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Revision to ASR and/or Exhibits/Attachments

Date: November 14, 2006
To: Darlene J. Bloom, Clerk of the Board of Supervisors
CC: County Executive Office
From: Juliette A. Poulson, RN, MN, Agency Director JP
RE: Agenda Item(s) # 39 for the 11/21/06 Board Meeting
ASR Control #(s): 06-002004
Subject: CALOPTIMA ORDINANCE AMENDMENT TITLE 4, 4-11-12(A)

Explanation:

Please revise the following sections of the Agenda Staff Report.

- Revised Recommended Action(s)
- Make modifications to the:
 - Subject
 - Background Information
 - Summary

Summary:

The Health Care Agency recommends adoption of an amendment to Section 4-11-2 by the addition of subparagraph (g) authorizing CalOptima to establish a Healthy Kids program to coordinate health care benefits for low to moderate income children. The Health Care Agency also recommends adoption of an amendment to Division 11 of Title 4, Section 4-11-12 by clarification of the terms of office for members of the CalOptima Board of Directors.

Background Information:

The Orange County Health Authority, better known as CalOptima, was established in 1993 by County Ordinance 3896. The Board of Supervisors establishes size, composition, and qualifications of members of the CalOptima Board of Directors as well as the principles under which CalOptima can function.

Proposed Ordinance Change to Section 4-11-2

Currently, Section 4-11-2 of Article 1 of Division 11 of Title 4 of the Codified Ordinances of Orange County allows CalOptima to provide health care programs in Orange County under contract with the Department of Health Services (DHS) for Medi-Cal, the Managed Risk Medical Insurance Board (MRMIB) for Healthy Families, and the Centers for Medicare and Medicaid Services (CMS) for Medicare-related programs.

At this time, CalOptima is working to bring an expanded Healthy Families program to Orange County. The program, to be known as Healthy Kids, will expand the coverage of Healthy Families program benefits to low to moderate income children in the county.

State Law allows counties to grant the authority to County Organized Health Systems (COHS) to offer additional programs. The Health Care Agency is requesting that your Honorable Board amend Section 4-11-2 to permit CalOptima to proceed with the implementation of the Healthy Kids program.

Proposed Ordinance Change to Section 4-11-12

Currently Section 4-11-12 of Article 1 of Division 11 of Title 4 of the Codified Ordinances of Orange County specifies that the Orange County Board of Supervisors appoints all members of the CalOptima Board of Directors. The terms of office for the members of the Board of Directors varies from three (3) to four (4) years and is staggered. With the exception of the Health Care Agency Director, members of the Board of Directors may serve for a maximum of two (2) terms. The term of a member of the Board of Supervisors may not be more than four years.

The Health Care Agency is requesting that your Honorable Board amend Section 4-11-12 to eliminate unnecessary staggering of terms by establishing a four year term of office for members that are appointed on or after January 1, 2007. The proposed amendment also clarifies that a Board of Supervisors' member is appointed to serve a one year term. The proposed amendment further clarifies the term limit so that a board member may not serve more than two (2) consecutive terms. This limitation only applies to service for consecutive terms and is intended to provide a balance of encouraging new board members while offering the flexibility to bring back highly qualified former board members. The Health Care Agency requests acceptance of the proposed ordinance change to Section 4-11-12.

Relevant Ordinance History

Ordinance 3896 (Oct. 10, 1993)—Established the Orange County Health Authority to contract with DHS/California Medical Assistance Commission (CMAC) for the provision of Medi-Cal managed care in Orange County.

Ordinance 98-10 (July 21, 1998)—Expanded CalOptima's authority to include the Healthy Families program.

Ordinance 05-008 (May 25, 2005)—Expanded CalOptima's authority to include Medicare-related programs.

- Revised Exhibits/Attachments (attached)
- Additional Information and/or Correspondence (attached)



Continuation – Deletion Memo

Date: October 31, 2006
To: Darlene J. Bloom, Clerk of the Board of Supervisors
CC: County Executive Office
From: Juliette A. Poulson, RN, MN, Agency Director
RE: Agenda Item(s) # 25 for the 10/31/06 Board Meeting
ASR Control #(s): 06-002004
Subject: CALOPTIMA ORDINANCE AMENDMENT TITLE 4, 4-11-12(A)

Request to continue Agenda Item(s) 25 to the 11/21/06 Board Meeting.

Comments:

Also, the Health Care Agency would like to request that the blue agenda title be read as follow:

Consider first reading of "An Ordinance of the County of Orange, California, Amending Division 11 of Title 4 of the Codified Ordinances of the County of Orange by the Amendment of Section 4-11-2 and Section 4-11-12 Relating to the Orange County Health Authority" and waive reading of Ordinance in its entirety and set second reading and adoption for 12/05/06, 9:30am - All Districts.

Request deletion of Agenda Item(s) _____

Comments:

- 1 (5) Includes special care management components and a system of assignment to such
2 components assuring that the health care needs of enrolled recipients with special
3 requirements are met.
- 4 (6) Incorporates a plan of service delivery and implements reimbursement mechanisms
5 which will assure the long-term viability of a locally operated Medi-Cal managed care
6 system.
- 7 (7) Implements a financial plan which includes the creation of a prudent reserve within three
8 (3) years of commencing operation, and which provides that if additional surplus funds
9 accrue, such funds shall be used to expand access, improve benefits and/or augment
10 provider reimbursement.
- 11 (8) Ensures that all program obligations, statutory, contractual or otherwise, shall be
12 obligations of the program and shall not be the obligations of the County of Orange.
- 13 (c) The Health Authority shall have the power to contract with providers for services,
14 including, but not limited to, contracts where services are provided on a capitation and other risk-
15 sharing basis. The Health Authority may contract with public and private insurers, purchasers of
16 health insurance, and fiscal intermediaries to administer its health care program.
- 17 (d) After commencement of operations of the Health Authority finance program for Medi-Cal
18 recipients, the Health Authority shall design and implement a plan through separate contracts to
19 include within the program it administers those eligible indigent persons for whom the County of
20 Orange is responsible under part 5 (commencing with section 17000) of division 9 of the
21 Welfare and Institutions Code. Unless otherwise provided by the Health Authority, providers
22 contracting with the Health Authority shall serve all CalOptima eligible populations.
- 23
24 (e) The Health Authority shall have the power to contract with the California Managed Risk
25 Medical Insurance Board, or other state approved Board as a participating health plan under
26 California's Healthy Families Plan (part 6.2 of division 2 of the Insurance Code, commencing
27 with section 12693).
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1 (f) The Health Authority shall have the power to contract with the Centers for Medicare and
2 Medicaid Services, or other applicable federal or state approved organization, and to execute
3 such other agreements and documents to effectuate health care delivery systems for persons
4 who are eligible to receive medical benefits (1) under both Title 18 of the federal Social
5 Security Act (42 U.S.C. Sec. 1395 *et seq.*) and Title 19 of the federal Social Security Act (42
6 U.S.C. Sec. 1396 *et seq.*); (2) under Title 18 of the federal Social Security Act (42 U.S.C.
7 Sec. 1395 *et seq.*); and (3) as otherwise permitted by Welfare and Institutions Code section
8 14087.54.

9
10 (g) The Health Authority shall have the power to contract with other individuals or groups in the
11 County of Orange, including, but not limited to, public agencies, private businesses, and
12 uninsured or indigent persons, to provide a health care delivery system for such individuals
13 or groups.

14
15 SECTION 2. Section 4-11-12 of Article 1 of Division 11 of Title 4 of the Codified Ordinances
16 of the County of Orange is hereby amended to read as follows:

17 Sec. 4-11-12. Terms of Office for Members and Vacancy in Office.

- 18 (a) The term of office for members of the Board of Directors appointed on or after January 1,
19 2007 pursuant to section 4-11-11 (c) (3), (4) and (5) shall be four (4) years.
- 20 (b) The term of office for the Board of Supervisors' member shall be one (1) year.
- 21 (c) An office shall become vacant if a member of the Board of Directors no longer holds the
22 qualifications set forth in section 4-11-11. Any vacancy will be filled by the Board of
23 Supervisors for the remainder of the unexpired term.
- 24 (d) A member appointed pursuant to section 4-11-11 (c) (3), (4) or (5) may serve no more than
25 two (2) consecutive terms. This limitation shall only apply to service for consecutive terms.
26 No other limitation on the number of terms a person may serve is intended.

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