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AB-498 Medi-Cal: county organized health system: Orange County Health Authority. (2021-2022)

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Assembly Bill No. 498

CHAPTER 430

An act to amend Section 14087.59 of the Welfare and Institutions Code, relating to Medi-Cal.

[Approved by Governor September 19, 2022. Filed with Secretary of State September 19, 2022.]

LEGISLATIVE COUNSEL'S DIGEST

AB 498, Quirk-Silva. Medi-Cal: county organized health system: Orange County Health Authority.

Existing law establishes the Medi-Cal program, administered by the State Department of Health Care Services, under which health care services are provided to qualified, low-income persons. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law authorizes a county board of supervisors, by ordinance, to establish a commission to negotiate an exclusive contract with the department and to arrange for the provision of health care services under the Medi-Cal program. This system of services provided by or through a county under these provisions is known as a county organized health system. Pursuant to this authority, the County of Orange, by ordinance, established a commission, known as the Orange County Health Authority, or CalOptima, to provide health care services under the Medi-Cal program.

Existing law codifies the establishment of the Orange County Health Authority and vests governance of the authority in a 10-member governing body. Existing law prescribes the membership of the governing body, which includes, among others, 2 members of the Board of Supervisors of the County of Orange, one member who is a current or former hospital administrator, and one member who is a representative of a community clinic. Existing law requires a member of the governing body to serve a 4-year term, except for a member who is a member of the Board of Supervisors of the County of Orange, who is required to serve a one-year term. Existing law prohibits a member of the governing body, except for a member of the Board of Supervisors of the County of Orange, from serving more than 2 consecutive terms.

This bill would prohibit an individual who served a one-year term on the governing body as a member of the board of supervisors from being appointed to serve a 4-year term under any of the other categories within 12 months of the expiration of their one-year term.

Under existing law, the voting members are nominated by the Orange County Health Care Agency and are appointed by a majority vote of the board of supervisors.

This bill would require the board of supervisors to consult with stakeholders in the County of Orange, as specified, for purposes of identifying qualified individuals to be considered as members of the governing body.

Existing law requires members of the governing body to, among other things, strive to improve health care quality, promote prevention and wellness, ensure the provision of cost-effective health and mental health care services, and reduce health disparities.

This bill would require the members of the governing body to ensure the provision of cost-effective behavioral health care services, rather than mental health care services, and would additionally require the members to address the needs of Medi-Cal members who are affected by homelessness and housing instability, improve quality outcomes, and manage the risk and needs of Medi-Cal beneficiaries through whole-person care approaches and addressing social determinants of health.

This bill would require a member of the governing body who has a financial interest in a decision of the governing body to, upon identifying a conflict of interest or a potential conflict of interest, take certain actions, including publicly identifying the financial interest that gives rise to the conflict of interest or potential conflict of interest, recusing the member's own self from discussing and voting on the matter, and leaving the room until after the discussion, vote, and any other disposition of the matter is concluded.

This bill would prohibit members of the governing body, for a period of one year after leaving office, from acting as an agent or attorney for, or otherwise representing, for compensation, any other person, by making any appearance before, or by making any communication to, the commission, as specified, if the appearance or communication is made for the purpose of influencing the commission to take certain actions. The bill would also prohibit specified members of the governing body, for a period of one year after leaving office, from serving as an employee, agent, or attorney for, or otherwise representing, for compensation, the Orange County Health Authority or any other entity that received an expenditure of Medi-Cal funds from the Orange County Health Authority during the prior 5 years, with exceptions, including if the member is returning to or continuing a role they held when appointed to the governing body.

This bill would eliminate the January 1, 2023, repeal date for the authority, thereby extending the authorization for the authority indefinitely. The bill would make other clarifying changes.

This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Orange.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 14087.59 of the Welfare and Institutions Code is amended to read:

14087.59. (a) (1) Notwithstanding subdivision (d) of Section 14087.54, governance of the commission in the County of Orange established pursuant to Section 14087.54, known as the Orange County Health Authority, shall be vested in a governing body consisting of 10 members: 9 voting members and 1 nonvoting member. The nonvoting member shall be the Director of the Orange County Health Care Agency. The nine voting members shall be nominated by the Orange County Health Care Agency and appointed by a majority vote of the Board of Supervisors of the County of Orange and shall consist of the following:

(A) Two members shall each be a member of the Board of Supervisors of the County of Orange, with one additional member of the Board of Supervisors of the County of Orange to serve as an alternate.

(B) One member shall be a current or former hospital administrator.

(C) One member shall be a representative of a community clinic, which may include, but is not limited to, a representative of a federally qualified health center, as defined in Section 1396d(l)(2)(B) of Title 42 of the United States Code.

(D) One member shall be a member of the public who is a legal resident of the County of Orange.

(E) One member shall be a practicing licensed medical provider who is not an owner or officer, or a member of the board of directors, of a contracted independent physician's association or provider network.

(F) One member shall be a current CalOptima member or a family member of a current CalOptima member.

(G) One member shall be an accounting or public finance professional, or an attorney who is an active member of the State Bar.

(H) One member shall be a practicing licensed physician who is a representative of a contracted independent physician's association or provider network.

(2) For purposes of identifying qualified individuals to be considered as members of the governing body, the Board of Supervisors of the County of Orange shall consult with stakeholders in the County of Orange, including, but not limited to, providers who serve CalOptima members, consumers, and advocates.

(b) Each member of the governing body shall reside in, or be employed in, the County of Orange and shall be generally representative of the diverse backgrounds, interests, and demography of persons residing in the County of Orange. Each member of the governing body shall have a commitment to a health care system that seeks to improve access to high-quality

health care for persons served by the commission and that in fact delivers high-quality care and is financially viable. Each member shall possess the requisite skills and knowledge necessary to design and operate a quality publicly assisted health care delivery system.

(c) (1) Members of the governing body of the commission shall serve four-year terms, except for those members who are members of the Board of Supervisors of the County of Orange who shall serve a one-year term.

(2) A member of the governing body described in any of subparagraphs (B) to (H), inclusive, of paragraph (1) of subdivision (a) shall serve no more than two consecutive terms. An individual who served a one-year term on the governing body as described in paragraph (1) may not be appointed to serve a four-year term under any of subparagraphs (B) to (H), inclusive, of paragraph (1) of subdivision (a) within 12 months of the expiration of their one-year term. The limitations set forth in this paragraph apply only to service for consecutive terms. No other limitation on the number of terms a person may serve is intended.

(3) A member of the governing body of the commission may be removed from the governing body by a vote in favor of that removal of at least two-thirds of the full membership of the Board of Supervisors of the County of Orange.

(d) The governing body of the commission, subject to a two-thirds vote of the full membership, may increase the number of public members, or the number of members who are current CalOptima members or family members of current CalOptima members who may serve as a member of the governing body, subject to an affirmative vote by a majority of the Board of Supervisors of the County of Orange, provided, however, that a change in the composition of the governing body under this subdivision shall not result in the elimination of any member described in paragraph (1) of subdivision (a).

(e) Each member of the governing body shall have the responsibility and duty to follow the requirements of applicable federal and state laws and regulations, including Section 1090 of the Government Code, the applicable provisions of Sections 87100 to 87500, inclusive, of the Government Code, and Section 14047.6 of this code, to serve the public interest of the members of CalOptima, and to ensure the operational well-being and fiscal solvency of the Orange County Health Authority. Members of the governing body shall further strive to improve health care quality, promote prevention and wellness, ensure the provision of cost-effective health and behavioral health care services, reduce health disparities, address the needs of Medi-Cal members who are affected by homelessness and housing instability, improve quality outcomes, and manage the risk and needs of Medi-Cal beneficiaries through whole-person care approaches and addressing social determinants of health. The Orange County Health Authority shall work to earn the public's trust through its commitment to accountability, responsiveness, transparency, reliability, and cooperation.

(f) A member of the governing body who has a financial interest, within the meaning of Section 87100 of the Government Code, in a decision before the governing body shall, upon identifying a conflict of interest or a potential conflict of interest and immediately prior to the consideration of the matter, do all of the following:

(1) Publicly identify the financial interest that gives rise to the conflict of interest or potential conflict of interest in detail sufficient to be understood by the public, except that disclosure of the exact street address of a residence is not required.

(2) Recuse the member's own self from discussing and voting on the matter.

(3) Leave the room until after the discussion, vote, and any other disposition of the matter is concluded, unless the matter has been placed on the portion of the agenda reserved for uncontested matters.

(4) Notwithstanding paragraph (3), the member may speak on the issue during the time that the general public speaks on the issue.

(g) (1) A member of the governing body shall not, for a period of one year after leaving office, act as an agent or attorney for, or otherwise represent, for compensation, any other person, by making any formal or informal appearance before, or by making any oral or written communication to, the commission, or any committee, subcommittee, or present member of the commission, or any officer or employee of the commission, if the appearance or communication is made for the purpose of influencing administrative action or influencing any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of goods or property.

(2) In addition to paragraph (1), a member of the governing body described in subparagraphs (A) and (G) of paragraph (1) of subdivision (a) shall not, for a period of one year after leaving office, serve as an employee, agent, or attorney, or otherwise represent, for compensation, the Orange County Health Authority or any other entity that received an expenditure of Medi-Cal funds from the Orange County Health Authority during the prior five years. This paragraph does not apply to expenditures of Medi-Cal funds from the Orange County Health Authority for routine administrative expenses for reimbursement for travel, continuing education costs, routine office expenses, and other ongoing routine administrative expenses. This paragraph does not prevent any member from returning to or continuing the role that they held when they were appointed to the governing body.

SEC. 2. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances applicable to the County of Orange with respect to the operation and governance of the Orange County Health Authority, which is a county organized health system known as CalOptima.