

D.2. ACCEPT report from Business Operations

Elizabeth (Beth) Hernandez, Chief Operations Officer

# Core Operations Snapshot

Function	Status	Key update
Enrollment and Member Services	<ul style="list-style-type: none"> <li>Elevated Risk</li> </ul>	<ul style="list-style-type: none"> <li>7-8% membership decline; retention strategies underway</li> <li>Call answer standards now met</li> </ul>
Claims	<ul style="list-style-type: none"> <li>Elevated Risk</li> </ul>	<ul style="list-style-type: none"> <li>Backlog reduced 42K→21K; DMHC audit</li> </ul>
Provider network operations	<ul style="list-style-type: none"> <li>Monitor</li> </ul>	<ul style="list-style-type: none"> <li>Team restructuring underway; contracting and network modernization in progress</li> </ul>
D-SNP	<ul style="list-style-type: none"> <li>Monitor</li> </ul>	<ul style="list-style-type: none"> <li>Steady enrollment growth; PBM replacement identified; network gaps being addressed</li> </ul>
Commercial line	<ul style="list-style-type: none"> <li>Elevated Risk</li> </ul>	<ul style="list-style-type: none"> <li>Financial pressure ongoing; 2027 benefit and product design review underway</li> </ul>
Operational Transformation	<ul style="list-style-type: none"> <li>On track</li> </ul>	<ul style="list-style-type: none"> <li>Performance workgroups active; project management infrastructure established, dashboard development in progress</li> </ul>
Staffing	<ul style="list-style-type: none"> <li>Monitor</li> </ul>	<ul style="list-style-type: none"> <li>Vacancy rate reduced 19%→8%; key leadership vacancies remain in CMO, claims, compliance, UM</li> </ul>

# Enrollment and Member Services

## Enrollment & Retention

• Elevated Risk

Membership decline

**7-8%**

Past 12 months

Primary drivers

**Redetermination +  
Kaiser leakage**

State budget and HR 1 changes create additional forward-looking membership risk beyond current redetermination activity

- Retention focus strategies underway
- Epic system flags for redetermination deadlines
- Enhanced EHSD data sharing to improve address accuracy for outreach
- Expanded outbound outreach for redetermination support
- Partnership throughout health system, county, and community

## Member Services

• On track

Medi-Cal Standard

**90%**

Calls answered within  
10 minutes

D-SNP standard

**30 sec**

CMS requirement met

- Extended hours operational to meet D-SNP extended coverage hours
- Self-service options expanded including PCP changes
- Additional D-SNP counselors onboarded and trained

# Claims & Provider Network Operations

## Claims

• Elevated Risk

Claims backlog reduction

**49%**

41K → 21K claims backlog

Claims operational improvement projects

**18** projects

- System configuration improvements underway to improve accuracy and auto-adjudication rates
- DMHC Financial Audit
- Quality assurance framework and auditing protocols within unit
- Cost efficiency projects underway: claims editing, coordination of benefits
- Two claims managers hired; claims Director recruitment ongoing

## Provider Network Operations

• Monitor

- Merging two provider teams into single streamlined function
- Comprehensive review of provider data management processes
- End-to-end workflow mapping of provider onboarding
- Contracting performance improvement underway; streamlining of network and boilerplate improvements
- New provider engagement team launched; joint operations meetings with major health systems established

## D-SNP

• Monitor

D-SNP Enrollment

**400+**

Target: 1,200 year-end;  
4,000 by 2028-29

Network adequacy

**94%**

6 specialty gaps

- Pharmacy Benefit Management – identified new vendor and contracting underway
- 2027 bid submission and implementation activities for Stars, encounter data reporting, and network adequacy audit
- New lead for Medicare line of business and ensure operations meets compliance requirements
- Enrollment team expanding with concerted push for new enrollees in Q3 and Q4
- Risks surrounding state budget changes with assets tests reinstatement

## Commercial

• Elevated Risk

- Adverse selection, creating ongoing financial pressures
- 2027 benefit and product design changes under active evaluation

# Organizational Infrastructure & Staffing

## Performance Improvement

• On track

- Performance Improvement Workgroups; work happening across units, not within them
- Project management process and structure
- Standardized KPIs in development with CCH Business Intelligence

## Staffing

• Monitor

- Reduced vacancy rate from 19% to 8%
- Align to the correct job classifications and ensure mid-level management
- Key vacancies with units:
  - Chief Medical Officer
  - Claims Director
  - Audits and Investigations; Regulatory Affairs Director
  - Utilization Management Director
- Working with CCH Personnel and County HR on job classifications improvements to ensure expertise within area

## Managing Risks

### **State budget & HR 1 enrollment impact**

Proactive retention strategies; monitoring legislative developments closely

### **D-SNP PBM transition**

Replacement PBM identified; contract negotiations underway for 1/1/27

### **Leadership vacancies in critical functions**

Active recruitment for CMO, Claims, Compliance, UM Director

### **Commercial line financial sustainability**

2027 product and benefit redesign under active evaluation

## Pursuing Opportunities

### **D-SNP enrollment growth**

Sales staff hiring and community outreach accelerating; Q3 ramp expected

### **Provider network modernization**

Team merger and workflow redesign creating a stronger, more efficient network function

### **Operational efficiency gains**

PIWs, PMO, and automation driving cost reduction and process improvement

Enterprise dashboards and KPIs creating accountability and visibility across all functions

### **Organizational capability building**

Filling leadership team and strengthening mid-level management for long-term performance



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**To:** Joint Conference Committee (JCC) Members

**From:** Beth Hernandez, Chief Operations Officer, Contra Costa Health Plan (CCHP)

**Date:** June 5, 2026

**Report Title:** Contra Costa Health Care Plus, CCHP Operations Report

## **RECOMMENDATIONS**

D.2. ACCEPT report from Operations

## **FISCAL IMPACT**

N/A

## **BACKGROUND**

Contra Costa Health Plan (CCHP) operates as a county-sponsored health plan. The Plan serves Medi-Cal, Dual-eligible Special Needs Plan (D-SNP) and Commercial lines of business across Contra Costa County. CCHP is subject to regulatory oversight from the California Department of Health Care Services (DHCS), the Department of Managed Health Care (DMHC), the Centers for Medicare and Medicaid Services (CMS) and the National Committee for Quality Assurance (NCQA).

This report covers operational performance from March through May 2026 across CCHP's core business functions. These functions include Enrollment and Member Services, Claims, Provider Network Operations, D-SNP, Commercial Line of Business, Operational Transformation and Staffing.

## **SUMMARY**

### 1. Enrollment and Member Services

Enrollment continues to face downward pressure. Membership declined 7-8% over the past twelve months. Several reasons drove the decline:

- Ongoing Medi-Cal redetermination activity

- Kaiser leakage through Health Care Options plan selection
- Anticipated impacts from state budget changes and federal HR1 legislation

Retention strategies underway:

- Used Epic system flags to identify members with upcoming redetermination deadlines
- Enhanced Employment and Human Services Department (EHSD) data-sharing to improve address accuracy for renewal outreach
- Expanded outbound outreach for redetermination reminders and support
- Strengthened partnerships across the health system, county and community

Member Services' performance improved significantly in Q1:

- Now consistently meeting Medi-Cal requirement of 90% of calls answered within ten minutes
- D-SNP line meeting the 30-second answer time standard from CMS
- Extended hours (evenings/weekends) operational to meet D-SNP CMS requirements
- Self-service options expanded, including PCP changes

## 2. Claims and Provider Network Operations

Claims

- Claims backlog reduced from 41,000 in January 2026 to 21,000 currently. This is a 49% reduction.
- Two Claims Managers hired. Claims Director recruitment is ongoing (County classification challenge).
- System configuration improvements underway to improve accuracy and auto-adjudication rates.
- Strengthening Quality assurance framework and auditing protocols.
- Cost efficiency projects underway: claims editing and coordination of benefits improvements
- DMHC Financial Audit on claims operations. This was the first full financial audit since 2022. CCHP proactively identified system configuration areas of work ahead of findings.

## Provider Network Operations

- Merging two duplicative provider teams into single streamlined function
- Comprehensive review of provider data management processes underway
- End-to-end workflow mapping of provider onboarding initiated
- Contracting performance improvement underway. Network right-sizing and boilerplate standardization are in progress.
- New Provider Engagement Representative team launched. Joint operations meetings with major health systems established.

### 3. D-SNP

CCHP continues to stabilize and grow D-SNP operations following the launch on January 1, 2026.

- Current Membership: 400+
- Targets: 1,200 by end of 2026 and 4,000 members required for financial sustainability by 2028-2029

#### Accomplishments:

- 2027 CMS bid preparation underway (due June 2026)
- Identified Pharmacy Benefit Manager (PBM) replacement
- Initiated Medicare Stars planning and risk adjustment strategy
- Established encounter data submission for CMS reporting
- Convened first Enrollee Experience Committee
- Hired Sales and Marketing staff

#### Active Risks

- PBM transition: PerformRx contract is terminating December 31, 2026. Replacement PBM identified and contracting is underway.
- Hospital network gaps persist. Targeted contracting underway to support growth.
- State budget changes and federal policy uncertainty create forward-looking membership risk.

#### 4. Commercial Line of Business

- Approximately 6,700 members: County employees, retirees and IHSS providers
- Adverse selection creating ongoing financial pressure
- Cost-sharing structures constrained by existing MOUs
- 2027 benefit and product design changes under active evaluation

#### 5. Operational Transformation


The D-SNP regulatory environment continues to evolve with significant CMS policy changes impacting operations:

- **Performance Improvement Workgroups:** Active workgroups in Claims, Contracts, Utilization Management, Workforce and Development and Compliance. Work is structured across units and not within siloed functions. Monthly cadence with measurable goals and progress tracking.
- **Project Management Office (PMO):** Enterprise project intake and prioritization process established. Consistent governance framework implemented organization-wide. Manager training underway to build project management capability across the organization.
- **Performance Dashboards:** Standardized KPIs in development with CCH Business Intelligence. Phased enterprise dashboard implementation underway.

#### 6. Staffing

- Reduced vacancy rate from 19% in December 2025 to 8% currently
- Aligning job classifications to ensure appropriate expertise within each area
- Strengthening mid-level management bench across operational units
- Partnering with CCH Personnel and County HR on classification improvements
- Key leadership vacancies: Chief Medical Officer, Claims Director, Utilization Management Director, Audits and Investigations and Regulatory Affairs Director

#### 7. Conclusion



CCHP continues to balance near-term operational stabilization with longer-term infrastructure investment, building the systems, leadership and capabilities needed to serve our members well across Medi-Cal, D-SNP and Commercial lines of business.

**CONSEQUENCE OF NEGATIVE ACTION**

If this action is not accepted, the Board will not receive a required update on CCHP's operational performance and risk status.