



**PROSPECT
MEDICAL**

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Correspondence
Bd. 5/10/22, Item 37

Re: Letter of Support for CalOptima in Covered California

To Whom It May Concern:

On behalf of Prospect Medical (Prospect Medical Systems, Prospect Medical Group, and Prospect Health Plan) 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. Furthermore, CalOptima has demonstrated its longstanding commitment to the community since 1995, continually expanding its programs and the number of residents it serves. At this time, more than 880,000 people, or 1 in 4 Orange County residents, are CalOptima members, and Prospect 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.

Prospect has been operating in Orange County for 27 years. We have had a contractual relationship with CalOptima for 16 years and now contract with over 1,000 physicians within the CalOptima network. Through our own medical groups and our clients, we are managing 116,000 CalOptima members. We have considerable experience working with CalOptima and we value the strong relationships we have developed with the staff. We are very confident that CalOptima can effectively manage a marketplace plan.

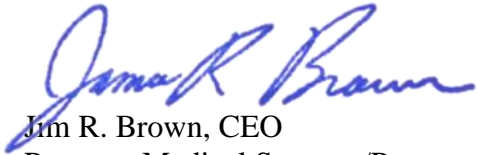
Prospect supports improved access to health care in Orange County, and a CalOptima Covered California plan will expand the options to ensure more lives are covered. Local residents looking for affordable, comprehensive health coverage through Covered California would benefit from having access to a CalOptima 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, Prospect 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, Prospect 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 anticipated to draw to a close this summer. Prospect shares CalOptima's priority of continuity of care for members in creating a marketplace plan. The end of the PHE will likely result in 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.

Again, Prospect 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.



Jim R. Brown, CEO
Prospect Medical Systems/Prospect Medical Group