

May 6, 2022

Correspondence
Bd. 5/10/22, Item 37

The Honorable Doug Chaffee
Orange County Supervisor, Fourth District
333 W. Santa Ana Blvd.
Santa Ana, CA 92701

Subject: CalOptima Ordinance Change

Dear Mr. Chairman:

On behalf of MemorialCare, I am writing in support of CalOptima's ordinance change to permit the County Organized Health System to offer a Covered California health plan, also known as an exchange or marketplace plan. The Board of Supervisors will have two hearings on the matter, May 10 and May 24.

Orange County is fortunate to have CalOptima as a high quality Medi-Cal plan for our community's vulnerable residents. Further, CalOptima has demonstrated its longstanding commitment to the community since 1995, continually expanding its programs and the number of residents it serves. Currently, more than 880,000 people, or 1 in 4 Orange County residents, is a CalOptima member, and MemorialCare is proud to be part of CalOptima's broad, well-established provider network, with more than 10,400 physicians and 41 acute and rehab hospitals.

MemorialCare supports improved access to health care in Orange County, and a CalOptima Covered California plan will expand the options to ensure more lives are covered. Residents looking for affordable, comprehensive health coverage through Covered California would benefit from having access to a CalOptima plan in the future. Marketplace plans were originally developed as part of the Patient Protection and Affordable Care Act. Such plans were created to allow public health plans like CalOptima to compete with for-profit/private health plans as a local option, helping to catalyze a more competitively priced market for shoppers, potentially bringing about more affordable plans across the board. A CalOptima plan will give Orange County residents more choice.

Further, MemorialCare also appreciates that a CalOptima Covered California plan would extend local expertise and amplify community resources. With deep roots in Orange County, CalOptima has been a mission-driven plan since inception and continues to be focused on serving residents. CalOptima has cultivated relationships and built provider and resource networks for nearly three decades. Indeed, MemorialCare and CalOptima believe Orange County is unique — its composition, provider dynamics, regional disparities and more. Residents may prefer a local health plan that knows them and their neighborhood. Expansion into a marketplace plan is a natural next step for CalOptima, and the timing is right considering changes in the post-pandemic health care landscape.



The Public Health Emergency (PHE) is likely to end this summer. MemorialCare shares CalOptima's priority of continuity of care for members in creating a marketplace plan. The end of the PHE will likely result large numbers of members losing CalOptima coverage because members' Medi-Cal eligibility was not reassessed during the PHE. Former CalOptima members would benefit from being able to purchase a CalOptima plan that lets them stay with their same doctor. This would allow for more seamless transitions.

MemorialCare offers our full support to CalOptima for its proposed entrance into Covered California with a commercial health plan that stands to benefit both members and providers.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Barry S. Arbuckle".

Barry S. Arbuckle, Ph.D.
President and Chief Executive Officer
MemorialCare Health System