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ORGANIZATIONAL STRUCTURE AND SALARY SURVEY ANALYSIS

Dr. Irene Lo
Tere LeBarron

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Organizational Structure Analysis

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Background

- At the direction of the JCC, an organizational structure analysis was performed and initiated to review CCHP's current organizational structure and identify opportunities for enhancement in leadership, departmental alignment, and operational efficiencies.

- The goal is to ensure that the organizational model supports best practices in managed care, prepares CCHP for future growth, and strengthens our ability to deliver high-quality, coordinated services.

- CCHP engaged the external consulting firm Alvarez & Marsal (A&M) to partner with leadership in reviewing our organizational structure.

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Key Considerations for Span of Control

- Nature of Work: Highly standardized or routine tasks can support wider spans of control, as less direct supervision is needed.
- Team Size and Composition:: Ensure a manageable number of direct reports for each leader. A typical range is 5–10, but this can vary based on the complexity of the roles and the leader's capacity. Teams with highly skilled, experienced, and autonomous staff may allow for wider spans of control, while less experienced teams may require closer supervision and narrower spans.
- Leadership Capacity: Leaders with additional responsibilities (e.g., overseeing multiple functions) may need narrower spans of control to balance their workload effectively. Leaders with strong delegation, communication, and time management skills may be able to handle wider spans of control.
- Organizational Structure: A flatter organizational structure typically supports wider spans of control, while a more hierarchical structure may require narrower spans. Leaders managing multiple or conflicting functions (e.g., Appeals and Utilization Management) may need narrower spans to ensure focus and avoid conflicts of interest.
- Healthplan Benchmarks: Benchmark spans of control against industry standards to ensure competitiveness and alignment with best practices. Align spans of control with the size of the health plan membership to ensure adequate staffing and oversight.
- Technology and Tools: Automated processes can reduce the need for manual oversight, allowing leaders to manage larger teams.
- Employee Engagement and Development: Ensure that employees have adequate access to their leaders for guidance, support, and feedback, which may require narrower spans in certain cases.
- Regulatory and Compliance Requirements: Functions with strict regulatory or compliance requirements (e.g., Appeals, Grievances) may require narrower spans to ensure adherence to standards and minimize risk.

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Letter of Transmittal and Executive Summary

September 24, 2025

Irene Lo, MD, FACS
Chief Executive Officer (Interim)
Chief Medical Officer

Subject: Transmittal of Draft Organizational Design Project
Dear Dr Lo,
We are pleased to deliver the draft results of the organizational design project conducted for the Contra Costa Health Plan. This project was undertaken to align the organization's structure with its goals, enhance operational efficiency, and ensure role accountability.
I believe this document reflects the comments you shared during our last call. Please do not hesitate to reach out if any details are not accurately captured.
Findings
Our assessment of the current organizational structure revealed several critical issues that hinder the effectiveness and alignment of the health plan.

- Organizational Structure Misalignment: The structure does not reflect a contemporary health plan framework. Similar functions are not strategically grouped, and accountability is unclear.
- Inconsistent Spans of Control: Some leaders manage only one direct report, while others oversee as many as thirty, creating inefficiencies and imbalances.
- Unclear Leadership Title Framework: Leader titles are inconsistent,
- Staffing Decisions are not Based on Benchmarks: The number of staff members is not aligned with membership levels and published benchmarks, forcing leaders to make staffing decisions based on limited information. It is unclear whether staffing growth is associated with member growth.
- County Job Classification System Issues: Staff titles reflect the county job classification system, which complicates external recruitment and creates internal confusion. Titles such as "Charge Relief RN" are irrelevant in the health plan context and misaligned with industry norms making compensation benchmarking difficult.

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Letter of Transmittal and Executive Summary

To address these issues, we recommend the following:
Reorganization of Leadership: Reorganize the leadership structure to ensure clear accountability. Clarify and delineate operational and clinical roles and group them appropriately (e.g., Care Coordination, and Case Management on the clinical side, Contracting and Credentialing on the operational side).
Adjustment of Spans of Control: Add or combine leadership roles to address unusually low or high spans of control to create a more balanced and reasonable spans.
Title Framework Improvements: Use leader titles more consistently. Adopt common health plan titles for all positions to align with industry standards. Titles irrelevant to the health plan environment (e.g., "Charge Relief RN") were identified for removal, with a full title alignment revamp strongly recommended.
Recommendations

- To further enhance the organizational structure and operational efficiency, we recommend:
- Conducting a comprehensive review and benchmarking of staffing levels against membership size.
- Fully transitioning to a health plan-specific title framework to improve recruitment, internal clarity, and alignment with industry norms.
- Regularly reviewing spans of control and leadership roles to ensure ongoing alignment with organizational needs and best practices.

These changes will position the health plan for improved operational efficiency, clearer accountability, and better alignment with industry standards.
Thank you for the opportunity to partner with you on this important initiative. Please feel free to contact me directly at 520-904-3407 or tere.lebarron@alvarezandmarsal.com with any questions or to discuss the findings in greater detail.
Sincerely,

Tere Goitia LeBarron
Senior Director
Alvarez & Marsal

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Agenda

#	Topic
1	Project Background and Approach
2	Observations
3	Design Principles
4	Structure Recommendations
5	Title and Span of Control Considerations

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Project Background and Approach

Engagement Background

1. Review the current Contra Costa Health Plan (CCHP) structure and capabilities
2. Provide an assessment of CCHP's structural efficacy, alignment, span of control, capacity for growth, agility, and decision making.

A&M Project Approach

Current State Assessment: Understand the current organizational structure.

Performance Analysis: Examine the size and composition of the leadership team.

Market Based Framework: Analyzing best practices from other health plans and health systems

Final Report & Recommendations: Assess the effectiveness of the organizational structure and provide recommendations on the structure and staffing

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Observations

- The current organizational structure does not align with a contemporary health plan framework.
- Spans of control are inconsistent:
  - Some leaders manage only one direct report.
  - Others oversee as many as thirty direct reports.
- The leadership title framework is unclear
- The number of health plan staff members is not benchmarked against membership levels:
  - Leaders are forced to make staffing decisions based on limited data.
- Staff titles reflect the county job classification system leading to difficult external recruitment, lack internal clarity and an inability to easily benchmark staffing levels and compensation.

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Design Principes

Reorganization	Healthplan Operations	Strategic Functions	Additional Considerations
▪ Develop a structure to support growth with the flexibility to adjust through growth phases and new product introduction ▪ Ensure manageable spans of control ▪ Create a focus on operational efficiency to ensure nimble and execution health plan activities	▪ Consolidate non-clinical healthplan operations under a Chief Operations Officer ▪ Develop a structure with defined accountability for operational efficiency and excellence ▪ Consolidate project management and IT functions, eliminate all shadow functions	▪ Strategically group clinically focused servicers such as Quality & Health Equity, CalAIM Programs and Case Management ▪ Create a Medicare Medical Director to support D-SNP requirements	▪ Ensure consistent use of leader titles ▪ Reduce or eliminate 1:1 chain of command (i.e., Director, Manager, Supervisor)

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CEO Grouping

- Compliance
- Clinical and Health Equity
- Medicare Medical Operations
- Medical Officer
- Operations

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Clinical Domain Grouping

Clinical and Health Equity

- CalAim
- Case Management
- Advice Nurse
- Quality and Health Equity

Chief Medical Officer

- Utilization Management (UM),
- Appeals, Grievances & Disputes
- Pharmacy
- Behavioral Health Department (BHD)

Medicare Medical Director

- Medicare/D-SNP Clinical Strategy
- Model of Care Implementation & Monitoring
- Medicare Product Development

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Operational Domain Grouping

- Claims
- Member Services & Outreach
- Contracting &Provider Network Engagement
- Credentialing and Network Operations
- Marketing & Sales
- Personnel, Facilities & Safety
- Project Management

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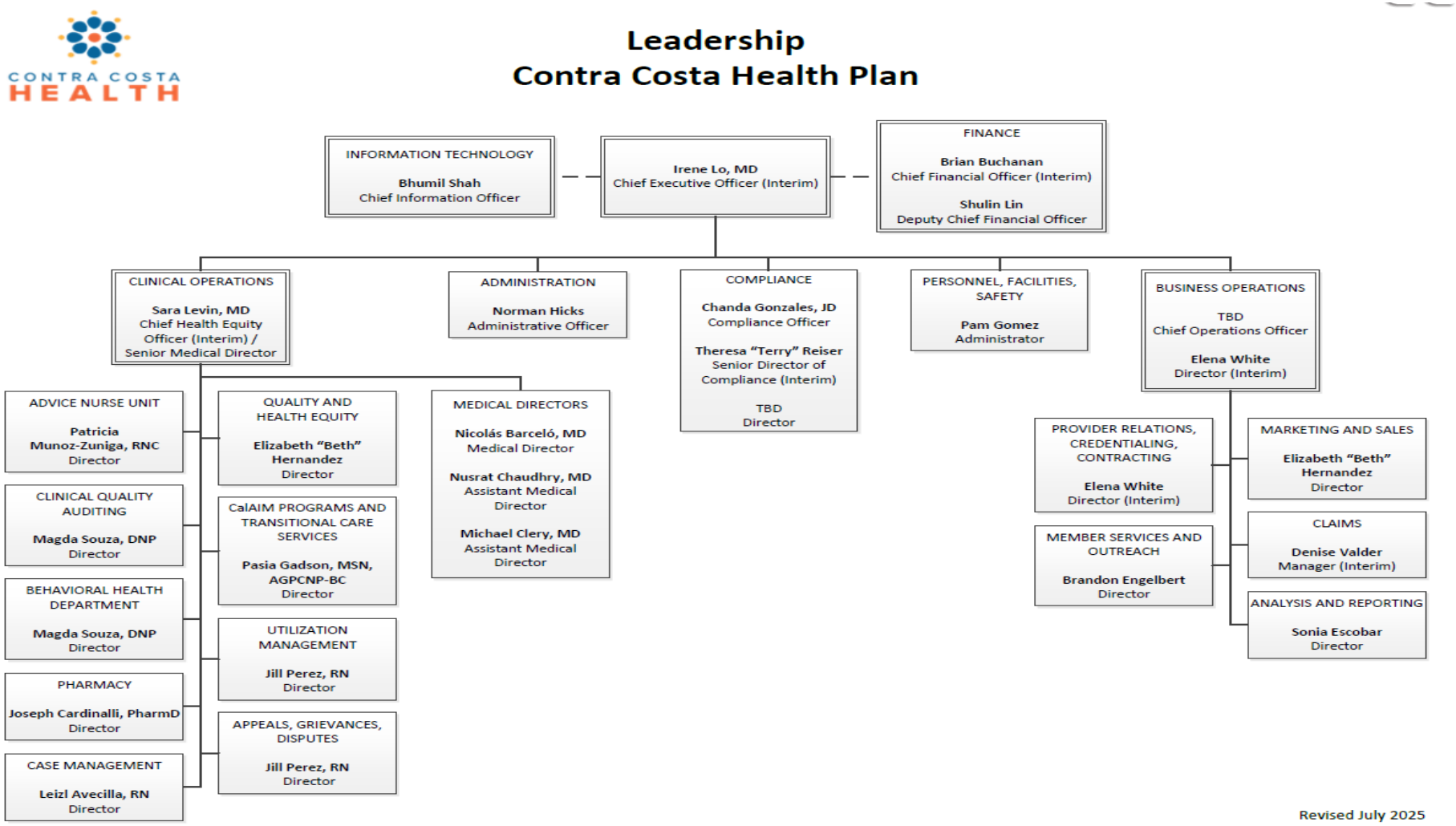
Current Structure - CEO



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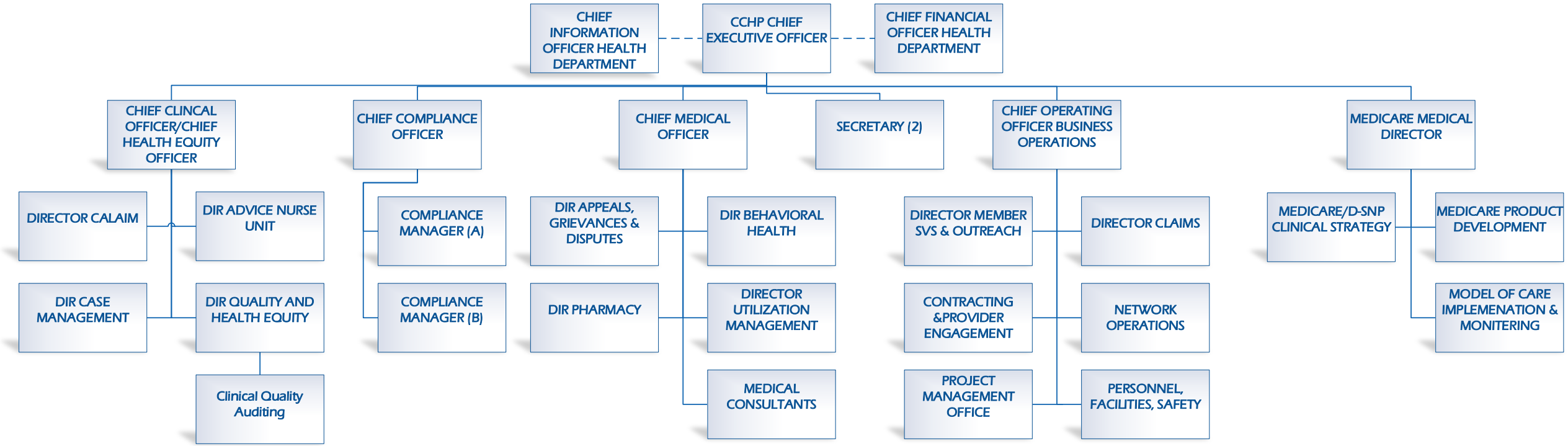
Structure Recommendations
Chief Executive Officer



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Structure Recommendations
Chief Executive Officer

Chief Executive Officer

- Create a Chief Medical Officer (CMO) with accountability for Utilization Management (UM), Appeals & Grievances, Pharmacy and Behavioral Health Department (BHD)
- Create a Chief Clinical Officer / Chief Health Equity Officer (CHEO) with accountability for Quality & Health Equity, CalAIM Programs, Case Management, the Advice Nurse Unit and Clinical Quality Auditing (CQA)
- Create a Medicare Medical Director with accountability for Medicare/D-SNP Clinical Strategy, Model of Care Implementation & Monitoring and Medicare Product Development
- Move Facilities, Safety and Personnel to the Chief Operations Officer

Quality

- Move the Quality function to the Chief Clinical Officer/Chief Health Equity Officer
- Combine all Quality functions by moving Clinical Quality and Auditing under Quality and Health Equity

Compliance

- Create and recruit for a Chief Compliance Officer
- Create a Senior Compliance Director and a Compliance Director position.
- Create a matrix relationship with a Health Department Compliance Officer (TBD)

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Clinical Structure

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Structure Recommendations Clinical Grouping

Chief Clinical Officer/Chief Health Equity Officer

- Create two Managers for Case Management
- Move the Admin Case Management to the Director of Case Management.
- Move CalAim to the Chief Clinical Officer/Chief Health Equity Officer
- Place the Advice Nurse Unit under the Chief Clinical Officer/Chief Health Equity Officer

Chief Medical Officer

- Create a Manager for Appeals Grievances & Disputes and move accountability for Administrative Support and the Coordination Counselors to the Manager
- Move RNs in Appeals, Grievance and Disputes to the Director
- Add a Manager the Pharmacy section who will have accountability for benefits management and D-SNP.
- Move the Medical Consultants to the Chief Medical Officer

Medicare Medical Director

- Add a Medicare Medical Director with accountability for Medicare/D-SNP Clinical Strategy, Model of Care Implementation & Monitoring and Medicare Product Development

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Structure Recommendations
Utilization Management and Case Management

Case Management

- Level span of control by creating two Managers for Case Management
- Move the Admin Case Management to the Director of Case Management.

Utilization Management

- Create specialty pods for inpatient, outpatient and long-term care utilization management

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Operational Structure

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Structure Recommendations
Chief Operating Officer

Operations

- Move Facilities, Safety and Personnel to the Chief Operations Officer
- Create a Project Management Office and eliminate all shadow Project Management functions
- Move Analysis and Reporting to Network Operations

Claims

- Add a Director for Claims
- Add a Claims Manager and a Claims Manager Coding

Member Services and Outreach

- Create two Managers
- Create one admin support position for the department
- Marketing and Sales will move to Member Services and Outreach in 2026

Contracting, Network Operations and Provider Engagement

- Create a Director of Contracting and Provider Network Engagement with accountability provider system support
- Create a Director of Credentialing and Network Operations

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Leader Title and Span of Control Considerations

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Title Considerations

1. Directors

Role Overview: Directors are responsible for strategic leadership, overseeing a department or function with significant scope and responsibility. Directors drive a function and organizational goals. They focus on high-level planning, resource allocation, and performance outcomes. Reports to a Senior Director, Chief or VP.

2. Managers

Role Overview: Managers are responsible for operational leadership, managing teams, and ensuring the execution of departmental goals. They focus on day-to-day operations, team performance, and process improvements. Reports to a Senior Manager or Director.

3. Supervisors

Role Overview: Supervisors are responsible for frontline leadership, directly managing staff and ensuring the completion of specific tasks or processes. They focus on team coordination, task execution, and immediate problem-solving. Reports to a Manager or Senior Supervisor.

Key Considerations for Implementation

- Consistency Across Levels: Ensure that titles reflect the scope of responsibility and align with organizational hierarchy.
- Clear Progression Path: Create a logical career progression from Supervisor to Manager to Director, with clear expectations for each level.
- Alignment with Industry Standards: Benchmark titles and responsibilities against similar organizations in the health plan industry to ensure competitiveness and clarity.
- Communication and Training: Educate staff on the new framework to ensure understanding and alignment across the organization.

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Salary Analysis

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Background

- At the direction of the JCC, CCHP initiated a salary analysis and market comparison using the most recent available data

- Purpose:
  - Assess how current CCHP salaries align with market-based salary data
  - Identify roles where CCHP compensation is potentially under or over the prevailing market rate
  - Support data-driven recommendations to improve recruitment, retention, and organizational stability
  - Inform leadership decisions regarding the restructuring and reclassification of specific positions to meet market expectations

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Methodology

- Analysis based on the 2024 Local Health Plans of California (LHPC) Salary and Benefit Survey Report
  - LHPC survey includes robust compensation data from plans of similar structure and mission and serves as a reliable benchmark for evaluating salaries across leadership and operational roles
- Analysis compared CCHP salary ranges by job title to corresponding ranges in the LHPC salary database
- Key data points included:
  - CCHP salary range
  - LHPC salary range and median for comparable roles
  - Relative position of CCHP compensation compared to the LHPC median

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Key Observations

- **High-End Alignment:** Five roles fall above the LHPC median, suggesting strong compensation relative to the market.
- **Low-End Concentration:** Several roles that are within the LHPC salary range are concentrated below the LHPC median.
- For several classifications, CCHP may have contributed to the lower end of the LHPC salary benchmark range

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Conclusion

- Addressing below-median compensation will be critical to strengthening CCHP's recruitment and retention capabilities, especially in high-impact roles tied to quality, compliance, and operations.

- Making targeted revisions will also improve CCHP's ability to recruit and retain top talent, ensure organizational equity, and enhance overall operational readiness and regulatory compliance.

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Recommendations

CCHP leadership should work with Contra Costa Health Personnel and County HR to address compensation where necessary to recruit and maintain talent within the plan.