REvised Agenda

I. Call to Order

II. Board Secretary: Any changes to the agenda packet including the “Information Relative To The Possible Conflict of Interest” Form

III. COMMENTS FROM THE PUBLIC ON MATTERS ON THE AGENDA

IV. Conflict of Interest Disclosure:

V. Adopt and Approve of the Meeting Minutes from the December 12, 2016 Regular Meeting of the Governing Board of the Inland Empire Health Plan

VI. CONSENT AGENDA

ADMINISTRATION (Bradley P. Gilbert, M.D.)

1. Update on Additional Authorized Staffing Positions Under Approved Guidelines
AGENDA

INFORMATION TECHNOLOGY DEPARTMENT (Michael Deering)
2. Approve an Increase in Spending Authority to the Customer Service Agreement with Xpedite System, LLC (a subsidiary of EasyLink Services International Corporation)

MEDICAL SERVICES DEPARTMENT (Jennifer N. Sayles, M.D., M.P.H.)
3. Approve the Third Amendment to the Memorandum of Understanding with the County of San Bernardino through Children and Family Services for the Provision of Open Access Services

OPERATIONS DEPARTMENT (Rohan Reid)
4. Approve the Professional Service Agreement for Compliance Strategies for Consultation Services

PROVIDER NETWORK DEPARTMENT (Kurt Hubler)
5. Ratify and Approve the new Hospital Per Diem Agreement with Casa Colina Hospital and Centers for Healthcare for Acute Rehabilitation, Physical Therapy, Speech Therapy and Occupational Therapy services
6. Ratify and Approve the new Hospital Per Diem Agreement with Casa Colina Hospital and Centers for Healthcare for Medical Surgical, Intensive Care, Telemetry and Outpatient services
7. Ratify and Approve the Fifth Amendment to the Inland Empire Health Plan Hospital Per Diem Agreement with Loma Linda University Medical Center
8. Ratify and Approve the Fourteenth Amendment to the Hospital Per Diem Agreement with Parkview Community Hospital Medical Center
9. Approve the new Skilled Nursing Facility Provider Agreement with Claremont Foothills Health Associates LLC dba Claremont Care Center
10. Approve the Standard Templates
11. Approve the Evergreen Contracts:
   1) Admitter Agreement with Alejandro Antonio Bautista dba Valley Comprehensive Medical Group
   2) Ancillary Provider Agreement with Best Home Health Care, Inc. dba Best Home Health Care, Inc.
   3) Ancillary Provider Agreement with Joint Active Systems, Inc.
   4) Ancillary Provider Agreement with Maui Medical, Inc.
   5) Ancillary Provider Agreement with MFI Recovery Center
   6) Ancillary Provider Agreement with Quality Care Prosthetics & Orthotics, Inc.
   7) Ancillary Agreement with St. Lukes Hospice, Inc.
   8) Capitated IPA Agreement with San Bernardino Medical Group, Inc.
   9) Open Access Provider Agreement with Becker Pediatrics Medical Corporation
   10) Open Access Provider Agreement with Ching Chin Huang dba Sunshine Pediatrics Medical Group
11) Open Access Provider Agreement with Kay Mukergee, M.D.
12) Open Access Provider Agreement with Max V Soliguen, M.D.
13) Open Access Provider Agreement with Symonett Family Medical Center.
14) Skilled Nursing Facility Provider Agreement with KF Ontario Healthcare, LLC dba Ontario Healthcare Center
15) Skilled Nursing Facility Provider Agreement with Pilgrim Place in Claremont
16) Skilled Nursing Facility Provider Agreement with Redbrook Healthcare Associate, LLC dba Brookside Healthcare Center
17) Participating Provider Agreement with Arshad M. Abid, M.D. dba Heart Institute Medical Center
18) Participating Provider Agreement with C V Mehta, M.D. dba Southland Arthritis and Osteoporosis Center
19) Participating Provider Agreement with Carrie E. Knoll, M.D.
20) Participating Provider Agreement with Centrelake Medical Group, Inc.
21) Participating Provider Agreement with Emily Katherine Rekuc dba Emily Rekuc DO, Inc.
22) Participating Provider Agreement with J Robert West, M.D., Inc. dba West Dermatology and Surgery Medical Group
23) Participating Provider Agreement with Pathcare Diagnostics, Inc.
24) Participating Provider Agreement with Ravi Ashok Patel dba Niva Institute of Neurosciences, Inc.
25) Participating Provider Agreement with Scott David Brook M.D., Inc.
26) Participating Provider Agreement with Southern California Desert Retina Consultants
27) Participating Provider Agreement with Sun City Cardiology Medical Center, Inc.
28) Participating Provider Agreement with Desert Occupational Therapy For Kids, Inc.
29) Urgent Care Provider Agreement with Desert Family Practice Associates Medical Group, Inc. dba Family Practice Associates
30) Urgent Care Provider Agreement with Gospha G. Campbell M.D., Inc. dba Urgent Family Care
31) Participating Provider Agreement – Vision (Exam only) with Bo Young Han, Inc.
32) Participating Provider Agreement – Vision (Exam only) with Richard Gray
33) Participating Provider Agreement – Vision with Utopia Optometry

VII. POLICY AGENDA AND STATUS REPORT ON AGENCY OPERATIONS:

ADMINISTRATION (Bradley P. Gilbert, M.D.)

12. Monthly Membership Report
13. Overview of the Affordable Care Act

FINANCE DEPARTMENT (Keenan Freeman)

AGENDA

INFORMATION TECHNOLOGY DEPARTMENT (Michael Deering)
15. Approve the Second Amendment to the Professional Services Agreement with Sidebench Studios, LLC

MEDICAL SERVICES DEPARTMENT (Jennifer N. Sayles, M.D., M.P.H.)
16. Delegation of Authority to Approve a Contract with Alltran for Health Risk Assessment and Care Plan Administrative Services
17. Approve Year Two of the Global Quality Pay for Performance Program Based on Calendar Year 2017 Performance

OPERATIONS DEPARTMENT (Rohan Reid)
18. Approve the Second Amendment to the Professional Services Agreement with Simpler North America, LLC

MAIN OBJECTIVES FOR THE NEXT 90 DAYS AND SUMMARY COMMENTS (Bradley P. Gilbert, M.D.)
19. Main Objectives

VIII. COMMENTS FROM THE PUBLIC ON MATTERS NOT ON THE AGENDA
IX. Recess Into The IEHP Health Access Meeting
X. Reconvene From The IEHP Health Access Meeting Back Into The IEHP Meeting
XI. ADJOURNMENT

The next meeting of the IEHP Governing Board will be held on February 13, 2017 at the San Bernardino County Government Center.
MEDICAL SERVICES DEPARTMENT

3. APPROVE THE THIRD AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING WITH THE COUNTY OF SAN BERNARDINO THROUGH CHILDREN AND FAMILY SERVICES FOR THE PROVISION OF OPEN ACCESS SERVICES

**Recommended Action:**
That the Governing Board of the Inland Empire Health Plan (IEHP) approve the Third Amendment to the Memorandum of Understanding (MOU) with the County of San Bernardino through Children and Family Services (CFS) for Open Access services for Medi-Cal eligible children in foster care.

**Contact:**
Jennifer N. Sayles, M.D., Chief Medical Officer

**Background:**
Since 2005, IEHP has partnered with CFS to provide the Open Access managed health care program, which includes Medi-Cal services and resources not currently available through fee-for-service Medi-Cal. Open Access was developed specifically with foster care children needs in mind. The advantages include the combined fee-for-service Medi-Cal reimbursement system flexibility with health plan care coordination.

Currently, foster children are a non-mandatory population that may choose IEHP or fee-for-service for their Medi-Cal health benefits. Approximately 3,250 children and non-minor dependents who receive services through CFS are enrolled in the Open Access Program.

The original Agreement was approved by the Governing Board in November 2009 under Resolution 09-265, was subsequently renewed in January 2012 under Resolution 11-309, and in December 2013 under Minute Order 13-368.

**Discussion:**
This Amendment extends the Agreement term for three years, beginning February 1, 2017. The amendment updates language on each party’s general and operational responsibilities. The updates clarify:

1. IEHP’s commitment to provide access to Health Education courses, Health Navigator Program, and assistance with billing and claims;
2. Improved safeguards for Open Access Members interacting with IEHP staff;
3. Updated Nondiscrimination language; and
4. A bi-annual Joint Operations Meeting requirement that includes options for ad-hoc meetings.

All other items and conditions of the Agreement remain in full force and effect.

**Strategic Priorities:**
- [ ] Quality of Care
- [x] Access to Care
- [ ] Practice Transformation
- [ ] Human Development
- [ ] Technology
- [ ] Not Applicable
Fiscal Impact:
None

Reviewed by Counsel:
Yes
ADMINISTRATION

1. UPDATE ON ADDITIONAL AUTHORIZED STAFFING POSITIONS UNDER APPROVED GUIDELINES

**Recommended Action:**
Review and File

**Contact:**
Bradley P. Gilbert, M.D., Chief Executive Officer

**Background:**
At the June 13, 2016 Governing Board Meeting, under Resolution 16-88, the Governing Board approved the proposal authorizing the CEO to approve additional staffing under the following guidelines:

1) Maintaining IEHP’s General and Administrative (G&A) Expenses percentage at 5% or less.

2) Authorization only includes approval of additional staffing in IEHP’s current position classifications. Approval of newly created positions will require Board approval; this does not include position title changes that do not have any significant financial impact.

3) Monthly reports to the Board under the Consent Agenda outlining any additional authorized positions with brief description of justification and related budget information.

4) This authority authorized for one year, through June 30, 2017.

This process allows flexibility to match staffing to operational needs and will maintain high levels of service to members and providers, while concurrently maintaining accountability on a monthly basis to the Governing Board.

**Discussion:**
The following positions have been approved:

<table>
<thead>
<tr>
<th>CEO APPROVAL DATE</th>
<th>POSITION TITLE</th>
<th>SUPERVISOR</th>
<th>Mid Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. 11/21</td>
<td>Behavioral Health Care Manager, MSW, MFT</td>
<td>Diana Gonzalez</td>
<td>$86,200</td>
</tr>
<tr>
<td>2. 11/21</td>
<td>Long Term Care Coordinator</td>
<td>Tamara Gutierrez</td>
<td>$42,500</td>
</tr>
<tr>
<td>3. 11/22</td>
<td>Government Affairs Analyst</td>
<td>Victoria Ostermann</td>
<td>$60,500</td>
</tr>
<tr>
<td>4. 11/28</td>
<td>Grievance &amp; Appeals Dental Specialist</td>
<td>Kristina Rovirosa</td>
<td>$47,800</td>
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<tr>
<td>5. 11/28</td>
<td>Grievance &amp; Appeals Operations Manager</td>
<td>Kristina Rovirosa</td>
<td>$109,100</td>
</tr>
<tr>
<td>6. 11/28</td>
<td>Grievance Nurse Supervisor</td>
<td>Kristina Rovirosa</td>
<td>$97,000</td>
</tr>
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</table>
VI. CONSENT AGENDA

<table>
<thead>
<tr>
<th>CEO APPROVAL DATE</th>
<th>POSITION TITLE</th>
<th>SUPERVISOR</th>
<th>Mid Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. 11/28</td>
<td>Grievance Nurse, LVN</td>
<td>Jennifer Wellmaker</td>
<td>$60,500</td>
</tr>
<tr>
<td>8. 11/28</td>
<td>Grievance Coordinator</td>
<td>Jennifer Wellmaker</td>
<td>$42,500</td>
</tr>
<tr>
<td>9. 12/2</td>
<td>Quality Systems Analyst x 2</td>
<td>Manjit Randhawa</td>
<td>$136,200</td>
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<tr>
<td>10. 12/14</td>
<td>Procurement Contract Specialist x 2</td>
<td>Jennifer Pueblo</td>
<td>$136,200</td>
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<tr>
<td>11. 12/14</td>
<td>Systems Analyst - Purchasing</td>
<td>Lisa Boerner</td>
<td>$86,200</td>
</tr>
</tbody>
</table>

**Strategic Priorities:**
- [ ] Quality of Care
- [ ] Access to Care
- [ ] Practice Transformation
- [✓] Human Development
- [ ] Technology
- [ ] Not Applicable

**Fiscal Impact:**
Included in FY 16/17 Budget
Approximately $1,121,345 annually (estimated salary and benefit impact).

**Reviewed by Counsel:**
N/A
2. APPROVE AN INCREASE IN SPENDING AUTHORITY TO THE CUSTOMER SERVICE AGREEMENT WITH XPEDITE SYSTEM, LLC (A SUBSIDIARY OF EASYLINK SERVICES INTERNATIONAL CORPORATION).

**Recommended Action:**
That the Governing Board of Inland Empire Health Plan (IEHP) approve an increase in spending authority to the Customer Service Agreement with Xpedite System, LLC (a subsidiary of EasyLink Services International Corporation) for cloud-based faxing services at an additional cost not to exceed $300,000 for the remainder of the contract term set to expire on October 1, 2017. The total cost under this Agreement shall not exceed $1.16 million.

**Contact:**
Michael Deering, Chief Information Officer

**Background:**
In May 2014 under Minute Order 14-124, the Governing Board approved the Professional Service Agreement with EasyLink Services (Formerly known as OpenText) for cloud-based fax services at a cost not to exceed $360,000 for three (3) years, effective January 31, 2014.

In October 2014 under Minute Order 14-248, the Governing Board approved the First Amendment to the Agreement which replaced the Corporate Vendor, EasyLink Services, with its subsidiary, Xpedite Systems, LLC, and changed the agreement type with the Xpedite Systems, LLC from a Professional Services Agreement to a Customer Services Agreement. The additional cost, which included tax and other fees, was not to exceed an additional $500,000. The total cost of the Agreement was not to exceed $860,000 for three (3) years, effective October 1, 2014.

**Discussion:**
Xpedite Systems, LLC provides IEHP with its provider inbound and outbound faxing services via hosted services and is priced at a page per month fee. IEHP has a minimum monthly purchase obligation of $17,500 which ensures system uptime and reliable delivery.

Since 2014, IEHP has experienced a significant increase in membership going from 988,745 (December 2014) to 1,257,251 (December 2016), a 27% increase. In 2014, when the original agreement with Xpedite Systems, LLC was approved, IEHP did not anticipate this growth.

As a result, IEHP has also seen an increase in the provider inbound and outbound faxing services. IEHP is currently averaging around 780,000 inbound and outbound faxing pages per month at a cost of $30,000. As of November 2016, IEHP has run out of funding and has 10 months remaining on the current contract with Xpedite Systems, LLC.

IEHP is currently in need of an additional $300,000 ($30,000 x 10 months) in funding to meet its contractual obligation for the remaining 10 months.
VI. CONSENT AGENDA

Strategic Priorities:
☐ Quality of Care  ☑ Access to Care  ☑ Practice Transformation
☐ Human Development  ☑ Technology  ☐ Not Applicable

Fiscal Impact:
Included in FY 16/17 Budget

The additional cost is not to exceed $300,000 for the remainder of the contract term set to expire on October 1, 2017. The total cost under this Agreement shall not exceed $1.16 million

Reviewed by Counsel:
N/A
ADMINISTRATION

4. APPROVE THE PROFESSIONAL SERVICE AGREEMENT FOR COMPLIANCE STRATEGIES FOR CONSULTATION SERVICES

Recommended Action:
That the Governing Board of the Inland Empire Health Plan (IEHP) approve the Professional Service Agreement with Compliance Strategies to conduct a comprehensive Centers of Medicare & Medicaid Services (CMS) mock program audit. The total compensation payable under this agreement will not exceed $358,600.

Contact:
Rohan Reid, Executive Officer

Background:
In June of 2014, IEHP underwent a CMS Full Program Audit of the Medicare DualChoice (HMO SNP) line of business. As a result of this audit, IEHP received sixteen (16) Immediate Correction Action Requests (ICARs) and twenty (20) Correction Action Requests (CARs) for the deficiencies identified during this audit. IEHP immediately commenced corrective actions to remediate CMS’ audit findings. Remediation efforts were an organization wide effort which took place over several months and included the development of new processes, training, policy and procedure revisions, and other pertinent activities to correct the audit findings. IEHP submitted a response to the requests for ICARs on August 29, 2014 and a response to the request for CARs on November 5, 2014. On March 2, 2015 IEHP attested to CMS the remediation of all audit findings.

On June 25, 2015 and June 26, 2015, CMS conducted an Audit Validation via webinar. During the Audit Validation, CMS reviewed evidence to validate implementation of required corrective actions. On July 16, 2015, IEHP received the 2014 Audit Close-Out Notice which advised all conditions had been corrected with the exception of one finding related to the oversight of Delta Dental. Although CMS noted that IEHP had made significant improvements, they observed that Delta Dental continued to make incorrect Organization Determinations which lead to grievances and/or appeals. CMS continued to monitor IEHP’s efforts through the end of the D-SNP contract to ensure the one (1) outstanding finding was corrected.

IEHP initially engaged Compliance Strategies in March 2015 to provide consulting services to the Claims and Member Services Departments regarding operational strategies, recommend improvements to policies and procedures, and ensure continued validation of deficiencies identified during the 2014 CMS Program Audit. Claims and Member Services Departments have demonstrated improvement in their operational areas including processing times and staff knowledge since working with Compliance Strategies. Compliance Strategies has also successfully trained staff to develop tools according to CMS audit criteria.

Discussion:
To ensure IEHP remains aligned with Federal Regulations as it pertains to the DualChoice Cal MediConnect (CMC) Plan (Medicare-Medicaid Plan), IEHP would like to engage Compliance Strategies, Inc. to conduct a full scope mock CMS Program Audit. Compliance Strategies has
worked with various departments within IEHP on multiple projects and was selected on a sole source basis to conduct this mock audit based on the services offered, years of experience, and their established relationship with IEHP.

Under this Agreement, Compliance Strategies will provide consultation services to assist with determining the overall effectiveness of the Medicare Advantage (Part C) and Prescription Drug (Part D) programs by conducting a comprehensive full scope mock CMS Program Audit. The mock audit will focus on core operational areas identified including: Compliance Program Effectiveness; Part C Organization Determinations, Appeals, and Grievances (ODAG); MMP Model of Care Implementation; Part D Prescription Drug Coverage Determinations, Appeals, and Grievances (CDAG); and Part D Prescription Drug Formulary and Benefit Administration. Compliance Strategies will provide guidance during the phases of the mock audit to assist and train IEHP on the validation process, reviewing and approving identified CARs and ICARs, and monitoring the progress of remediation. Additionally, Compliance Strategies will work in conjunction with the Compliance Department to validate and ensure each CAR and ICAR is corrected. In addition to the mock audit, Compliance Strategies will provide IEHP with practical instruction on how to identify, remediate and mitigate risks and areas of non-compliance. Compliance Strategies will provide consulting services to the Compliance Department to enhance the Compliance Program while further developing the auditing and monitoring program. All planned activities for the mock audit are anticipated to span a duration of eight (8) months to one (1) year and will begin January 9, 2017.

**Strategic Priorities:**

- [ ] Quality of Care
- [ ] Access to Care
- [ ] Practice Transformation
- [ ] Human Development
- [ ] Technology
- [✓] Not Applicable

**Fiscal Impact:**

New Expenditure

The total compensation payable under this agreement will not exceed $358,600 for 1 year.

**Reviewed by Counsel:**

Yes
5. RATIFY AND APPROVE THE NEW HOSPITAL PER DIEM AGREEMENT WITH CASA COLINA HOSPITAL AND CENTERS FOR HEALTHCARE FOR ACUTE REHABILITATION, PHYSICAL THERAPY, SPEECH THERAPY AND OCCUPATIONAL THERAPY SERVICES

**Recommended Action:**
That the Governing Board of the Inland Empire Health Plan (IEHP) ratify and approve the Hospital Per Diem Agreement with Casa Colina Hospital and Centers for Healthcare, effective January 1, 2017.

**Contact:**
Kurt Hubler, Chief Network Officer

**Background:**
Casa Colina Hospital and Centers for Healthcare has agreed to participate in the IEHP Provider Network for all product line of business.

**Discussion:**
The Attachments B, Hospital Services and D, Compensation Rates were tailored to reflect the Acute Rehabilitation, Physical Therapy, Speech Therapy and Occupational Therapy services offered by Casa Colina Hospital and Centers for Healthcare.

**Strategic Priorities:**
- [ ] Quality of Care
- [x] Access to Care
- [ ] Practice Transformation
- [ ] Human Development
- [ ] Technology
- [ ] Not Applicable

**Fiscal Impact:**
Included in FY 16/17 Budget

**Reviewed by Counsel:**
Yes
VI. CONSENT AGENDA

PROVIDER NETWORK DEPARTMENT

6. RATIFY AND APPROVE THE NEW HOSPITAL PER DIEM AGREEMENT WITH CASA COLINA HOSPITAL AND CENTERS FOR HEALTHCARE FOR MEDICAL SURGICAL, INTENSIVE CARE, TELEMETRY AND OUTPATIENT SERVICES

**Recommended Action:**
That the Governing Board of the Inland Empire Health Plan (IEHP) ratify and approve the Hospital Per Diem Agreement with Casa Colina Hospital and Centers for Healthcare, effective January 1, 2017.

**Contact:**
Kurt Hubler, Chief Network Officer

**Background:**
Casa Colina Hospital and Centers for Healthcare has agreed to participate in the IEHP Provider Network for all lines of business.

**Discussion:**
The Attachments B, Hospital Services and D, Compensation Rates were tailored to reflect the Medical Surgical, Intensive Care, Telemetry and Outpatient services offered by Casa Colina Hospital and Centers for Healthcare.

**Strategic Priorities:**
- [X] Access to Care
- [ ] Practice Transformation
- [ ] Human Development
- [ ] Technology
- [ ] Not Applicable

**Fiscal Impact:**
Included in FY 16/17 Budget

**Reviewed by Counsel:**
Yes
VI. CONSENT AGENDA

PROVIDER NETWORK DEPARTMENT

7. RATIFY AND APPROVE THE FIFTH AMENDMENT TO THE INLAND EMPIRE HEALTH PLAN HOSPITAL PER DIEM AGREEMENT WITH LOMA LINDA UNIVERSITY MEDICAL CENTER

**Recommended Action:**
That the Governing Board of the Inland Empire Health Plan (IEHP) ratify and approve the Fifth Amendment to the Inland Empire Health Plan Hospital Per Diem Agreement with Loma Linda University Medical Center, effective December 1, 2016.

**Contact:**
Kurt Hubler, Chief Network Officer

**Background:**
Loma Linda University Medical Center is currently a contracted Provider in the IEHP Provider Network.

**Discussion:**
This Amendment extends the Agreement term for one month beginning December 1, 2016 through December 31, 2016.

**Strategic Priorities:**
- [ ] Quality of Care
- [X] Access to Care
- [ ] Practice Transformation
- [ ] Human Development
- [ ] Technology
- [ ] Not Applicable

**Fiscal Impact:**
Included in FY 16/17 Budget

**Reviewed by Counsel:**
Yes
VI. CONSENT AGENDA

PROVIDER NETWORK DEPARTMENT

8. RATIFY AND APPROVE THE FOURTEENTH AMENDMENT TO THE HOSPITAL PER DIEM AGREEMENT WITH PARKVIEW COMMUNITY HOSPITAL MEDICAL CENTER

Recommended Action:
That the Governing Board of the Inland Empire Health Plan (IEHP) ratify and approve the Fourteenth Amendment to the Hospital Per Diem Agreement with Parkview Community Hospital Medical Center, effective January 1, 2017.

Contact:
Kurt Hubler, Chief Network Officer

Background:
Parkview Community Hospital Medical Center is currently a contracted Hospital in the IEHP Network.

Discussion:
This Fourteenth Amendment extends the Agreement term for three (3) years, beginning January 1, 2017 through December 31, 2019 and includes Inpatient Hospital Services APR-DRG rates in Attachment C2, Compensation Rates.

Strategic Priorities:
☐ Quality of Care ☑ Access to Care ☐ Practice Transformation
☐ Human Development ☐ Technology ☐ Not Applicable

Fiscal Impact:
Included in FY 16/17 Budget

Reviewed by Counsel:
Yes
VI. CONSENT AGENDA

PROVIDER NETWORK DEPARTMENT

9. APPROVE THE NEW SKILLED NURSING FACILITY PROVIDER AGREEMENT WITH CLAREMONT FOOTHILLS HEALTH ASSOCIATES LLC DBA CLAREMONT CARE CENTER

**Recommended Action:**
That the Governing Board of the Inland Empire Health Plan (IEHP) approve the Skilled Nursing Facility Provider Agreement Claremont Foothills Health Associates LLC dba Claremont Care Center, effective February 1, 2017.

**Contact:**
Kurt Hubler, Chief Network Officer

**Background:**
Claremont Foothills Health Associates LLC dba Claremont Care Center has agreed to participate in the IEHP Provider Network in all line of business.

**Discussion:**
The Agreement was tailored to reflect the services offered by the Skilled Nursing Facility Provider Agreement with Claremont Foothills Health Associates LLC dba Claremont Care Center.

**Strategic Priorities:**
- [ ] Quality of Care
- [✓] Access to Care
- [ ] Practice Transformation
- [ ] Human Development
- [ ] Technology
- [ ] Not Applicable

**Fiscal Impact:**
Included in FY 16/17 Budget

**Reviewed by Counsel:**
Yes
VI. CONSENT AGENDA

PROVIDER NETWORK DEPARTMENT

10. APPROVE THE STANDARD TEMPLATES TO THE FOLLOWING MASTER AGREEMENTS AND ATTACHMENTS

**Recommended Action:**
That the Governing Board of the Inland Empire Health Plan (IEHP) approve the IEHP Standard Template Agreements and authorize the Chief Executive Officer or his designee to execute the template, wherein the body of the document remains unchanged except for the identifying information of the individual provider and non-material changes per individual provider requirements.

**Contact:**
Kurt Hubler, Chief Network Officer

**Background:**
IEHP contracts with physicians and other providers using Governing Board approved Standard Template Agreements. On a periodic basis IEHP reviews the IEHP & IEHP Direct Standard Templates and updates are made to the templates, as necessary. The Governing Board has authorized the Chief Executive Officer to sign the Agreements in lieu of having the Chairman of the Governing Board execute these documents.

**Discussion:**
The following standard templates are being presented to the Governing Board for approval:

1. Master Attachment B Template – Urgent Care

**Strategic Priorities:**
- ☑ Access to Care
- □ Practice Transformation
- □ Quality of Care
- □ Human Development
- □ Technology
- □ Not Applicable

**Fiscal Impact:**
None

**Reviewed by Counsel:**
Yes
PROVIDER NETWORK DEPARTMENT

11. APPROVAL OF THE EVERGREEN CONTRACTS

**Recommended Action:**
That the Governing Board of the Inland Empire Health Plan (IEHP) approve the listed Evergreen Contract for either an additional one (1) year term to five (5) year term.

**Contact:**
Kurt Hubler, Chief Network Officer

**Background:**
Evergreen Contract – A Contract that automatically renews on the same terms and subject to the same conditions as the original agreement, upon the approval of Governing Boards of Inland Empire Health Plan and IEHP Health Access, unless sooner terminated in accordance with the terms and conditions.

**Discussion:**
Renewal under the Evergreen Clause of the Following Agreements:
1) Admitter Agreement with Alejandro Antonio Bautista dba Valley Comprehensive Medical Group – Effective March 1, 2017, additional five (5) year term.
2) Ancillary Provider Agreement with Best Home Health Care, Inc. dba Best Home Health Care, Inc. – Effective February 1, 2017, additional five (5) year term.
3) Ancillary Provider Agreement with Joint Active Systems, Inc. – Effective March 1, 2017, additional one (1) year term.
4) Ancillary Provider Agreement with Maui Medical, Inc. – Effective March 1, 2017, additional five (5) year term.
5) Ancillary Provider Agreement with MFI Recovery Center – Effective March 1, 2017, additional five (5) year term.
6) Ancillary Provider Agreement with Quality Care Prosthetics & Orthotics, Inc. - Effective March 1, 2017, additional five (5) year term.
7) Ancillary Agreement with St. Lukes Hospice, Inc. – Effective February 1, 2017, additional five (5) year term.
8) Capitated IPA Agreement with San Bernardino Medical Group, Inc. – Effective March 1, 2017, additional one (1) year term.
9) Open Access Provider Agreement with Becker Pediatrics Medical Corporation – Effective March 1, 2017, additional five (5) year term.
10) Open Access Provider Agreement with Ching Chin Huang dba Sunshine Pediatrics Medical Group – Effective March 1, 2017, additional five (5) year term.
12) Open Access Provider Agreement with Max V Soliguen, M.D. – Effective March 1, 2017, additional five (5) year term.
13) Open Access Provider Agreement with Symonett Family Medical Center – Effective March 1, 2017, additional five (5) year term.
14) Skilled Nursing Facility Provider Agreement with KF Ontario Healthcare, LLC dba Ontario Healthcare Center – Effective February 1, 2017, additional three (3) year term.
15) Skilled Nursing Facility Provider Agreement with Pilgrim Place in Claremont – Effective March 1, 2017, additional three (3) year term.
16) Skilled Nursing Facility Provider Agreement with Redbrook Healthcare Associate, LLC dba Brookside Healthcare Center – Effective March 1, 2017, additional three (3) year term.
17) Participating Provider Agreement with Arshad M. Abid, M.D. dba Heart Institute Medical Center – Effective March 1, 2017, additional five (5) year term.
18) Participating Provider Agreement with C V Mehta, M.D. dba Southland Arthritis and Osteoporosis Center – Effective February 1, 2017, additional five (5) year term.
19) Participating Provider Agreement with Carrie E. Knoll, M.D. – Effective March 1, 2017, additional five (5) year term.
20) Participating Provider Agreement with Centrelake Medical Group, Inc. – Effective March 1, 2017, additional five (5) year term.
21) Participating Provider Agreement with Emily Katherine Rekuc dba Emily Rekuc DO, Inc. – Effective February 1, 2017, additional five (5) year term.
22) Participating Provider Agreement with J Robert West, M.D., Inc. dba West Dermatology and Surgery Medical Group – Effective March 1, 2017, additional five (5) year term.
23) Participating Provider Agreement with Pathcare Diagnostics, Inc. – Effective March 1, 2017, additional five (5) year term.
24) Participating Provider Agreement with Ravi Ashok Patel dba Niva Institute of Neurosciences, Inc. – Effective March 1, 2017, additional five (5) year term.
25) Participating Provider Agreement with Scott David Brook M.D., Inc. – Effective March 1, 2017, additional five (5) year term.
26) Participating Provider Agreement with Southern California Desert Retina Consultants, Effective March 1, 2017, additional five (5) year term.
27) Participating Provider Agreement with Sun City Cardiology Medical Center, Inc. Effective March 1, 2017, additional five (5) year term.
28) Participating Provider Agreement with Desert Occupational Therapy For Kids, Inc., Effective February 1, 2017, additional five (5) year term.
29) Urgent Care Provider Agreement with Desert Family Practice Associates Medical Group, Inc. dba Family Practice Associates, Effective March 1, 2017, additional five (5) year term.
30) Urgent Care Provider Agreement with Gospha G. Campbell M.D., Inc. dba Urgent Family Care – Effective February 1, 2017, additional five (5) year term.
31) Participating Provider Agreement – Vision (Exam only) with Bo Young Han, Inc. – Effective March 1, 2017, additional five (5) year term.
32) Participating Provider Agreement – Vision (Exam only) with Richard Gray – Effective March 1, 2017, additional five (5) year term.

**Strategic Priorities:**

- [ ] Quality of Care  ✔ Access to Care  [ ] Practice Transformation
- [ ] Human Development  [ ] Technology  [ ] Not Applicable
VI. CONSENT AGENDA

**Fiscal Impact:**
Included in FY 16/17 Budget

**Reviewed by Counsel:**
N/A
ADMINISTRATION

12. MONTHLY MEMBERSHIP REPORT

**Recommended Action:**
Review and File

**Contact:**
Bradley P. Gilbert, M.D., Chief Executive Officer

**Background:**
This report reflects actual membership versus the membership projections in the IEHP budget.

**Discussion:**
Slower growth in November reflects an increased rate of disenrollment due to annual redetermination activity.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Month</th>
<th>Forecast Membership</th>
<th>Actual Membership</th>
<th>+ or – Forecast</th>
<th>+ or – Last Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 16/17</td>
<td>July, 2016</td>
<td>1,171,286</td>
<td>1,201,505</td>
<td>30,219</td>
<td>28,546</td>
</tr>
<tr>
<td></td>
<td>August, 2016</td>
<td>1,177,410</td>
<td>1,228,277</td>
<td>50,867</td>
<td>26,772</td>
</tr>
<tr>
<td></td>
<td>September, 2016</td>
<td>1,194,074</td>
<td>1,242,231</td>
<td>48,157</td>
<td>13,954</td>
</tr>
<tr>
<td></td>
<td>October, 2016</td>
<td>1,199,662</td>
<td>1,252,697</td>
<td>53,035</td>
<td>10,466</td>
</tr>
<tr>
<td></td>
<td>November, 2016</td>
<td>1,257,729</td>
<td>1,257,108</td>
<td>(621)</td>
<td>4,411</td>
</tr>
</tbody>
</table>

**Strategic Priorities:**
- Quality of Care
- Access to Care
- Practice Transformation
- Human Development
- Technology
- Not Applicable

**Fiscal Impact:**
None

**Reviewed by Counsel:**
N/A
ADMINISTRATION

13. OVERVIEW OF THE AFFORDABLE CARE ACT

**Recommended Action:**
Review and File

**Contact:**
Bradley P. Gilbert, M.D., Chief Executive Officer

**Background:**
The President-elect ran on a platform that included the repeal of the Affordable Care Act (ACA). In addition, Republicans in Congress have repeatedly stated their intent to repeal the ACA, with one bill repealing it eventually reaching President Obama who vetoed it.

It is likely that there will be a repeal soon after the inauguration, with a defined transition period to some form of replacement.

**Discussion:**
There are many components in the ACA that impact IEHP, its Members and Providers. The major components include:

- **Medicaid eligibility expansion:** This included creating Medicaid eligibility for childless adults, and raising the income eligibility to 133% of the Federal Poverty Level (FPL). This has resulted in 330,000 plus new IEHP members, and approximately 400,000 newly insured individuals overall in the Inland Empire.

- **Mental Health services expansion:** Provisions in the ACA drove California to expand Mental Health services to individuals with mild to moderate mental health conditions through Medical Managed Care Plans like IEHP. The counties remain responsible for severely mentally ill.

- **Health Homes:** This program was designed to provide funding to Health Plans to allow development of clinic/doctor office based care management teams to better care for our Members.

There are many other provisions that impact children’s programs, eligibility processing, etc. but the above would have the most significant impacts on Members, Providers, and IEHP.

At this point it is too early to understand what changes will occur, particularly with the replacement (assuming they do a replacement), but it does appear two things will definitely happen:

1. “Delegation” of flexibility for state Medicaid program through a different payment methodology:
a. **Block Grants:** States would be provided a block grant that would be total payment for federal funds for the state Medicaid program. In theory the initial block grant amount would tie back to an amount equal to the total funding given in a recent year. Significant questions remain about what federal funds would be included in a block grant. California has a very complex funding structure for Medi-Cal including use of local match dollars (counties), Inter-governmental Transfers (IGT), hospital taxes, etc.

b. **Per capitation payment:** A per member per month payment based on aid code for federal funds

2. **Reduced funding:** At a minimum it is very likely that the federal funds for the MCE population will be significantly reduced during the transition period by lowering the current 95% match to 50% match for California

   It is not yet clear whether any minimum requirements would be attached to these new funding and flexibility processes.

   More information regarding specific plans for the replacement will become available in the next few months and our plan would be to return to the Board to provide additional information specifically around IEHP strategies to protect our Members, Providers and IEHP.

### Strategic Priorities:

- [ ] Quality of Care
- [ ] Access to Care
- [ ] Practice Transformation
- [ ] Human Development
- [x] Not Applicable

### Fiscal Impact:

None

### Reviewed by Counsel:

N/A
FINANCE DEPARTMENT

14. REVIEW OF THE MONTHLY FINANCIAL REPORTS

Recommended Action
Review and File

Contact
Keenan Freeman, Chief Financial Officer

Background
This report is presented monthly and is a Summary of the Financial Statements.

Discussion
Summary Income Statement for the Month Ended November 30, 2016.

Highlights:

Enrollment of approximately 1.2 million generated a net surplus of $11.5 million for the month ended November 30, 2016:

- The favorable premium revenue variance of $8.8 million is due to the budget assumptions on retroactive revenue, a $4.3 million recovery of prior maternity deliveries, and increased BHT revenue.

- Medical costs now include a $7.9 in Incurred But Not Reported (IBNR) loss adjustment expense (LAE) recommended by our auditors and actuaries. This amount will vary monthly. In future periods, IEHP will only recognize the net change in the monthly (LAE) estimate.

- Total operating expenses are less than budget by $4.2 million. This variance was due to lower than expected consulting, salary, and IT Core project expenses.

Summary Income Statement for the Month Ended November 30, 2016 is on the following page

Strategic Priorities:

☐ Quality of Care  ☐ Access to Care  ☐ Practice Transformation
☐ Human Development  ☐ Technology  ✔ Not Applicable

Fiscal Impact
Included in FY 16/17 Budget

Reviewed by Counsel
N/A
### Inland Empire Health Plan

#### Summary Income Statement for the Month Ended November 30, 2016

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>Variance $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medi-Cal</td>
<td>352,376,050</td>
<td>340,042,228</td>
<td>12,333,822</td>
</tr>
<tr>
<td>Healthy Kids</td>
<td>61,900</td>
<td>48,008</td>
<td>13,892</td>
</tr>
<tr>
<td>Medicare</td>
<td>24,673,028</td>
<td>23,766,333</td>
<td>906,694</td>
</tr>
<tr>
<td><strong>Net Revenue</strong></td>
<td>377,110,977</td>
<td>363,856,570</td>
<td>13,254,408</td>
</tr>
<tr>
<td><strong>Medical Costs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Medi-Cal Costs</td>
<td>326,087,432</td>
<td>308,903,555</td>
<td>(17,183,877)</td>
</tr>
<tr>
<td>Total Healthy Kids Costs</td>
<td>28,688</td>
<td>59,319</td>
<td>30,631</td>
</tr>
<tr>
<td>Total Medicare Costs</td>
<td>25,517,412</td>
<td>26,302,901</td>
<td>785,489</td>
</tr>
<tr>
<td><strong>Total Medical Costs</strong></td>
<td>351,633,532</td>
<td>335,265,775</td>
<td>(16,367,756)</td>
</tr>
<tr>
<td><strong>Gross Margin</strong></td>
<td>25,477,446</td>
<td>28,590,795</td>
<td>(3,113,349)</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>15,034,695</td>
<td>19,195,258</td>
<td>4,160,563</td>
</tr>
<tr>
<td><strong>Operating Surplus (Deficit)</strong></td>
<td>10,442,751</td>
<td>9,395,536</td>
<td>1,047,214</td>
</tr>
<tr>
<td>Total AB85</td>
<td>2,021,778</td>
<td>2,055,127</td>
<td>(33,349)</td>
</tr>
<tr>
<td>Other Income (Expense)</td>
<td>297,322</td>
<td>323,263</td>
<td>(25,940)</td>
</tr>
<tr>
<td>Property Management Income (Expense)</td>
<td>(30,611)</td>
<td>(429,011)</td>
<td>398,400</td>
</tr>
<tr>
<td><strong>Total Non Operating Income (Expense)</strong></td>
<td>2,288,490</td>
<td>1,949,379</td>
<td>339,110</td>
</tr>
<tr>
<td>Behavioral Health Clinic</td>
<td>-</td>
<td>1,570,469</td>
<td>1,570,469</td>
</tr>
<tr>
<td>Provider Capital Fund</td>
<td>1,222,222</td>
<td>1,222,222</td>
<td>0</td>
</tr>
<tr>
<td><strong>Board Designated Projects</strong></td>
<td>1,222,222</td>
<td>2,792,691</td>
<td>1,570,469</td>
</tr>
<tr>
<td><strong>Net Surplus (Deficit)</strong></td>
<td>11,509,018</td>
<td>8,552,224</td>
<td>2,956,794</td>
</tr>
</tbody>
</table>

Note: Totals may be subject to immaterial rounding differences.
14. REVIEW OF THE MONTHLY FINANCIAL REPORTS (continued…..)

   Recommended Action
   Review and File

   Contact
   Keenan Freeman, Chief Financial Officer

   Background
   This report is presented monthly and is a Summary of the Financial Statements.

   Discussion
   Summary Income Statement on a Year-To-Date basis for the period ended November 30, 2016.

   Highlights:

   Member Months of approximately 6.2 million generated a net surplus of $73.2 million for five months ended November 30, 2016:

   • BHT supplemental revenue of $16.2 million for service period November 2014 through August 2016 was received in August 2016. $12.4 million in revenue was related to service periods in prior fiscal years.

   • Medi-Cal Classic and Expansion enrollment increases during the year led to a positive increase in revenue of $34.7 million.

   • Maternity revenue includes revenue from prior service periods of approximately $4.2 million.

   • Changes in the MCE risk pool funding increased expenses by $27.5 million.

   • Medical costs include a $7.9 Incurred But Not Reported (IBNR) loss adjustment expense.

   • Non Operating Income includes $9.9 million in AB85 25% rate range revenue.

   Summary Income Statement for the Five Months Ended November 30, 2016 is on the following page.
## Inland Empire Health Plan
### Year-To-Date Summary Income Statement for the period ended November 30, 2016.

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>Variance $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medi-Cal</td>
<td>1,716,441,893</td>
<td>1,693,618,055</td>
<td>22,823,838</td>
</tr>
<tr>
<td>Healthy Kids</td>
<td>281,561</td>
<td>317,517</td>
<td>(35,956)</td>
</tr>
<tr>
<td>Medicare</td>
<td>120,617,833</td>
<td>120,574,438</td>
<td>43,394</td>
</tr>
<tr>
<td><strong>Net Revenue</strong></td>
<td>1,837,341,286</td>
<td>1,814,510,010</td>
<td>22,831,276</td>
</tr>
<tr>
<td><strong>Medical Costs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Medi-Cal Costs</td>
<td>1,569,084,923</td>
<td>1,544,957,591</td>
<td>(24,127,332)</td>
</tr>
<tr>
<td>Total Healthy Kids Costs</td>
<td>244,705</td>
<td>321,510</td>
<td>76,805</td>
</tr>
<tr>
<td>Total Medicare Costs</td>
<td>129,145,500</td>
<td>129,145,782</td>
<td>282</td>
</tr>
<tr>
<td><strong>Total Medical Costs</strong></td>
<td>1,698,475,127</td>
<td>1,674,424,882</td>
<td>(24,050,245)</td>
</tr>
<tr>
<td><strong>Gross Margin</strong></td>
<td>138,866,160</td>
<td>140,085,128</td>
<td>(1,218,969)</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>72,338,710</td>
<td>83,090,455</td>
<td>10,751,745</td>
</tr>
<tr>
<td><strong>Operating Surplus (Deficit)</strong></td>
<td>66,527,450</td>
<td>56,994,673</td>
<td>9,532,777</td>
</tr>
<tr>
<td>Total AB85</td>
<td>9,864,488</td>
<td>9,954,819</td>
<td>(90,331)</td>
</tr>
<tr>
<td>Other Income (Expense)</td>
<td>1,800,219</td>
<td>1,908,242</td>
<td>(108,023)</td>
</tr>
<tr>
<td>Property Management Income (Expense)</td>
<td>(622,352)</td>
<td>(1,322,161)</td>
<td>699,809</td>
</tr>
<tr>
<td><strong>Total Non Operating Income (Expense)</strong></td>
<td>11,042,356</td>
<td>10,540,901</td>
<td>501,456</td>
</tr>
<tr>
<td>Behavioral Health Clinic</td>
<td>1,950,327</td>
<td>4,406,716</td>
<td>2,456,390</td>
</tr>
<tr>
<td>Provider Capital Fund</td>
<td>2,444,444</td>
<td>2,444,444</td>
<td>0</td>
</tr>
<tr>
<td><strong>Board Designated Projects</strong></td>
<td>4,394,771</td>
<td>6,851,161</td>
<td>2,456,389</td>
</tr>
<tr>
<td><strong>Net Surplus (Deficit)</strong></td>
<td>73,175,035</td>
<td>60,684,413</td>
<td>12,490,622</td>
</tr>
</tbody>
</table>

Note: Totals may be subject to immaterial rounding differences.
FINANCE DEPARTMENT

14. REVIEW OF THE MONTHLY FINANCIAL REPORTS (continued….)

Recommended Action
Review and File

Contact
Keenan Freeman, Chief Financial Officer

Background
This report is presented monthly and is a Summary of the Financial Statements.

Discussion
Balance Sheet as of November 30, 2016.

Balance Sheet Highlights:

- Cash decreased by $275.7 million compared to October 2016. The cash decrease was primarily due to a delay in receiving the November 2016 DHCS capitation payment. The November 2016 DHCS capitation payment was received in December 2016. The cash decrease was partially offset by receipt of an additional $32.5 million from CMS due to the 2015 Part D annual reconciliation.

- Incurred But Not Reported (IBNR) increased by $22.1 million compared to October 2016. The increase includes a $7.9 million loss adjustment expense.

- Due to BOE increased by $10.3 million compared to October 2016. The increase was due to the MCO tax accrual for the month of November 2016.

Board approved liquidity analysis is non-compliant at 81.3%

<table>
<thead>
<tr>
<th>Total Assets:</th>
<th>$ 1.9 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Liabilities:</td>
<td>$ 1.2 billion</td>
</tr>
<tr>
<td>Net Assets:</td>
<td>$ 761.8 million</td>
</tr>
</tbody>
</table>

Balance Sheet as of November 30, 2016 is on the following page.
**Inland Empire Health Plan**  
**Balance Sheet as of November 30, 2016**  

<table>
<thead>
<tr>
<th></th>
<th>Nov FY1617</th>
<th>Oct FY1617</th>
<th>Jun FY1516</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>978,315,985</td>
<td>1,254,025,612</td>
<td>871,209,583</td>
</tr>
<tr>
<td>Restricted Fund</td>
<td>300,000</td>
<td>300,000</td>
<td>300,000</td>
</tr>
<tr>
<td>DHCS/CMS Receivable</td>
<td>794,190,208</td>
<td>444,655,260</td>
<td>739,174,797</td>
</tr>
<tr>
<td>Other Receivables</td>
<td>52,526,350</td>
<td>81,925,245</td>
<td>57,332,338</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>11,713,195</td>
<td>10,696,382</td>
<td>9,395,968</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td>1,837,045,738</td>
<td>1,791,602,499</td>
<td>1,677,412,686</td>
</tr>
<tr>
<td><strong>FIXED ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building, Office Furniture &amp; Equipment</td>
<td>186,508,458</td>
<td>184,404,798</td>
<td>130,455,727</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>(37,168,469)</td>
<td>(36,295,314)</td>
<td>(31,571,612)</td>
</tr>
<tr>
<td><strong>NET FIXED ASSETS</strong></td>
<td>149,339,989</td>
<td>148,109,484</td>
<td>98,884,115</td>
</tr>
<tr>
<td><strong>DEFERRED OUTFLOWS OF RESOURCES</strong></td>
<td>5,620,234</td>
<td>5,620,234</td>
<td>5,620,234</td>
</tr>
<tr>
<td><strong>NET OTHER ASSETS</strong></td>
<td>325,755</td>
<td>325,755</td>
<td>325,755</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>1,992,331,716</td>
<td>1,945,657,972</td>
<td>1,782,242,790</td>
</tr>
</tbody>
</table>

Note: Totals may be subject to immaterial rounding differences.
## LIABILITIES AND NET ASSETS

### CURRENT LIABILITIES

**MEDICAL**
- Incurred But Not Reported (IBNR) 280,774,731 258,690,573 271,208,742
- Accrued Medical Expenses 414,847,420 426,790,851 434,388,560
- Capitation Payable 1,049,489 726,889 652,009
- Deferred Revenue - - -

**OTHER**
- Due to DHCS 470,789,897 455,136,634 326,240,593
- Due to BOE 32,032,310 21,694,652 29,824,591
- Due to CMS - - -
- Due to DOI - - -

**ADMINISTRATIVE**
- Accounts Payable 2,673,067 1,931,103 3,394,248
- Accrued Operating Expenses 14,865,279 16,719,443 14,388,385
- Accrued Salaries and Benefits 9,753,362 9,709,134 9,547,340
- Tenant Deposits & Prepaids 113,330 288,517 110,330
- Current Portion of LTD 517,259 517,259 511,832

**TOTAL CURRENT LIABILITIES**

### LONG TERM LIABILITIES

- Lease Payable 764,430 810,794 994,628
- Note Payable - - -
- Less Current Portion of LTD (517,259) (517,259) (511,832)

**TOTAL LONG TERM LIABILITIES**

### DEFERRED INFLOWS OF RESOURCES

**TOTAL LIABILITIES**

### NET ASSETS

**Net Increase (Decrease) in Net Assets**

**TNE Requirement**

**Reserve for FQHC**

**Residual Fund Balance**

**TOTAL LIABILITIES AND NET ASSETS**

*Note: Totals may be subject to immaterial rounding differences.*
INFORMATION TECHNOLOGY DEPARTMENT

15. APPROVE THE SECOND AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH SIDEBENCH STUDIOS, LLC

**Recommended Action:**
That the Governing Board of the Inland Empire Health Plan (IEHP) approve the Second Amendment to the Professional Services Agreement (PSA) with Sidebench Studios, LLC for the provision of Mobile Augmentation Development Services for an additional cost not to exceed $800,000, effective January 9, 2017 through the remainder of the contract period set to expire on September 30, 2018. The total cost under this Agreement shall not exceed $1.8 million.

**Contact:**
Michael Deering, Chief Information Officer

**Background:**
In August 2015, IEHP conducted a Request for Proposal (RFP) for mobile development augmentation services. IEHP received a total of five (5) RFP responses from xCube, Career Metrics, SideBench Studios, LLC, Dell and Prelude. Sidebench Studios, LLC (Sidebench) was selected based on receiving the highest overall average score during the RFP evaluation.

Sidebench is a modern technology consulting and development studio. They provide product strategy, design and development for custom applications. Their team of strategists, technical architects, product managers, and user experience specialists partner with innovative companies to build long-term technology strategies and create powerful applications for business and consumer use.

In September 2015 under Minute Order 15-218, the Governing Board authorized the Chief Executive Officer to negotiate, and after legal review and approval, sign an agreement with Sidebench at a cost not to exceed $450,000 for two (2) years. The PSA between IEHP and Sidebench was finalized on September 15, 2015 and effective through September 16, 2017.

In June 2016 under Minute Order 16-96, the Governing Board again authorized the Chief Executive Officer to negotiate and, after legal review and approval, sign a First Amendment to the PSA with Sidebench at an additional estimated cost not to exceed $550,000 and extended the term for one (1) additional year through September 30, 2018. The new total cost under this Agreement not to exceed an estimated $1.0 million.

IEHP is utilizing Sidebench to develop mobile applications for its members, providers and other communities to provide enhanced self-service capabilities anywhere and anytime and also ensure ease of access to information for increased member engagement.

The proposed solution is to augment IEHP’s IT capacity with Sidebench’s experience and expertise in product strategy, design and development of native mobile applications beginning with the Member Portal applications (apps) and extending into future projects for members and providers. The goals of IEHP and Sidebench’s partnership include:

- Create user-friendly mobile applications
- Extend the functionality of IEHP’s technical infrastructure
VII. POLICY AGENDA

- Increase member access to vital healthcare information
- Widespread adoption of mobile applications by members
- Streamline internal business operations through future products.
- Begin a long term, ongoing relationship with IEHP for mobile development services

**Discussion:**
IEHP is requesting approval of the Second Amendment for an increase budget of $800,000 for the discovery, design, and development of additional features and enhancements for the Member Portal app, as well as the ongoing maintenance and support of the app as outlined in the original agreement. The Second Amendment will add the following scope of work for the Member Portal Apps:

**Member Portal Apps - Additional Features and Enhancements**
- Health Education
- Secure messaging & notifications
- Urgent Care lookup
- Doctor Search
- Updates for the National Committee for Quality Assurance (NCQA)
- Behavioral Health questionnaires/assessments
- Updates to apps as a result of IEHP API changes
- Exploration and implementation of TeleDoc functionality (MDLIVE)
  - IEHP’s primary goal with TeleDoc is for online physician services to provide IEHP members with quick and convenient access to physician care.
  - The service shall enable members to gain access to board-certified doctors using telephonic and/or video devices.
- My Health Assessment section
- Pop-up prompt for user to review the app on the App Store or Google Play
- Allow sorting of doctor’s list
- Improved page load times / performance
- Integration of SMS alerts via mPulse
- Submission confirmation after user successfully submits a Contact Form
- Menu updates
- Request for Medi-Cal Prescription Drug Coverage Determination
- Immunization Record download
- Spanish translations for new modules and sections
- Authorizations: Authorizations PDF view
- Authorizations: Determine if an Authorization letter exists for an Authorization item

**Member Portal Apps – Ongoing Maintenance & Support**
- Preventative maintenance and support
- Bug fixes and enhancements
- Performance monitoring, management, and testing
- Monitoring and responding to support ticketing system
- Updates for newly related operating systems
This will allow IEHP to protect its investment through the addition of critical features and key fixes in a timely manner. The expanded cap will also ensure IEHP can pursue with Sidebench any to be determined (TBD) features and updates as a result of new web-based features, API updates, user feedback, etc.

**Strategic Priorities:**
- [✓] Quality of Care
- [✓] Access to Care
- [ ] Practice Transformation
- [ ] Human Development
- [✓] Technology
- [ ] Not Applicable

**Fiscal Impact:**
Included in FY 16/17 Budget

Requesting an additional $800,000, effective January 9, 2017 through the remainder of the contract period set to expire on September 30, 2018. The total cost under this Agreement shall not exceed $1.8 million.

**Reviewed by Counsel:**
Yes
MEDICAL SERVICES DEPARTMENT

16. DELEGATION OF AUTHORITY TO APPROVE A CONTRACT WITH ALLTRAN FOR HEALTH RISK ASSESSMENT AND CARE PLAN ADMINISTRATIVE SERVICES

**Recommended Action:**
That the Governing Board of the Inland Empire Health Plan (IEHP) authorize the Chief Executive Officer (CEO) to finalize contract negotiations and, after legal review and approval, sign a contract with Alltran for the provision of Health Risk Assessment (HRA) and Care Plan Administrative Services for a total annual cost of $812,000

**Contact:**
Marcia Anderson, Chief of Medical Services

**Background:**
In November 2010, the Federal government approved California’s five-year “Bridge to Reform” Section 1115 Waiver which authorized mandatory enrollment of Seniors and Persons with Disabilities (SPD) into Medi-Cal managed care. Under this waiver, the Centers for Medicare and Medicaid Services (CMS) required the State to have all health plans perform a preliminary needs assessment for these mandatorily enrolled SPDs. In 2010, IEHP completed a Request for Proposal (RFP) process for HRA administration and care plan development services. Decision Support Systems (DSS) Research was selected as the vendor and contracted with IEHP in December 2010 under Resolution 10-309.

With the 2014 implementation of the Cal MediConnect (CMC) dual demonstration project, the need for HRAs increased to include all CMC IEHP members who also required an initial HRA and annually thereafter. The CMC members were added to the DSS contract.

On October 10, 2016, via phone call, DSS notified IEHP of their intent to cancel the contract. DSS determined it was not feasible for them to make the necessary investments to continue to meet additional HRA requirements. DSS requested to terminate the current Agreement by December 31, 2016. IEHP successfully negotiated with DSS to provide HRA services for members through March 2017 and end the contract June 1, 2017 in order to complete the contact outreach portion for the January through March members. On December 12, 2016 under Minute Order 16-200, the Governing Board approved the Sixth Amendment to the current Agreement with DSS that provides HRA services through March 31, 2017, with final invoices to be paid prior to the June 1, 2017 expiration.

**Discussion:**
In order to avoid a regulatory compliance issue, due to the unexpected termination notice from DSS and to ensure no gap in HRA administration, IEHP quickly explored other California Medi-Cal Managed Care plans for viable alternatives. Given the timeframe and the need for compliance, there was not adequate time for a RFP process. The CEO approved a sole source contract with Alltran for HRA services on December 8, 2016 based on Alltran’s unique experience with Cal MediConnect, and over 15 years of experience providing HRA and care plan administrative services for Seniors and Persons with Disabilities (SPD) and Medicare DualChoice.
CalMediConnect Members for other public Medi-Cal Managed Care Plans. IEHP needs Alltran to begin providing HRA and Care Plan Administration Services for SPD and CalMediConnect Members effective January 2017 through March 31, 2018 at a cost not to exceed $812,000.

**Strategic Priorities:**

- [ ] Quality of Care
- [ ] Access to Care
- [x] Practice Transformation
- [ ] Human Development
- [ ] Technology
- [ ] Not Applicable

**Fiscal Impact:**

New Expenditure

Total compensation payable under this Agreement shall not exceed $812,000.

**Reviewed by Counsel:**

Pending
17. APPROVE YEAR 2 OF THE GLOBAL QUALITY PAY FOR PERFORMANCE PROGRAM BASED ON CALENDAR YEAR 2017 PERFORMANCE.

**Recommended Action:**
That the Governing Board of the Inland Empire Health Plan (IEHP) approve the Global Quality Pay for Performance (P4P) program Year 2, designed to improve quality performance among Primary Care Physicians (PCP) and Independent Physician Associations (IPAs) in 2017. The budget for the 2017 program is $38 million for the PCP component and $30 million for the IPA component, and a combined total budget of $68 million.

**Contact:**
Jennifer N. Sayles, M.D., M.P.H, Chief Medical Officer

**Background:**
This is an expansion of the previously approved 2016 Global Quality P4P Program. IEHP’s quality program goals provide meaningful performance measurement and reporting to support IPA and Provider quality activities. This reporting allows IPAs and Providers to compare their performance to their peer groups. Programs like the Global Quality P4P Program provides a mechanism to offer performance-based revenue to Providers that demonstrate clinical quality performance and quality improvement.

IEHP’s Physician Pay for Performance (P4P) programs to support key quality areas and have been in place since 1999. These programs have a cumulative $27 million FY 16-17 budget. Programs currently in place include: Immunizations, Well-Child Visits, Perinatal Care, Pap Tests, DualChoice Annual Visits, and Asthma Care. All physician P4P programs were designed to support better outcomes on IEHP’s quality measures, specifically HEDIS® improvement. As previously presented, IEHP continues to perform at or below the 50th percentile nationally for Medicaid in many reported measures for HEDIS® 2016 that measure quality.

In an effort to move toward a more Value-Based payment approach, IEHP launched the Global Quality P4P Program in 2016 allowing for an alternative incentive payment model aimed at improving quality and HEDIS® performance. IEHP recommends expanding the 2016 Global Quality P4P programs for 2017, with additional program components described below.

**Discussion:**
2017 Global Quality P4P Program:

**Components:**
The 2017 Global Quality P4P Program provides financial rewards to IPAs and Primary Care Providers (PCPs) that provide high quality care to IEHP Members, and provides an opportunity to receive performance based revenue above capitation. Under this program, IPAs and PCPs can receive incentive payments for high performance and for improved performance in key quality measures.
Table 1 below provides a list of the twenty (20) measures included in the 2017 Global Quality P4P Program. These measures have been categorized into 4 domains: Clinical Quality; Behavioral Health Integration; Patient Experience; Encounter Data.

Measures included in the Clinical Quality domain uses standard HEDIS process and outcomes measures based on the specifications published by the National Committee on Quality Assurance (NCQA) and an additional quality measure evaluated by the Department of Healthcare Services (DHCS) in their Medi-Cal health plan quality performance evaluation.

Measures included in the Behavioral Health Integration domain include measures required by DHCS in their evaluation of Medi-Cal health plan quality performance and were based on National Quality Forum (NQF) measures.

Measures included in the Patient Experience domain include Member satisfaction survey questions that are included in the Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey published by the Agency for Healthcare Research and Quality (AHRQ). The CAHPS survey is used by NCQA to evaluate health plan quality as part of their Health Plan Accreditation program.

The final measure domain is Encounter Data. Primary Care Physicians eligible for the program will receive payment based on meeting encounter data rates for the SPD and non SPD population. For the IPA Global Quality P4P program, IEHP will use IPA encounter data submission rates as a “performance gate” for participating in the program. Please refer to the “IPA Encounter Data Gate” section for additional details on the methodology.

Measures included in the 2017 Global Quality P4P Program include measures identified in the Medi-Cal Core Measure Set as established under the Integrated Healthcare Association (IHA) P4P Program.

<table>
<thead>
<tr>
<th>Domain</th>
<th>Measure</th>
<th>Program</th>
<th>Population</th>
<th>Tier 1 Goal</th>
<th>Tier 2 Goal</th>
<th>Tier 3 Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clinical Quality</td>
<td>Annual Monitoring for Patients on Persistent Medications Total (New)³</td>
<td>IPA &amp; PCP</td>
<td>Adults</td>
<td>92%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clinical Quality</td>
<td>Asthma Medication Management 75% (New)²</td>
<td>IPA &amp; PCP</td>
<td>Adults</td>
<td>48%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clinical Quality</td>
<td>Breast Cancer Screening²</td>
<td>IPA &amp; PCP</td>
<td>Women's Health</td>
<td></td>
<td>10% Reduction in Non-Compliance</td>
<td>71%</td>
</tr>
<tr>
<td>Clinical Quality</td>
<td>Cervical Cancer Screening²</td>
<td>IPA &amp; PCP</td>
<td>Women's Health</td>
<td></td>
<td>20% Reduction in Non-Compliance</td>
<td>73%</td>
</tr>
<tr>
<td>Clinical Quality</td>
<td>Childhood Immunizations - Combo 10²</td>
<td>IPA &amp; PCP</td>
<td>Pediatrics</td>
<td>73%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clinical Quality</td>
<td>Childhood Immunizations - Combo 3 (New)¹</td>
<td>IPA &amp; PCP</td>
<td>Pediatrics</td>
<td>80%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clinical Quality</td>
<td>Comprehensive Diabetes Care - Eye Exam²</td>
<td>IPA &amp; PCP</td>
<td>Adults</td>
<td>80%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1. 2017 IPA Global Quality P4P Program Measures
<table>
<thead>
<tr>
<th>Domain</th>
<th>Measure</th>
<th>Program</th>
<th>Population</th>
<th>Tier 1 Goal</th>
<th>Tier 2 Goal</th>
<th>Tier 3 Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clinical Quality</td>
<td>Comprehensive Diabetes Care - HbA1c Control &lt;8 (New)²</td>
<td>IPA &amp; PCP</td>
<td>Adults</td>
<td>58%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clinical Quality</td>
<td>Immunizations for Adolescents - Combo 2 (New)³</td>
<td>IPA &amp; PCP</td>
<td>Pediatrics</td>
<td>25%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clinical Quality</td>
<td>Initial Health Assessment</td>
<td>IPA &amp; PCP</td>
<td>Adults and Pediatric</td>
<td>50%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clinical Quality</td>
<td>Postpartum Care (New)²</td>
<td>IPA &amp; PCP</td>
<td>Women's Health</td>
<td>72%</td>
<td>10% Reduction in Non-Compliance</td>
<td>20% Reduction in Non-Compliance</td>
</tr>
<tr>
<td>Clinical Quality</td>
<td>Timeliness of Prenatal Care (New)²</td>
<td>IPA &amp; PCP</td>
<td>Women's Health</td>
<td>92%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clinical Quality</td>
<td>Well-Child 3-6 Years of Life¹</td>
<td>IPA &amp; PCP</td>
<td>Pediatrics</td>
<td>83%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Behavioral Health Integration</td>
<td>Positive Depression Screening with Follow Up Plan (New)³</td>
<td>IPA &amp; PCP</td>
<td>Adults</td>
<td>Baseline Year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Behavioral Health Integration</td>
<td>Screening for Clinical Depression (New)³</td>
<td>IPA &amp; PCP</td>
<td>Adults</td>
<td>Baseline Year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Patient Experience</td>
<td>Member Satisfaction Survey - Access to Care needed Right Away³</td>
<td>IPA &amp; PCP</td>
<td>Adults and Pediatric</td>
<td>83%</td>
<td>86%</td>
<td>88%</td>
</tr>
<tr>
<td>Patient Experience</td>
<td>Member Satisfaction Survey - Access to Routine Care⁴</td>
<td>IPA &amp; PCP</td>
<td>Adults and Pediatric</td>
<td>79%</td>
<td>82%</td>
<td>84%</td>
</tr>
<tr>
<td>Patient Experience</td>
<td>Member Satisfaction Survey - Coordination of Care³</td>
<td>IPA &amp; PCP</td>
<td>Adults and Pediatric</td>
<td>82%</td>
<td>85%</td>
<td>87%</td>
</tr>
<tr>
<td>Patient Experience</td>
<td>Member Satisfaction Survey - Rating of Personal Doctor (New)⁴</td>
<td>PCP Only</td>
<td>Adults and Pediatric</td>
<td>81%</td>
<td>82%</td>
<td>85%</td>
</tr>
<tr>
<td>Encounter Data</td>
<td>Encounter Data PCP PMPY – SPD</td>
<td>PCP Only</td>
<td>Adults and Pediatric</td>
<td>2.0</td>
<td>2.5</td>
<td>3.0</td>
</tr>
<tr>
<td>Encounter Data</td>
<td>Encounter Data PCP PMPY – Non-SPD</td>
<td>PCP Only</td>
<td>Adults and Pediatric</td>
<td>1.5</td>
<td>2.0</td>
<td>2.5</td>
</tr>
</tbody>
</table>

¹ Tier 3 goal set at the 90th percentile Medicaid published in the 2016 Audit Means, Percentiles
² Tier 3 goal set at the 90th percentile Medicaid published in the Final Accreditation Benchmarks and Thresholds
³ First year measures; benchmarking and reporting only; no incentives
⁴ Tier 3 goal set at the 90th percentile Medicaid published in 2016 NCQA Quality Compass® Medicaid CAHPS Percentiles
⁵ Tier 3 goal set based on IEHP prior year performance of like-measures. No benchmark available due to new measure.
Scoring and Payment Components:
Payment will be awarded to IPAs and PCPs based on individual performance for reaching established performance tier goals (Quality Score). Rates will be shared with PCPs and IPAs quarterly to track progress toward goals.

IPA and PCP performance on each quality measure will include a point score (Quality Score). Points will be assigned based on the tier goal achieved (i.e., tier 1=1 pt, tier 2=2 pts, tier 3=3 pts). An average of all Quality Scores (must have a minimum of 3 scored measures to qualify) will determine the overall Global Quality Performance Score. Global Quality P4P payments will be distributed annually according to the following formula:

\[
\text{Global Quality Performance Score} \times \# \text{ Medi-Cal Average Member Months} = \text{Member Points}
\]

\[
\text{Member Points} \times \text{Payment Amount per Member Point}
\]

IPAs must have at least 5,000 Medi-Cal Members assigned as of Jan 1, 2017 and at least 30 members in the denominator for each quality measure to qualify.

PCPs must have at least 250 Medi-Cal Members assigned as of Jan 1, 2017 and at least 30 members in the denominator for each quality measure to qualify.

IPA Encounter Data Gate:
IPA encounter data performance will be measured based on all professional encounters provided by the IPA for services rendered during the measurement year (2017). Encounter data volume will be compared to the encounter data benchmark rates based on expected encounter volume for SPD and Non-SPD membership. IPAs individual performance will be calculated against each IPAs proportion of SPD vs. Non-SPD membership.

Each gate corresponds to a higher rate of encounter data volume. As IPAs reach higher levels of encounter data submission, they become eligible for a larger percentage of the total possible Global Quality P4P incentive payment (i.e., 50%, 75%, 100% payout of total incentive dollars). Encounter rates are expressed as number of encounters per member per year (PMPY). Below is a table describing the Encounter Data Gates, performance levels, and the impact to incentive payments.

<table>
<thead>
<tr>
<th>% of Possible Incentive Payment</th>
<th>Encounter Data Gate</th>
<th>Non-SPD PMPY</th>
<th>SPD PMPY</th>
</tr>
</thead>
<tbody>
<tr>
<td>50%</td>
<td>Gate 1</td>
<td>3.0</td>
<td>9.0</td>
</tr>
<tr>
<td>75%</td>
<td>Gate 2</td>
<td>4.0</td>
<td>11.0</td>
</tr>
<tr>
<td>100%</td>
<td>Gate 3</td>
<td>5.0</td>
<td>13.0</td>
</tr>
</tbody>
</table>

Encounter data gating methodology will only apply to the IPA methodology.
Pay for Performance Programs:
As IEHP expands the Global Quality Programs, the funding of the Physician P4P Programs will be reduced to redirect the funding to support this newer value-based approach. Specifically, the current Physician P4P Programs have an annual budget of approximately $27 million for FY 16-17. For the FY 17-18 budget, IEHP will transition approximately $8 million of the funds from the Physician P4P Programs to support the 2017 Global Quality P4P PCP program effective July 1, 2017.

<table>
<thead>
<tr>
<th>P4P Program</th>
<th>Current P4P Payment (FY 16-17)</th>
<th>Estimated Future P4P Payment (FY 17-18)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diabetes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HbA1c Test</td>
<td>$25.00</td>
<td>$20.00</td>
</tr>
<tr>
<td>HbA1c&lt;8 Good Control</td>
<td>$50.00</td>
<td>$35.00</td>
</tr>
<tr>
<td>Microalbumin</td>
<td>$25.00</td>
<td>$15.00</td>
</tr>
<tr>
<td>Dilated Retinal Exam</td>
<td>$25.00</td>
<td>$15.00</td>
</tr>
<tr>
<td>Perinatal Visits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st Trimester</td>
<td>$225.00</td>
<td>$150.00</td>
</tr>
<tr>
<td>2nd Trimester</td>
<td>$100.00</td>
<td>$70.00</td>
</tr>
<tr>
<td>3rd Trimester</td>
<td>$100.00</td>
<td>$70.00</td>
</tr>
<tr>
<td>Postpartum</td>
<td>$200.00</td>
<td>$140.00</td>
</tr>
<tr>
<td>Childhood Immunizations</td>
<td>$9.00</td>
<td>$9.00</td>
</tr>
<tr>
<td>Complete Yellow Card</td>
<td>$150.00</td>
<td>$105.00</td>
</tr>
<tr>
<td>Well Child Visits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0-7 Years Old</td>
<td>$40.00</td>
<td>$30.00</td>
</tr>
<tr>
<td>11-19 Years Old</td>
<td>$50.00</td>
<td>$35.00</td>
</tr>
<tr>
<td>Asthma</td>
<td>$25.00</td>
<td>$20.00</td>
</tr>
<tr>
<td>Pap</td>
<td>$50.00</td>
<td>$35.00</td>
</tr>
<tr>
<td>Dual Choice Annual Exam</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct PCPs</td>
<td>$200.00</td>
<td>$140.00</td>
</tr>
<tr>
<td>Delegated PCPs</td>
<td>$100.00</td>
<td>$70.00</td>
</tr>
</tbody>
</table>

Incentive Pools:
Therefore, the incentive pools for the IPA and PCP Programs will be $30 million and $38 million respectively, totaling a combined incentives pool of $68 million.

Strategic Priorities:
☑ Quality of Care        ☑ Access to Care       ☐ Practice Transformation
☐ Human Development      ☐ Technology          ☐ Not Applicable

Fiscal Impact:
New Expenditure, Not Budgeted

The budget for 2017 calendar year paid in 2018 is $38 million for the PCP component and $30 million for the IPA component. Estimated payout is $19 million for PCPs and $15 million for IPAs.
OPERATIONS DEPARTMENT

18. APPROVE THE SECOND AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH SIMPLER NORTH AMERICA, LLC

**Recommended Action:**
That the Governing Board of the Inland Empire Health Plan (IEHP) approve the Second Amendment to the Professional Services Agreement (PSA) with Simpler North America, LLC (Simpler) for LEAN Strategic Deployment Consulting Services at a cost not to exceed an additional $5,942,603. The total compensation under this agreement is not to exceed $11,920,603. The term of this agreement is effective January 9, 2016 through January 1, 2019.

**Contact:**
Rohan Reid, Executive Officer

**Background:**
In September 2014 the Governing Board approved the plan to commission a LEAN Consultant to assist with the development of the enterprise LEAN Strategy. After a thorough Request for Proposal (RFP) process, on December 8, 2014 under Minute Order 14-311, Simpler was awarded a two (2) year contract, effective January 15, 2015, to serve as IEHP’s LEAN Consultant for an amount not to exceed $1.278 million.

Initial Value Streams were identified in Provider Experience and Member Support, and training was started for the Facilitators on the Process Improvement team. With IEHP committed to becoming a LEAN organization, an amendment to the PSA with Simpler was brought to the Governing Board to extend the engagement. On September 14, 2015 under Minute Order 15-220, the Governing Board approved the First Amendment for the continuation of LEAN Strategic Deployment Consulting Services which increased funding by $4.7 million and extended the term of the PSA to January 14, 2018, bringing the total amount payable under the Agreement not to exceed $5.978 million.

Since September 2015, IEHP’s LEAN Transformation journey has grown to include the addition of several new activities to the original LEAN Deployment Plan. These activities were presented to the Governing Board in the IEHP LEAN Transformation update in September 2016. These LEAN activities have resulted in multiple improvements across the organization that were also presented to the Governing Board in September 2016. Through the LEAN Transformation, individual departments and team members have seen their daily processes improve to increase quality, timeliness, and remove waste. Frontline team members are also able to see how these improvements directly improve care and services to IEHP’s Members and Providers. This has led to an additional pull on the Process Improvement team and Simpler as more departments and team members want to participate and engage in LEAN activities.

**Discussion:**
With these accomplishments, and the outcomes realized to date, IEHP is even more determined to continue the LEAN Transformation. Simpler continues to provide valuable LEAN Strategic Deployment Consulting services to guide the process. This amendment increases the compensation by $5,942,603 to a total of $11,920,603 and continues the agreement through the
end of 2018. Under this Amendment, the scope of work has been adjusted so that IEHP can optimize its LEAN Strategy Deployment.

During the next two years, under Simpler’s guidance, IEHP will begin full engagement of all departments as Value Streams rather than the previous experience of three limited Value Streams across the organization. Managing by Daily Improvement (MDI) will be implemented in all departments at an accelerated pace in order to meet the demand of those areas not yet involved in the LEAN Transformation. MDI is a Team Member engagement methodology whereby Team Members and Leaders meet daily to review how their operational processes are performing and solve problems.

Under this Amendment, Simpler will provide the following consultant services specifically to IEHP for the LEAN Strategy Deployment during 2017 and 2018:

- Focused Executive coaching/mentoring/advising at the Chief level;
- Focused Management coaching/mentoring/advising to promote culture shift to LEAN Thinking (Senior Directors, Directors, Managers, Supervisors, excluding Chiefs);
- Development/coaching/mentoring for Facilitators in the Process Improvement department to transfer knowledge and skills for sustainment of LEAN activities;
- Delivery of a monthly LEAN Bronze Training Program for all Management;
- Assistance with development and implementation of training programs and materials;
- Implementation of MDI in all major departments and business units across the organization; and
- Assistance with ad hoc event delivery, including Rapid Improvement Events (RIEs) and other events that develop from MDI huddles.

The corresponding fee schedules are summarized below:

<table>
<thead>
<tr>
<th>Position</th>
<th>Description</th>
<th>2017</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Annual Time</td>
<td>Rate</td>
</tr>
<tr>
<td>Sensei</td>
<td>Event Support, Executive Coaching and Mentoring</td>
<td>48 weeks</td>
<td>$17,150/wk</td>
</tr>
<tr>
<td>Gemba Coach</td>
<td>MDI Implementation, Facilitator Development, Bronze Training, Leadership</td>
<td>240 weeks</td>
<td>$12,488.75/wk</td>
</tr>
<tr>
<td></td>
<td>Development</td>
<td>(5 FTE)</td>
<td></td>
</tr>
<tr>
<td>Executive</td>
<td>Executive Support and Implementation</td>
<td>12 days</td>
<td>$5,150/day</td>
</tr>
<tr>
<td>Support</td>
<td></td>
<td>N/A</td>
<td>Estimated at 12%</td>
</tr>
<tr>
<td>Expenses</td>
<td>Transportation, lodging, meals, etc.</td>
<td>N/A</td>
<td>Estimated at 12%</td>
</tr>
<tr>
<td>Study Trip</td>
<td>Week-long study trip to view and experience advanced Lean Implementation at</td>
<td>5 people</td>
<td>$7,500</td>
</tr>
<tr>
<td></td>
<td>another Simpler site</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Remaining</td>
<td></td>
<td>-</td>
<td>-$654,661</td>
</tr>
<tr>
<td>Contract Funds</td>
<td></td>
<td>-</td>
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</tr>
</tbody>
</table>
## Submittals to Inland Empire Health Plan Governing Board

### Staff Reports and Recommendations #263

### VII. POLICY AGENDA

**January 9, 2017**

<table>
<thead>
<tr>
<th>Position</th>
<th>Description</th>
<th>2018</th>
<th>2017 Request</th>
<th>$3,731,015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sensei</td>
<td>Event Support, Executive Coaching and Mentoring</td>
<td>24 weeks $17,150/wk</td>
<td>$411,600</td>
<td></td>
</tr>
<tr>
<td>Gemba Coach</td>
<td>MDI Implementation, Facilitator Development, Bronze Training, Leadership Development</td>
<td>120 weeks (2.5 FTE) $12,488.75/wk</td>
<td>$1,498,650</td>
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</tr>
<tr>
<td>Executive Support</td>
<td>Executive Support and Implementation</td>
<td>6 days $5,150/day</td>
<td>$30,900</td>
<td></td>
</tr>
<tr>
<td>Expenses</td>
<td>Transportation, lodging, meals, etc.</td>
<td>N/A Estimated at 12%</td>
<td>$232,938</td>
<td></td>
</tr>
<tr>
<td>Study Trip</td>
<td>Week-long study trip to view and experience advanced Lean Implementation at another Simpler site</td>
<td>5 people $7,500</td>
<td>$37,500</td>
<td></td>
</tr>
<tr>
<td><strong>Total 2018 Request</strong></td>
<td></td>
<td></td>
<td>$2,211,588</td>
<td></td>
</tr>
</tbody>
</table>

### Strategic Priorities:

- ✔ Quality of Care
- ✔ Access to Care
- ✔ Practice Transformation
- ✔ Human Development
- ✔ Technology
- □ Not Applicable

### Fiscal Impact:

New

### Reviewed by Counsel:

Pending
19. MAIN OBJECTIVES FOR THE NEXT 90 DAYS AND SUMMARY COMMENTS
(BRADLEY P. GILBERT, M.D.)

1. Main Objectives for the Next 90 Days
   a. Assess potential impacts to IEHP, Members and Providers from early activities by the new Administration in Washington, D.C.
   b. Assess potential impacts from the initial State budget released this week.
   c. Prepare to update the Board on both items above.

2. Summary Comments
   a. The key to our success has always been our commitment to our Mission and Core Values by doing the right thing for our Members, Providers and Team Members. That commitment is critical as we face changes in the future.
VIII. COMMENTS FROM THE PUBLIC ON MATTERS NOT ON THE AGENDA

IX. RECESS INTO THE IEHP HEALTH ACCESS MEETING

X. RECONVENE FROM THE IEHP HEALTH ACCESS MEETING BACK INTO THE IEHP MEETING

XI. ADJOURNMENT

The next meeting of the IEHP Governing Board will be held on February 13, 2017 at the San Bernardino County Government Center.