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Discussion Item

D.6.

ACCEPT report on Contra Costa Health Care Plus

Dual-Special Needs Plan (D-SNP)

Beth Hernandez, Chief Operations Officer (Interim)

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D-SNP Go Live Update

Why D-SNP Matters to CCHP

- **Mission:** Serves most vulnerable members with integrated Medicare and Medi-Cal benefits
- **Diversification:** Long-term new revenue stream for health plan
- **Growth Opportunity:** Entry into Medicare market, platform for future product lines

Compressed Timeline for Go-Live

- Launched 1/1/26 with 8-month build timeline (industry standard 12-18 months)
- All hands-on deck

Current State (8 weeks post-launch)

- **Membership:** 280 enrollees
- **Revised provider contracts:** 318 new provider contracts
- **Providers:** 3,200 in network
- **Network Adequacy:** 90% (working toward 100%)

Operational Readiness:

- **Workstreams:** 22 functional workstreams to meet CMS readiness metrics
- **Vendor contracts :** Print, supplemental benefits, IT systems
- **Policies and Procedures:** Updated upwards of 100 P&P across all departments
- **IT Systems:** 1,200 build decisions and 44-third party systems requiring scoping and integration
- **Operational changes:** Custom service 8am-8pm, 7 days/week; D-SNP case managements, claims processing changes, sales and enrollment, Medicare enrollment system
- **Command Center and Go Live:** January daily morning huddle to escalate and quickly resolve with RAID log. 68 total issue identified as of 2/13 with 43 resolved

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Year 1 Priorities – Optimization and Scale

Post-Launch Focus: Build, Optimize, and Grow

Critical Priorities for 2026:

NETWORK EXPANSION *Highest Priority*	PART D *Highest Priority*	SALES and MARKETING	STARS and QUALITY	RISK ADJUSTMENT	OPERATIONAL EFFICIENCY
• **Current**: 90% network adequacy • **Gap:** 10 specialty gaps in certain geographies • **Critical issue:** Major hospital system contracting (John Muir Health) • **Impact:** Constrains enrollment growth and member access • **Strategy:** Contract alternative hospitals + continue JMH negotiations • **Target:** 100% network adequacy by Q2 2026	• **Critical issue:** Received notice mid-February Pharmacy Benefit Manager, PerformRx leaving market at end of 2026. • Contingency planning in process • Bid and Plan Benefit Package due in early June	• Hiring licensed sales staff (Medicare licensure requirements) • Developing growth strategy and market positioning • Member acquisition cost optimization • **Challenge:** Can't market aggressively until network gaps close	• D-SNP rates tied to quality performance (Stars ratings) • Building measurement and feedback loops • Integrating with existing Medi-Cal quality infrastructure • First Stars measurement year: 2026 (impacts 2028 revenue)	• Provider education on coding and documentation • Workflows for accurate diagnosis capture • Revenue optimization through appropriate risk scoring • Critical for financial viability	• Process optimization based on early learnings • Technology enhancements • Staffing adjustments • Member experience improvements

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D-SNP Future State

Future Approach

- Three to four year investment to profitability
- Losses through 2027, with break-even being 2028-2029
- Require 4,000 members to achieve financial viability
- Industry Standard is 3-5 year to maturity

Growth Trajectory

Year	Enrollment Target	Financial Status	Key Focus
2026	1,200	Investment/Loss	Build foundation, optimize operations, close network gaps
2027	2,000 – 3,000	Investment/Loss	Scale enrollment, operational efficiency
2028	4,000	Break-even	Achieve viability, Stars performance
2029+	4,000+	Profitable	Growth and sustainability

Success Factors

- Complete provider network with sustainable rate structures
- Member satisfaction
- Stars quality performance (drives revenue in year 3)
- Effective risk adjustment and medical management

Challenges and Threats

- Growth dependent on robust provider network, including all major hospital systems
- Sustainable rate structures
- Regulatory complexity and changes

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Changes on Horizon in Medicare

- Proposed and Final Rules, Advance Notices
- Market departure of major Medicare Advantage plans
- More regulation of Pharmacy Benefit Managers (PBMs) and market exists
- Changes in “passive enrollment” into D-SNP
- Major changes in Stars measures to focus more on clinical outcomes, not operational and compliance measures
- CMS proposed rules around risk adjustment