



# Revision to ASR and/or Exhibits/Attachments

**Date:** December 15, 2008

**To:** Darlene J. Bloom, Clerk of the Board of Supervisors

**CC:** County Executive Office

**From:** Ben de Mayo, County Counsel *BDM*

**RE:** Agenda Item(s) # S54A for the December 16, 2008 Board Meeting

**ASR Control #(s):**

**Subject:** Cal-Optima Ordinance

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**Explanation:**

This draft ordinance supersedes the version submitted by County Counsel on Friday, December 12, 2008.

- Revised Recommended Action(s)
- Make modifications to the:
- Subject       Background Information       Summary
- Revised Exhibits/Attachments (attached)
- Revised ordinance and redline of revised ordinance.
- Additional Information and/or Correspondence (attached)



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

- 3 a. Consumers served by the Health Authority or other health care consumers;
- 4 b. Organizations representing the population of consumers served by the  
5 Health Authority; or
- 6 c. Purchasers of health care; and

7 (5) One (1) person from the business sector who does not qualify under section 4-11-  
8 11(c)(1), (2), (3) or (4), except that the person may be a purchaser of health care  
9 or be employed by a purchaser of health care.

10 (d) Any member of the Board of Directors may be removed from office by a majority vote of  
11 the Board of Supervisors favoring such removal.  
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CURRENT LANGUAGE OF ORANGE COUNTY  
CODIFIED ORDINANCES, SECTIONS 4-11-2 AND 4-11-11 with redline changes

Sec. 4-11-2. Purpose.

(a) 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.

Deleted: Medical Assistance  
commissio

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Sec. 4-11-11. Membership.

(a) The governing body of the Health Authority, referred to in this division as the Board of Directors, shall consist of nine (9) 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 be a member of the Selection Panel, which function includes conducting a recruitment process and making recommendations to the Board of Supervisors for the appointment of persons to the Board of Directors whenever any seat on the Board of Directors becomes vacant or a term expires. The Health Care Agency shall conduct community outreach to seek out and encourage potential applications and solicit recommendations from each Board of Supervisors' office as part of the recruitment process.

Each Selection 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, as designated by the Chair of the Board of Supervisors, from among the sector which seat is being vacated; and (C) Two members of the Board of Supervisors or their Staff, one to be designated by the Chair of the Board of Supervisors and the other shall be from the District with the highest number of Health Authority clients. The Selection Committee shall recommend to the Board of Supervisors at least two (2) persons for each seat on the Board of Directors that is vacant or expiring;

(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 nine (9) 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) One (1) member of the Orange County Board of Supervisors with one (1) Board of Supervisors member to serve as an alternate, as designated by the Chair of the Board of Supervisors;

(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) One (1) person from the business sector who does not qualify under section 4-11-11(c)(1), (2), (3) or (4), except that the person may be a purchaser of health care or be employed by a purchaser of health care.
- (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.



# Revision to ASR and/or Exhibits/Attachments

**Date:** December 12, 2008

**To:** Darlene J. Bloom, Clerk of the Board of Supervisors

**CC:** County Executive Office

**From:** Ben de Mayo, County Counsel *BP*

**RE:** Agenda Item(s) # S54A for the December 16, 2008 Board Meeting

**ASR Control #(s):**

**Subject:** Cal-Optima Ordinance

RECEIVED  
2008 DEC 12 AM 11:09  
CLERK OF THE BOARD  
ORANGE COUNTY  
BOARD OF SUPERVISORS

Explanation:

Revised Recommended Action(s)

Make modifications to the:

Subject

Background Information

Summary

Revised Exhibits/Attachments (attached)

Revised ordinance and redlined revised ordinance.

Additional Information and/or Correspondence (attached)



1 designated by the Chair of the Board of Supervisors, from among the sector which seat is being vacated; and (C)  
2 Three members of the Board of Supervisors or their Chief of Staff, two of whom are to be designated by the Chair  
3 of the Board of Supervisors and the third shall be from the District with the highest number of Health Authority  
4 clients. The Selection Committee shall recommend to the Board of Supervisors at least two (2) persons for each  
5 seat on the Board of Directors that is vacant or expiring;

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

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11 Supervisors and shall consist of the following:

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13 serve as an alternate, as designated by the Chair of the Board of Supervisors;

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

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

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

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

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

21 c. Purchasers of health care; and

22 (5) One (1) person from the business sector who does not qualify under section 4-11-11(c)(1), (2), (3) or (4),  
23 except that the person may be a purchaser of health care or be employed by a purchaser of health care.

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

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CURRENT LANGUAGE OF ORANGE COUNTY  
CODIFIED ORDINANCES, SECTIONS 4-11-2 AND 4-11-11 with redline changes

Sec. 4-11-2. Purpose.

(a) 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.

Deleted: Medical Assistance  
commissio

Deleted: n

Sec. 4-11-11. Membership.

(a) The governing body of the Health Authority, referred to in this division as the Board of Directors, shall consist of nine (9) 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 be a member of the Selection Panel, which function includes conducting a recruitment process and making recommendations to the Board of Supervisors for the appointment of persons to the Board of Directors whenever any seat on the Board of Directors becomes vacant or a term expires. Each Selection 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) One representative, as designated by the Chair of the Board of Supervisors, from among the sector which seat is being vacated; and (C) Three members of the Board of Supervisors or their Chief of Staff, two of whom are to be designated by the Chair of the Board of Supervisors and the third shall be from the District with the highest number of Health Authority clients. The Selection Committee shall recommend to the Board of Supervisors at least two (2) persons for each seat on the Board of Directors that is vacant or expiring;

(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 nine (9) 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) One (1) member of the Orange County Board of Supervisors with one (1) Board of Supervisors member to serve as an alternate, as designated by the Chair of the Board of Supervisors;

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

(3) Three (3) 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) One (1) person from the business sector who does not qualify under section 4-11-11(c)(1), (2), (3) or (4), except that the person may be a purchaser of health care or be employed by a purchaser of health care.
- (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.



# MEMORANDUM

**ORANGE COUNTY BOARD OF SUPERVISORS**  
10 Civic Center Plaza, 5<sup>th</sup> Floor, Santa Ana, California 92702

RECEIVED  
2008 DEC 11 PM 2:34  
CLERK OF THE BOARD  
ORANGE COUNTY  
BOARD OF SUPERVISORS

**Date:** December 11, 2008

**To:** Darlene Bloom, Clerk of the Board

**From:** Supervisor Campbell  
Chairman Moorlach

*Bill Campbell*  
*John Moorlach*

**Re:** December 16, 2008 Board of Supervisors Agenda: Supplemental Request

*cos*  
*554A*

Dear Ms. Bloom,

Please add the attached item to the Agenda for the December 16, 2008 Board of Supervisors Meeting:

“Continued action regarding CalOptima bi-laws”

Supervisor Campbell

Chairman Moorlach

**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 nine (9) 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, as selected by the Health Care Agency, 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 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.

- (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 nine (9) 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) One member of the Orange County Board of Supervisors with one (1) Board of Supervisors member to serve as an alternate;
  - (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, one of whom shall live or work in the Supervisorial District with the most CalOptima client members:
    - 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) One (1) person from the business sector who does 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.

**Lopez, Maria (COB)**

*Bd 12/9/08  
#42*

**From:** Mainero, Mario  
**Sent:** Friday, December 05, 2008 11:21 AM  
**To:** Lopez, Maria (COB)  
**Cc:** Do, Andrew; de Mayo, Benjamin; Richardson, Rob  
**Subject:** Ordinance for CalOptima  
**Attachments:** Clean copy CalOptima Board of Directors Ordinance 12-4-08.doc; Moorlach-Nguyen joint Revised Exhibit 1 to ASR on CalOptima board of Directors CLEAN COPY.doc

Hi, Maria--

I made a typographical error and somehow left out one phrase from the Ordinance I sent you yesterday for Item 42. Attached is the corrected version. I (or Track Changes) inadvertently left out "or their Chief of Staff" in referencing the members of the Selection Panels.

Thanks!

Mario

Prof. Mario Mainero  
Chief of Staff  
Chairman John M.W. Moorlach  
Orange County Board of Supervisors  
(714) 834-7661

RECEIVED  
2008 DEC -5 PM 12: 15  
CLERK OF THE BOARD  
ORANGE COUNTY  
BOARD OF SUPERVISORS

**DISTRIBUTION TO:**  
DARLENE'S BOOK 1  
SUSAN NOVAK 1  
AGENDIZER 1  
BOARD CLERKS 1  
SUPERVISOR 1  
PUBLIC TUB 1  
BOARD OFFICES 2each  
CEO 7  
COCO 1  
GRAND JURY 1  
DATE 12/5/08 BY ML

12/5/2008

**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, 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.

- (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. \_\_\_\_\_**

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AMENDING SECTIONS 4-11-2(a) AND 4-11-11, TO THE CODIFIED ORDINANCES  
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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.
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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;
  - (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;
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    - 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.

M

## 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

2008 DEC -4 PM 1:28

RECEIVED

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.

**Deleted:** California Medical Assistance Commission

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

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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:

(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.

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**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.

ML

Agenda Item

49

ASR Control 08-002370

23J1



**AGENDA STAFF REPORT**

**MEETING DATE:** 11/25/08  
**TO:** Orange County Clerk of the Board  
**LEGAL ENTITY TAKING ACTION:** Board of Supervisors  
**SUBMITTING AGENCY/DEPARTMENT:** Chair Moorlach  
**DEPARTMENT CONTACT PERSON(S):** Mario Mainero (714) 834-7661  
 April Rudge (714) 834-3220  
**CATEGORY:** Discussion  
**SUBJECT:** Ordinance regarding appointment of members of CalOptima Board

RECEIVED  
 2008 NOV 13 PM 1:58  
 CLERK OF THE BOARD  
 ORANGE COUNTY  
 BOARD OF SUPERVISORS

**RECOMMENDED ACTION:**

- Read title of Ordinance.

An ordinance of the Board of Supervisors of the County of Orange amending the Codified Ordinances as follows: Section 4-11-2(a) to make a technical amendment necessitated by recent legislation; and Section 4-11-11 in regard to the appointment of members of the CalOptima Board of Directors.

- Order further reading of the Ordinance be waived.
- Consider the matter.
- Direct that the Ordinance be placed on agenda of the next regularly scheduled Board meeting for adoption.
- At the next regularly scheduled meeting, consider the matter and adopt the Ordinance.

**SUMMARY/BACKGROUND:**

**SUMMARY:**

Adoption of the Ordinance will clarify the process for selecting members to be recommended for appointment to the CalOptima Board of Directors, retaining the current recruitment process to insure that each recommended applicant is sufficiently qualified to serve on the Board of CalOptima while also phasing in district representation on the Board without subjecting the County to another legal challenge to its selection methods.

## BACKGROUND INFORMATION:

The County of Orange created CalOptima as a health care delivery system by Ordinance No. 3896 in 1993. The statutory purpose of CalOptima is to “negotiate exclusive contracts with the California Medical Assistance commission 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.” (Codified Ordinances, Section 4-11-2(a)). However, in 2007, by legislation, the contracting party with CalOptima became the California Department of Health Care Services rather than the California Medical Assistance commission, and the proposed amendment reflects that change.

The Ordinance creating CalOptima directs that it is to design a program that performs a number of different functions, including: (1) incorporating managed care concepts and providing prevention, education and early intervention services; (2) creating mechanisms for access to health care services for culturally and linguistically diverse populations; (3) involving the health care institutions; (4) providing a system for recipients to select a primary care provider; (5) including special care management components; (6) incorporating a plan of service delivery and implementing reimbursement mechanisms that will assure the long-term viability of a locally operated Medi-Cal system; and (7) implementing a financial plan that includes the creation and maintenance of a prudent reserve, expansion of access, improvement of benefits, and augmentation of provider reimbursement.

In short, CalOptima is a complex health insurance managed care company.

As designed by the Ordinance, the governing body of CalOptima is a Board of Directors, consisting of nine (9) voting members who are legal residents of Orange County and who “shall be generally representative of the diverse backgrounds, interests and demography of persons residing in the County.” Furthermore, members of the Board of Directors “shall have a commitment to a health care system which seeks to improve access to high-quality health care” 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.” (Codified Ordinances, Section 4-11-11(b)).

The nine (9) voting members include one member of the Board of Supervisors, the Health Care Agency (HCA) Director, and seven other persons. Three (3) persons must be health care providers, one 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. Three (3) others must be consumers served by CalOptima, or other health care consumers, persons from organizations representing the consumers served by CalOptima, or purchasers of health care. The remaining person must be “from the business sector,” a term which is undefined in the Ordinance. (Codified Ordinances, Section 4-11-11(c)).

Except for the Board of Supervisors member and the Director of HCA, the term of office for Members of the Board of Directors is four years, and no Member of the Board of Directors can serve for more than two consecutive terms, although a Member can serve more than two non-consecutive terms. (Codified Ordinances, Section 4-11-12).

Shortly after CalOptima’s creation, in 1994, the Board of Supervisors was required to respond to the federal Office of Civil Rights (OCR), Department of Health and Human Services, regarding an allegation

that the County of Orange Board of Supervisors had excluded Latinos from participating and serving on the CalOptima Board of Directors. OCR determined at that time that the evidence was insufficient to establish that the County excluded persons from participation based on race, color, or national origin. However, ever since, HCA has conducted a community outreach and recruitment process to seek out and encourage potential applicants for the positions of Director. HCA, in its community outreach, has been careful to encourage applications from persons of all groups, and can best evaluate that the selection process for the Board of Directors is not discriminatory. HCA then makes 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.

HCA has maintained a written protocol for the process of making its recommendations, although such protocol has not been added to the Ordinance. In making its recommendations, the Health Care Agency solicits recommendations from each Board of Supervisors' office, and appoints a Selection Panel for each vacancy or expiring term to rate applicants for appointment. Such panels consist of (A) A representative of the Health Care Agency designated by the Director of the Health Care Agency; (B) A representative from the sector represented by the type of seat (consumer, provider, or business sector) that is being vacated; and (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 the seat being vacated.

Recently, HCA conducted a process for the three seats where the terms had expired—two consumer seats and one provider seat. When the appointments were considered by the Board of Supervisors, the Board declined to act, and requested Chairman Moorlach and Supervisor Nguyen to review the current process for appointment and bring back recommendations concerning that process.

Chairman Moorlach's staff and Supervisor Nguyen's staff met and conferred on possible modifications to the current process, but were unable to reach agreement. Chairman Moorlach sought to retain the general recruitment and evaluation process currently employed, with several changes: (1) a phase-in of an additional requirement that all Supervisorial districts be represented in the appointments; (2) the "business" sector member could be from a for-profit or not-for-profit company; (3) the current HCA recruitment and evaluation process would be incorporated into the Ordinance; and (4) HCA would be required to make not less than two recommendations for each position.

Supervisor Nguyen proposed that five (5) appointments come from the BOS (one from each Board office)--and that they include 2 of the 3 providers, 2 of the 3 consumers, and the one business member, rotated among the five offices. Supervisor Nguyen further proposed that the remaining 2 appointments (since 2 of the remaining 4 are automatic--one BOS member and the HCA Director)--which consist of one consumer and one provider--would be appointed through the method proposed by Chairman Moorlach—the use of the HCA recruitment and evaluation process.

Chairman Moorlach proposed that, since the offices were unable to arrive at an agreement on a process, the offices could agree to a Board meeting date at which their competing proposals could both be presented, and the Board could make its decision on how to proceed. This would allow a full discussion of the merits of both proposals. The offices agreed to that procedure, and this ASR is the result of that agreement. It represents Chairman Moorlach's proposal for the process.

There are two Exhibits attached to this Agenda Staff Report: a redlined Amendment of Codified Ordinances Sections 4-11-2(a) and 4-11-11 comparing the existing Ordinance with Chairman Moorlach's proposed amendments; and a Memorandum from Chairman Moorlach to Board of Supervisors members

outlining both his concerns with Supervisor Nguyen's proposal and his recommendations, in addition to the proposed amendments, to obtain greater Board participation in the recruitment and evaluation process.

**FINANCIAL IMPACT:**

N/A

**STAFFING IMPACT:**

N/A

**ATTACHMENT(S):**

Attachment 1: Redlined Amendment of Codified Ordinances Sections 4-11-2(a) and 4-11-11.

Attachment 2: Memorandum from Chairman Moorlach to Board of Supervisors members

Attachment 3- Clean copy of proposed amendments to ordinance

**EXHIBIT(S):**

**COUNTY COUNSEL REVIEW:**

## PROPOSED AMENDMENTS TO CAL OPTIMA ORDINANCE

Amend Section 4-11-2(a) to read as follows (*Amendments in italics*):

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.

Deleted: California Medical Assistance  
commission

Amend Section 4-11-11 to read as follows (*Amendments in italics*):

(a)(1) The governing body of the Health Authority, referred to in this division as the Board of Directors, shall consist of nine (9) 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 in any manner as it shall see fit, except that such process shall include the appointment of a Selection Panel for each vacancy or expiring term to rate applicants for appointment. Such panels shall consist of (A) A representative of the Health Care Agency designated by the Director of the Health Care Agency; (B) A representative from the sector represented by the type of seat (consumer, provider, or business sector) that is being vacated; and (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 the seat being vacated. The Health Care Agency shall recommend up to two (2) persons for each position, taking into account the requirements set forth in Section 4-11-11(a)(2) below, and also taking into account factors which shall reflect the diverse backgrounds, interests and demography of persons residing in the County.*

(a)(2) *Beginning not later than as a result of the first vacancies to occur after January 1, 2011, each Supervisorial District shall be represented by not less than one member who shall be a resident of that Supervisorial District. Each of the requirements of this subsection 4-11-11(a)(2) may be satisfied by the person named as a member of the Board of Directors under subsection 4-11-11(c)(1).*

(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 nine (9) 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) One (1) member of the Orange County Board of Supervisors with one (1) Board of Supervisors member to serve as an alternate;
- (2) The Health Care Agency Director of Orange County;
- (3) Three (3) 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) One (1) person from the business sector who does not qualify under section 4-11-11(c)(1), (2), (3) or (4), except that the person may 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.

## MEMORANDUM

**TO:** Members of the Board of Supervisors  
**FROM:** John M.W. Moorlach, Supervisor, Second District  
**RE:** CalOptima Board of Directors  
**DATE:** November 7, 2008

Dear Colleagues:

As discussed in the Agenda Staff Report, there are two competing visions for the appointment of members of the Board of Directors of CalOptima.

Our office seeks to retain the general recruitment and evaluation process currently employed, with several changes: (1) a phase-in of an additional requirement that all Supervisorial districts be represented in the appointments; (2) the "business" sector member could be from a for-profit or not-for-profit company; (3) the current HCA recruitment and evaluation process would be incorporated into the Ordinance; and (4) HCA would be required to make up to two recommendations for each position.

Supervisor Nguyen proposes that five (5) appointments come from the BOS (one from each Board office)--and that they include 2 of the 3 providers, 2 of the 3 consumers, and the one business member, rotated among the five offices. Supervisor Nguyen further proposes that the remaining 2 appointments (since 2 of the remaining 4 are automatic--one BOS member and the HCA Director)--which consist of one consumer and one provider--would be appointed through the method proposed by our office--the use of the HCA recruitment and evaluation process.

Please allow me to describe here our concerns with Supervisor Nguyen's proposal, as well as our recommendations, in addition to the proposed amendments, to obtain greater Board participation in the recruitment and evaluation process.

### *Our concerns with a district appointment proposal*

While Supervisor Nguyen's proposal unquestionably addresses concerns by some of my colleagues that districts are not adequately and fairly represented and that there is insufficient input from Board offices into the CalOptima appointments, we have what we believe are several significant concerns with her proposal.

First, this proposal is difficult to implement practically, because each member is appointed for a maximum of two four-year terms (Codified Ordinances, Section 4-11-12(a); (c)). Given that only three seats are currently up for appointment (the 2 Consumer seats and 1 Business seat), while two of the three Provider seats (including the Physician Provider) are up in September, 2009, and one Consumer seat and one Provider seat are not up for reappointment until September, 2011, it is unclear how and when each District would have "seats" to appoint. Moreover, due to the term lengths, it is difficult to rotate seats. Which seats are designated for Board appointment? Which seats are to be rotated and when? If someone is appointed by one District, rotation would likely mean that when that person is up for reappointment, another District would be making the appointment, so that there is little chance of reappointment if geography and district representation are the main concerns--and little chance of retaining institutional memory in a billion dollar per year health care distribution system.

Second, this proposal limits the HCA recruitment and evaluation process to only two appointments out of the seven.

Third, this proposal may lead to the potential politicization of the appointment process, when this is historically an appointment process based not on geographical districts but on merit. In 1994, the Board of Supervisors was required to respond to the federal Office of Civil Rights (OCR), Department of Health and Human Services, regarding an allegation that the County of Orange Board of Supervisors had excluded Latinos from participating and serving on the CalOptima Board of Directors. OCR determined at that time that the evidence was insufficient to establish that the County excluded persons from participation based on race, color, or national origin. However, ever since, HCA, in its community outreach, has been careful to encourage applications from persons of all groups, and can best evaluate that the selection process for the Board of Directors is not discriminatory. Politicizing the process by taking the screening and recruitment process away from HCA and placing it directly in each Board office would remove this protection against potential discrimination claims.

Please permit me to continue with further analysis regarding both the district representation concerns and the lack of Board office input concerns.

#### *District Representation*

Members serving on the CalOptima Board have historically been recommended for appointment based on their qualifications and their ability to represent a specific *non-geographic* constituency, such as "providers," "consumers," or the business community, for the entire County of Orange. In fact, the city or region or district of residence or work has not been factored into the candidate evaluation process because greater emphasis is, and should be, placed on ensuring that the members, as stated in the Ordinance, "possess the requisite skills and knowledge necessary to design and operate a quality publicly assisted health care delivery system." (Codified Ordinances, Section 4-11-11(b)).

Additionally, a provision in the ordinance relating to diversity has guided the Health Care Agency's recruitment process, which states that voting members "shall be generally representative of the diverse backgrounds, interest and demography of persons residing in the County." (Codified Ordinances, Section 4-11-11(a)).

In an effort to encourage diverse applicants to apply for the Board of Directors, the recruitment led by HCA (at the request of the Board of Supervisors) includes outreach activities to solicit applications from throughout the County (every supervisorial district) via newspaper ads and over 700 letters to a variety of ethnically and demographically diverse community and business leaders and organizations.

Moreover, of the four other County-Organized Health Systems (COHS') in California, none appoint Board members based on geography within a County. Instead, members are recommended for approval by a majority vote of the County Boards of Supervisors based on being representatives of constituencies such providers of health care services, or consumers (some ordinances specify that these people must be Medi-Cal/Medi-Care eligible in the past or present), or the business sector--just as the CalOptima Ordinance provides. If we move toward a district-oriented appointment process, Orange County will become the outlier in terms of appointment methodology.

In Orange County, the issue of representation is obviously an important one, yet shifting the focus from having members representing specific sectors of the community to having them primarily represent a specific supervisorial district is a drastic departure from the spirit and goals of the Health Authority ordinance. Furthermore, any type of supervisorial district 'quotas' may limit participation and/or consideration of otherwise qualified candidates, causing an unintended dilution of the recruitment and selection process. Finally, with respect to the majority of the CalOptima Board of Directors, there will be no check on whether the candidates for Board positions meet the qualifications, skill, and knowledge required by the Ordinance. Instead, the public will have to rely on Board offices to verify and insure that their appointments meet such qualifications, skill, and knowledge, when the primary focus and skill of Board offices does not lie in determining whether candidates meet those qualifications. Simply put, Board staffs are not geared to recruit, investigate, interview and evaluate potential candidates for the CalOptima Board--essentially a large-scale Health Insurance entity--with an eye toward their qualifications to run such an entity.

#### *Board Office Input Can Be Respected and Improved*

Currently, it is up to the Supervisors and Board offices to encourage candidates to apply and to complete the independent recruitment process. It appears that Supervisors and Board offices did not actively do this during the last recruitment. The level of Board input could be enhanced to include more active Supervisor participation by asking HCA to check in with Board offices to remind them to suggest and recruit potential CalOptima Board candidates. Additionally, providing for HCA to recommend two (2) candidates for each seat, as we have proposed in our amendments, would allow the Board more discretion with their final appointment vote.

### *Recommendations for improving Board office input into the process*

In addition to the amendments to the Ordinance that we suggest, we also are prepared to recommend improvements in the HCA recruitment and evaluation process. While considering any possible improvements, our office is primarily concerned with the potential politicizing of a process that is currently a staff-directed, qualification-based open recruitment with independent evaluation and nomination of recommended candidates to the Board of Supervisors.

Any deficiencies in outreach activities during recruitment could expose the County of Orange to greater vulnerability with respect to any complaints or allegations, such as the one received in 1994. It is important to retain the legal protection and risk mitigation of a coordinated and managed, broad-based outreach, recruitment and recommendation process.

Supervisors are currently notified of the recruitments for CalOptima Board positions and encouraged to ask people to apply. This process could be modified to increase Supervisor input into the recommendation process (without compromising the protection and value of a widespread recruitment managed by HCA). We include the following suggested improvements:

- Direct HCA to specifically solicit recommendations for open seats from each Board of Supervisor's office, to enhance and supplement the current outreach efforts. This will also assist HCA as it attempts to place the district overlay proposed by our amendments into effect.
- Upon receipt and initial review of all applications, HCA will provide the Supervisors with a list of all applications that were deemed eligible for consideration.
- Board offices that choose to engage in the candidate evaluation process may do so by offering a letter of support for any candidate(s). HCA will include these letters in the evaluation process and copies will be provided to all BOS members.
- HCA will notify the Board of the names of all finalists after the evaluation is complete.
- If HCA deems that finalists are both qualified, HCA shall recommend up to 2 individuals for appointment to any one open seat (as provided in our proposed amendments). This will allow the BOS to make the final evaluation of two, otherwise equal, candidates.
- In order to address some of Supervisor Nguyen's concerns that seem related to the consumer sector's representation in particular, request that HCA staff evaluate a possible new requirement that at least one of the consumer seats be filled by someone who is (or was in the past) Medi-Care or Medi-Cal eligible.

**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)(1) The governing body of the Health Authority, referred to in this division as the Board of Directors, shall consist of nine (9) 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 in any manner as it shall see fit, except that such process shall include the appointment of a Selection Panel for each vacancy or expiring term to rate applicants for appointment. Such panels shall consist of (A) A representative of the Health Care Agency designated by the Director of the Health Care Agency; (B) A representative from the sector represented by the type of seat (consumer, provider, or business sector) that is being vacated; and (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 the seat being vacated. The Health Care Agency shall recommend up to two (2) persons for each position, taking into account the requirements set forth in Section 4-11-11(a)(2) below, and also taking into account factors which shall reflect the diverse backgrounds, interests and demography of persons residing in the County.

(a)(2) Beginning not later than as a result of the first vacancies to occur after January 1, 2011, each Supervisorial District shall be represented by not less than one member who shall be a resident of that Supervisorial District. Each of the requirements of this subsection 4-11-11(a)(2) may be satisfied by the person named as a member of the Board of Directors under subsection 4-11-11(c)(1).

(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 nine (9) 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) One (1) member of the Orange County Board of Supervisors with one (1) Board of Supervisors member to serve as an alternate;
- (2) The Health Care Agency Director of Orange County;
- (3) Three (3) 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) One (1) person from the business sector who does not qualify under section 4-11-11(c)(1), (2), (3) or (4), except that the person may 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.