595 Center Ave., Ste. 100 | Martinez, CA 94553 | Phone: (925) 313-6000 | Fax: (925) 313-6580
cchealth.org

To: Joint Conference Committee (JCC) Members

From: Irene Lo, MD FACS; Chief Executive Officer (Interim)
Date: June 6, 2025

Subject: Interim CEO Report

The purpose of this report is to provide Joint Conference Committee (JCC) members with key updates regarding Contra Costa Health Plan (CCHP) business and operations. These updates are intended to enhance transparency, reinforce the JCC's advisory oversight role, and ensure alignment on important developments impacting our organization and membership.

This report includes the following components:

1. CCHP Staffing Update

Purpose: To promote transparency and accountability regarding organizational leadership and staffing developments.

Overview: CCHP is actively working to reinforce leadership stability and operational readiness across departments. Recent efforts include interim leadership appointments, targeted recruitment for key vacancies, and role realignments to support emerging priorities—particularly in preparation for the launch of new lines of business such as the Dual Eligible Special Needs Plan (D-SNP). These changes are part of our broader commitment to ensuring continuity of essential services while positioning CCHP to meet current and future demands.

Recruitment and Hiring Challenges

CCHP continues to face significant barriers in recruiting and retaining staff across all levels. These challenges impact our ability to operate efficiently and meet regulatory and programmatic requirements.

Key barriers include:

- County Job Classifications: Existing classifications often do not reflect the specialized qualifications required for regulated health plan roles, limiting access to qualified candidates.

- Below-Market Compensation: Salaries for leadership, technical, and managerial roles are often below industry standards, making it difficult to compete for experienced professionals.
- Regional Competition: Local health plans are actively hiring for their upcoming D-SNP launches, intensifying competition for a limited pool of qualified candidates in leadership, clinical, and operational domains. In many instances, these plans are offering either increased salary, fully remote work, or both.

CCHP's unique operational structure further demands highly specialized staff. In the past, constraints in the candidate pool have led to hiring managers and directors without prior health plan experience, resulting in gaps in oversight, leadership, and execution.

To maintain operational continuity amid these recruitment difficulties, CCHP has engaged interim support from external consultants in critical roles:

- Senior Director of Compliance
- Director of Operations
- Claims Manager

While necessary in the short term, consultant support is not financially or operationally sustainable.

Path Forward

To address staffing gaps and reduce dependency on interim support, CCHP needs to pursue targeted improvements to our hiring and recruitment processes. These efforts are essential to building a sustainable leadership pipeline and operational foundation. Potential solutions include:

- Enhancing job classifications available to CCHP to better align with the specialized needs of a managed care health plan
- Adjusting compensation structures for key leadership positions (e.g., Directors and above) to improve competitiveness
- Streamlining internal hiring and onboarding processes to minimize delays and reduce candidate drop-off
- Establishing targeted recruitment strategies that focus on sourcing candidates with prior managed care or health plan experience
- Improving candidate outreach and marketing to raise awareness of CCHP's mission, benefits, and career opportunities

Department Specific Updates

- **Compliance Department Updates**
  CCHP has made recent adjustments to strengthen leadership in our Compliance Department. Recognizing the need for additional support and direction, Terry Reiser was engaged as an external consultant for the role of Interim Senior Director of Compliance. This proactive step was taken to ensure consistent leadership and to help position the department for long-term success.

Terry brings deep regulatory expertise within the Medi-Cal Managed Care space and is playing a key role in providing structure, guidance, and momentum as we work to enhance our compliance program, respond to ongoing regulatory requirements, and prepare for upcoming audits and program expansion.

Following our Director of Compliance's resignation, Chanda Gonzales continues to serve in her critical role as Compliance Officer, providing stability and continuity in internal monitoring and oversight functions.

We anticipate launching recruitment for a new Director of Compliance in the coming months. Based on lessons learned, we are refining the candidate profile to target individuals with direct health plan compliance experience, including expertise in CMS, DMHC, and DHCS regulations, and the ability to operate in a fast-paced, highly regulated environment. We anticipate that this will be a challenging recruitment given compensation constraints and the need for specialized regulatory experience. These difficulties are further compounded by past audit findings and ongoing challenges in attracting qualified candidates for this critical leadership role.

- **Provider Relations, Credentialing, and Contracting Department**
  Following Terri Lieder's retirement in March 2025, we are actively recruiting for a new Director of Provider Relations, Credentialing, and Contracting. This role is critical to strengthening our provider partnerships and advancing efforts to streamline network development and improve provider satisfaction. We are excited to bring in a fresh perspective and added experience to help optimize contracting strategies and enhance provider engagement—both of which are key priorities as we scale for D-SNP and beyond.

  This position plays a vital role in ensuring that CCHP maintains a provider network that meets regulatory standards for access and clinical quality across all lines of business. The Director must be able to ensure network adequacy, oversee effective provider contracting, verify that providers are appropriately credentialed, and lead outreach and engagement strategies that support a high-functioning provider network. These functions are essential to supporting the increasing complexity of managing benefit packages across Medi-Cal, Commercial, and D-SNP populations.

  Recruitment for this position has been challenging. Although we are currently awaiting our initial list of candidates, the posting has already been extended due to a limited number of qualified applicants. We anticipate ongoing difficulties in filling this position, largely due to compensation constraints and the specialized experience required in provider contracting, network development, and stakeholder engagement within a health plan environment.

Regulatory Coordination and Transparency

In accordance with regulatory requirements, CCHP has kept both the Department of Health Care Services (DHCS) and the Department of Managed Health Care (DMHC) informed of key leadership changes and vacancies.

In our most recent communication with DMHC, the Department expressed concern about the volume of concurrent leadership vacancies. We acknowledged these concerns and emphasized our active

recruitment efforts. We also communicated that interim consultants are currently providing regulatory oversight and continuity in affected departments while permanent hires are being pursued.

We remain committed to maintaining strong lines of communication with our regulators and ensuring timely updates as recruitment progresses and positions are filled.

Ongoing Engagement with JCC

CCHP remains committed to transparency with our stakeholders and welcomes feedback from JCC members regarding update preferences, reporting of active concerns, and how the JCC can continue supporting these efforts.

Your engagement and guidance are critical as we work to stabilize staffing and build a high-functioning, sustainable health plan that can meet the demands of a multi-line service model.

We deeply appreciate the Joint Conference Committee's continued partnership and support.

Recommendation

CCHP recommends conducting a market study and salary survey to evaluate opportunities to enhance the competitiveness of compensation for Director-level positions. This assessment would help identify necessary adjustments to ensure CCHP can attract and retain qualified leadership talent, particularly in critical operational areas where recruitment has proven challenging.

Requested Action

CCHP requests a motion of support from the Joint Conference Committee (JCC) to proceed with a market study and salary survey focused on Director-level roles at CCHP.

2. Regulatory Update

Purpose: To ensure the JCC is informed of evolving regulatory requirements and how CCHP is maintaining compliance.

CCHP continues to prioritize regulatory readiness through structured engagement with oversight agencies and internal corrective actions. Key updates are outlined below:

DHCS 2023 Behavioral Health and Transportation Focused Audit – Corrective Action Plan (CAP)

DHCS confirmed satisfactory closure of all Transportation related findings and several Behavioral Health Focused Audit findings. Responses to the remaining Behavioral Health audit findings have been submitted to DHCS. We are currently awaiting formal response and further instruction from DHCS.

DHCS 2024 Medical Audit – Corrective Action Plan (CAP)

CCHP submitted its initial Corrective Action Plan (CAP) to DHCS on March 28, 2025, addressing all findings identified during the 2024 DHCS Medical Audit.

- Audit findings were obtained in the following areas:
    - Prior Authorization
    - Member Appeals
    - Member Grievances
    - Enhanced Care Management
    - Blood Lead Screening
    - Initial Health Assessments
    - Provider Preventable Conditions
    - Provider Terminations
    - Compliance
    - Fraud, Waste, and Abuse
    - Notifications of Changes in Member's Circumstances

Our Corrective Action Plan included the following key components:

- Revised and implemented policies and procedures to directly address audit findings and support sustained regulatory compliance
- Submission of supporting documentation to demonstrate implementation of corrective measures
- Evidence of staff and provider education and training, where applicable, to reinforce updated requirements and workflows
- Documentation of ongoing internal monitoring and auditing activities to assess effectiveness and ensure continued adherence
- Proof of established oversight infrastructure, confirming accountability and governance across all areas of corrective action

As part of our commitment to sustained improvement, cross-functional teams are actively engaged in:

- Implementing policy and process revisions
- Delivering role-specific training across departments
- Conducting ongoing internal audits and quality reviews
- Tracking and reporting corrective actions through compliance governance structures

On April 30, 2025, DHCS provided initial feedback:

- The Corrective Action Plan for the following finding was accepted by DHCS without further questions.
    - Finding 4.1.1. Quality of Care Grievances
        - The Plan did not have policies and procedures to ensure medical Quality of Care grievances were immediately submitted to the Medical Director for action

- All other findings were partially accepted with requests for clarification and follow-up in the following areas:
    - Submission of internal audit results demonstrating CAP effectiveness

- Provision of revised or finalized policies and procedures reflecting the audit findings
- Clarification of training plans and documentation workflows, particularly for grievances, access timeliness, and care management tracking

Follow-up responses were submitted to DHCS on May 23, 2025, and included the following additional information:

- Clarifications to policies, procedures, and operational workflows to address areas identified by DHCS
- Supplemental internal audit results and monitoring reports to demonstrate corrective action implementation and effectiveness
- Updates on ongoing staff and provider education and training efforts, where applicable, to reinforce compliance and operational standards

Currently, we are awaiting formal response and further instruction from DHCS.

CCHP will continue to keep the JCC informed of final CAP approvals, remaining actions, and post-audit validation activities once DHCS provides its formal feedback.

3. D-SNP Progress Update

Purpose: To provide oversight on one of CCHP's most significant programmatic expansions and ensure awareness of key milestones.

CCHP is preparing to launch a Medicare and Medi-Cal Dual Special Needs Plan (D-SNP) on January 1, 2026. This launch represents a major organizational milestone and a critical opportunity to better serve dual-eligible individuals—those who qualify for both Medicare and Medi-Cal—through a more coordinated and person-centered care model.

Background and CMS Approvals

In February 2025, we submitted our full Medicare Advantage (Part C), Part D, and D-SNP application, including provider network and a detailed Model of Care. We are pleased to report that we have received Conditional Approval from CMS for all three components. Our Model of Care received a perfect score of 100% from both CMS and DHCS, with no deficiencies identified.

In June 2025, we completed our Medicare Advantage Bid and Formulary Submission, which features a 6-tier formulary with $0 copays for medications aligned with CMS Stars performance measures, such as those used for chronic condition management and preventive care.

Our D-SNP will also offer a robust package of supplemental benefits:

- Vision coverage
- Wider Circle, a community-based program that helps members combat social isolation, navigate care, and build supportive relationships

- A Grocery/Over the Counter (OTC) card to purchase healthy food and over-the-counter health products

CCHP is currently preparing its State Medicaid Agency Contract (SMAC) for submission by July 2025 and aims to execute its Medicare Advantage contract with CMS by August 31, 2025. The Annual Enrollment Period will occur from October through December 2025.

Regulatory Readiness and Oversight

To meet all CMS and DHCS regulatory requirements, the following efforts are underway:

- Vendor contracts are being finalized to ensure all required D-SNP support services—such as enrollment, pharmacy benefit administration, and supplemental benefits —are secured prior to launch.
- Internal workgroups are refining core processes, such as eligibility, claims, utilization management, case management, member services.
- Subject matter experts (SMEs) are engaged to provide support on policies and procedures, reporting, and other operational changes that need to occur with D-SNP implementation
- Provider contracting is ongoing to ensure adequate access across primary care, specialty care, behavioral health, and ancillary services.
- Provider education materials are in development to ensure readiness and compliance with D-SNP requirements.
- CCHP has completed a staffing needs assessment and is awaiting approval to recruit for key positions that will support both implementation and long-term operational success.

Operational Readiness

CCHP is actively building internal infrastructure and systems for a successful January 2026 launch:

- Core systems (claims, enrollment, reporting, utilization management, care management) are being configured and tested for Medicare readiness.
- A centralized project management structure ensures accountability, cross-functional coordination, and milestone tracking.
- Readiness assessments and internal testing are scheduled for the coming months.
- Provider onboarding and training opportunities related to complexities of providing care to D-SNP members (e.g. coding and billing)

Internal Governance Structure

Oversight of D-SNP implementation is being coordinated through a D-SNP Implementation Steering Committee, which meets biweekly and includes executive sponsors and key departmental leads. Members include the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Information Officer (CIO), Senior Medical Director, Director of Operations, Director of Quality, Director of Pharmacy, and Compliance Officer. Supporting this effort are operational workgroups and a project management office that monitor task progress, regulatory alignment, and readiness indicators across departments.

Risk Mitigation Planning

In parallel, CCHP has launched a risk mitigation workstream to identify and proactively manage potential regulatory, operational, and system risks associated with D-SNP implementation. Key focus areas include reporting accuracy, network adequacy, IT integration, member experience, and critical vendor contracts. Cross-departmental teams are developing contingency plans to ensure resilience and timely response to emerging issues.

Next Quarter Priorities

Looking ahead, our next quarter priorities include:

- Completing provider network contracting
- Finalizing all vendor contracts
- Submitting contracts to the Board of Supervisors for review and approval in June and July 2025 to allow sufficient time for implementation and launch
- Beginning recruitment for approved D-SNP positions
- Conducting staff training and readiness testing across core operational areas
- Launching internal communications and staff education on D-SNP benefits, processes, and compliance expectations
- Initiating provider-facing communications and education to ensure awareness of D-SNP requirements and operational workflows

We will continue to keep the JCC updated on our progress toward regulatory approvals, operational readiness, and member engagement. Your oversight and partnership remain essential to our success in launching this important new program.