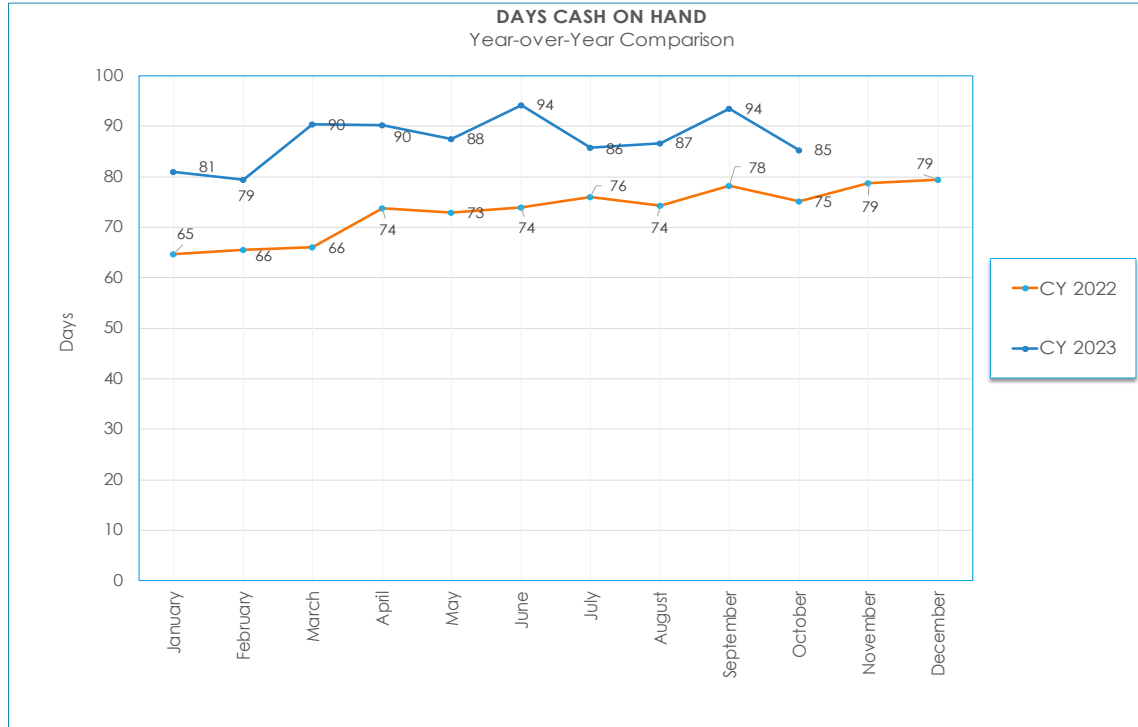
	Oct-23	Sep-23	Variance
<b><u>Assets and Deferred Outflows</u></b>			
Current Assets	\$ 2,471,592,443	\$ 3,005,680,515	\$ (534,088,072)
Long Term Receivables	\$ 45,391	\$ 48,353	\$ (2,962)
Capital Assets	\$ 258,970,245	\$ 254,512,543	\$ 4,457,701
Deferred Outflows of Resources	\$ 70,903,506	\$ 70,903,506	\$ -
Net Other Assets	\$ -	\$ -	\$ -
<b>Total Assets and Deferred Outflows</b>	<b>\$ 2,801,511,584</b>	<b>\$ 3,331,144,917</b>	<b>\$ (529,633,333)</b>
<b><u>Liabilities, Deferred Inflows, and Net Position</u></b>			
Current Liabilities	\$ 1,121,468,677	\$ 1,648,165,430	\$ (526,696,752)
Long-Term Liabilities	\$ 54,232,886	\$ 52,862,837	\$ 1,370,050
Deferred Inflows	\$ 568,140	\$ 571,062	\$ (2,922)
Net Position	\$ 1,625,241,881	\$ 1,629,545,589	\$ (4,303,708)
<b>Total Liabilities, Deferred Inflows, and Net Position</b>	<b>\$ 2,801,511,584</b>	<b>\$ 3,331,144,917</b>	<b>\$ (529,633,333)</b>

## Highlights for the Month:

- Decrease in Current Assets and Current Liabilities is primarily due to directed payments for PHDP and EPP of \$303M, HQAF pass-through payment of \$162M, and D-SNP \$73M payment for October received in September.



# Days Cash on Hand



## Highlights for the Month:

- In the September 2023 premium capitation, October cash payment, DHCS corrected UIS-State prior period overpayments for DOS CY 2023, primarily, SPD.
- \$73M D-SNP payment for October received in September.

Note: Days Cash on Hand calculation excludes pass-thru receipts and payments effective January 2023.



# Acronyms & Definitions

BHT – Behavioral Health Treatment for members under the age of 21

CMC – Cal MediConnect (part of the Duals Demo Pilot)

COA – Category of Aid

CY– Calendar Year

D-SNP – Dual Eligible Special Needs Plan (Medicare and Medi-Cal)

EPP – Enhanced Payment Program

G&A – General & Administrative

GASB – Governmental Accounting Standards Board

GEMT – Ground Emergency Medical Transportation

HCBS – Home and Community-Based Services

HHIP – Housing and Homelessness Incentive Program

HQAF – Hospital Quality Assurance Fee

IBNR – Incurred But Not Reported

IT – Information Technology

LTC – Long Term Care

MCE – Adult Medi-Cal Expansion population

MLR – Medical Loss Ratio

MOT – Major Organ Transplant

P4P – Pay for Performance

PHDP – Private Hospital Directed Payment

SBHIP – Student Behavioral Health Incentive Program

SIS/UIS – Satisfactory Immigration Status/Unsatisfactory Immigration Status

SPD – Seniors and Persons with Disabilities



**FINANCE DEPARTMENT**

**4. RATIFY AND APPROVE THE FINALIZED FIRST AMENDMENT TO THE LEASE AGREEMENT WITH VNF PROPERTIES, LLC**

**Recommended Action:**

That the Governing Board of the Inland Empire Health Plan (IEHP) ratify and approve the finalized First Amendment to the Lease Agreement with VNF Properties, LLC for the IEHP’s Victorville Community Resource Center (CRC) located at 12353 Mariposa Road, Suite C-2 and C-3 Victorville, CA 92395, for an additional amount not to exceed \$1,929,330.00 and a five year term extension effective August 1, 2023 through July 31, 2028. The total amount payable under this Lease Agreement shall not exceed \$3,492,187.00 through July 31, 2028.

**Contact:**

Keenan Freeman, Chief Financial Officer

**Background:**

IEHP continues to require leased office space in Victorville to operate a Community Resource Center for long term investment in the community as a local resource for health, wellness education, and health care enrollment efforts in the High Desert area.

IEHP has leased property at 12353 Mariposa Road, Suite C-2 and C-3 with VNF Properties since February 2018. Lee and Associates performed a market study of available space for IEHP’s third CRC within the high desert area. IEHP selected this property based on high freeway visibility, an established high traffic shopping center, large available square footage, and rental rate compared to equivalent properties in the area.

In response to the unique needs of the High Desert, IEHP has added significant programs and services at the Victorville CRC, integrating both existing CRC programs and services with in-house partners for resources and referrals. Additionally, the Victorville CRC utilizes a formal intake process to better understand and meet the healthcare and social determinants of health needs of Members and the community. This expanded CRC program model has become a model for future CRC development. The continued goal for those who participate in CRC programming and services, is to improve their overall healthcare experience through health and wellness.

The Governing Board previously approved the Lease Agreement as follows:

<b>Date Approved</b>	<b>MO#</b>	<b>Purpose</b>	<b>Term Expiration</b>	<b>Cost</b>
02/12/18	18-61	Lease Agreement for Victorville CRC	08/01/23	\$1,562,857.00
04/10/23	23-068	Letter of Intention for the First Amendment	07/31/28	\$1,929,330.00
Total Cost to date:				\$1,562,857.00
New Cost				\$0
Total Cost				\$3,492,187.00

**Discussion:**

On April 10, 2023, under Minute Order #23-068 the parties signed a letter of intention to enter into a First Amendment, and now after negotiations are complete, IEHP is presenting a finalized First Amendment.

The cost breakdown of the First Amendment for an additional five (5) years is as follows:

<b>First Amendment Lease Cost</b>		
Period	Annual Cost	Base Rent Increase
Year 6: 8/1/23-7/31/24	\$352,738.61	3%
Year 7: 8/1/24-7/31/25	\$363,320.78	3%
Year 8: 8/1/25-7/31/26	\$374,220.39	3%
Year 9: 8/1/26-7/31/27	\$385,447.06	3%
Year 10: 8/1/27-7/31/28	\$397,010.47	3%
Contingency for CAM reconciliation cost	\$56,592.69	-
<b>Total Cost Not to Exceed:</b>	<b><u>\$1,929,330.00</u></b>	

The annual 3% rental increase remains consistent with the terms of the original lease agreement.

The additional cost of this finalized First Amendment to the Lease Agreement shall not exceed \$1,929,330.00 effective August 1, 2023, through July 31, 2028. The total aggregate cost of the Lease Agreement shall not exceed \$3,492,187.00 through July 31, 2028.

<b>Fiscal Impact</b>	<b>Financial Review</b>	<b>Procurement Review</b>	<b>Reviewed by Counsel</b>	<b>Director Approval</b>	<b>Chief Approval</b>
Included in CY2023 Budget	S. McCalley 11/17/2023	C. Goss 11/15/23	M. Popka 11/21/23	R. Fleig 11/15/23	K. Freeman 11/27/23



**HEALTH SERVICES DEPARTMENT**

**5. RATIFY AND APPROVE THE FIRST AMENDMENT TO THE FUNDING AGREEMENT WITH SAN BERNARDINO COUNTY MEDICAL SOCIETY**

**Recommended Action:**

That the Governing Board of the Inland Empire Health Plan (IEHP) ratify and approve the First Amendment to the Funding Agreement (Agreement) with San Bernardino County Medical Society (SBCMS) for the provision of Equity Practice Transformation (EPT) Program provider support for an additional amount not to exceed \$50,000. The total amount payable under this Agreement shall not exceed \$100,000 through April 1, 2024.

**Contact:**

Takashi Wada, M.D., Chief Medical Officer

**Background:**

The Department of Health Care Services (DHCS) is launching the Equity and Practice Transformation (EPT) program, a one-time \$700 million program focused on transforming primary care practices to advance health equity and reduce Covid-19-driven care disparities.

The funds available through this program will pay for delivery system transformation payments to primary care practices (pediatrics, family practice, adult medicine primary care, primary care OB/GYN and behavioral health providers in primary care settings) focused on advancing DHCS’ equity goals in the “50 by 2025: Bold Goals” Initiative.

The EPT program will extend over a 5-year period, beginning January 2024, with the goal of funding practice transformation aligned with value-based payment models and implement the infrastructure necessary to expand the utilization of evidence-based models of team-based care to improve health equity. Providers who apply and are accepted as participants in the program will be required to conduct activities in three spaces: Empanelment and Access, Technology and Data, and Patient Centered Population-Based Care. IEHP is partnering with SBCMS to provide support to Providers as they complete their assessment tool and applications to the EPT program.

The Governing Board previously approved the following Agreement:

Date Approved	MO#	Purpose	Term Expiration	Cost
10/10/23	23-227	Funding Agreement to support small/medium size practices to complete application completion	4/01/22023	\$50,000
			Total Cost to date:	\$50,000
			New Cost	\$50,000
			Total Cost	\$100,000

**Discussion:**

IEHP anticipated a participation rate of 25 provider groups per county in the EPT program. SBCMS was able to exceed these projections. IEHP received a total of 111 completed applications across San Bernardino and Riverside counties. Additional funding is needed to provide program application support for these additional provider groups from San Bernardino County.

The additional cost of this First Amendment shall not exceed \$50,000 effective November 7, 2023. The total cost (including this request) of this Agreement shall not exceed \$100,000 through April 1, 2024.

Fiscal Impact	Financial Review	Procurement Review	Reviewed by Counsel	Director Approval	Chief Approval
New Expenditure	M. Martinez 11/07/23	N/A	M. Popka 11/17/23	M. Wray 11/07/2023	T. Wada 11/17/23

**HEALTH SERVICES DEPARTMENT**

**6. RATIFY AND APPROVE THE FIRST AMENDMENT TO THE FUNDING AGREEMENT WITH RIVERSIDE COUNTY MEDICAL ASSOCIATION**

**Recommended Action:**

That the Governing Board of the Inland Empire Health Plan (IEHP) ratify and approve the First Amendment to the Funding Agreement (Agreement) with Riverside County Medical Association (RCMA) for the provision of Equity Practice Transformation (EPT) Program provider support for an additional amount not to exceed \$50,000. The total amount payable under this Agreement shall not exceed \$100,000 through April 1, 2024.

**Contact:**

Takashi Wada, M.D., Chief Medical Officer

**Background:**

The Department of Health Care Services (DHCS) is launching the Equity and Practice Transformation (EPT) program, a one-time \$700 million program focused on transforming primary care practices to advance health equity and reduce Covid-19-driven care disparities.

The funds available through this program will pay for delivery system transformation payments to primary care practices (pediatrics, family practice, adult medicine primary care, primary care OB/GYN and behavioral health providers in primary care settings) focused on advancing DHCS’ equity goals in the “50 by 2025: Bold Goals” Initiative.

The EPT program will extend over a 5-year period, beginning January 2024, with the goal of funding practice transformation aligned with value-based payment models and implement the infrastructure necessary to expand the utilization of evidence-based models of team-based care to improve health equity. Providers who apply and are accepted as participants in the program will be required to conduct activities in three spaces: Empanelment and Access, Technology and Data, and Patient Centered Population-Based Care. IEHP is partnering with RCMA to provide support to Providers as they complete their assessment tool and applications to the EPT program.

The Governing Board previously approved the following Agreement:

Date Approved	MO#	Purpose	Term Expiration	Cost
10/10/23	23-227	Funding Agreement to support small/medium size practices to complete application completion	4/01/22023	\$50,000
Total Cost to date:				\$50,000
New Cost				\$50,000
Total Cost				\$100,000

**Discussion:**

IEHP anticipated a participation rate of 25 provider groups per county in the EPT program. RCMA was able to exceed these projections. IEHP received a total of 111 completed applications across San Bernardino and Riverside counties. Additional funding is needed to provide program application support for these additional provider groups from Riverside County.

The additional cost of this First Amendment shall not exceed \$50,000 effective November 7, 2023. The total cost (including this request) of this Agreement shall not exceed \$100,000 through April 1, 2024.

<b>Fiscal Impact</b>	<b>Financial Review</b>	<b>Procurement Review</b>	<b>Reviewed by Counsel</b>	<b>Director Approval</b>	<b>Chief Approval</b>
New Expenditure	M. Martinez 11/07/23	N/A	M. Popka 11/17/23	M. Wray 11/07/2023	T. Wada 11/17/23

**HEALTH SERVICES DEPARTMENT**

**7. DELEGATION OF AUTHORITY TO APPROVE THE MEMORANDUM OF UNDERSTANDING WITH SAN BERNARDINO COUNTY DEPARTMENT OF BEHAVIORAL HEALTH**

**Recommended Action:**

That the Governing Board of the Inland Empire Health Plan (IEHP) authorize the Chief Executive Officer (CEO) or his designee to, after legal review and approval, sign the Memorandum of Understanding (MOU) with San Bernardino County Department of Behavioral Health for the provision of coordinating the delivery of behavioral health care services to San Bernardino County beneficiaries, for a three-year term effective January 1, 2024.

**Contact:**

Takashi Wada, M.D., Chief Medical Officer

**Background:**

Since 1998, IEHP has worked with the San Bernardino Department of Behavioral Health (SBDBH) to develop a County specific, all-inclusive MOU that appropriately establishes physical and specialty mental health care services for Medi-Cal and Medicare Dual Choice recipients. Periodically, the MOU undergoes a review and update process to incorporate new changes to State regulations. This ensures that the responsibility is current, and that Medi-Cal and Medicare D-SNP recipients do not experience a lapse in service.

IEHP has had an MOU in place with SBDBH for these services since 2018.

The Governing Board had previously approved the current MOU and Amendments as follows:

<b>Date Approved</b>	<b>MO#</b>	<b>Purpose</b>	<b>Term Expiration</b>	<b>Cost</b>
02/13/2018	18-37	Delegation of Authority to approve the Memorandum of Understanding with County of San Bernardino Department of Behavioral Health	12/31/2023	N/A
07/01/2019	N/A	Memorandum of Understanding with SBDBH Amendment #1 to add Health Home Services	12/31/2020	N/A
03/10/2020	N/A	Memorandum of Understanding with SBDBH Amendment #2 – Updating Agreement language and terms to Health Home Services	12/31/2020	\$612,000

Date Approved	MO#	Purpose	Term Expiration	Cost
11/05/2020	N/A	Memorandum of Understanding with SBDBH Amendment #3 – Eating Disorder Services	12/31/2020	N/A
12/14/2020	20-351	Fourth Amendment to the Memorandum of Understanding with SBDBH– Extension of MOU	12/30/2022	N/A
07/12/2021	21-207	Fifth Amendment to the Memorandum of Understanding with SBDBH– Health Homes	12/30/2022	N/A
12/12/2022	22-393	Sixth Amendment to the Memorandum of Understanding with SBDBH– Extension of MOU	12/30/2023	N/A
Total Cost to date:				\$612,000
New Cost				\$0
Total Cost				\$612,000

**Discussion:**

On October 11, 2023, DHCS released APL 23-029 to clarify the intent of the Memorandum of Understanding required to be entered into by Medi-Cal managed care plans (MCPs) and third-party entities, including County Mental Health Plans (MHP) and Drug-MediCal Organized Delivery Services (DMC-ODS). Further, DHCS issued a new MOU template that MCPs must execute, that are tailored for certain programs, including MHP/DMC-ODS, which contain required general MOU provisions and program-specific provisions.

Accordingly, IEHP requests the Board to authorize the Chief Executive Officer (CEO) or his designee to, after legal review and approval, sign the Memorandum of Understanding (MOU) with San Bernardino County Department of Behavioral Health for the provision of coordinating the delivery of behavioral health care services to San Bernardino County beneficiaries, for a three year term effective January 1, 2024.

Fiscal Impact	Financial Review	Procurement Review	Reviewed by Counsel	Director Approval	Chief Approval
None	N/A	N/A	M. Popka 11/21/23	S. LaMaster 11/9/23	T. Wada 11/17/23

**HEALTH SERVICES DEPARTMENT**

**8. RATIFY AND APPROVE THE FOURTH AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING WITH RIVERSIDE UNIVERSITY HEALTH SYSTEM – BEHAVIORAL HEALTH**

**Recommended Action:**

That the Governing Board of the Inland Empire Health Plan (IEHP) Ratify and Approve the Fourth Amendment to the Memorandum of Understanding (MOU) with Riverside University Health System – Behavioral Health (RUHS-BH) for the provision of coordinating the delivery of behavioral health care services to Riverside County beneficiaries, for a 12-month term extension effective July 1, 2023 through June 30, 2024.

**Contact:**

Takashi Wada, M.D., Chief Medical Officer

**Background:**

RUHS-BH provides specialty mental health services and substance use treatment services to IEHP members who reside in Riverside County. Since 1998, IEHP has worked with the RUHS-BH to develop a County specific, all-inclusive MOU that appropriately establishes physical and specialty mental health care services for Medi-Cal and Medicare Dual Choice recipients. Periodically, the MOU undergoes a review and update process to incorporate new changes to State regulations. This ensures that the responsibility is current, and that Medi-Cal and Medicare D-SNP recipients do not experience a lapse in service.

IEHP has had an MOU in place with RUHS-BH for these services since 2018.

The Governing Board had previously approved the current MOU and Amendments as follows:

<b>Date Approved</b>	<b>MO#</b>	<b>Purpose</b>	<b>Term Expiration</b>	<b>Cost</b>
03/12/2018	18-93	Memorandum of Understanding with RUHS—BH	06/30/2023	N/A
12/14/2020	20-349	First Amendment to change the schedule of sending invoices and receiving payment for Eating Disorder cases	06/30/2023	Claims based
03/11/2019	19-44	Second Amendment to add Health Home Services	12/31/2021	\$153,000

<b>Date Approved</b>	<b>MO#</b>	<b>Purpose</b>	<b>Term Expiration</b>	<b>Cost</b>
03/14/2022	22-048	Third Amendment Updating Dispute Resolution language in accordance with APL 21-013	06/30/2023	N/A
Total Cost to date:				\$153,000
New Cost				\$0
Total Cost				\$153,000

**Discussion:**

On October 11, 2023, DHCS released APL 23-029 to clarify the intent of the MOU required to be entered into by the Medi-Cal managed care plans (MCPs) and the County Mental Health Plan (MHP) and Drug-MediCal Organized Delivery Services (DMC-ODS). IEHP seeks ratification and approval of a 12-month term extension through June 30, 2024 to finalize and execute the DHCS required template.

<b>Fiscal Impact</b>	<b>Financial Review</b>	<b>Procurement Review</b>	<b>Reviewed by Counsel</b>	<b>Director Approval</b>	<b>Chief Approval</b>
None	N/A	N/A	M. Popka 11/21/23	A. Holmes 10/26/23	T. Wada 10/26/23



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## HEALTH SERVICES DEPARTMENT

### 9. DELEGATION OF AUTHORITY TO APPROVE THE PROFESSIONAL SERVICES AGREEMENT WITH THE UNIVERSITY OF SOUTHERN CALIFORNIA

**Recommended Action:**

That the Governing Board of the Inland Empire Health Plan (IEHP) authorize the Chief Executive Officer (CEO) or his designee to, after legal review and approval, sign the Professional Services Agreement (Agreement) with the University of Southern California (USC) for the provision of Medication Therapy Management (MTM) Comprehensive Medication Review (CMR) services for the IEHP MTM Part D Program Dual Eligibility Members for an amount not to exceed \$1,200,000.00 through December 31, 2024.

**Contact:**

Takashi Wada, M.D., Chief Medical Officer

**Background:**

The Centers for Medicare & Medicaid Services (CMS) require Medicare Part D Plan Sponsors (and/or their delegated entities) to provide and perform CMS approved MTM program and services for their members that run on a calendar/plan year basis.

The CMR Completion Rate is reported to CMS on an annual basis. From the annual reporting, each Plan Sponsor's MTM Program CMR Completion Rate is measured and published as an individual STAR measure contributing to the Plan Sponsor's overall annual STAR Rating. The Star Ratings system helps Medicare consumers compare the quality of Medicare health and drug plans being offered so they are empowered to make the best health care decisions for them. CMS publishes the Medicare Advantage (Medicare Part C) and Medicare Part D Star Ratings each year to measure the quality of health and drug services received by consumers enrolled in Medicare Advantage (MA) and Prescription Drug Plans (PDPs or Part D plans).

IEHP previously contracted with Cureatr for MTM services, however, Cureatr abruptly went out of business in October 2023 and IEHP found themselves in a position to quickly find a new vendor to provide MTM services. Accordingly, IEHP looked to its existing vendor, USC, to provide such services. Since 2021, USC has provided Comprehensive Medication Management (CMM) services for IEHP under a pilot program. As part of the pilot program, USC assisted in ensuring that IEHP Members were provided a comprehensive review of their medications utilizing their onsite clinical staff as well as opportunity for students to conduct clinical practice and Member care.

Executing an agreement with a new vendor poses a major risk due to insufficient time to perform a proper vendor evaluation and implementation of data exchange and oversight. IEHP has determined that a single source procurement is justified due to the following:

- Established relationship with IEHP Pharmacy and had good rapport with IEHP Members through the CMM program.

CONSENT AGENDA

- USC was the only vendor identified who can currently utilize IEHP’s current platform, MHK’s Care Prominence.
- There is less than thirty days to increase the MTM Program CMR Completion Rate for 2023 data that applies to the 2025 STAR Ratings.

**Discussion:**

Medication Therapy Management services are required to satisfy a Medicare STAR metric. IEHP will utilize USC staff to assist with performing Comprehensive Medication Review to improve rates for the remainder of the measurement period.

The pricing is structured as a Fee-for-Service (FFS) model with a flat rate charged per completed CMR. For a completed CMR, the price is \$100/CMR, which is consistent with the average market pricing. Additional incentive payments will apply if USC achieves specific percentage completions within the Measurement Year.

Additionally, IEHP has established set amounts per CMR/letters etc. for duration of Agreement. Deviations from budgeted amounts could occur if:

1. The vendors over- or underperforms which triggers a financial Performance Guarantee penalty or incentive payment. The estimated 2024 budget does include a performance level assumption.
2. IEHP delegates more or less than our planned allocation of CMR cases to USC. Our current plan is to delegate 75% of CMR cases to USC (low complexity) and retain 25% (high complexity) for IEHP clinical staff.

IEHP seeks Delegation of Authority to approve this Agreement with USC for an amount not to exceed \$1,200,000 through December 31, 2024.

Fiscal Impact	Financial Review	Procurement Review	Reviewed by Counsel	Director Approval	Chief Approval
New Expenditure	J. Haines 12/01/23	R. Hsieh 12/01/23	M. Popka 11/29/23	S. Nakahiro 11/29/2023	T. Wada 11/29/23

**INFORMATION TECHNOLOGY DEPARTMENT**

**10. APPROVE ADDITIONAL FUNDING TO CHANGE ORDER Q-128311 TO THE MASTER SERVICES AGREEMENT WITH FLEXENTIAL CORP. (F/K/A VIA WEST INC.)**

**Recommended Action:**

That the Governing Board of the Inland Empire Health Plan (IEHP) approve additional funding to Change Order Q-128311 to the Master Services Agreement (Agreement) with Flexential Corp. (f/k/a ViaWest Inc.) for the provision of IP Bandwidth, Colocation and Cross Connect Services for the Las Vegas Data Center, for an additional amount not to exceed \$128,874.13 through June 1, 2026. The total amount payable under the Agreement shall not exceed \$2,216,640.10 through June 1, 2026.

**Contact:**

Vinil Devabhatuni, Chief Digital and Information Officer

**Background:**

Flexential provides space, cabinets, racks, power, internet connectivity and bandwidth, and security provisions for colocation housing of IEHP’s Disaster Recovery servers and is considered a critical service provider.

IEHP has contracted with Flexential (f/k/a Via West) since August 2016. IEHP entered into the Agreement with Via West for data center location services in Las Vegas to provide a secure data center disaster recovery colocation for IEHP for an amount not to exceed \$6,720 per month under a renewing term structure. In August 2017, Via West was acquired by Peak 10. On January 18, 2018, Peak 10 and Via West announced a rebrand as Flexential Corp.

IEHP has continued to contract with Flexential Corp., through single sourcing justifications due to location and cost, for the critical provision of maintenance and services for IEHP’s disaster recovery co-location at the Las Vegas Data Center.

The Governing Board has subsequently approved Agreements as follows:

<b>Date Approved</b>	<b>MO#</b>	<b>Purpose</b>	<b>Term Expiration</b>	<b>Cost</b>
December 2016	16-64	Approved an MSA for the provision of data center location services in Las Vegas.	December 2019	\$228,800
September 2017	16-64	Approved Sales Order # 129831 to add additional AC power for current hardware and floor space needed for DR/BC production.	December 2019	\$6,243.75
November 2017	16-64	Approved Sales Order #131295 for the provision of additional AC Power.	December 2019	\$16,250

<b>Date Approved</b>	<b>MO#</b>	<b>Purpose</b>	<b>Term Expiration</b>	<b>Cost</b>
December 2017	16-64	Approved Sales Order #131296 for Cage Space.	December 2019	\$44,496
May 2019	16-64	Approved Client Order #Q-39870 for the provision of additional AC Power.	November 30, 2020	\$67,500
December 2019	16-64	Approved the MSA renewal and Client Order #Q-49361 for the provision of colocation, IP Bandwidth, and cross connect services for the Las Vegas Data Center.	November 30, 2020	\$160,980.72
March 2020	16-64	Approved Client Order #Q-61933 for the provision of additional IP Bandwidth for the Las Vegas Data Center.	November 30, 2020	\$17,000
November 2020	16-64	Approved an MSA Extension and amended MSA terms for Disaster Recovery Servers.	June 1, 2023	\$499,234.56
August 2021	21-246	Approved Change Order Q-87651 for the provision of data center location services.	June 1, 2023	\$121,088.64
August 2022	22-279	Approved Change Order Q-103087 and related SOW to the MSA with Flexential for the provision of laptop security performance services.	February 28, 2023	\$6,000.00
May 2023	23-103	Delegation of Authority to approve Change Order Q-128311 to the Master Services Agreement with Flexential Corp. (f/k/a ViaWest Inc.) and approve additional funding for the provision of colocation, IP Bandwidth, and cross connect services for the Las Vegas Data Center (\$893,372.30) and additional funding to the current agreement (\$26,800).	June 1, 2026	\$920,172.30
<b>Total Cost to Date:</b>				<b>\$2,087,765.97</b>
<b>New Cost:</b>				<b>\$128,874.13</b>
<b>Total Not to Exceed Cost:</b>				<b>\$2,216,640.10</b>

**Discussion:**

On July 6, 2023, Flexential provided notice to IEHP of an increase in proportional to rising power fees and increased infrastructure pricing to Breaker-Amp and kW All-In power charges in select facilities, including IEHP's Las Vegas Data Center. In accordance with the terms of the Agreement, costs for the Las Vegas Data Center are broken out into two major areas of services Interconnection and Colocation, and any rate increases to these services are passed down to IEHP.

The impact of the infrastructure pricing to Breaker-Amp and kW All-In power charges to our current Agreement are presented below for each area of service.

**Interconnection** - provision of internet connectivity and bandwidth including carrier cross connectivity (connectivity between carrier demarcation point and customer cabinet or cage).

Interconnection rates have increased overall by 1.74% resulting in a 2023 increase of 375.00 and a total contract increase (including a 3% year over year increase) through June 1, 2026 of \$2,550.00.

**Colocation** - secured cage space, cabinets and data racks, associated power, and security service features including biometrics, video surveillance and badge readers.

Colocation rates were impacted by a 40% increase in power costs and an overall service area increase of 18.87%. This resulted in a 2023 increase of \$17,944.29 and a total contract increase (including a 3% year over year increase) through June 1, 2026, of \$126,324.13.

Service	% Increase	\$ increase through the term of the agreement
Interconnection: Internet Connectivity and Bandwidth	1.74%	\$2,550.00
Colocation – AC Power, cage space, security	18.87%	\$126,324.13
<b>Total increase over the term of the contract</b>		<b>\$128,874.13</b>

IEHP is seeking approval for additional funding to Change Order Q-128311 for the continued provision of disaster recovery center interconnection and colocation services with the applied rate increase in an amount of \$128,874.13. The total cost (including this request) under the Agreement shall not exceed \$2,216,640.10 through June 1, 2026.

Fiscal Impact	Financial Review	Procurement Review	Reviewed by Counsel	Director Approval	Chief Approval
Included in CY2023 Budget	K. Tsui 11/17/23	D. Burnett 11/20/23	M. Popka 11/21/23	J. Maass 11/17/23	V. Devabhaktuni 11/27/23

## INFORMATION TECHNOLOGY

### 11. DELEGATION OF AUTHORITY TO APPROVE THE SAAS SERVICES AGREEMENT, ORDER FORM AND SUBSEQUENT CONTRACTUAL DOCUMENTS WITH DEXUR ENTERPRISES INC.

**Recommended Action:**

That the Governing Board of the Inland Empire Health Plan (IEHP) authorize the Chief Executive Officer (CEO) or his designee to, after legal review and approval, sign the SAAS Services Agreement, Order Form and subsequent contractual documents with Dexur Enterprises Inc. (Dexur) for the provision of Dexur's Healthcare Quality Excellence Platform for an amount not to exceed \$2,230,000 for a term of two (2) years effective January 1, 2024 through December 31, 2025.

**Contact:**

Vinil Devabhaktuni, Chief Digital and Information Officer

**Background:**

Dexur offers IEHP access to streamlined and timely data management for hospital outcome data including that related to mortality, safety, readmission, patient experience, and timely/effective care. Additionally, the solution provides predictive analytics based on hospital-specific data (i.e., Star rating projections) and artificial intelligence (AI) optimized prioritization of performance improvement opportunities.

IEHP requires this service to support its 2024 strategic plan. Specifically, this service will provide the foundation for hospital-specific elements of IEHP's Optimal Care Strategy by providing more current outcome data that will be leveraged by internal parties and the Inland Empire Hospital Alliance (IEHA) to improve Quality care delivery and outcomes within network hospitals.

Dexur was selected through a single source procurement. IEHP has determined that a single source procurement is justified because of the uniqueness of the service. No other vendor offers the complete spectrum and synergistic ability of circumventing latent variable modelling, utilizing statistical analytics forecasting in conjunction with an artificial intelligence (AI) overlay. Dexur is the only vendor currently engaged in prediction of Centers for Medicare and Medicaid Services (CMS) star ratings that can leverage data files already produced by IEHP's in network hospitals for other initiatives (i.e., Pay for Performance).

**Discussion:**

IEHP is engaging with Dexur to ingest currently available outcomes data from a variety of sources (claims-based Department of Health Care Access and Information (HCAI) datasets, hospital abstracted measures, patient experience vendor outcomes, etc.) and leverage their analytics platform to deliver real-time predictions of future CMS star ratings. Not only does this provide more current information for purposes of strategy alignment and execution, but this also provides IEHP with insights into the Quality and safety outcomes of Members otherwise unavailable for six to twelve months after inpatient discharge.

Specifically, Dexur will provide the below services for IEHP and participating hospitals:

- Data integration with IEHP in-network hospitals for limited data sets; Multi-Factor Authentication (MFA) and Single Sign On (SSO) integration with IEHP.
- CMS Star Rating prediction reports.
- Manual and AI simulations for performance improvement opportunities.
- Assisted goal setting, leveraging evidence-based toolkits.
- Evidence Based Quality Management for Events & Intervention tracking.
- Best Practices research.
- Risk factor monitoring and tracking.
- AI Quality Advisor.
- Intervention tracking within analytics reporting to provide insight into effectiveness of performance improvement activities.

IEHP will leverage the information gleaned from the analytics to collaborate with hospitals to continue to elevate the quality of care delivered to members. This collaboration supports both the optimal care and vibrant health vision commitments held by IEHP.

IEHP estimates the cost of the Order Form shall not exceed \$1,980,000 for two years. The terms of Order Form will be designed to provide payment for deliverables for each participating hospital exemplified by the below fee schedule.

Fee Schedule
Year 1 - Base payment
Year 1 and 2 - Phase milestone deliverables per hospital
Year 2 - Per quarter per hospital
Year 2 - Annual payment on completion on milestones per hospital

Accordingly, IEHP is seeking delegation of authority to enter into a SAAS Services Agreement and Order Form with Dexur for an amount not to exceed \$1,980,000 effective January 1, 2024 through December 31, 2025.

IEHP is also requesting delegation of authority to enter into subsequent contractual documents related to the SaaS Services Agreement and/or Order Form with Dexur, including additional data services or hospital and community partner integrations. IEHP is budgeting a contingency in an amount not to exceed \$250,000 to cover costs related to any subsequent contractual documents.

Overall, IEHP is requesting delegation of authority to enter into a SAAS Services Agreement, Order Form and subsequent contractual documents with Dexur for a total not to exceed amount of \$2,230,000 through December 31, 2025.

Fiscal Impact	Financial Review	Procurement Review	Reviewed by Counsel	Director Approval	Chief Approval
Included in CY2024 Budget	K. Tsui 11/20/23	E. Mata 11/20/23	M. Popka 11/22/23	J. Maass 11/17/23	V. Devabhaktuni 11/30/23

**INFORMATION TECHNOLOGY**

**12. DELEGATION OF AUTHORITY TO APPROVE A CONTRACTUAL DOCUMENT WITH INFOMAGNETICS TECHNOLOGIES CORP**

**Recommended Action:**

That the Governing Board of the Inland Empire Health Plan (IEHP) authorize the Chief Executive Officer (CEO) or his designee to, after legal review and approval, enter into a Contractual Document with InfoMagnetics Technologies Corp, (IMTC) for the provision of the Persisted ID asset for an amount not to exceed \$65,000.

**Contact:**

Vinil Devabhaktuni, Chief Digital and Information Officer

**Background:**

IEHP has contracted with IMTC since October 2020 for Master Data Management (MDM) services. IEHP utilizes the IBM InfoSphere MDM software solution from IMTC with the dbMotion platform to control, monitor, and manage Member identifiers that come in from external sources and internal IEHP applications through the dB Motion platform. It is the solution that controls the clinical merging and segregating of Member content appropriately. IMTC has been continued choice of MDM providers due to their proven unique flexibility to add, remove, or change configuration for indicators and experience and familiarity with IEHP’s existing systems, infrastructure, and integration complexity.

IEHP continues to contract with IMTC for the provision of the solution, through Single Source justification as IMTC is IEHP’s Master Data Management solution and provider of additional, related services, including the integrated Persisted ID asset, which is subject to this request.

The Governing Board has previously approved the following contractual agreements with IMTC:

<b>Date Approved</b>	<b>MO#</b>	<b>Purpose</b>	<b>Term Expiration</b>	<b>Cost</b>
September 2020	16-64	Agreement to deliver onsite IBM InfoSphere (EMPI) training.	October 9, 2020	\$15,000
January 2021	16-64	Application Management & Support Agreement to provision a tool used by the dbMotion platform to control the clinical merging and segregating of Member content including support and maintenance.	December 7, 2021	\$51,600



<b>Date Approved</b>	<b>MO#</b>	<b>Purpose</b>	<b>Term Expiration</b>	<b>Cost</b>
December 2021	16-64	First Amendment to MDM application support agreement to extend for an additional 1-year term.	December 8, 2022	\$53,150
January 2023	16-64	Statement of Work to provision the upgrade for the IBM InfoSphere MDM 12 services.	June 15, 2023	\$119,300
May 2023	16-64	Application Management & Support Agreement for the MDM Application Management and Maintenance Support Agreement for a three (3) year term.	May 3, 2026	\$205,753
June 2023	16-64	First Amendment to the Statement of Work for the IBM Infosphere MDM 12 Upgrade Services to extend the term for two (2) additional months at no additional cost.	July 31, 2023	\$0
August 2023	23-183	Statement of Work for the provision of MDM Design, Training and Support services.	August 2, 2024	\$142,750
<b>Total Cost to Date:</b>				\$587,553
<b>New Cost:</b>				\$65,000
<b>Total Cost with IMTC:</b>				\$652,553

**Discussion:**

As IEHP has expanded use of its MDM solution with the integration of data from various systems there is a need for a single universal identifier, that does not change, to accurately link and match data to create 360 views to provide high data integrity, appropriate security and improved privacy. IMTC offers this solution in the Persisted ID allowing IEHP to use the MDM to create a business centric ID that is persistent and doesn't change.

The Persisted ID solution has two cost advantages. One, the existing solution has already been developed and is offered to IEHP as an asset with an initial one-time fixed cost. Secondly, the implementation and configuration of the asset is covered under a time and materials (T&M) approach, and IMTC and IEHP have an existing Time and Material contract in place that will be leveraged for this project. As noted above, IEHP is entitled to the Persisted ID Asset in perpetuity.

IEHP seeks approval to enter into a contractual document with IMTC for a one-time purchase of the Persisted ID asset, in an amount not to exceed \$65,000. The total cost (including this request) allocated to IMTC shall not exceed \$652,553 through August 2, 2024.

Fiscal Impact	Financial Review	Procurement Review	Reviewed by Counsel	Director Approval	Chief Approval
Included in CY2023 Budget	K. Tsui 11/16/23	S. Cox 11/16/23	M. Popka 11/21/23	J. Maass 11/16/23	V. Devabhaktuni 11/16/23

**INFORMATION TECHNOLOGY**

**13. DELEGATION OF AUTHORITY TO APPROVE THE TWELFTH AMENDMENT TO THE MASTER LICENSE AND SERVICE AGREEMENT WITH EDIFECs, INC.**

**Recommended Action:**

That the Governing Board of the Inland Empire Health Plan (IEHP) authorize the Chief Executive Officer (CEO) or his designee to, after legal review and approval, sign the Twelfth Amendment to the Master License and Services Agreement (Agreement) with Edifecs, Inc. for the continued provision of the Operating Rules Hosted Solution, for an amount not to exceed \$772,648 and extend the term an additional three (3) years through December 15, 2026. The total amount payable under this Master License and Services Agreement shall not exceed \$18,285,911 through December 15, 2026.

**Contact:**

Vinil Devabhaktuni, Chief Digital, and Information Officer

**Background:**

IEHP has been utilizing Edifecs to provide a hosted CAQH CORE Operating Rules Solution since 2018 to allow IEHP to achieve compliance with the Committee on Operating Rules for Information Exchange (CORE) certification. The Solution has provided IEHP with more robust capabilities in-hand, and the Plan has been able to pursue a reduced-scale and reduced-cost term extension for the continuation of these hosted services delivering significant development and improvements to IEHP’s underlying transaction infrastructure.

IEHP requires the Operating Rules Hosted Solution to achieve, monitor, report, and maintain compliance with the Health Insurance Portability and Accountability Act (HIPPA) regulatory requirements.

Edifecs was selected through a single source procurement and has determined that a single source procurement is justified as Edifecs is the only CORE authorized certification testing vendor and has extensive familiarity of IEHP’s transactions process. The benefit of contracting with Edifecs allows IEHP to leverage its current CORE solution to reduce cost and time that would be required to onboard and implement a new vendor for the same provision to achieve the required HIPPA compliance and regulatory requirements.

The Governing Board approved the Agreement and Amendments as follows:

<b>Board Date</b>	<b>MO#</b>	<b>Purpose</b>	<b>Term Expiration</b>	<b>Cost</b>
August 2018	18-236	Approved the Award of Request for Proposal #18-002 and Amendment #4 to the Agreement to Edifecs for the provision of an EDI and Encounter solution.	August 12, 2018	\$5,000,000

<b>Board Date</b>	<b>MO#</b>	<b>Purpose</b>	<b>Term Expiration</b>	<b>Cost</b>
December 2018	18-334	Approved the funding increase to provisioned compliance solution and the term extension to the Agreement for CAQH and CORE.	December 15, 2019	\$773,095
June 2019	19-112	Approved the Budget for an Encounter and EDI Solution Project included in FY 19/29 Budget Presentation.	June 30, 2020	\$3,100,000
July 2019	19-112	Entered into Amendment Three to the Agreement for the provision of the SpecBuilder Standard Edition (SB) License HIPAA and NCPDP Modules.	December 15, 2019	\$76,400
September 2019	19-174	Approved the change order to SOW #1523 funding increase to the provisioned EDI and Encounter Solution Project and the term extension to Agreement.	December 31, 2020	\$168,000
December 2019	19-237	Approved Amendment Six for the funding increase to the provisioned solution to meet CAQH and CORE transaction set standards under the Agreement.	December 31, 2020	\$812,000
May 2020	20-109	Approved the Change Order to Statement of Work #1523 for the provisioned EDI and Encounter Solution Project for additional professional services hours to be applied toward the further refinement of system workflows and post go-live stabilization.	December 31, 2021	\$525,000
September 2020	20-272	Approved Change Order #1990 and the funding increase to the Agreement for the provisioned EDI and Encounter Solution Project.	December 31, 2021	\$1,600,000
December 2020	20-354	Approved the Seventh Amendment to the Agreement for the continued provision of a hosted Operating Rules Hosted Solution.	December 15, 2023	\$402,303
May 2021	21-112	Approved Statement of Work #2099 and Statement of Work #2155 Agreement for the provision of Magellan Process Enhancement to the EDI and Encounter Solution.	December 15, 2023	\$89,657

<b>Board Date</b>	<b>MO#</b>	<b>Purpose</b>	<b>Term Expiration</b>	<b>Cost</b>
August 2021	21-241	Approved the funding increase to the Agreement for the provision of EDI and Encounter Solution Project and approve funding increase of \$20,450 for provision solution to meet CAQH and CORE.	December 15, 2023	\$2,059,451
November 2021	21-310	Delegation of Authority to approve the Statement of Work #2289 to the Agreement for the provision of CAQH CORE recertification services.	December 15, 2023	\$36,000
June 2022	22-232	Approved the Tenth Amendment to the Agreement for an additional block of 200,000 Plan-Members worth of net perpetual licensing.	December 15, 2023	\$800,500
April 2023	23-078	Approved the Eleventh Amendment to the Agreement for a term extension to the MLSA and the provision of an Encounter Management and Edge Server SaaS Solutions.	May 14, 2028	\$2,070,857
<b>Total Cost to date:</b>				\$17,513,263
<b>New Cost:</b>				\$622,648
<b>Contingency Amount:</b>				\$150,000
<b>Total Not to Exceed (NTE):</b>				\$18,285,911

**Discussion:**

The Twelfth Amendment to the Agreement includes the new SaaS pricing to grant IEHP the software licenses for the continued provision of the Edifecs Operating Rules Hosted solution for an additional three (3) year term. The SaaS Fee schedule below includes the annual cost for up to 1,500,000 annual transactions plus an additional block of 570,000 annual transactions (overage estimate) for a total of 2,070,000 transactions per year. The SaaS Fee schedule below also includes a contingency to account for 5% year over year price increases and any additional overage costs we may incur, based on historical transactions.

<b>Year:</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>Total</b>
<b>Annual SaaS License Fees</b>	\$197,509	\$207,385	\$217,754	<b>\$622,648</b>
<b>Contingency Amount</b>				<b>\$150,000</b>
<b>Total Cost</b>				<b>\$772,648</b>

The Operating Rules Hosted Solution brings the following value to IEHP:

- Enrich transaction content on the front end using configurable adapters.
- Track and attest compliance using the compliance visibility dashboards which include real-time executive view of compliance.

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- Identify areas of improvement to streamline eligibility verification, claim status inquiries and ERA/EFT transactions – reduce phone calls and emails.
- Stay compliant in production with changing requirements and new phases of Operating Rules.

IEHP seeks Delegation of Authority to approve the Twelfth Amendment for the continued provision of the Operating Rules Hosted Solution for an additional cost that shall not exceed \$772,648 effective December 16, 2023. The total cost (including this request) of the Agreement shall not exceed \$18,285,911 through December 15, 2026.

Fiscal Impact	Financial Review	Procurement Review	Reviewed by Counsel	Director Approval	Chief Approval
Included in CY2023 Budget	K. Tsui 11/27/23	M. Maury 11/28/23	M. Popka 11/29/23	J. Maass 11/29/23	V. Devabhaktuni 11/30/23

## OPERATIONS DEPARTMENT

### 14. APPROVE THE SECOND AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH WISE HEALTHCARE, LLC.

**Recommended Action:**

That the Governing Board of the Inland Empire Health Plan (IEHP) Approve the Second Amendment to the Professional Services Agreement (Agreement) with WISE Healthcare LLC., for continued support and project management of eConsult and Virtual Specialty Care Services for an additional amount not to exceed \$660,000 and extend the term one (1) additional year. The total amount payable under this Agreement shall not exceed \$2,698,500 through December 31, 2024.

**Contact:**

Susie White, Chief Operating Officer

**Background:**

In 2018, IEHP was a leader in telehealth and innovating access to specialty care via eConsult. In October 2019, the California Department of Health Care Services (DHCS) issued its Telehealth Services Policy All Plan Letter (APL) and subsequently released a revised APL in April 2023. In March 2020 during the Public Health Emergency (PHE), DHCS implemented additional telehealth flexibilities allowing Medi-Cal's health care delivery systems to meet the health care needs of enrollees in an environment where in-person encounters were not recommended and, at times, not available.

WISE is a trusted partner managing and supporting several eConsult and Virtual Care implementations with Local Health Plans of California and other public entities in California including CalOptima, Health Plan of San Joaquin, LA Care, Indian Health Center of San Diego, and the California Department of Corrections and Rehabilitation.

IEHP requires this service to maintain the telehealth modalities as required by DHCS. In addition to regulatory compliance, this physician-centric innovative telehealth platform allows for virtual consultation and collaboration amongst Primary Care Providers and Specialists to create greater and appropriate access to specialty care for IEHP Members.

The current active Agreement was selected through single source procurement on March 14, 2022, the selection source was justified as Wise Healthcare has the unique experience dealing directly with providers in the Inland Empire on a plan sponsored technical engagement as well as over 20 years of Plan side Medi-Cal experience along with providers who participate in Medi-Cal and have served on local medical associations. Hiring in-house subject matter experts would create additional IEHP labor and benefit costs to the Plan.

The Governing Board previously approved the Agreement and subsequent Amendments as follows:

<b>Date Approved</b>	<b>MO#</b>	<b>Purpose</b>	<b>Term Expiration</b>	<b>Cost</b>
11/09/2020	20-330	PSA: Community Electronic Health Record (EHR) Care IE Workflow & Implementation Services	12/31/2023	\$745,000
12/12/2022	22-407	Amendment 1: Consulting Services for the Community Electronic Health Record Care IE Workflow and Implementation Services	12/31/2023	\$1,293,500
<b>Total Cost To Date:</b>				\$2,038,500
<b>New Cost:</b>				\$660,000
<b>Total Cost:</b>				\$2,698,500

With the completion of Phase 3, which included the following services, IEHP is now the nation’s second largest provider of eConsult and Virtual Care:

- Expansion  
To expand and develop eConsult and Virtual Care services for all IEHP network of Direct and Delegated providers
- Operations Support  
Increase the integration and automated data connections between the eConsult platform and stakeholder systems
- ARMC EPIC Interface  
To help implement the IEHP eConsult platform interface with ARMC EPIC EHR platform similar to the work performed for ARMC-Meditech and RUHS/EPIC (\*Provided from WISE-ARMC Contract)
- Technical Project Management  
Support the BRD process and help develop functionality to reduce IEHP submitting clinics from using faxes instead of eConsult and eAuth portals
- Program Management  
Create and support sustainable processes and training methods
- Strategy & Advisory  
To provide strategy and advisory services in support of IEHP initiatives

**Discussion:**

This Second Amendment will extend the term of the Agreement through December 31, 2024, by which WISE will continue to provide services to ensure adherence with Medi-Cal covered benefits.



A breakdown of those services and the associated costs are detailed in the table below:

<b>Service</b>	<b>Description/Purpose</b>	<b>Fixed Fees</b>
eConsult Expansion Phase II	To expand and develop eConsult and Virtual Care services for all IEHP network of Direct and Delegated providers	\$380,000
Operations Support	Increase the integration and automated data connections between the eConsult platform and stakeholder systems	\$90,000
ARMC Epic Interface	To help implement the IEHP eConsult platform interface with ARMC EPIC EHR platform similar to the work performed for ARMC-Meditech and RUHS/EPIC (*Provided from WISE-ARMC Contract)	\$90,000
Technical Project Management	Support the BRD process and help develop functionality to reduce IEHP submitting clinics from using faxes instead of eConsult and eAuth portals	\$60,000
Program Management	Create and support sustainable processes and training methods	\$30,000
Strategy and Advisory	To provide strategy and advisory services in support of IEHP initiatives	\$10,000
<b>Total Cost:</b>		<b>\$660,000</b>

The additional cost of the Second Amendment shall not exceed \$660,000. The total cost (including this request) of this Agreement shall not exceed \$2,698,500 through December 31, 2024.

<b>Fiscal Impact</b>	<b>Financial Review</b>	<b>Procurement Review</b>	<b>Reviewed by Counsel</b>	<b>Director Approval</b>	<b>Chief Approval</b>
Included in CY2024 Budget	J. Haines 11/21/2023	L. Rivera 11/21/2023	M. Popka 11/27/23		S. White 11/27/2023

**OPERATIONS DEPARTMENT**

**15. 2022 ASSESSMENT OF NETWORK ADEQUACY**

**Recommended Action:**

Review and File

**Contact:**

Susie White, Chief Operating Officer

**Background:**

As part of the Quality Management Program, the Assessment of Network Adequacy Study is conducted annually to assess IEHP’s Provider Network in three key areas:

- Member Experience (Consumer Assessment of Healthcare Providers and Systems; CAHPS®), Grievances, Behavioral Health Member Surveys),
- Availability (Appointment Availability Surveys) and,
- Accessibility (Time and Distance Ratios, Provider to Member Ratios, Provider to Member Language and Race Distribution).

The intent of this study is to ensure IEHP provides its Members with an adequate Provider Network and access to both Medical and Behavioral Health care services. The results of this study highlights areas of opportunity and possible interventions.

**Discussion:**

**MEMBER EXPERIENCE:**

In 2022, Access related grievances remain in the top three grievance categories. Within Access related grievances, the top subcategories were Telephone, PCP Appointments and Specialist Appointments. All three of the top Access related grievance subcategories increased in volume in 2022 compared to 2021.

**Table 1: Drill down of Access Related Grievances**

<b>2021 Subcategory</b>	<b>Total 2021 Cases</b>	<b>2022 Subcategory</b>	<b>Total 2022 Cases</b>
Telephone	1,811	Telephone	1,945
PCP – Appointment	1,361	PCP – Appointment	1,524
Specialist – Appointment	723	Specialist – Appointment	753

The annual CAHPS survey assesses Member experience with access to care using the two composite areas illustrated in Table 2. The ‘Getting Needed Care’ composite declined from the 33.33<sup>rd</sup> percentile to the 10<sup>th</sup> percentile and the ‘Getting Care Quickly’ composite was not calculated due to a small sample size. The goal of reaching the 90<sup>th</sup> percentile was not met.

**Table 2: CAHPS- Adult Medicaid Access Composite**

Composite	CAHPS 2021 percentile (MY 2020)	CAHPS 2022 percentile (MY 2021)	2022 HP Rating	90 <sup>th</sup> percentile goal met?
Getting Needed Care ( <i>Routine Care</i> )	33.33 <sup>rd</sup>	10 <sup>th</sup>	2	No
Getting Care Quickly ( <i>Urgent Care</i> )	33.33 <sup>rd</sup>	N/A	N/A	No

The access to care composites includes two questions within each composite. The achievement score is defined as responses of ‘Usually’ or ‘Always’ to the questions. All questions revealed a decline in rate when compared to the prior year.

**Table 3: Drill Down of CAHPS Access-Related Questions**

Composite Questions	2021	2022
Q9. Ease of getting care, tests, or treatment needed (Getting Needed Care Composite)	83.8%	82.6%↓
Q20. Obtained appointment with specialist as soon as needed (Getting Needed Care Composite)	83.6%	74.0%↓
Q4. Obtained needed care right away (Getting Care Quickly)	83.0%	64.8%↓
Q6. Obtained appointment for care as soon as needed (Getting Care Quickly)	79.9%	69.4%↓

Table 4 displays results from the Behavioral Health Member Satisfaction Survey in the area of Provider access to care. The results show that 76.1% of Members reported satisfaction when needing counseling or treatment right away (i.e., Member saw someone as soon as they wanted). In addition, when asked how often they got an appointment for counseling or treatment as soon as wanted, 83.5% of Members reported ‘Always’ or ‘Usually’. Both questions met the set goals for 2022. Goals are derived using the 2021 SPH Analytics ECHO Book of Business which is a collection of mean summary rates from all eligible ECHO® Surveys that SPH collected data for in 2021; as a result, the benchmark consists of data from 111 Plans.

**Table 4: BH Member Experience Questions Related to Access**

	2021 Rate	2022 Rate	Goal	Goal Met?
Getting Treatment Quickly Composite	77.6%↓	79.8%↑	66.8%	Yes
Question: Saw someone as soon as needed when needed right away (Urgent care)	73.6%↓	76.1%↑	67.3%	Yes
Question: Got appointment as soon as wanted (routine care)	81.7%↓	83.5%↑	79.7%	Yes

**AVAILABILITY:**

Provider availability was assessed for urgent appointments within 48 hours and routine appointments within 10 business days. Both Urgent and Routine visits did not meet the availability goal of 90% and declined in performance compared to the prior year. A plan to improve appointment availability for PCPs will be a focus in 2023.

Appointment availability for Specialists were also assessed for both Urgent and Routine Visits. The standard for Specialty Provider appointments is 96 hours for an urgent appointment with an authorization, and 15 business days for a routine appointment. All Specialty Providers failed to meet the compliance goal for both visit types. Overall, Providers perform higher for routine visit availability than for urgent visit availability. Availability of Specialty appointments are lower than PCP appointment availability. A plan to improve appointment availability for Specialists will be a focus in 2023.

BH Provider appointment availability results are displayed in the table below. The standard for urgent BH appointments is a visit within 48 hours and the standard for routine BH appointments is a visit within 10 business days. All Providers failed to meet the 90% compliance goal for both visit types with rates declining in 2021. A plan to improve appointment availability for BH Providers will be a focus in 2023.

**Table 5: Provider Visit Rates**

Appointment Type	2021 Rate	2022 Rate
PCP Urgent	69.1%	64.1% ↓
PCP Routine	77.1%	70.8% ↓
Specialty Urgent	48.4%	36.4% ↓
Specialty Routine	59.5%	51.2% ↓
BH Urgent	47.4% ↓	38.3% ↓
BH Routine	60.1%	49.7% ↓

**ACCESSIBILITY:**

The table below summarizes the network accessibility of Providers by geographic distribution in relation to Member location. All Providers met the time and distance standards for both 2021 and 2022 which means Members are within the geographic standard for all Provider types. Only IEHP’s high volume/high impact Provider specialties are listed below.

**Table 6: Provider distribution by time/distance**

Provider Type	Sub-Specialty	Geographic Standard	Mbrs. within the geographic standard-2021 (90%)	Mbrs. within the geographic standard-2022 (90%)
Primary Care	General/Family Practice	30 min / 10 mi	99.4%	99.4%
	Internal medicine	30 min / 10 mi	99.8%	99.0%
	Pediatrics	30 min / 10 mi	99.8%	99.3%
Specialty Care	Cardiology	38 min/25 mi	99.8%	99.3%
	OB/GYN	45 min/30 mi	99.9%	99.8%
	Hematology/Oncology	45 min / 30 mi	99.9%	99.7%
	Ophthalmology	38 min / 25 mi	99.8%	99.3%
	Orthopedic Surgery	38 min/25 mi	99.7%	99.4%
	Pain Medicine	60 min/30 mi	99.9%	99.3%
	Physical Therapy	40 min/25 mi	99.7%	98.9%

Provider Type	Sub-Specialty	Geographic Standard	Mbrs. within the geographic standard-2021 (90%)	Mbrs. within the geographic standard-2022 (90%)
Behavioral Health	Psychiatry	45 min/30 mi	99.8%	99.7%
	Psychology	60 min/30 mi	99.8%	99.3%
	MFT	60 min/30 mi	99.7%	99.6%
	LCSW	60 min/30 mi	99.8%	99.2%

The Provider to Member ratio was measured against the established standard to assess for adequate Provider availability. Results displayed below include IEHP’s High Volume/High Impact Specialists. The following provider specialties did not meet the Provider to Member standard: General/Family Practice Primary Care, Cardiology and Pain Medicine. A plan to ensure these Providers become compliant will be a focus in 2023.

**Table 7: Provider Distribution by Provider to Member Ratio**

Provider Type	Specialty	Provider: Member Standard	Provider to Member Ratio 2021	Provider to Member Ratio 2022
Primary Care	General/Family Practice	1:2000	1:2,177	1:2,361
	Internal Medicine	1:2,000	1:1,887	1:1977
	Pediatrics	1:2,000	1:1,748	1:1743
Specialty Care	Cardiology	1:10,000	1:10,149	1:10,946
	OB/GYN	1:10,000	1:2,398	1:2,606
	Hematology/ Oncology	1:25,000	1:15,850	1:17,014
	Ophthalmology	1:15,000	1:9,160	1:9,430
	Orthopedic Surgery	1:15,000	1:9,662	1:10,231
	Pain Medicine	1:25,000	1:42,748	1:48,917
	Physical Therapy	1:10,000	1:6,081	1:6,337
Behavioral Health	Psychiatry	1:15,000	1:9,101	1:9,487
	Psychology	1:15,000	1:6,298	1:6,605
	LMFT	1:15,000	1:1,522	1:1,533
	LCSW	1:15,000	1:3,199	1:3,063
	Qualified Autism Services	1:15,000	1:228	1:187

\*Only High volume/high impact specialist are included in this table.

The availability of Providers was assessed using Language and Ethnicity/Race data. In 2022, there were 2.37 English Speaking PCPs per 2,000 English speaking Members and 3.09 English and Spanish speaking PCPs per 2,000 Members. The language availability met the goal of at least 1.0 Provider per 2,000 Members for both years.

**Table 8: PCP Provider Distribution by Language**

Language	2021				2022				Goal >1.0 Met?
	PCPs	Members	Member Months	PCP per 2,000 Members	PCPs	Members	Member Months	PCP per 2,000 Members	
English	1,387	1,086,278	1,406,819	2.55	1,433	1,207,655	1,559,192	2.37	Yes
Spanish	562	309,757	1,406,819	3.63	529	342,671	1,559,192	3.09	Yes
Vietnamese	46	4,587	1,406,819	20.06	52	3,489	1,559,192	29.81	Yes
Mandarin	45	4,600	1,406,819	19.57	44	3,978	1,559,192	22.12	Yes
Cantonese	9	1,132	1,406,819	15.90	8	934	1,559,192	17.13	Yes
Chinese	20	277	1,406,819	144.40	17	200	1,559,192	170.00	Yes
Other	652	188	1,406,819		690	265	1,559,192		

The PCP distribution goal is 1 PCP for each race per every 2,000 Members. The results displayed below reveal that the goal was not met for 2 Provider races (Black and Hispanic).

Provider ethnicity is not a required demographic field on IEHP’s biannual Provider Directory Verification Form and is an ‘Optional’ field on the IEHP contracting application. Most Providers are opting not to report their race or ethnicity to IEHP. This limits the ability to fully assess Provider race and ethnicity. Efforts to improve data collection of Providers' race and ethnicity is a focus in 2023.

**Table 9: PCP Distribution and Race**

Race	2021				2022				Goal >1.0 Met?
	PCPs	Members	Member Months	PCP per 2,000 Members	PCPs	Members	Member Months	PCP per 2,000 Members	
Asian	300	39,587	1,406,819	15.15	306	43,587	1,559,192	14.01	Yes
Black	59	124,400	1,406,819	0.94	57	133,743	1,559,192	0.85	No
White	158	236,812	1,406,819	1.33	171	263,025	1,559,192	1.30	Yes
Chinese	32	11,072	1,406,819	5.78	31	12,782	1,559,192	4.85	Yes
Hispanic	131	803,503	1,406,819	0.33	138	887,793	1,559,192	0.31	No
Vietnamese	18	157,303	1,406,819	3.44	26	10,930	1,559,192	4.75	Yes
Other	2	23,685	1,406,819		5	27,611	1,559,192		
Not Reported	687	157,303	1,406,819		699	179,721	1,559,192		

The assessment of the network adequacy study revealed opportunity for improvement in all areas assessed including Member experience, access, and availability. In the summer of 2023, a workgroup with internal IEHP departments was formed to better address the implementation of interventions related to access to care. Ongoing programs such as GQP4P incentive program will continue throughout 2023 to support access to care and Member satisfaction. Network capacity

will continue to be monitored through annual studies and reports and interventions such as the Network Expansion Fund and Specialty Provider recruitment efforts will continue throughout 2023 to ensure an adequate network.

Improvement was noted in the following areas:

- Membership to PCP Ratio is all within the set standard of 0.0005.
- BH Member experience related to ‘access to care’ met the set goal.
- Access related appeals met the set goal of <0.05.
- PCP after hours life-threatening rate are continuing to meet goal.
- BH Provider after-hours life-threatening emergency call rate increased when compared to the prior year but did not meet the goal.
- The Network Availability analysis for time and distance met the compliance standards.
- The PCP distribution by English and Spanish language met the compliance standard.
- The PCP distribution for new threshold languages, Vietnamese and Chinese, met the compliance standard
- PCP to Member race distribution met the compliance standard for White, Asian, Chinese, and Vietnamese.

The list below enumerates improvement activities that are underway:

- Problem Solvers Task Force focus on PCP Appointment Availability
- BH Network Management plan to improve BH access to care
- Provider Incentive Programs with a focus on access to care measures
- Contracting Efforts to expand Provider Network in key demographics
- E-Consult (access to Specialist visits)
- Ongoing expansion of Telehealth
- Provider Education (PCPs and BH Providers)

IEHP is currently developing new ideas to supplement the improvement activities listed above.

The following are interventions IEHP is aiming to release in 2024 to support our goal to improve access:

- Analysis on Utilization of Network Capacity  
IEHP is continuing to add additional Providers to the network through its NEF Program. In connection with this initiative, IEHP will conduct analysis on appointment availability in impacted areas to ensure Providers of the same specialty in adjacent areas are being used to their full capacity.
- Understanding Available Supply of Physicians  
Increase IEHP’s awareness regarding all physicians within our service area Providers from this generated roster will then be compared against the Plan’s network data and stratified into two categories
  - Contracted
  - Non-contracted

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- Non-contracted Providers will receive outreach attempts. Providers that respond favorable to the Plan’s outreach attempts will be considered for network participation. The outreach attempts for Providers that do not respond or do not respond favorably will be documented for future reference. The Provider Network team will regularly monitor this refreshed list to identify new prospects; new physicians that move into our service area, physicians coming out of residency, etc. The aim of this intervention is to have complete transparency of physicians in our service area to ensure that we have capitalized on all available opportunities.

<b>Fiscal Impact</b>	<b>Financial Review</b>	<b>Procurement Review</b>	<b>Reviewed by Counsel</b>	<b>Director Approval</b>	<b>Chief Approval</b>
None	N/A	N/A	Make Selection [enter date]	K. Fermin 11/13/2023	S. White 11/22/2023



**QUALITY DEPARTMENT**

**16. APPROVE THE FIFTH AMENDMENT TO THE PARTICIPATION AGREEMENT WITH MANIFEST MEDEX**

**Recommended Action:**

That the Governing Board of the Inland Empire Health Plan (IEHP) approve the Fifth Amendment to the Participation Agreement (Agreement) with Manifest MedEx for the participation of IEHP, Riverside County, and San Bernardino County in the Health Information Exchange (HIE) for an additional amount not to exceed \$1,537,084. The new total amount payable under this Agreement shall not exceed \$12,654,858 through December 31, 2024.

**Contact:**

Edward Juhn, Chief Quality Officer

**Background:**

Manifest MedEx is the HIE utilized within San Bernardino and Riverside Counties. IEHP utilizes Manifest MedEx to retrieve real-time clinical data and make that information available to IEHP and other community Providers. Through this sharing, clinical data is readily and securely accessible to other treating Providers resulting in improved care coordination, closure of care gaps, and the identification and intervention of high-risk patients.

In 2009, IEHP contributed to the development of the Inland Empire Health Information Exchange (IEHIE) for the creation of a HIE for County entities and hospital partners.

In February 2017, IEHP announced that the IEHIE would merge with Cal Index, a venture by Blue Shield and Anthem Health Plans, to become a new entity called Manifest MedEx. The merger was finalized in March 2017. Since then, the Governing Board has previously approved the Agreement and subsequent amendments as follows:

<b>Date Approved</b>	<b>MO#</b>	<b>Purpose</b>	<b>Term Expiration</b>	<b>Cost</b>
07/09/18	18-221	Participation Agreement with Manifest MedEx for the provision of IEHP, Riverside and San Bernardino County's participation in the HIE	08/01/2023	\$4,040,641
02/11/19	19-35	Improvements in data sharing quality and size capacity between Providers	08/01/2023	\$350,000
03/14/2022	22-064	Onboard eligible IEHP Primary Care Providers and Independent Practice	12/31/2024	\$3,638,800

<b>Date Approved</b>	<b>MO#</b>	<b>Purpose</b>	<b>Term Expiration</b>	<b>Cost</b>
		Associations to the Manifest MedEx's network		
12/12/2022	22-408	Annual Fees paid on behalf of county entities for continued participation in the HIE	12/31/2024	\$113,333
03/06/2023	23-056	2023 and 2024 subscription and Member fee update	12/31/2024	\$2,975,000
Total Cost to date:				\$11,117,774
New Cost				\$1,537,084
Total Cost				\$12,654,858

**Discussion:**

As detailed below, this Fifth Amendment will allow IEHP to continue its coverage of County entities licensing fees and will add OB-GYN and PCP expansion into the Manifest MedEx Network to the existing scope of work.

**Licensing Fees:**

IEHP will pay the 2024 annual fees to Manifest MedEx, on behalf of Riverside University Health System (RUHS) Medical Center and Arrowhead Regional Medical Center (ARMC), for a combined amount not-to-exceed \$63,334. The annual fee supports ARMC and RUHS to share clinical data generated from their provision of care to IEHP Members through the HIE. For historical context, IEHP has paid these fees on behalf of ARMC, RUHS, and other County entities since 2018 to encourage data sharing across IEHP's county partners and network Providers. These financial responsibilities are in the process of transitioning to their respective County entities as they pursue a contractual relationship with Manifest MedEx.

**OB-GYN and PCP Expansion:**

Through this Amendment, Manifest MedEx will recruit, onboard, and connect 150 eligible IEHP Obstetrics & Gynecology (OB-GYN) and 50 Primary Care Providers (PCPs) onto the Manifest MedEx network for an amount not to exceed \$1,473,750. Manifest MedEx will also perform functions including but not limited to data validation and other quality checks to ensure the accuracy, reliability, and integrity of the information shared on the network for these Providers and those previously connected as a result of the Second Amendment.

The data received from OB-GYNs through this service will allow for targeted IEHP quality activities that seek to improve maternal outcomes and promote birth equity across IEHP's membership. These efforts also align with the California Department of Health Care Services' (DHCS) Bold Goals: 50x2025 which includes closing the maternity care disparity for Black and Native American persons by 50%. Furthermore, the sharing of clinical data that is readily and securely accessible to other treating Providers will result in improved care coordination, closure of

CONSENT AGENDA

gaps in care, and the identification and intervention of high-risk Members which is why it remains a key strategic activity that supports the Optimal Care goals.

The expansion to eligible OB-GYNs and remaining PCPs aims to build upon current efforts and further align new requirements from the California Health and Human Services (CalHHS) and its Data Exchange Framework (DxF). The DxF requires Medi-Cal Managed Care Plans, like IEHP, and Healthcare Providers to share health and social services information starting January 31, 2024. IEHP meets this requirement as it shares health information through the Manifest MedEx network collected from Providers and has yielded positive results. IEHP has experienced a significant increase in the amount of primary care clinical data by increasing the number of eligible PCPs to the Manifest MedEx network. 432 PCPs have been onboarded to the network accounting for over 886,000 IEHP Members whose clinical data is now readily accessible to all IEHP network Providers to support clinical outcomes, care coordination, and Member experience.

The additional cost of this Fifth Amendment shall not exceed \$1,537,084 effective January 1, 2024. The total cost (including this request) of this Agreement shall not exceed \$12,654,858 through December 31, 2024.

<b>Fiscal Impact</b>	<b>Financial Review</b>	<b>Procurement Review</b>	<b>Reviewed by Counsel</b>	<b>Director Approval</b>	<b>Chief Approval</b>
Included in CY2024 Budget	K. Moussa 11/20/2023	H. Clear 11/20/2023	M. Popka 11/21/2023	G. Fick 11/27/2023	E. Juhn 11/28/2023

## QUALITY DEPARTMENT

### 17. APPROVE THE FIRST AMENDMENT TO THE LETTER OF AGREEMENT WITH WALGREEN CO.

**Recommended Action:**

That the Governing Board of the Inland Empire Health Plan (IEHP) approve the First Amendment to the Letter of Agreement (LOA) with Walgreen Co. (Walgreens) for the provision of the Human Papillomavirus (HPV) vaccine, for a three month term extension through March 31, 2024. The total amount payable under this LOA shall remain unchanged, for an amount not to exceed \$150,000 through March 31, 2024.

**Contact:**

Edward Juhn, Chief Quality Officer

**Background:**

IEHP is dedicated to identifying and establishing additional care sites, thereby expanding access to a broader range of services for its Members. As part of this commitment, IEHP and Walgreens partnered on a Proof of Concept (POC) that aims to test how retail pharmacies can support Primary Care Providers (PCPs) in Human Papillomavirus (HPV) care gap closures for Members, address barriers to care, and improve IEHP Healthcare Effectiveness and Data Information Set (HEDIS) / Managed Care Accountability Set (MCAS) performance. Under this LOA and POC, IEHP will conduct targeted outreach to Members due for the HPV vaccine and direct them to their PCP and/or their nearest Walgreens. Walgreens will ensure that Members can conveniently receive and administer the HPV vaccine at no-cost to the Member.

Anticipated results from the POC include, but are not limited to:

1. **Member Experience** – Delivering convenient, quality care closer to Members' homes may increase access to care and encourage engagement.
2. **New Models of Care** – Validate retail pharmacy effectiveness at care gap closure with an initial focus on adolescent immunizations and potential expansion to other quality measures.
3. **Provider Experience** – Strengthen partnerships with Providers by deploying additional support to help Providers engage Members and deliver recommended care.
4. **Improved Performance** – Focused Member outreach and HPV vaccine access expansion may increase IEHP HEDIS/MCAS rates.
5. **Mitigate Sanctions** – IEHP may reduce and avoid California Department of Health Care Services (DHCS) sanctions through IMA quality measure improvement.

The Governing Board previously approved the Professional Services Agreement as follows:

<b>Date Approved</b>	<b>MO#</b>	<b>Purpose</b>	<b>Term Expiration</b>	<b>Cost</b>
10/2023	23-239	LOA with Walgreens for the administration of the HPV vaccine to eligible IEHP Members	12/31/2023	\$150,000.00
Total Cost to date:				\$150,000.00
New Cost				\$0.00
Total Cost				\$150,000.00

**Discussion:**

This First Amendment extends the term of the LOA through March 31, 2024. This extension will allow stakeholders to gather additional information of services rendered to IEHP Member(s) under this LOA to determine the effectiveness of the POC. Additionally, the Amendment updates the cost of the vaccine serum administered to IEHP Members on and after January 1, 2024. The price of the vaccine serum may increase within reason per the Centers for Disease Control and Prevention (CDC) August 2023 release of the Vaccine Price List. However, this vaccine serum price adjustment will not impact the total cost approved under the LOA, and the vaccine will remain at no-cost to the Member.

The total amount payable under this Letter of Agreement remains unchanged and shall not exceed \$150,000 through March 31, 2024.

<b>Fiscal Impact</b>	<b>Financial Review</b>	<b>Procurement Review</b>	<b>Reviewed by Counsel</b>	<b>Director Approval</b>	<b>Chief Approval</b>
None	N/A	N/A	M. Popka 11/28/23	C. Nguyen 11/28/23	E. Juhn TBD

## PROVIDER CONTRACTING DEPARTMENT

### 18. APPROVAL OF THE STANDARD TEMPLATES

**Recommended Action:**

That the Governing Board of the Inland Empire Health Plan (IEHP) ratify and approve the IEHP Standard Template Agreements, referenced below in section (d), and authorize the Chief Executive Officer or his designee to execute the templates, wherein the body of the document remains unchanged except for the identifying information of the individual provider and non-material changes per individual provider requirements.

**Contact:**

Susie White, Chief Operating Officer

**Background:**

IEHP contracts with physicians and other providers using Governing Board approved Standard Template Agreements. On a periodic basis IEHP reviews the IEHP Direct Standard Templates and updates are made to the templates, as necessary. The Governing Board has authorized the Chief Executive Officer to sign the Agreement in lieu of having the Chair of the Governing Board execute the documents.

**Discussion:**

The following new standard template is being presented to the Governing Board for ratified approval:

- 1) Master Attachment <X> - ICF DD Homes

**Fiscal Impact:**

Included in CY2023 Budget

**Financial Review:**

N/A

**Reviewed by Counsel:**

Yes

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## PROVIDER CONTRACTING DEPARTMENT

### 19. APPROVAL OF THE EVERGREEN CONTRACTS

**Recommended Action:**

That the Governing Board of the Inland Empire Health Plan (IEHP) approve the listed Evergreen Contracts for an additional one (1) year to five (5) year term.

**Contact:**

Susie White, Chief Operating Officer

**Background:**

An Evergreen Contract is a contract that automatically renews on the same terms and subject to the same conditions as the original agreement, unless sooner terminated in accordance with the terms and conditions.

**Discussion:**

Renewal under the Evergreen Clause of the following Agreement effective, December 1, 2023  
Additional one (1) year term:

- 1) Mountain View Centers - Residential Care for the Elderly – Montclair

Renewal under the Evergreen Clause of the following Agreements effective, January 1, 2024:  
Additional one (1) year term:

- 2) Heritage Health Care Inc dba Heritage Gardens Health Care Center – Residential Care for the Elderly - Palm Springs - Loma Linda

Additional five (5) year term:

- 3) Alaphia Care Home Health Services Inc – Rancho Cucamonga
- 4) Andruski Family Counseling dba Andruski Family Counseling Inc - Participating Provider Agreement - Behavioral Health – Hesperia
- 5) Christina Esquivel Granillo dba Christina Granillo LMFT - Participating Provider Agreement - Behavioral Health – Indio
- 6) Empire Behavioral Health a Psychological Corporation - Participating Provider Agreement - Behavioral Health – Fontana
- 7) Family Service Agency of San Bernardino - Participating Provider Agreement - Behavioral Health – San Bernardino
- 8) Gilbert Marriage and Family Counseling Services A Professional Corporation dba Advent Christian Counseling – Participating Provider Agreement - Behavioral Health - Temecula
- 9) Julie Ann Orlov Whitesmith dba Julie Orlov Psychotherapy & Consulting - Participating Provider Agreement - Behavioral Health - Idyllwild
- 10) Mary Tretola - Participating Provider Agreement - Behavioral Health – Corona
- 11) Melissa C Darnell - Participating Provider Agreement - Behavioral Health – Moreno Valley
- 12) Nancy Calderon LCSW - Participating Provider Agreement - Behavioral Health – Apple Valley
- 13) Ramona Carver dba Pathway to Healing Marriage & Family Therapy Inc - Participating Provider Agreement - Behavioral Health – Riverside

- 14) Red Oak Psychology Group Corporation - Participating Provider Agreement - Behavioral Health – Rancho Cucamonga
- 15) Renewing Hope Family Counseling Center Inc - Participating Provider Agreement - Behavioral Health – Riverside
- 16) Southern California Psychiatric Group Inc - Participating Provider Agreement - Behavioral Health – Sun City
- 17) Esther A Fermin dba Esther A Fermin MD INC - Capitated Primary Care Provider Agreement – Victorville
- 18) Joanna Ayala dba Murrieta Primary Care Clinic - Capitated Primary Care Provider Agreement - Murrieta
- 19) Melanchton Atiga Mangoba MD - Capitated Primary Care Provider Agreement – Riverside
- 20) Samuel A Silao MD Inc - Capitated Primary Care Provider Agreement – Chino Hills
- 21) Manzoor A Kazi Medical Associates Inc - Fee-For-Service Primary Care Provider Agreement – Palm Desert
- 22) Brett DiNovi & Associates California LLC - Participating Provider Agreement – QASP – Orange
- 23) Maxim Healthcare Services Inc - Participating Provider Agreement – QASP – Temecula
- 24) Bonnie J Lance DPM - Participating Provider Agreement – Specialist - Upland
- 25) Michael P Milligan MD Inc dba Milligan Dermatology - Participating Provider Agreement – Specialist - Rancho Mirage
- 26) Western Radiation Oncology a Professional Corporation Participating Provider Agreement – Specialist - Participating Provider Agreement – Specialist – Apple Valley
- 27) TotalCare WalkIn Clinic - Urgent Care Provider Agreement – Eastvale
- 28) Jen Hsiang Liu dba Wise Optometry - Participating Provider Agreement – Vision – Rowland Heights

**Fiscal Impact:**

Included in CY2023 Budget

**Financial Review:**

N/A

**Reviewed by Counsel:**

N/A



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## FINANCE DEPARTMENT

### 20. ADOPT AND APPROVE THE IEHP CALENDAR YEAR 2024 OPERATIONS AND CAPITAL BUDGET

**Recommended Action:**

That the Governing Board of the Inland Empire Health Plan (IEHP) adopt and approve the IEHP Calendar Year 2024 (CY 2024) Operations and Capital Budget as presented.

**Contact:**

Keenan Freeman, Chief Financial Officer

**Background:**

IEHP prepares and presents its annual budget to the Governing Board for approval for the upcoming calendar year. IEHP's budget is on a calendar year basis, January 1 through December 31. The budget consists of an Operating Budget for the upcoming twelve (12) month period. The Operating Budget is presented on a Consolidated Basis, as well as individually for the specific product lines.

The Operating Budget consists of the following major categories:

1. Enrollment
2. Operating Revenues (Premiums)
3. Medical Expenses
4. General & Administrative Expenses
5. Net Surplus/(Deficit)

Operating Revenues are projected based on forecasted enrollment and Per-Member-Per-Month (PMPM) premiums. Medical Expenditures are based on forecasted enrollment and projected utilization, cost trends and any known changes in provider contracting rates. General and Administrative Expenditures are forecasted based on actual costs together with any known cost increases or decreases in this category.

The Capital Budget consists of projected expenditures for fixed or long-term assets, such as building renovations, computers, and equipment for the whole organization.

**Discussion:**

The budget process starts with forecasting enrollment for the upcoming calendar year. Enrollment drives two (2) major components of the budget; revenues and medical expenses as these are forecasted on a PMPM basis. Current enrollment and growth trends during the calendar year are reviewed and factored-in to forecast enrollment. Consideration is given to the overall market. Projections are done for Medical, and General and Administrative (G&A) expenses. A Net Surplus or Deficit is calculated by offsetting all expenses against revenues.

The Capital Budget process provides a three (3) year plan. Due to many of the projects crossing multiple calendar years, this approach allows financial visibility and strategic planning for a longer period.

The details of the CY 2024 Operating and Capital Budget are based on current information. IEHP will present a revised budget for the CY 2024 with updated information from DHCS regarding finalization of outstanding rates and program guidance. This will be discussed further in the attached presentation.

Fiscal Impact	Financial Review	Procurement Review	Reviewed by Counsel	Director Approval	Chief Approval
CY2024 Budget	V. Johnson 12/1/23	NA	NA	L. Liu 12/1/23	K. Freeman 12/5/23

**IEHP**  
**CY 2024 Operating &  
Capital Budget**

**December 11, 2023**

**Finance**



# CY 2024 Income Statement

	Consolidated <sup>1</sup>	Medi-Cal	Medicare (DSNP)	Covered California	Non Allocated
<b>Enrollment</b>	17,992,323	17,369,779	427,146	195,398	
<b>Revenue</b>	\$ 7,144,960,828	\$ 6,279,621,495	\$ 773,016,035	\$ 92,323,298	
<b>Medical Expenses</b>	\$ 6,569,470,821	\$ 5,765,056,189	\$ 707,660,398	\$ 96,754,234	\$ -
<b>Administrative Expenses<sup>2</sup></b>	\$ 482,429,537	\$ 377,707,158	\$ 70,952,311	\$ 33,770,068	\$ 2,000,000
<b>Non Medi-Cal/Medicare Expenses<sup>3</sup></b>	\$ (26,073,427)	\$ -	\$ -	\$ -	\$ (26,073,427)
<b>Net Surplus (Deficit)</b>	\$ 66,987,043	\$ 136,858,147	\$ (5,596,674)	\$ (38,201,003)	\$ (28,073,427)
<b>CY 2023 Projected Net Surplus<sup>4</sup></b>	\$ 245,092,912	\$ 232,839,728	\$ 10,381,131	\$ (250,000)	\$ (20,975,184)

1 - Consolidated figures include non allocated expenses, such as Healthcare Scholarship Fund, Interest and Rental Income

2 - Administrative Expense for future Medicare Advantage consulting for \$2 million.

3 - Non Medi-Cal/Medicare Expenses includes the net of Interest Income, Shared Vision Partners and HSF

4 - CY2023 Projections include January - October 2023 Actuals with November and December Projections (CMC run out expenses are included in Consolidated total)

*\*Consolidated figures include non allocated expenses, such as Healthcare Scholarship fund, Shared Vision Partners, interest and rental income.*

*\*\*Administrative Expense for future Medicare Advantage consulting for \$2 million.*

*\*\*\*Non Medi-Cal/Medicare Expenses includes the net of the IEHP Healthcare Scholarship fund, Shared Vision Partners, interest and rental Income.*



# Outstanding Budget Items

- Membership adjustments due to redetermination trends & changes to auto assignment percentages
- Revised Medical Costs
- Revised Depreciation and Amortization
- Final Rates for the following areas:
  - Population Health Management (PHM) program rates
  - CY2024 Final Base Rates
  - Final CY2024 Program Changes
  - Acuity adjustment
  - CY2024 FFS Transitioning Population
  - Major Organ Transplant (MOT)
  - Results on Risk Adjustment
  - Rate Range
  - ACA OE Plan Arrangement
  - MCO Tax
  - HQAF
  - Prop 56
  - Hyde
  - CalAIM Funding



# Projected 3 Year Capital Budget and Other Developments

3 Year Proposed Capital Budget for 2024, 2025, and 2026						
No	Capital Budget Project	Estimated Start Date	2024 Budget	2025 Budget	2026 Budget	Total Costs for 3 Years
<b>Facilities</b>						
1	IEHP Rebrand	2023 Q3	\$ 1,448,765	\$ 200,000	\$ -	\$ 1,648,765
2	Atrium Projects	2022 Q3	\$ 4,485,000	\$ 4,225,000	\$ 2,520,000	\$ 11,230,000
3	CRC Projects - Current Buildings	2023 Q1	\$ 12,200,000	\$ 5,000,000	\$ 3,500,000	\$ 20,700,000
4	CRC Projects - Potential New Acquisitions	2024 Q4	\$ 5,000,000	\$ 5,000,000	\$ -	\$ 10,000,000
5	9500 Building	2023 Q4	\$ 17,687,839	\$ 2,000,000	\$ -	\$ 19,687,839
6	Parking Lot and Landscape Projects	2023 Q3	\$ 5,760,000	\$ 3,300,000	\$ -	\$ 9,060,000
7	Other Projects	2024 Q1	\$ 550,000	\$ 200,000	\$ -	\$ 750,000
8	General Equipment & Furniture	As Needed	\$ 1,875,000	\$ 1,600,000	\$ 1,600,000	\$ 5,075,000
<b>Total</b>			<b>\$49,006,604</b>	<b>\$21,525,000</b>	<b>\$7,620,000</b>	<b>\$78,151,604</b>
<b>Information Technology</b>						
1	Digital Transformation	2024 Q1	\$ 7,700,000	\$ 6,649,998	\$ 3,849,998	\$ 18,199,996
2	Framework Architecture	2023 Q1	\$ 1,850,000	\$ 2,550,000	\$ 1,500,000	\$ 5,900,000
3	Member Experience	2023 Q1	\$ 4,300,000	\$ 2,600,000	\$ 500,000	\$ 7,400,000
4	Technology Transformation	2023 Q1	\$ 2,904,000	\$ 1,470,000	\$ 630,000	\$ 5,004,000
5	Quality Assurance to Quality Engineering	2023 Q1	\$ 1,400,000	\$ 1,400,000	\$ 400,000	\$ 3,200,000
6	Data Center & Hardware Refresh	Continuous	\$ 2,476,000	\$ 2,731,200	\$ 2,677,600	\$ 7,884,800
7	Information Security Modernization	2023 Q1	\$ 3,515,000	\$ 2,365,000	\$ 1,775,000	\$ 7,655,000
8	Infrastructure Modernization	2023 Q1	\$ 3,080,598	\$ 2,654,908	\$ 2,020,000	\$ 7,755,506
9	Identity Access Management	2024 Q1	\$ 1,376,000	\$ 725,000	\$ -	\$ 2,101,000
10	Business/Admin Support Solutions	2024 Q1	\$ 15,478,333	\$ 11,718,333	\$ 11,768,333	\$ 38,964,999
11	Other Projects & General Equipment	2023 Q3	\$ 471,475	\$ -	\$ -	\$ 471,475
<b>Total</b>			<b>\$44,551,406</b>	<b>\$34,864,439</b>	<b>\$25,120,931</b>	<b>\$104,536,776</b>
<b>Overall Total</b>			<b>\$93,558,010</b>	<b>\$56,389,439</b>	<b>\$32,740,931</b>	<b>\$182,688,380</b>



# Capital Budget Comparison

- Proposed CY2024 Capital Budget include some major Initiatives
  - New sites for our future Community Resources Centers
    - Renovation improvements to San Bernardino site
    - Renovation improvements to Indio site
    - Potential purchase of one (1) additional site
- CY2023 items postponed until CY2024
  - Solar Panel Project
  - Continuation of Building Improvements to Empire Lakes
  - Continuation of Building Improvements to San Bernardino CRC

Board Approved Capital Budget CY2023					
CY2023 Capital Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget	Total Costs for 3 Years
Operations Total	40,957,513.55	7,062,018.75	715,000.00	\$ -	\$ 48,734,532
Information Technology Total	44,650,228.00	22,801,864.00	19,906,710.00	\$ -	\$ 87,358,802
<b>Overall Total</b>	<b>\$ 85,607,742</b>	<b>\$ 29,863,883</b>	<b>\$ 20,621,710</b>	<b>\$ -</b>	<b>\$ 136,093,334</b>

Proposed for Capital Budget CY2024					
CY2023 Capital Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget	Total Costs for 3 Years
Operations Total	-	\$ 49,006,604	\$ 21,525,000	\$ 7,620,000	\$ 78,151,604
Information Technology Total	-	\$ 44,551,406	\$ 34,864,439	\$25,120,931	\$ 104,536,776
<b>Overall Total</b>	<b>\$ -</b>	<b>\$ 93,558,010</b>	<b>\$ 56,389,439</b>	<b>\$32,740,931</b>	<b>\$ 182,688,380</b>

