

MEMORANDUM

TO: Members of the Orange County Board of Supervisors
FROM: Chairman John M. W. Moorlach and Supervisor Janet Nguyen
RE: CalOptima Governance—December 9, 2008 Board Agenda Item 42
DATE: December 4, 2008
CC: Director, Health Care Agency; Executive Director, CalOptima;
County Counsel



CLERK OF THE BOARD
ORANGE COUNTY
BOARD OF SUPERVISORS

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Dear Colleagues:

Attached please find the following documents for your review:

1. "Joint Proposal of Supervisors Moorlach and Nguyen—Proposed Amendments to CalOptima Ordinance (with Redlining to Show Changes)." This document reflects our joint proposal, in which we both concur, for amending the CalOptima Ordinance currently on the Board Agenda for December 9, 2008 as Item Number 42. It includes in redline form (with additions underlined and deletions as strikeouts) all proposed changes. This document replaces Exhibit 1 to the ASR originally filed by Chairman Moorlach.
2. "Joint Proposal of Supervisors Moorlach and Nguyen—Proposed Amendments to CalOptima Ordinance." This is the same as the first document, but without the redlining. It is thus a clean copy of the proposed Ordinance.
3. The Ordinance Amending the Codified Ordinances, Sections 4-11-2(a) and 4-11-11, as proposed in the above documents.
4. Exhibit 2 to the ASR originally filed by Chairman Moorlach is deemed stricken.

**JOINT PROPOSAL OF SUPERVISORS MOORLACH AND NGUYEN
PROPOSED AMENDMENTS TO CAL OPTIMA ORDINANCE
(WITH REDLINING TO SHOW CHANGES)**

Amend Section 4-11-2(a) to read as follows:

The purpose of the Health Authority is to negotiate exclusive contracts with the California Department of Health Care Services and to arrange for the provision of health care services to qualifying individuals who lack sufficient annual income to meet the cost of healthcare, and whose other assets are so limited that their application toward the cost of health care would jeopardize the person's or family's future minimum self-maintenance and security, pursuant to chapter 7 of part 3 of division 9 of the Welfare and Institutions code, and to participate in any other health care program the Health Authority is permitted to participate in under state and federal law.

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Amend Section 4-11-11 to read as follows:

- (a) The governing body of the Health Authority, referred to in this division as the Board of Directors, shall consist of eleven (11) voting members who shall be legal residents of, or employed in, the County of Orange, and who shall be generally representative of the diverse backgrounds, interests and demography of persons residing in the County. The County of Orange Health Care Agency shall make recommendations for the appointment of persons to the membership of the Board of Directors to the Board of Supervisors whenever any seat on the Board of Directors becomes vacant or a term expires. In making such recommendations, the Health Care Agency shall solicit recommendations from each Board of Supervisors' office, and shall independently conduct a recruitment process, and such process shall include the appointment of a Selection Panel for each vacancy or expiring term to rate applicants for appointment. Each such panel shall consist of five persons, as herein described: (A) One representative of the Health Care Agency designated by the Director of the Health Care Agency; (B) Two representatives from among the sectors represented by the types of seats (consumer, provider, or business sector) that are being vacated; (C) one member of the CalOptima Board of Directors, designated by the Chairperson of the CalOptima Board of Directors, who, if possible, occupies a seat from the sector represented by a seat being vacated; and (D) one member of the Orange County Board of Supervisors or their Chief of Staff, designated by the Chairman of the Orange County Board of Supervisors. The Health Care Agency shall recommend up to two (2) persons for each position, taking into account factors which shall reflect the diverse backgrounds, interests and demography of persons residing in the County.

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(b) Each member of the Board of Directors shall have a commitment to a health care system which seeks to improve access to high-quality health care for persons served by the Health Authority and which in fact delivers high-quality care and is financially viable. Members of the Board of Directors shall possess the requisite skills and knowledge necessary to design and operate a quality publicly assisted health care delivery system.

(c) The ~~eleven~~ (11) voting members of the Board of Directors shall be appointed by majority vote of the Board of Supervisors and shall consist of the following:

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(1) Two members of the Orange County Board of Supervisors with one (1) Board of Supervisors member to serve as an alternate. One of the two members of the Orange County Board of Supervisors shall be the elected Supervisor representing the Supervisorial District with the greatest number of Medi-Cal recipients in Orange County, or his or her designee;

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(2) The Health Care Agency Director of Orange County;

(3) Three (3) current or former health care providers, at least one (1) of whom shall be a physician, who may be hospital administrators, administrators of managed care organizations, health care service providers, persons from organizations representing health care providers, or other health professionals;

(4) Three (3) persons (who do not qualify under section 4-11-11(c)(1), (2) or (3)) from the following areas:

a. Consumers served by the Health Authority or other health care consumers;

b. Organizations representing the population of consumers served by the Health Authority; or

c. Purchasers of health care; and

(5) Two (2) persons from the business sector who do not otherwise qualify under section 4-11-11(c)(1), (2), (3) or (4), except that the persons may each be a purchaser of health care or be employed by a purchaser of health care. For purposes of this subsection, "business sector" shall include both "for profit" and "not for profit" enterprises.

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(d) Any member of the Board of Directors may be removed from office by a majority vote of the Board of Supervisors favoring such removal.

**JOINT PROPOSAL OF SUPERVISORS MOORLACH AND NGUYEN
PROPOSED AMENDMENTS TO CAL OPTIMA ORDINANCE**

Amend Section 4-11-2(a) to read as follows:

The purpose of the Health Authority is to negotiate exclusive contracts with the California Department of Health Care Services and to arrange for the provision of health care services to qualifying individuals who lack sufficient annual income to meet the cost of healthcare, and whose other assets are so limited that their application toward the cost of health care would jeopardize the person's or family's future minimum self-maintenance and security, pursuant to chapter 7 of part 3 of division 9 of the Welfare and Institutions code, and to participate in any other health care program the Health Authority is permitted to participate in under state and federal law.

Amend Section 4-11-11 to read as follows:

- (a) The governing body of the Health Authority, referred to in this division as the Board of Directors, shall consist of eleven (11) voting members who shall be legal residents of, or employed in, the County of Orange, and who shall be generally representative of the diverse backgrounds, interests and demography of persons residing in the County. The County of Orange Health Care Agency shall make recommendations for the appointment of persons to the membership of the Board of Directors to the Board of Supervisors whenever any seat on the Board of Directors becomes vacant or a term expires. In making such recommendations, the Health Care Agency shall solicit recommendations from each Board of Supervisors' office, and shall independently conduct a recruitment process, and such process shall include the appointment of a Selection Panel for each vacancy or expiring term to rate applicants for appointment. Each such panel shall consist of five persons, as herein described: (A) One representative of the Health Care Agency designated by the Director of the Health Care Agency; (B) Two representatives from among the sectors represented by the types of seats (consumer, provider, or business sector) that are being vacated; (C) one member of the CalOptima Board of Directors, designated by the Chairperson of the CalOptima Board of Directors, who, if possible, occupies a seat from the sector represented by a seat being vacated; and (D) one member of the Orange County Board of Supervisors, designated by the Chairman of the Orange County Board of Supervisors. The Health Care Agency shall recommend up to two (2) persons for each position, taking into account factors which shall reflect the diverse backgrounds, interests and demography of persons residing in the County.

- (b) Each member of the Board of Directors shall have a commitment to a health care system which seeks to improve access to high-quality health care for persons served by the Health Authority and which in fact delivers high-quality care and is financially viable. Members of the Board of Directors shall possess the requisite skills and knowledge necessary to design and operate a quality publicly assisted health care delivery system.
- (c) The eleven (11) voting members of the Board of Directors shall be appointed by majority vote of the Board of Supervisors and shall consist of the following:
- (1) Two members of the Orange County Board of Supervisors with one (1) Board of Supervisors member to serve as an alternate. One of the two members of the Orange County Board of Supervisors shall be the elected Supervisor representing the Supervisorial District with the greatest number of Medi-Cal recipients in Orange County, or his or her designee;
 - (2) The Health Care Agency Director of Orange County;
 - (3) Three (3) current or former health care providers, at least one (1) of whom shall be a physician, who may be hospital administrators, administrators of managed care organizations, health care service providers, persons from organizations representing health care providers, or other health professionals;
 - (4) Three (3) persons (who do not qualify under section 4-11-11(c)(1), (2) or (3)) from the following areas:
 - a. Consumers served by the Health Authority or other health care consumers;
 - b. Organizations representing the population of consumers served by the Health Authority; or
 - c. Purchasers of health care; and
 - (5) Two (2) persons from the business sector who do not otherwise qualify under section 4-11-11(c)(1), (2), (3) or (4), except that the persons may each be a purchaser of health care or be employed by a purchaser of health care. For purposes of this subsection, "business sector" shall include both "for profit" and "not for profit" enterprises.
- (d) Any member of the Board of Directors may be removed from office by a majority vote of the Board of Supervisors favoring such removal.

ORDINANCE NO. _____

**AN ORDINANCE OF THE COUNTY OF ORANGE, CALIFORNIA,
AMENDING SECTIONS 4-11-2(a) AND 4-11-11, TO THE CODIFIED ORDINANCES
OF THE COUNTY OF ORANGE REGARDING
ORANGE COUNTY HEALTH AUTHORITY**

The Board of Supervisors of the County of Orange, California, ordains as follows;

SECTION 1. Section 4-11-2(a) of the Codified Ordinances of the County of Orange is hereby amended to read as follows:

The purpose of the Health Authority is to negotiate exclusive contracts with the California Department of Health Care Services and to arrange for the provision of health care services to qualifying individuals who lack sufficient annual income to meet the cost of healthcare, and whose other assets are so limited that their application toward the cost of health care would jeopardize the person's or family's future minimum self-maintenance and security, pursuant to chapter 7 of part 3 of division 9 of the Welfare and Institutions code, and to participate in any other health care program the Health Authority is permitted to participate in under state and federal law.

SECTION 2. Section 4-11-11 of the Codified Ordinances of the County of Orange is hereby amended to read as follows:

- (a) The governing body of the Health Authority, referred to in this division as the Board of Directors, shall consist of eleven (11) voting members who shall be legal residents of, or employed in, the County of Orange, and who shall be generally representative of the diverse backgrounds, interests and demography of persons residing in the County. The County of Orange Health Care Agency shall make recommendations for the appointment of persons to the membership of the Board of Directors to the Board of Supervisors whenever any seat on the Board of Directors becomes vacant or a term expires. In making such recommendations, the Health Care Agency shall solicit recommendations from each Board of Supervisors' office, and shall independently conduct a recruitment process, and such process shall include the appointment of a Selection Panel for each vacancy or expiring term to rate applicants for appointment. Each such panel shall consist of five persons, as herein described: (A) One representative of the Health Care Agency designated by the Director of the Health Care Agency; (B) Two representatives from among the sectors represented by the types of seats (consumer, provider, or business sector) that are being vacated; (C) one member of the CalOptima Board of Directors, designated by the Chairperson of the CalOptima Board of Directors, who, if possible, occupies a seat from the sector represented by a seat being vacated; and (D) one member of the Orange County Board of Supervisors, designated by the Chairman of the Orange County Board of Supervisors. The Health Care Agency shall recommend up to two (2) persons for each position, taking into account factors which shall reflect the diverse backgrounds, interests and demography of persons residing in the County.

- (b) Each member of the Board of Directors shall have a commitment to a health care system which seeks to improve access to high-quality health care for persons served by the Health Authority and which in fact delivers high-quality care and is financially viable. Members of the Board of Directors shall possess the requisite skills and knowledge necessary to design and operate a quality publicly assisted health care delivery system.
- (c) The eleven (11) voting members of the Board of Directors shall be appointed by majority vote of the Board of Supervisors and shall consist of the following:
- (1) Two members of the Orange County Board of Supervisors with one (1) Board of Supervisors member to serve as an alternate. One of the two members of the Orange County Board of Supervisors shall be the elected Supervisor representing the Supervisorial District with the greatest number of Medi-Cal recipients in Orange County, or his or her designee;
 - (2) The Health Care Agency Director of Orange County;
 - (3) Three (3) current or former health care providers, at least one (1) of whom shall be a physician, who may be hospital administrators, administrators of managed care organizations, health care service providers, persons from organizations representing health care providers, or other health professionals;
 - (4) Three (3) persons (who do not qualify under section 4-11-11(c)(1), (2) or (3)) from the following areas:
 - a. Consumers served by the Health Authority or other health care consumers;
 - b. Organizations representing the population of consumers served by the Health Authority; or
 - c. Purchasers of health care; and
 - (5) Two (2) persons from the business sector who do not otherwise qualify under section 4-11-11(c)(1), (2), (3) or (4), except that the persons may each be a purchaser of health care or be employed by a purchaser of health care. For purposes of this subsection, "business sector" shall include both "for profit" and "not for profit" enterprises.
- (d) Any member of the Board of Directors may be removed from office by a majority vote of the Board of Supervisors favoring such removal.