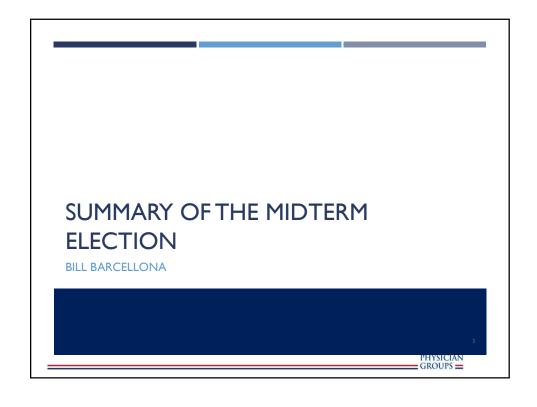
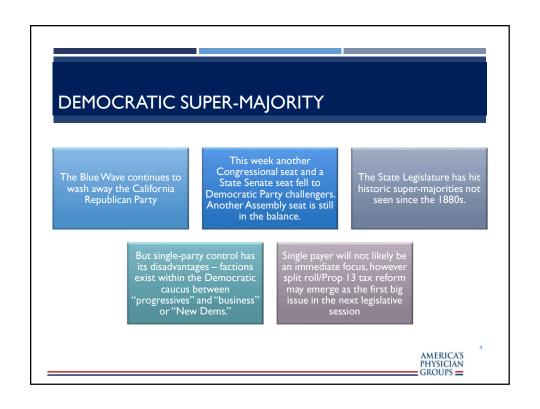


#### **GENERAL SESSION AGENDA**

- 2:00:Welcome and Introductions by Chair, Paul Durr
- 2:05: Summary of 2018 Legislative Session Outcomes
- 2:20: DMHC Regulatory Risk Regulation, RBO Regulation & Timely Access Compliance Changes
- 3:00 Adjourn





#### **NEWSOM ADMINISTRATION**

- Ana Matosantos will serve as Cabinet Secretary great understanding of Medicaid funding issues and interaction with CMS – former Finance Director for the two prior Governor's. Has consulted for APG in the past
- HHS Secretary, Director DHCS and DMHC and Governor's Legislative Deputy positions have not yet been announced
- Governor must face a "veto-proof" Legislature

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#### **OTHER ISSUES**

- Attorney General's action against Sutter for alleged antitrust
- Labor and Employers will continue to seek cost control relief in health care
- Medi-Cal reprocurement of contracted health plans will span 2019-2020
- DHCS must address the upcoming expiration of the 2020 Section 1115 Waiver with CMS – there are significant challenges and opportunities
- The state must address the continuing impact of homelessness and housing affordability
- Any tax increases or reformation of the state tax code will run into Prop 98 barriers that give automatic increases to schools under the State Constitution

### SUMMARY OF 2018 LEGISLATIVE OUTCOMES

**BILL BARCELLONA** 

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#### **NEW LEGISLATION**

- Single Payer stalled, but Universal Coverage will be explored in 2019
- Cost Control legislation stalled, but advocates will continue to pursue solutions and this will likely impact our members
- New Merger Review Legislation will impact M&A transactions
- Non-Physician stakeholders are seeking greater inclusion and scope within the healthcare system there will be bills from PAs, NPs, Chiros, etc.
- DMHC may pursue legislation on the Delegated Model and/or MSO



## Goal: to update and tighten requirements for financial solvency reporting across increasingly complex arrangements where multiple RBOs are involved, particularly when entities delegated 100% of the risk to another entity within RKK or Foundation models Generally, the Department wants to see RBOs holding assets within their own organization, rather than with a sponsor There has been a significant increase in the number of RBOs on the solvency watch list, and over the past year, commercial RBOs have come onto the watch list, which was historically limited to Medi-Cal groups Implementation periods for increased liquid asset requirements and decreased use of less tangible receivable assets are pushed out to a year

Look for implementation and effective date of regulation in early 2020



#### **ELEMENTS**

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- Restricted Licenses have been processed on an ad hoc basis since the inception
  of the Limited License in the 1990s. They do not formally exist in the text of the
  Knox Keene Act.
- The DMHC issued the risk regulation to clarify global risk and provide a formal filing program for applicants
- The first two versions of the draft regulation needed revision to clarify ambiguity of the global risk definition and application
- The third version, issued in May, caused a commotion because of revised scope language that stated ACOs would need to file to seek exemption from the RKK process. The Department stated that 2/3rds of California ACOs would likely need an RKK license

#### **STATUS**

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- The final version was submitted to the Office of Administrative Law but was rejected on technical grounds
- The Dept. has to obtain clearance on the financial impact estimate and clarify the exemption process
- Dept. expects to file the final version in mid-December with a 15-day comment period

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#### **STATUS**

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- APG will provide comment, but the Department will only consider comments on the revised portions of the regulation
- Several stakeholders are engaged in this process, including large employers, COHS plans and other associations
- But the Department will not consider comments on the underlying problems in the regulation and those problems will not be addressed by the anticipated revisions to the regulation
- Alternatives: Litigation, Legislative



#### MY 2018 METHODOLOGY

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- The Department is required to modify the reporting methodology for timely access compliance under statute. The staff has struggled trying to implement an increased methodology under the existing parameters of the law.
- APG attempted to develop a safe-harbor pilot to measure compliance in a different way, and if successful, present it to the Department as an alternative to the less-effective model that uses telephone surveys. We did not succeed.
- The new methodology was devised by a statistician hired by the Department, and as it is being rolled out, our members are finding that the calling methodology is guaranteed to reflect rampant non-compliance across the entire delivery system.
- The Department is open to alternative methodologies, but none have been submitted by Plans or APG.

#### **MOVING FORWARD**

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- We know that APG members provide superior access to care than other delivery systems
- But the metrics under the timely access law and regulation have always been inadequate to capture the true picture
- Proving timely access will be more important than ever in the coming years, and the current methodology is going to cost our groups more money to incent individual providers to respond to phone calls, etc.
- The current methodology does not take into account the provisions under the regulation that allow physicians to document that the time-elapse standard is not necessary in a particular referral, nor does it credit the value of patient portal functions used by our members to avoid physical visits

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#### **APG ACTION**

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- In the absence of an alternative methodology pilot, we are compiling information on our member's alternative access patient portal technology, its elements and its scope of use across the entire delegated model
- We plan to use this information to advocate for use of the "advanced access" alternative under the regulation by health plans, but in the second phase of our project we'll need to develop data that quantifies the impact of patient portals and other mechanisms used by our groups to reduce the need for in-person, traditional visits that fall under the time-elapse standards
- We'll need a Plan partner to participate in this effort. We are discussing a joint approach with Anthem, but have no final strategy developed with them at this time.

# 2019 MEETING DATES Thursday, March 21, 2019 Thursday, May 23, 2019 Thursday, August 22, 2019 Thursday, October 31, 2019 AMERICA'S PHYSICIAN GROUPS