



Revision to ASR and/or Attachments

Date: May 4, 2022
To: Clerk of the Board of Supervisors
CC: County Executive Office
From: Clayton Chau, Agency Director, Health Care Agency
Re: ASR Control #: 22-000427, Meeting Date 5/10/22, Item No. # 37
Subject: Amendments to CalOptima Ordinance

Frank Kim
Digitally signed by Frank Kim
DN: cn=Frank Kim, o=County of Orange, ou=CEO,
email=frank.kim@ocgov.com, c=US
Date: 2022.05.04 14:46:13 -0700

Clayton Chau MB

Explanation:

The Health Care Agency would like to add an attachment to the ASR.

Revised Recommended Action(s)

Make modifications to the:

Subject Background Information Summary Financial Impact

Revised Attachments (attach revised attachment(s) and redlined copy(s))

Attachment D – CalOptima Board Action Agenda Referral

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken May 5, 2022

Regular Meeting of the CalOptima Board of Directors

Report Item

20. Direct the Chief Executive Officer to Take Actions to Amend CalOptima's Ordinance to Allow for the Participation in the California Health Benefit Exchange

Contacts

Michael Hunn, Chief Executive Officer, (657) 900-1481

Yunkyung Kim, Chief Operating Officer, (714) 246-8408

Recommended Actions

1. Support CalOptima's participation in the California Health Benefit Exchange; and
2. Direct the Chief Executive Officer to seek an ordinance change from the County of Orange to allow CalOptima to participate in the State Health Insurance Exchange, also known as, Covered California.

Background/Discussion

The Patient Protection and Affordable Care Act (ACA) was signed into law in March of 2010. The ACA allowed states to set up their own state-based marketplace or exchange to provide its residents with an avenue to shop for and purchase their health insurance and receive discounts in the form of federal subsidies if eligible.

California was the first state to introduce legislation to create the California Health Benefit Exchange, known as Covered California. In September of 2010, then-Governor Arnold Schwarzenegger signed Assembly Bill 1602, (the "California Patient Protection and Affordable Care Act"), by Assembly Speaker John Perez, and Senate Bill 900, by State Senator Elaine Alquist, into law.

In 2011, because of the signed legislations, the Orange County Board of Supervisors voted to not allow CalOptima to participate in Covered California. This was done through amending the CalOptima county ordinance that specifically prohibited CalOptima's participation in the State Health Care Exchange.

Staff is seeking approval to allow the Chief Executive Officer to pursue an ordinance amendment at the County of Orange that would allow CalOptima to participate in Covered California. CalOptima's participation in Covered California would substantially benefit the county and CalOptima members for the following four core reasons:

- Reduce churn by providing CalOptima members continuity of care for former Medi-Cal members.
- Improve access by expanding the options to ensure more lives are covered.
- Extend local expertise that amplifies the impact of CalOptima's community focus.
- Bolster the safety net by bringing revenue that can be invested back into community health.

CalOptima Board Action Agenda Referral
 Direct the Chief Executive Officer to Take
 Actions to Amend CalOptima's Ordinance to
 Allow for the Participation in the California Health
 Benefit Exchange
 Page 2

If approved, staff will seek approval to change the CalOptima Ordinance in order to allow participation in Covered California. The Ordinance is governed by the Orange County Board of Supervisors, so consideration of a change by the Board of Supervisors would require two readings:

- First Reading: Tuesday, May 10
- Second Reading: Tuesday, May 24

Following that process, CalOptima would begin work on building internal capabilities for a plan launch in January 2024. Covered California plans have an open enrollment period that begins in fall for annual coverage. Thus, the CalOptima plan would need to be ready to offer in late 2023 for 2024. Individuals can enroll outside of this window if they have certain life events, such as loss of coverage, a move, marriage and other considerations.

Fiscal Impact

There is no immediate fiscal impact to support CalOptima's participation in Covered California and to seek a change to CalOptima's ordinance. Staff will address any additional fiscal impact in separate Board actions.

Rationale for Recommendation

Participation in Covered California will provide CalOptima with greater opportunities to further its mission and serve its programs and members. The requested action will initiate the Ordinance change process.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

1. CalOptima Marketplace Briefing Sheet
2. May 10, 2022 Board of Supervisors Agenda Item

/s/ Michael Hunn
Authorized Signature

04/28/2022
Date



Proposal and Timeline

At the May 5th CalOptima Board of Directors meeting, staff will seek approval to change the CalOptima Ordinance at the Board of Supervisors (BoS) in order to allow CalOptima to participate in Covered California. If approved, the ordinance change at the BoS would require two readings:

- First Reading-Tuesday, May 10th
- Second Reading-Tuesday, May 24th

The benefit to CalOptima and our members is:

- Continuity of care: up to 10,000 people in CA move between Medi-Cal and Covered California each month (pre-pandemic). Participating in the Exchange allows CalOptima to maintain continuity of care for Orange County residents who switch coverage
- Improved access to care
- Increased revenue that will help to support the safety net

Background

Medi-Cal offers low-cost or free health coverage to eligible Orange County residents with limited income. Covered California is the state's health insurance marketplace where Orange County residents may shop for health plans and access financial assistance if they qualify for it.

According to Covered California:

- As of December 2021, Orange County has a total of 155,660 residents enrolled in Covered California:
 - 138,470 enrollees are subsidized
 - 17,200 enrollees are unsubsidized
- Covered California Enrollment in Orange County by FPL December 2021

138% FPL or less	2.5%
138% FPL to 150% FPL	22.2%
150% FPL to 200% FPL	23.4%
200% FPL to 250% FPL	13.3%
250% FPL to 400% FPL	25.7%
400% FPL to 600% FPL	5.4%
600% FPL or greater	2.3%

- Enrollment in Orange County by Health Plan, December 2021

Anthem Blue Cross of California	14,310
Blue Shield of California	42,770
Health Net	28,650
Kaiser Permanente	31,650
Molina Healthcare	1,190
Oscar Health Plan of California	37,080

505 City Parkway West | Orange, CA 92868 | www.caloptima.org
 Main: 714-246-8400 | Fax: 714-246-8492 | TDD/TTY: 800-735-2929

DRAFT 4/6/2022