



**L.A. Care**  
HEALTH PLAN®

*For All of L.A.*

# **BOARD OF GOVERNORS**

## **COMPLIANCE & QUALITY (C&Q)**

### **COMMITTEE MEETING**

August 21, 2025, at 2:00 PM

L.A. Care Health Plan

1200 W. 7<sup>th</sup> Street, Los Angeles, CA 90017

5<sup>th</sup> Floor, Conference Room 5400



**ELEVATING  
HEALTHCARE**  
IN LOS ANGELES COUNTY  
SINCE 1997

**DRAFT**



**AGENDA**

**Compliance & Quality (C&Q) Committee Meeting  
Board of Governors**

Thursday, August 21, 2025, 2:00 PM  
1200 West 7<sup>th</sup> Street, 5<sup>th</sup> Floor, Conference Room 5400  
Los Angeles, CA 90017

Members of the Committee, staff and the public can attend the meeting in person at the address listed above. Public comment can be made in person at the meeting. A form will be available at the meeting to submit public comment.

**To listen to the meeting via videoconference please register by using the link below:**

<https://lacare.webex.com/weblink/register/r6246ed8e8a0d4f04ba2ad0d10f64acf4>

**To listen to the meeting via teleconference please dial: +1-213-306-3065**

**Meeting Number: 2498 774 6720 Password: lacare**

The purpose of public comment is an opportunity for members of the public to inform the governing body about their views. The Committee appreciates hearing the input as it considers the business on the agenda.

The process for public comment is evolving and may change at future meetings.

All votes in a teleconferenced meeting shall be conducted by roll call.

If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act (ADA) please contact L.A. Care Board Services staff prior to the meeting for assistance by calling 213-428-5500 or by email to [BoardServices@lacare.org](mailto:BoardServices@lacare.org).

**WELCOME**

Stephanie Booth, MD, *Chair*

1. Approve The Meeting Agenda *Chair*
2. Public Comment (*please see instructions above*) *Chair*
3. Approve June 16, 2025, Meeting Minutes *Chair*
4. Chairperson’s Report *Chair*
  - Education Topics
5. Chief Compliance Officer Report *Todd Gower*
  - Chief Compliance Officer Workplan Report and Internal Compliance Committee Report *Chief Compliance Officer*
6. Compliance Training Update (Provider and Associate) *Theresa Moore, Director, Enterprise Compliance Management*
7. Policy Management Update *Theresa Moore*
8. Risk Management Update *Dominic Simonton, Director, Enterprise Risk Management*
9. Privacy Update *Serge Herrera, Director, Privacy*
10. Internal Audit Update *Maggie Marchese, Senior Director, Audit Services*

Board of Governors  
Compliance & Quality Committee Meeting Agenda  
August 21, 2025

- |  |   |
|--|---|
| 11. Regulatory Audit Update                                    | Xochitl Mena Perez, <i>Senior Director, Regulatory Compliance</i>                             |
| 12. Payment Integrity Report                                   | Erik Chase, <i>Senior Director, Enterprise Shared Services-Claims Integrity</i>               |
| 13. Appeals and Grievances Report                              | Demetra Crandall, <i>Director, Customer Solution Center Appeals and Grievances</i>            |
| 14. Chief Medical Officer Report                               | Edward Sheen, MD<br><i>Chief Quality and Population Health Executive, Quality Improvement</i> |
| 15. Quality Oversight Committee (QOC) Update                   | Edward Sheen, MD  |
| 16. Quality Improvement Health Equity Committee (QIHEC) Update | Alex Li, MD<br><i>Chief Health Equity Officer</i>   |

**ADJOURN TO CLOSED SESSION (Est. time 30 minutes)**

PEER REVIEW

Welfare & Institutions Code Section 14087.38(o)

CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Section 54956.9(d)(2) of Ralph M. Brown Act:  
Three potential cases

THREAT TO PUBLIC SERVICES OR FACILITIES

CA Government Code Section 54957

Consultation with: Todd Gower, Chief Compliance Officer, Michael Sobetzko, Senior Director, Risk Management, Miguel Varela Miranda, Senior Director II, Regulatory Operations, Compliance, Dominic Simonton, Director, Enterprise Risk Management, and Serge Herrera, Director, Privacy

CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

Gov. Code § 54956.9(d)(1)

L.A. Care Health Plan's Notice of Contract Dispute under Contract No. 04-36069  
Department of Health Care Services (Case No. Unavailable)

**RECONVENE IN OPEN SESSION**

**ADJOURNMENT**

**The next Compliance & Quality Committee meeting is scheduled on  
Monday, August 21, 2025, at 2:00 PM  
and may be conducted as a teleconference meeting.**

The order of items appearing on the agenda may change during the meeting.

ACTION MAY NOT BE TAKEN ON ANY MATTER RAISED DURING THE PUBLIC COMMENT PERIODS UNTIL THE MATTER IS SPECIFICALLY LISTED ON A FUTURE AGENDA, according to California Govt Code Section 54954.2 (a)(3) and Section 54954.3.

NOTE: THE COMPLIANCE & QUALITY COMMITTEE CURRENTLY MEETS ON THE THIRD THURSDAY OF MOST MONTHS AT 2:00 P.M. AGENDA and PRINTED MEETING MATERIALS ARE AVAILABLE FOR INSPECTION AT <http://www.lacare.org/about-us/public-meetings/board-meetings> and by email request to [BoardServices@lacare.org](mailto:BoardServices@lacare.org)

Any documents distributed to a majority of the Board Members regarding any agenda item for an open session after the agenda has been posted will be available for public inspection at 1055 W. 7<sup>th</sup> Street, Los Angeles, CA, in the reception area in the main lobby or at <http://www.lacare.org/about-us/public-meetings/board-meetings> and can be requested by email to [BoardServices@lacare.org](mailto:BoardServices@lacare.org).

An audio recording of the meeting is made to assist in writing the minutes and is retained for 30 days.

Board of Governors  
Compliance & Quality Committee Meeting Agenda  
August 21, 2025

Meetings are accessible to people with disabilities. Individuals who may require any accommodations (alternative formats – i.e., large print, audio, translation of meeting materials, interpretation, etc.) to participate in this meeting and wish to request an alternative format for the agenda, meeting notice, and meeting packet may contact L.A. Care's Board Services Department at (213) 628 6420. Notification at least one week before the meeting will enable us to make reasonable arrangements to ensure accessibility to the meetings and to the related materials.

# BOARD OF GOVERNORS

## Compliance & Quality Committee Meeting

### Meeting Minutes – June 16, 2025



**L.A. Care**  
HEALTH PLAN

L.A. Care Health Plan CR 100, 1055 W. Seventh Street, Los Angeles, CA 90017

**Members**

Stephanie Booth, MD, *Chairperson*  
Al Ballesteros, MBA  
G. Michael Roybal, MD  
Fatima Vazquez

**Senior Management**

Terry Brown, *Chief of Human Resources*  
Todd Gower, *Chief Compliance Officer*  
Augustavia J. Haydel, *General Counsel*  
Alex Li, *Chief Health Equity Officer*  
Noah Paley, *Chief of Staff*  
Edward Sheen, MD, *Chief Quality and Population Health Executive*

\* Absent \*\* Via Teleconference

| AGENDA ITEM/<br>PRESENTER          | MOTIONS / MAJOR DISCUSSIONS   | ACTION TAKEN  |
|------------------------------------|---|---|
| <b>CALL TO ORDER</b>               | <p>Chairperson Stephanie Booth, MD, called the L.A. Care Compliance &amp; Quality Committee and the L.A. Care Health Plan Joint Powers Authority Compliance &amp; Quality Committee meetings to order at 2:02 P.M.</p> <p>She announced that members of the public may address the Committee on each matter listed on the agenda before the Committee’s consideration of the item by submitting their comments via text, voicemail, or email.</p> |   |
| <b>APPROVAL OF MEETING AGENDA</b>  | The meeting Agenda was approved as submitted.   | Unanimously Approved 4 AYES (Ballesteros, Booth, Roybal, and Vazquez) |
| <b>PUBLIC COMMENT</b>              | There was no public comment.  |   |
| <b>APPROVAL OF MEETING MINUTES</b> | The May 15, 2025 meeting minutes were approved as submitted.  | Approved unanimously. 4 AYES  |

**DRAFT**

| AGENDA ITEM/<br>PRESENTER        | MOTIONS / MAJOR DISCUSSIONS  | ACTION TAKEN |
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| <p><b>CHAIRPERSON REPORT</b></p> | <p>Chairperson Booth suggested that members think about possible educational opportunities for the group. She noted the Compliance &amp; Quality Committee had already selected some topics but wanted feedback on what members would like to hear about. She thanked everyone for attending and for helping the Board understand compliance and quality issues, especially during the summer. She wished everyone a happy Juneteenth and expressed hope that everyone would remain healthy and safe during turbulent times. She stated that with the new executive summaries being implemented, there were still mistakes, which she understood, but she wanted to offer suggestions for improvement. She clarified the project belonged to the CEO and that questions could be directed to Martha Santana-Chin, <i>Chief Executive Officer</i>.</p> <p>Chairperson Booth noted her goal was to make reports as valuable as possible. She noted that acronyms were still being used without explanation in the executive summaries and that numbered sections, such as “next steps,” should clearly state planned follow-up actions rather than saying no board action was needed. She asked if it was possible to give constructive criticism equitably and gave an example using the Healthcare Effectiveness Data and Information Set (HEDIS) report. The data showed performance changes but did not indicate whether thresholds were met or missed. She believed this context was important for transparency. She also noted interest in comparing incentivized measures with performance changes to understand what was working and what was not. In the health equity section, some items were labeled low risk and low likelihood, which she believed was inaccurate since these programs are regulated. Todd Gower, <i>Chief Compliance Officer</i>, was working on a checklist to clarify risk types and that health equity across product lines should be considered high risk due to regulatory requirements. There should be agreement on whether reports are complete on their own or intended as educational outlines supplemented by verbal updates. She referred to a goal in the L.A. Care enterprise plan to reach populations with the highest disparities and questioned whether the needed data was available to make this determination countywide or if decisions should be made regionally. Disparities dashboards should clarify comparison groups. She commented on the “Help Me Grow LA” report, saying it did not clearly show starting and ending points, and suggested reorganizing sections so that highlights, content, and background were separate. The report stated pilot practices did not achieve the 15% referral goal for children needing intervention, and she suggested including possible reasons, such as reluctance to go to regional centers. It would be helpful to show the exact percentage achieved on the same page.</p> |              |

| AGENDA ITEM/<br>PRESENTER                     | MOTIONS / MAJOR DISCUSSIONS  | ACTION TAKEN |
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|   | <p>Chairperson Booth stated that although she did not like giving criticism, she had made similar comments before and believed it was better to address these issues now rather than hear the same feedback from the CEO later. She expressed appreciation for everyone.</p>   |              |
| <p><b>CHIEF COMPLIANCE OFFICER REPORT</b></p> | <p>Mr. Gower reported he would provide updates on the Compliance Department’s activities and key developments from the Department of Health Care Services (DHCS), the Centers for Medicare and Medicaid Services (CMS), and the Department of Managed Health Care (DMHC). He explained that Los Angeles County remains a complex and high-touch environment with significant oversight and program requirements, particularly involving delegated and direct networks. L.A. Care continues to face scrutiny regarding grievance timeliness, fraud waste and abuse awareness, and delegation oversight. The department has been fully engaged with DHCS and DMHC through audit responses and ongoing monitoring.</p> <p>On the Medicare side, the team is prioritizing readiness for the CMS program audit, which has not yet been scheduled. Compliance and Operations are working closely to track performance and improvements in grievance and appeals timeliness. That part of the compliance maturity process includes alternating reviews between compliance and quality topics to ensure the Board receives balanced, risk-based reporting. The improvements are being made in risk-based monitoring and auditing.</p> <p>In the new fiscal year, a combined audit program will be implemented to cover both delegation oversight audits and internal audits. Compliance training is already robust but will be refined to be more user-friendly, with ideas to consolidate content while maintaining effectiveness. One area of focus has been improving incident tracking, trending, and closing the loop on compliance issues. This includes addressing repeat findings and coordinating corrective action plans with business units. A combined compliance dashboard will be introduced in the new fiscal year to support these efforts and demonstrate to regulators that compliance is viewed as an ongoing system, not just a task. Major priorities include implementing the Governance, Risk, and Compliance (GRC) system by the end of the calendar year, expanding the fraud waste and abuse prevention program across departments, and developing a stronger collaborative delegation oversight program in partnership with Audit, Monitoring, and Provider Network Management. Progress has been made in improving compliance program maturity, with positive feedback from external auditors and assessors. The new combined compliance dashboard will eventually provide a clearer view of performance by product and delegate, enabling more effective communication internally and with delegates. The goal is to continue maturing the program to remain compliant, agile, and collaborative. Mr. Gower</p> |              |

| AGENDA ITEM/<br>PRESENTER           | MOTIONS / MAJOR DISCUSSIONS   | ACTION TAKEN |
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|                                     | thanked the Senior Leadership Team and Committee Chair Booth for their contributions to strengthening the compliance program.   |              |
| <b>CHIEF MEDICAL OFFICER REPORT</b> | <p>Edward Sheen, MD, <i>Chief Quality and Population Health Executive</i>, provided key updates from the Health Services Department (<i>a copy of the report can be obtained from Board Services</i>).</p> <p>Dr. Sheen was presenting the Chief Medical Officer’s report in Dr. Amin’s absence while attending the AHIP conference virtually. He explained that the main focus was to provide quality performance updates across major lines of business, along with information on new partnerships and services supporting network provider needs. He noted that he would review current performance for Medi-Cal, D-SNP, and Covered California, and preview upcoming priorities. He said the Health Services team has been pursuing a holistic and comprehensive approach to quality improvement, aiming to deliver higher-quality care, better member experiences, better outcomes, and sustainable economics, while also focusing on total cost of care. Key improvement efforts include deeper provider engagement, better data collection and management, expanded member outreach, increasing access to care, elevating member experience, increased incentives for members and providers, attention to staffing and organizational needs, and deeper collaboration across departments such as Quality Improvement, Appeals and Grievances, Operations, IT, Delegation Oversight, Provider Network Management, Finance, Product Teams, and Compliance. He explained that for Medi-Cal in measurement year 2024, sanctions are projected to be much lower compared to 2023 and 2022—an estimated greater than 94% reduction from 2022 levels. This improvement is largely due to meeting the Minimum Performance Level (MPL) on the largest denominator measures, which significantly reduced sanction calculations. He said most MCAS measures improved in 2024 compared to 2023, despite the challenge of losing the performance boost previously provided by the Kaiser partnership. He noted that the estimated sanctions for 2024 are about \$49,300, compared to \$890,000 in 2022 and \$214,000 in 2023. He added that the 2022 and 2023 sanctions are still under administrative appeal, as L.A. Care continues to have concerns about the MCAS sanctions methodology. The legal team is working on the appeals process. If the current numbers hold, the 2024 sanctions will represent a greater than 94% decrease since MY 2022.</p> <p>Member Roybal asked that when L.A. Care gets sanctioned, does the plan just accept it or does it spread out the sanction amongst all the provider groups that didn't meet their minimum performance level. Dr. Sheen said that currently L.A. Care pays sanctions directly from its budget to DHCS and does not pass them on to provider groups. He explained that work is underway to better align provider incentive programs with the DHCS quality withhold and</p> |              |

| AGENDA ITEM/<br>PRESENTER | MOTIONS / MAJOR DISCUSSIONS   | ACTION TAKEN |
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|                           | <p>Covered California QTI program, connecting them to provider group funding and incentives. He noted that the current MCAS sanctions are relatively small, about \$50,000, so they will not be meaningfully passed down, but in the future, for larger programs, there may be shared financial responsibility with provider partners. Chairperson Booth thanked him for his response and asked if there is any way that L.A. Care can stop these sanctions. She noted that every year the sanctions are less, but can L.A. Care can learn from past experiences to avoid this. Dr. Sheen said that while the team has been able to decrease sanctions by more than 94% since 2022, the goal is always to completely avoid sanctions, and the team is not satisfied until that is achieved. He explained that regardless of sanctions or state programs, L.A. Care aims to maximize quality performance because it is the right thing to do. He noted that some areas have historically been challenging for managed care plans, including L.A. Care, but the organization continues to learn how to better address member needs to improve measures. He added that avoiding sanctions would be a positive outcome, but the primary focus remains on delivering the best possible performance and service to members.</p> <p>Dr. Sheen reported that preliminary Q1 2025 data shows most rates are trending higher year over year, building on the strong 2024 results. He cautioned that two headwinds could affect performance: losing the hybrid reporting option for large measures like cervical cancer screening and immunizations, which will make improvement harder, and reduced service utilization due to community concerns, unrest, and members being fearful to leave their homes to seek care, which is impacting access to care. He emphasized the importance of ensuring safe, equitable access for members. He then discussed the D-SNP program, noting it is in its third year in a highly competitive market where CMS continues to raise performance cut points. L.A. Care currently has an overall 3-star rating, but its Part C rating is 2.5 stars, which must reach 3 stars to remain viable. HEDIS accounts for 23% of the overall rating, while Member Experience (CAHPS) and Operations make up much of the rest. He stressed that success requires enterprise-wide commitment to every domain. The improvement plan focuses on aggressive HEDIS performance increases, making operations a consistent “performance anchor,” and addressing member experience and CAHPS, which is currently the biggest challenge at around 1.8–1.9 stars. He acknowledged CAHPS improvement will take time; other domains must therefore overperform to compensate in the interim.</p> <p>Member Roybal observed that in their own patient experience data, comments written in another language are often rated as “mixed” or “neutral,” potentially lowering scores. He asked if the CAHPS survey has the same issue, and whether its responses are only yes/no or formatted answers, wondering if language-related scoring practices might be causing L.A. Care to lose credit for positive feedback. Dr. Sheen said he hadn’t seen that language-related scoring</p> |              |

| AGENDA ITEM/<br>PRESENTER | MOTIONS / MAJOR DISCUSSIONS  | ACTION TAKEN |
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|                           | <p>trend in L.A. Care’s overall data, but agreed it’s important to investigate. He explained that CAHPS scores are based on several subdomains, and L.A. Care is currently lowest in five areas: four at one star (“getting care quickly,” “health plan customer service,” “coordination of care,” and “getting needed prescription drugs”) and one at two stars (“getting needed care”). These low domains are pulling down the overall CAHPS score. He suggested doing a deeper subgroup analysis to see if scores correlate with language, and offered to follow up offline to review the data Member Roybal mentioned so they can integrate any findings into their improvement efforts.</p> <p>Chairperson Booth asked how the state sorts out what it is doing with medications, questioning whether they focus only on certain patients and noting that pharmaceutical companies are largely not responsible. Dr. Sheen responded that much of CAHPS related pharmacy behavior is outside L.A. Care’s direct control, but there are ways to influence. He explained that improving member experience is a strategic priority over the next several years. He described the first member journey map, identifying 179 touchpoints from enrollment to disenrollment, with over 11 functional owners, more than 35% managed by third parties (including pharmacy) outside L.A. Care, and 13% having multiple owners. He emphasized that while some touchpoints are outside LA Care, understanding the journey allows L.A. Care to educate partners, community members, members, and providers to improve experiences. He noted that sampling and low scores do not necessarily reflect poor work by the pharmacy or customer service teams, but member feedback is taken seriously to enhance engagement and care. Chairperson Booth noted that she expected many scores to reflect problems with the state. Dr. Sheen then discussed initiatives to elevate member experience, including the first CAPS cross-functional leadership team and Project LASSO (L.A. Care Access Service and System Optimization). He reported that HEDIS measures improved across the board in 2024 compared to 2023, exceeding internal goals, but emphasized the need for continued improvement in 2025 (so far measures also up again year over year). He noted the expansion of the care network with three partners to increase access without replacing primary care physicians. Members will have options for home visits, virtual care, or mobile clinics at community resource centers. He thanked teams for ensuring these partnerships are compliant and sustainable. Chairperson Booth shared an example of a Florida program that actively manages dual-eligible patients with monthly preventative care visits and suggested exploring similar approaches locally. Dr. Sheen agreed on the importance of new partnerships and explained that traditional primary care alone within the existing provider network cannot meet all needs. He provided an operational update, noting improvements in foreign language services (currently performing at 4- to 5-star level, up from historical performance), member</p> |              |

| AGENDA ITEM/<br>PRESENTER   | MOTIONS / MAJOR DISCUSSIONS  | ACTION TAKEN |
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|   | <p>appeals and grievances, and ongoing challenges with CTMs. The highest volume of CTMs involved sales allegations, such as members feeling they were enrolled without consent or not informed that the plan is an HMO. He described efforts to improve training for sales brokers, communication at point-of-sale, and reducing member attrition, he noted an increase in members leaving from measurement years 2022 to 2024. Dr. Sheen gave a final update on Covered California and the QTI program. Revenue at risk increased from 0.8% of total revenue in 2023 to 1.8% of total revenue in 2024, 2.8% in 2025, and will rise to 4% as revenue exceeds \$1 billion. These growth rates means that penalties can increase even as quality performance improves. For measurement year 2024, all four QTI measures improved compared to 2022 , including a 15% increase in colon cancer screenings since 2022. Anticipated total QTI penalties are approximately \$2 million, substantially lower than initial projections of \$5–6 million. Challenges remain with CIS vaccinations due to rising vaccine misinformation and hesitancy, with three children unable to complete all vaccines, incurring fines of \$130,000–\$150,000 per child, often due to missing a final flu shot. Dr. Sheen emphasized continued aggressive outreach and new initiatives to improve vaccination rates, reporting progress with a year-to-date 10% improvement over last year. Covered California acknowledges the fines may be excessive. There is also a new aggressive colorectal cancer screening campaign in process and L.A. Care is on track to achieve it’s highest ever CRC screening rate for LACC. LA Care will continue efforts to optimize policies and minimize penalties while improving performance on all four QTI measures.</p> |              |
| <p><b>QUALITY INCENTIVES: PAY-FOR-PERFORMANCE (P4P) UPDATES</b></p> | <p>Henock Solomon, <i>Senior Manager, Incentives, Population Health</i>, presented Quality Incentives: Pay-For-Performance (P4P) Updates (<i>a copy of the report can be obtained from Board Services</i>).</p> <p>Mr. Solomon provided an update on L.A. Care’s pay-for-performance (P4P) programs, noting that while these incentives are not regulatory requirements and carry no penalties if discontinued, they remain a key component of the overall quality improvement (QI) strategy. He emphasized that providers find these incentive dollars meaningful and rely on them, and that the programs will continue as an important motivator for improving care quality. Chairperson Booth asked about the risks associated with potentially stopping the programs and the possible impact on patients.</p> <p>Mr. Solomon clarified that the main risks would not be regulatory penalties but potential disengagement or erosion among providers, noting that these programs have been in place since 2010 (15 years). He added that stopping the incentives could affect overall quality scores and the willingness of physicians to continue practicing.</p>  |              |

| AGENDA ITEM/<br>PRESENTER | MOTIONS / MAJOR DISCUSSIONS   | ACTION TAKEN |
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|                           | <p>Chairperson Booth expressed concern that losing doctors who might retire early, leave the state, or change professions would reduce patient access, emphasizing the importance of continuing the program.</p> <p>Mr. Solomon agreed, noting that given low Medicaid reimbursement rates, these incentives are significant for providers.</p> <p>Member Ballesteros asked if the question about risk was due to a possibility that the program would end.</p> <p>Chairperson Booth explained that the question was intended to understand potential reasons for reviewing the program, acknowledging the current risk is low but noting that not maintaining it could result in losing providers.</p> <p>Member Ballesteros described how incentives serve as team-based motivators in health centers, supporting not just individual providers but also office staff and other care team members, helping improve scores and overall engagement. He noted losing these incentives could hinder the health centers' ability to motivate teams effectively.</p> <p>Mr. Solomon thanked him for the context and reiterated that the programs provide significant revenue above capitation, augment general QI initiatives, and aim to align providers across the network with shared quality improvement goals. He highlighted new programs launched in 2024 for hospitals, skilled nursing facilities, childhood immunizations, and office staff incentives, noting significant improvements for example, reducing LACC members who missed vaccinations from 22–30 down to about three.</p> <p>He also explained reporting tools provided to providers, including monthly provider opportunity reports, quarterly encounter reports for IPAs, annual patient experience reports (CG-CAHPs for Medi-Cal, CAHPS+HOS for DSNP, Patient Assessment Survey for L.A. Care Covered), and annual P4P reports. Mr. Solomon highlighted strengthened provider engagement via joint operations meetings, deep-dive incentive sessions, and collaboration across IPAs and medical groups.</p> <p>He detailed the P4P programs: Value Initiative for IPA Performance (VIPs), plan partner programs for Anthem and Blue Shield, physician P4P, and direct network P4P for solo/small group physicians, FQHCs, and Look-Alike clinics. Payment statistics were shared, noting median performers earn roughly \$1 per member per month (PMPM), while high performers can earn \$3–\$4 PMPM, representing roughly 10–20% of bonus above capitation.</p> <p>Mr. Solomon highlighted measure trends from 2021–2023: over 44,000 patients achieved controlled blood pressure, 36,000 more received timely cancer screenings, 5,000 more children had wellness visits, and 1,000 more had timely postpartum visits. He emphasized that P4P programs drill down to provider-level for CG-CAHPs, allowing granular data for targeted interventions and member experience reporting at the provider level.</p> |              |

| AGENDA ITEM/<br>PRESENTER | MOTIONS / MAJOR DISCUSSIONS   | ACTION TAKEN |
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|                           | <p>Chairperson Booth asked which measures were incented in the HEDIS trend graphs. Mr. Solomon confirmed that all measures included in the graphs were in the P4P programs for at least two out of three years. Member Roybal asked whether the reported percentages represented year-over-year increases.</p> <p>Mr. Solomon confirmed they were percentage increases from prior years, noting some were even higher in absolute percentage point increases. Member Roybal asked how to determine which measures met MPO (Minimum Performance Objective).</p> <p>Mr. Solomon replied that the graphs did not indicate this but they would ensure future reporting would clearly call out which measures met MPO.</p> <p>Mr. Solomon then discussed additional HEDIS measures, member experience scores (care coordination, access, PCP rating), and plans to improve incentive payout processes. He explained prospective payments through the Cozeva platform, potentially more frequent payout cycles (quarterly or twice per year instead of annually), and alignment with DHCS quality withhold and QTI programs. He noted modeling and analysis are being finalized for announcements in the coming month. He shared plans to pilot a combined gaps-in-care report with the California Quality Collaborative, allowing providers to see all members across payers on one list, reducing administrative burden. He also discussed public reporting of provider rankings on L.A. Care’s website, modeled after the Office of the Patient Advocate methodology. He addressed upcoming CMS Medicaid final rule changes for incentives starting in 2026: signed agreements before the start of a performance year will be required, which will be a significant lift; current programs already have clear, measurable goals and documented earning criteria; physician P4P will be administered via IPAs rather than direct contracts; and plan partner portions will be excluded from L.A. Care Medi-Cal P4P programs, though coordination with Anthem and Blue Shield is planned to assure alignment of performance measures across plan incentive programs. He announced Q&amp;A sessions will be held from summer through year-end to support these transitions.</p> <p>Member Roybal asked for clarification on the CMS Medicaid final rule requirement that plans have a signed and dated agreement before the start of the performance period. He wanted to know how the state fits into this specifically, whether there is also supposed to be an agreement between the plans and the state, or if the requirement applies only between the plans and the providers.</p> <p>Mr. Solomon responded that the signed and dated agreements are required between the plans and the providers, not directly with the state. However, he noted that the state will provide oversight and audits to review these agreements. He explained that this requirement is tied to MLR (Medical Loss Ratio) reporting, as some plans in the past attempted to count late-year</p> |              |

| AGENDA ITEM/<br>PRESENTER                                 | MOTIONS / MAJOR DISCUSSIONS  | ACTION TAKEN |
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|   | <p>incentive payments as medical costs to meet compliance. The rule ensures that incentive programs are clearly defined and documented.</p> <p>Mr. Solomon clarified that public posting of performance scores will initially be done at the IPA (Independent Physician Association) level, not by individual provider. Member Roybal asked whether patients typically know their IPA, and Mr. Solomon noted that IPA information appears on member ID cards, but patient awareness may be limited.</p> <p>Regarding agreements for withholdings, Solomon explained that direct network physicians and clinics are already under contract with the plan, so their performance is measured and payments sent directly; this process will not change. Public posting of individual provider rankings may be piloted in the future, but implemented. A. Care is starting with only the IPAs. He explained that the goal of the public posting is to encourage high performance, noting that research shows it can be a strong motivator. He also highlighted that for some providers, the incentive dollars remain a primary motivator on top of providing quality care, and the plan provides detailed tools and resources so providers can track measures, follow best practices, and earn incentives that they earned.</p> <p>Mr. Solomon described the provider recognition program. This year, instead of an event, winners and their staff will receive lunches. Professionally shot photos, interviews, and social media promotion will continue. Billboards recognizing winners will remain in place longer, and the “Provider Honor Roll” recognition for the top 20% of performers will continue, including window clings for offices. Solomon concluded by thanking providers for their contributions and noted the importance of these recognition efforts.</p> |              |
| <p><b>2025 CLINICAL INITIATIVES AND HEALTH EQUITY</b></p> | <p>Marina Acosta, <i>Manager, Health Equity</i>, and Brigitte Bailey, <i>Supervisor, Quality Improvement</i>, gave a report about 2025 Clinical Initiatives and Health Equity (<i>a copy of the report can be obtained from Board Services</i>).</p> <p>They provided a comprehensive update on regulatory requirements, organizational goals, and targeted initiatives aimed at reducing health disparities in HEDIS measures across Medi-Cal, L.A. Care Covered, and Medicare Plus. The initiatives focus on enhancing member services, ensuring compliance with contractual and regulatory requirements, improving HEDIS and CAHPS performance, and executing interventions through outreach, education, provider engagement, and clinical programs. Many activities specifically target identified health disparities.</p> <p>Regulatory Requirements</p>  |              |

| AGENDA ITEM/<br>PRESENTER | MOTIONS / MAJOR DISCUSSIONS   | ACTION TAKEN |
|---------------------------|---|--------------|
|                           | <ul style="list-style-type: none"> <li>• Medi-Cal: Achieve the 50th percentile on select MCAS measures, stratify results by race/ethnicity, review findings through the Quality Improvement &amp; Health Equity Committee (QIHEC), and implement Population Health and CalAIM programs.</li> <li>• L.A. Care Covered: Collect race/ethnicity data for at least 80% of members and SOGI data, meet the 66th percentile (by race/ethnicity) for hypertension and colorectal screening starting in 2026, implement disparity reduction interventions, collaborate in at least one equity-focused community event, and annually assess social needs (food, housing, transportation).</li> <li>• Medicare Plus: Expand demographic and underserved population data collection, present and publicize disparities findings, align with NCQA Health Equity Accreditation, and prepare for the new Excellent Health Outcomes for All (EHO4all) metric in 2027 Star Ratings.</li> </ul> <p>Enterprise Goals<br/>Priorities include increasing provider awareness of members’ social needs, boosting documented SDOH assessments by 50% (~374K members) by FY24-25, promoting awareness of non-health benefits (transportation, community support), improving community access to services, and targeting populations with the highest disparities in two or more HEDIS measures through Community Resource Centers.</p> <p>Key Health Equity Initiatives</p> <ul style="list-style-type: none"> <li>• Medi-Cal: <ul style="list-style-type: none"> <li>○ 2024 Performance Improvement Project to increase well-child visits in the first 30 months, focusing on Black/African American children in South L.A. (SPA 6).</li> <li>○ Data reconciliation with two medical groups.</li> <li>○ New Quality Health Partners collaboration to offer W30 and WCV services at Community Resource Centers.</li> <li>○ Child Health Equity Collaboration with Northeast Valley Health Corporation and DHCS to address disparities through a 5-stage intervention process, with Phase 2 (immunizations) launching in Fall 2025.</li> <li>○ Distribution of 3,702 FIT kits for colorectal cancer screening to African American Medi-Cal members, with a 15% return rate.</li> </ul> </li> <li>• All Lines of Business: <ul style="list-style-type: none"> <li>○ SDOH resource education and access via multiple channels (online, community centers, provider offices, RCAC meetings).</li> </ul> </li> </ul> |              |

| AGENDA ITEM/<br>PRESENTER                                   | MOTIONS / MAJOR DISCUSSIONS   | ACTION TAKEN |
|---|---|--------------|
|   | <ul style="list-style-type: none"> <li>○ Culturally tailored health education materials, including targeted colorectal screening content for Black/African American and Asian members and well-child visit postcards reflecting community language and imagery.</li> <li>○ Expanded language coverage for outreach (text, automated calls, social media).</li> <li>○ Collaboration with member committees and health promotoras for outreach.</li> </ul> <p>Next Steps<br/>The plan includes empowering provider groups to analyze disparities data, ensuring collection of SDOH information, collaborating with member councils and promotoras, expanding language support, and partnering with community-based organizations to develop culturally tailored solutions.</p>  |              |
| <p><b>PRACTICE TRANSFORMATION PROGRAM ANNUAL REPORT</b></p> | <p>Cathy Mechsner, <i>MBA, Manager, QI -Practice Transformation Programs</i>, gave a Practice Transformation Program Annual Report (<i>a copy of the report can be obtained from Board Services</i>).</p> <p>provided a detailed report on multiple quality improvement and health equity initiatives, describing their scope, progress, challenges, and outcomes. The work focuses on five process improvement areas and supports four HEDIS measures, impacting 20% of the direct network member population by working with primary care direct network providers. The Equity and Practice Transformation (EPT) program is a DHCS three-year initiative aimed at improving health equity and outcomes for Medi-Cal beneficiaries. L.A. Care sponsors 42 practices, covering nearly 570,000 Medi-Cal members, and operates on a directed payment model where funds are provided upon completion of program milestones—25 in total.</p> <p>Ms. Mechsner described the Equip LA program, a two-year California Health Care Foundation study targeting improved primary care delivery and reduced disparities for Medi-Cal beneficiaries of color in Los Angeles County. L.A. Care acted as an IPA, serving about 31,000 members, focusing on workflow and process improvements for three HEDIS measures.</p> <p>Ms. Mechsner reported on the now-concluded Help Me Grow LA program, a partnership with First 5 LA funded by grants to raise awareness of developmental milestones, increase screenings, and improve referrals for intervention. This three-year initiative also included a six-practice provider pilot targeting children ages 0–5, with education efforts around early identification and intervention (EII). Additionally, she described the Provider Engagement and Outreach Workgroup, linked to the Provider Advisory Collaborative (PAC), which has seven physician members from the Transform LA program. The workgroup meets quarterly to give input on engagement strategies, provide feedback on QI programs, and propose new initiatives. She presented findings from each program. Transform LA graduates valued in-</p> |              |

| AGENDA ITEM/<br>PRESENTER | MOTIONS / MAJOR DISCUSSIONS   | ACTION TAKEN |
|---------------------------|---|--------------|
|                           | <p>person and follow-up coaching, with some wishing to remain in the program. In EPT, practices have made solid progress in patient and care team assignments and in developing capacity to report stratified HEDIS data. Equip LA practices strengthened their understanding of QI fundamentals, distinguishing health equity from health equality, and learned the requirements for reporting accurate data with patient and family engagement. The Help Me Grow program showed that a multi-pronged approach—member and provider education via newsletters, in-person CME events, early childhood development classes at Community Resource Centers, and provider workflow automation—was effective, with synergy across program components contributing to results. Surveys indicated a need to improve collaboration and communication with direct network providers. She then reviewed key achievements. In Transform LA, five practices are graduating after completing the two-year program and will spend one more year sustaining process improvements and HEDIS performance gains; two practices have completed the full three years. In EPT, the 42 sponsored practices have finished half of the milestone rounds and LA Care is preparing the next payment disbursements after DHCS methodology updates. Equip LA required recalibration of tools to meet practices where they were starting, focusing on foundational QI concepts such as workflow mapping and Plan-Do-Study-Act cycles, especially for participants new to QI work. For Help Me Grow, the goal was a 15% increase in developmental screenings over baseline, which was exceeded at 30.3%. Although the minimum performance level of 35% was not met by all, LA Care’s overall screening rate rose from about 29% in MY 2023 to 45% in MY2024. She noted that Help Me Grow’s referral improvement goal of 15% was not achieved due to broader system issues: inconsistent intake processes at regional centers, limited provider training, absence of closed feedback loops to confirm whether referred patients were seen, and reliance on manual follow-up processes. The PAC’s feedback contributed to tools such as the Direct Network Quick Reference Guide, practice-level reports, and policy improvements, including updates to the disruptive and threatening member removal (DTMR) policy. Areas where performance fell short included slower-than-desired Transform LA recruitment, limited engagement from some EPT small and independent practices with coaches, failure of Equip LA participants to achieve the target 20% improvement in at least two HEDIS measures, and Help Me Grow pilot practices not meeting the referrals goal. Causes ranged from overlap with other program recruitments, staff overwhelm, EHR implementation delays preventing data reporting, and lack of standardized intake and follow-up for developmental referrals. Recurring issues included EHR vendor data mapping problems, especially for A1C poor control, challenges in meeting MCP reporting requirements for stratified HEDIS data, and earlier Equip LA data validity problems (since resolved). Ongoing efforts involve working closely with Office Ally to correct mapping issues, collaborating with</p> |              |

| AGENDA ITEM/<br>PRESENTER | MOTIONS / MAJOR DISCUSSIONS  | ACTION TAKEN |
|---------------------------|--|--------------|
|                           | <p>Population Health Learning Center and other MCPs to troubleshoot program challenges, and coordinating with QPM to resolve data issues. Looking ahead, Transform LA will continue recruitment and pilot alternative delivery of practice transformation support to additional lines of business, starting with three HEDIS measures for DSNP. EPT will keep refining based on partner feedback to ensure compliance and deliverables. The four Equip LA practices will continue in other programs, building their QI capacity. Learnings from Help Me Grow will be integrated into ongoing QI efforts. The PAC will expand membership when the paused direct network experience expansion resumes. She clarified that in Help Me Grow, two separate goals existed: developmental screening increases were achieved, but referral improvements were not. The screenings rose significantly—one cohort improving from 15% to about 45%—but referrals required more systemic tools and training. A manual tracking and follow-up process was used during the program, though automation would be preferable. She acknowledged the need for further provider education on how to communicate developmental concerns to parents effectively and sensitively, noting that the program’s parent classes and CME sessions had been well received. Over the three years, 60 free early childhood classes were offered, open to members and the public, and CME events provided valuable training for providers. She added that L.A. Care recently finalized an MOU with regional centers to improve information sharing and reduce siloing, with plans to include regional center representatives in future provider training webinars.</p> |              |
| <b>ADJOURNMENT</b>        | The meeting adjourned at 4:25 PM.  |              |

Respectfully submitted by:  
Victor Rodriguez, *Board Specialist II, Board Services*  
Malou Balones, *Board Specialist III, Board Services*  
Linda Merkens, *Senior Manager, Board Services*

APPROVED BY:  
\_\_\_\_\_  
Stephanie Booth, MD, *Chairperson*  
Date Signed: \_\_\_\_\_

# Compliance & Quality Committee Meeting



**L.A. Care**  
HEALTH PLAN®

**For All of L.A.**

August 21<sup>st</sup>, 2025



**Compliance**

*The Heartbeat of Accountability*

## Board Summary Report Template

**Report Title:** Chief Compliance Officer Report  
**Date:** 8/21/25  
**Prepared By:** Todd Gower, CCO

### 1. Purpose / Desired Impact of the Report

The purpose of the Chief Compliance Officer's report for LA Care Health Plan is to provide the Board and executive leadership with a clear, concise overview of the organization's compliance activities, risks, and mitigation efforts. It ensures transparency in adherence to federal, state, and internal regulations, highlighting areas of strength as well as opportunities for improvement. The report also supports informed decision-making by identifying emerging compliance trends, monitoring corrective actions, and promoting a culture of ethical conduct across the organization.

### 2. Background / Context

In 2025, LA Care's strategic compliance priorities focus on integrating advanced technology, strengthening delegation oversight, modernizing reporting tools, fostering a compliance-driven culture, and enhancing regulatory change management. These initiatives aim to reduce compliance risks, improve data accuracy and reporting, and ensure timely adherence to evolving regulations. Ultimately, they support stronger partnerships, informed leadership decisions, and a sustainable, compliance-first culture that safeguards member care quality.

### 3. Key Considerations / Analysis

#### Management Considerations:

Management should note that enhanced compliance technology and oversight are driving more efficient issue detection and resolution, reducing organizational risk. Strengthening delegation monitoring and modernizing reporting tools improve accountability and support informed decision-making across L.A. Care. These efforts benefit members through higher quality care, assist providers with clearer compliance guidance, and reinforce L.A. Care's commitment to transparency and community trust.

### 4. Risk Area and Mitigation Activities

#### Risk Statement:

Failure to effectively monitor, audit, and manage compliance processes—including delegation oversight, regulatory change integration, and fraud, waste, and abuse detection—may result in significant operational, financial, and reputational risks for L.A. Care Health Plan. Potential consequences include regulatory penalties, loss of member trust, diminished quality of care, increased exposure to fraud or noncompliance, and weakened relationships with providers and delegated entities. Inaction could compromise the organization's ability to meet state and federal requirements, hinder informed decision-making, and negatively impact members, providers, and the broader community.

**Known Key Risk:** Yes  No  Unknown

**Impacted Area/Risk/Lines of Business:** *All Risk and Lines of Business*

**Risk Mitigation Activities:**

- **Advanced Compliance Technology Integration** – *Deploy modern systems with automation and analytics to detect, monitor, and resolve fraud, waste, and abuse issues faster.*
- **Delegation Oversight Stabilization** – *Standardize monitoring protocols and strengthen oversight of delegated entities to ensure regulatory compliance and accountability.*
- **Modernizing Compliance Reporting Tools** – *Upgrade dashboards for real-time risk visibility, improved data accuracy, and executive-level reporting.*
- **Cultivating a Culture of Compliance** – *Promote transparency, ethical decision-making, and compliance ownership through training and proactive communication.*
- **Enhanced Regulatory Change Management** – *Establish structured processes to identify, assess, and implement new regulatory requirements with strong cross-department collaboration.*

**5. Recommended Action / Decision Requested**

Board Action Needed:

For Information Only

For Discussion with Board/Committee

For Approval / Decision

Proposed Motion (if applicable): NA

**5. Next Steps / Timeline / Milestones**

- *Each workplan item has their own plan and have dependencies to IT, Staffing, Process Changes and Policies.*
- *The Workplan is a living document that get revised each year with the direction to be greater than 90% -100% complete on existing plan items*

**6. Attachments / Supporting Materials / Presentations**

- *Compliance Workplan*

# Chief Compliance Officer Report Out & Agenda

- CCO Workplan Report and Internal Compliance Committee Report
- Compliance Training Update (Provider and Associate)
- Policy Management Update
- Risk Management Update
- Privacy Update
- Internal Audit Update
- Regulatory Audit Update
- Non-Compliance Issues and / or Corrective Action Plans (CAP's)
- Payment Integrity Report
- Appeals and Grievances Report

# August Internal Compliance Committee

## Overall Takeaways:

- LA Care maintains strong compliance monitoring in sales, quality, and regulatory reporting, with high PQI timeliness and proactive audit dispute handling.
- Significant opportunities remain in timely access to care compliance, provider engagement, and preparation for heightened CMS audit scrutiny in 2026.
- Strategic work plan aligns with modernization and oversight goals but will require continued emphasis on FDR oversight, CMS compliance readiness, and member access improvements.

## Related Items Covered

Compliance Committee Report Outs

Enterprise Compliance Updates

Sales Compliance Update

QI Compliance: Provider Quality Review Update










QI Compliance: NCQA and Access to Care Updates

Medicare Compliance Update: 2024 CMS Audit and Enforcement Report




Regulatory Affairs Update

Compliance Work Plan Update

# August Internal Compliance Committee

| Category  | Key Measure / Insight  | Status   | Notes  |
|---|--|--|--|
| <b>Provider Quality Review (PQI) Timeliness</b> | >99% timely closure, avg. 3.06 days to initiate actions (goal ≤10) |  Green  | Exceeds regulatory and internal targets; strong operational controls.                              |
| <b>Mystery Shopper Sales Oversight</b>          | 97% pass rate (goal 98%); 1 failed call disputed with CMS          |  Green  | High compliance; dispute in process; maintain training focus.                                      |
| <b>CMS Audit Readiness</b>                      | 2026 audit preparation underway; annual third-party CPE review     |  Green  | Aligned with CMS forward strategies; proactive planning.   |
| <b>Delegation Oversight</b>                     | Joint Anthem audit completed; improvement areas identified         |  Yellow | Positive collaboration but gaps in data validation, appeals, and policy alignment need closure.    |
| <b>Timely Access to Care</b>                    | PCP/SCP/After-Hours access standards missed in multiple measures   |  Red    | Opportunity gaps vs. 80% LA Care goal and DMHC 70% standard; provider engagement plan in progress. |
| <b>Provider Engagement &amp; Sanctions</b>      | Education and sanctions process in place; ongoing access issues    |  Yellow | Requires intensified monitoring and faster enforcement escalation.                                 |
| <b>Regulatory Affairs Metrics</b>               | Centralized tracking; 2026 dashboard to include risk-based metrics |  Green  | Strong process; 2026 enhancements will improve decision-making.                                    |
| <b>AEP/OEP Preparedness</b>                     | Key milestones met; launch Oct 15                                  |  Green  | On track, but high-volume period will test call quality and compliance.                            |
| <b>CMS Enforcement Risk (Industry)</b>          | 2024 enforcement actions highlight UM & FDR oversight risks        |  Yellow | Must ensure UM committee compliance, coverage criteria transparency, and FDR oversight.            |

**Color Legend:**

-  **Green** – Performing at/above target; maintain current approach.
-  **Yellow** – On track but with material risks or gaps requiring attention.
-  **Red** – Below target; immediate corrective actions needed.

# 2025 Compliance Workplan Overview

## Strategic Priorities

### •Advanced Compliance Technology Integration

- Implement modern systems to enhance fraud, waste, and abuse detection, monitoring, and reporting.
- Expand automation and analytics capabilities for faster issue resolution.

### •Delegation Oversight Stabilization

- Strengthen oversight of delegated entities to ensure compliance with regulatory standards.
- Standardize monitoring protocols to address historical gaps and improve accountability.

### •Modernizing Compliance Reporting Tools

- Upgrade reporting dashboards for real-time visibility into compliance risks and performance metrics.
- Improve data accuracy, accessibility, and executive-level reporting capabilities.

### •Cultivating a Culture of Compliance

- Foster transparency, ethical decision-making, and compliance ownership across all departments.
- Increase training and communication to promote proactive compliance practices.

### •Enhanced Regulatory Change Management

- Implement structured processes for identifying, assessing, and integrating new regulatory requirements.
- Improve cross-department collaboration to ensure timely compliance with evolving laws.

## Key Outcomes Expected in 2025

- Reduced compliance risks through better technology and oversight.
- Streamlined reporting enabling informed decision-making by leadership.
- Greater organizational alignment with state and federal regulations.
- Stronger partnerships with delegated entities to protect member care quality.
- A sustainable, compliance-first culture supporting LA Care's mission.

# Compliance Priorities for 2025

01

Advanced Compliance  
Technology Integration

02

Cultivating a Culture of  
Compliance

03

Delegation Oversight  
Stabilization

04

Modernizing Compliance  
Reporting Tools

05

Enhanced Regulatory Change  
Management

# 2025 Workplan (Prior approved # included)

| # | Project   | Compliance Unit       | Description   | Dependencies   | % Complete | Current Status  |
|---|---|-----------------------|---|--|------------|---|
| 1 | Regulatory Compliance Quarterly Reporting         | Regulatory Compliance | <p>Design and launch a trending and actionable report of regulatory agency inquiries, noncompliance communications, regulatory reports, regulatory audits, deficiencies and corrective action plans.</p> <ul style="list-style-type: none"> <li>The report will be communicated to senior management and used to monitor business unit investigation and remediation activities</li> <li>Each section will include new initiatives or programs and implementation updates</li> </ul>              | <ul style="list-style-type: none"> <li>GRC Implementation</li> <li>Sr. Director onboarding</li> <li>Smart Sheet configuration</li> </ul>                                     | 25%        | <ul style="list-style-type: none"> <li>Report baseline document created and outlined the quarterly inputs (new PM managing the development); working with stakeholders to provide initial quarter inputs</li> <li>Currently collecting a pilot due 8/5 (differs from CCM's KPIs - this is focused on CAPs, monitoring and Chief level need-to-knows)</li> </ul> |
| 2 | Regulatory Reports Quality Assurance & Monitoring | Regulatory Compliance | <p>Continue to develop and expand the Regulatory Reporting Quality Assurance process including the following actions:</p> <ul style="list-style-type: none"> <li>Comprehensive technical specifications document for regulatory reports including regulatory review tools.</li> <li>Data validation protocols for data that may pose a high-risk to the organization if it is found to be inaccurate</li> <li>Streamline coordination of report development and ensure data governance</li> </ul> | <ul style="list-style-type: none"> <li>Prioritization efforts</li> <li>Enhancement to ERCM program</li> <li>Delegation Oversight RACI</li> <li>GRC Implementation</li> </ul> | 90%        | <ul style="list-style-type: none"> <li>We have a program, roles and responsibilities for engagement with internal stakeholders.</li> </ul>  |

# 2025 Workplan (Prior approved # included)

| # | Project  | Compliance Unit                       | Description  | Dependencies  | % Complete | Current Status  |
|---|--|---------------------------------------|--|---|------------|---|
| 3 | Improve Policy Management Program                                  | Material Review                       | <p>Improve enterprise-wide Policy Management Program:</p> <ul style="list-style-type: none"> <li>Update Policy template and glossary</li> <li>Review and revise Policy Management Workflow</li> <li>Implement new workflow to all affected parties, with monitoring to ensure enterprise-wide compliance with policy management requirement</li> </ul>                     | <ul style="list-style-type: none"> <li>GRC Implementation</li> </ul>                                | 90%        | <ul style="list-style-type: none"> <li>Review all policies past annual review date. Initiate project to clean up policies that are un-published or "stuck" in system.</li> <li>Potential new project to separate Policies from Procedures: Allows for better review of policy vs requirements, allows for deeper Desk Level Procedures that address required actions to execute policy</li> </ul> |
| 4 | Enhance enterprise-wide Regulatory Change Management (RCM) Program | Regulatory Analysis and Communication | <p>Enhance the enterprise-wide regulatory change management program, including but not limited to:</p> <ul style="list-style-type: none"> <li>Develop and socialize Regulatory Implementation Dashboard</li> <li>Implement Regulatory Implementation Artifact Inventory</li> <li>Review and revise Regulatory analysis templates and change management workflow</li> </ul> | <ul style="list-style-type: none"> <li>Staffing enhancements</li> <li>GRC Implementation</li> </ul> | 100%       | <ul style="list-style-type: none"> <li>Completed</li> </ul>   |



# 2025 Workplan (Prior approved # included)

| # | Project  | Compliance Unit                       | Description  | Dependencies  | % Complete | Current Status   |
|---|--|---------------------------------------|--|---|------------|--|
| 5 | Create the Enterprise Business Continuity Plan | Risk Management / Business Continuity | <ul style="list-style-type: none"> <li>Create new BCP P&amp;Ps to incorporate all DHCS 2024 requirements</li> <li>Meet all deliverables for 2024 Operational Readiness associated with BCP and emergency preparedness</li> <li>Conduct DR testing, Business Impact Analysis (BIA) and develop departmental BCPs to reflect multiple scenarios</li> <li>Test enterprise level BCP by end of 2024</li> </ul> | <ul style="list-style-type: none"> <li>Outcome of Application (DR) and BCP testing</li> <li>Mission critical BCP identification and creation</li> <li>Sign-off of enterprise BCP</li> </ul> | 90%        | <ul style="list-style-type: none"> <li>BCIC implementation underway on schedule for 9/30. BCIC will be used for BCP reviews later in 2025</li> </ul> |

# 2025 Workplan (Prior approved # included)

| # | Project       | Compliance Unit | Description   | Dependencies  | % Complete  | Current Status   |
|---|---------------|-----------------|---|---|---|--|
| 6 | Implement GRC | All             | <ul style="list-style-type: none"> <li>Collection and prioritization of business requirements:</li> <li>Vendor request for proposals</li> <li>System Design and Implementation</li> <li>Training for Compliance and Business users</li> </ul> | <ul style="list-style-type: none"> <li>Phase 3 is dependent on a contract amendment to extend timeframe past 9/30.</li> </ul> | <p><b>Phase 1 100%</b></p> <p><b>Phase 2 75%</b></p> <p><b>Phase 3 0%</b></p> | <ul style="list-style-type: none"> <li>Phase 1 workstreams (Policy Management; Privacy; Enterprise Risk) - Complete</li> <li>Phase 2 workstreams (Enterprise Regulatory Change Management, Incidents, Delegation oversight, Corrective Action Plans). ERCM is complete, Incidents, Delegation Oversight and CAPs have all initiated and are on track for a 9/30 completion.</li> <li>Reprioritization of workstream lead to the following items in a Phase 3: Internal Audit, Delegate Audit, Regulatory Affairs Documents. Phase 3 has not started -</li> </ul> |

# 2025 Workplan (Prior approved # included)

| #  | Project                      | Compliance Unit | Description  | Dependencies   | % Complete | Current Status  |
|--|------------------------------|-----------------|--|--|------------|---|
| 7<br> | External facing HIPAA Policy | Privacy         | Create an external facing HIPAA policy used to communicate our privacy and security expectations with our vendors and delegates. | <ul style="list-style-type: none"> <li>Defining the roll-out plan along with established Vulnerability Management Program</li> </ul> | 100%       | <ul style="list-style-type: none"> <li>Update in place and available via Procurement Portal for vendors and the Provider Portal for provide</li> </ul>  |
| 8<br> | Compliance Dashboard         | All             | Develop compliance dashboard to provide key metrics of an effective compliance workplan  | <ul style="list-style-type: none"> <li>UBIX Approval (Resources)</li> <li>GRC Implementation</li> </ul>                              | 50%        | <ul style="list-style-type: none"> <li>Gathered current metrics by department.</li> <li>Audit Services has active dashboard using Power BI</li> <li>Changes to HCFS will enable better dashboard reporting</li> <li>Working with IT for additional support</li> </ul> |



# 2025 Workplan (Prior approved # included)

| # | Project  | Compliance Unit | Description   | Dependencies   | % Complete | Current Status  |
|---|--|-----------------|---|--|------------|---|
| 9 | Vendor Risk Management "Oversight" Program (Level 1) | Risk Management | Create an effective Vendor Risk Management program at LA Care. This includes support from IT Security, Compliance, Legal, Finance, Procurement. | <ul style="list-style-type: none"> <li>• Configure Prevalent Tool</li> <li>• Finalize Risk Scoring Methodology</li> <li>• Capture/Integration of data from Arriba</li> </ul> | 75%        | <ul style="list-style-type: none"> <li>• Working with contractor to assist with designing the program, charter, P&amp;Ps, 12-month initial plan (sub-committee to the Risk committee); Complete</li> <li>• Worked with Delegation Oversight to combine the needs of DO, FDR and broad-based vendors; Complete</li> <li>• Initiated Vendor Risk Committee</li> <li>• Proposed updates to Charter and P&amp;P in review</li> <li>• Proposed risk rating methodology discuss and for review.</li> <li>• Initiated work to configure Prevalent to be source of truth for vendor / FDR risk</li> </ul> |

# 2025 Workplan (Prior approved # included)

| #  | Project                    | Compliance Unit      | Description   | Dependencies   | % Complete | Current Status   |
|----|----------------------------|----------------------|---|--|------------|--|
| 10 | FDR Risk Management        | Delegation Oversight | Create an effective FDR program at LA Care. This includes support from IT Security, Compliance, Legal, Finance, Procurement.  | <ul style="list-style-type: none"> <li>Procurement enhancements</li> </ul>   | 25%        | <ul style="list-style-type: none"> <li>Approval from Finance to support VRMC reporting</li> <li>FDR definitions and rubric shared with the Risk Committee</li> <li>Need to update FDR list from mock audit and further define the future state (i.e., vendor listing)</li> </ul> |
| 11 | Hotline Operations         | Corporate Compliance | Create a new awareness campaign for our Hotline system along with appropriate reporting for substantiation and investigation. Be able to track the insights that could lead to an SIU or internal investigation | <ul style="list-style-type: none"> <li>Transition all Hotline Cases (from all sources) to HCFS for workflow, tracking and reporting</li> </ul> | 75%        | <ul style="list-style-type: none"> <li>Change request out with HCFS to update workflow and tracking to allow for better transparency into cases, reporting and dashboarding. Benefit to both SIU and Non-SIU cases. Due 8/30/25</li> </ul>                                       |
| 12 | Medicare Awareness Program | Medicare Compliance  | Develop a robust Medicare and DSNP Compliance awareness program. To include modifying the current communication plan, monitoring and auditing.  | <ul style="list-style-type: none"> <li>DSNP KPI Implementation</li> <li>Medicare Product team partnership</li> </ul>                           | 90%        | <ul style="list-style-type: none"> <li>KPIs have been established with the exception of UM due to system migration issues.</li> </ul>  |

# 2025 Workplan (Prior approved # included)

| #   | Project                                  | Compliance Unit       | Description  | Dependencies   | % Complete | Current Status  |
|---|--|-----------------------|--|--|------------|---|
| 13<br> | Member Data Validation                   | Regulatory Compliance | Develop a robust quarterly monitoring process of member data This will help validate marketing and care efforts to nonqualified members. The data will have to be validated against a 3rd party resource to check movement of members within the county, state, or country<br>From FY23 (#18) Compliance Workplan - Develop a fraud prevention program. LA Care has a leading practice detection program which has provided recoveries and insights to reduce revenue leakage and thwart fraud. The next step is to improve its fraud prevention program by focusing on proactive measures, leveraging technology, enhancing internal and external partnerships, and fostering a culture of awareness. | <ul style="list-style-type: none"> <li>LexisNexus and IT Data Management †</li> </ul>  | 10%        | <ul style="list-style-type: none"> <li>In planning stage with a workgroup of HCS, Product team, Compliance and IT</li> <li>IT Architecture is finalizing the ingestion requirements to protect member data after analysis.</li> <li>Focus will be on D-SNP Members</li> </ul>   |
| 14<br> | Fraud Prevention Program (Part of FY 23) | Regulatory Compliance |  | <ul style="list-style-type: none"> <li>Enhanced communication plan to providers</li> <li>Collaborative Fraud Prevention Committees.</li> </ul> | 50%        | <ul style="list-style-type: none"> <li>SIU has developed tracking of trends in their investigations</li> <li>Established an Internal Investigations Team (potential employee FWA)</li> <li>Leverages Fraud Shield for case management and tracking of open cases</li> <li>SIU is going through a revamping of their HCFS system and investigation processes.</li> </ul> |

# 2025 Workplan (Prior approved # included)

| #  | Project  | Compliance Unit | Description   | Dependencies   | % Complete | Current Status   |
|----|--|-----------------|---|--|------------|--|
| 15 | <b>**New**</b><br>Enforcement Matter(EM) Support | All             | In response to the DMHC and DHCS Enforcement Matter and settlement, Compliance will be leading the oversight of the outside consulting firm Forvis/Mazars, which will be validating effective closure of our findings | <ul style="list-style-type: none"> <li>Regulatory Audit closures</li> <li>Forvis/Mazars Contract and Workplan</li> </ul>                     | 75%        | <ul style="list-style-type: none"> <li>Submission of work plan 8/8 on going reports with Mazars, new baseline findings will be communicated by 9/30</li> <li>The Departments received our narrative report.</li> </ul>   |
| 16 | <b>**New**</b><br>Audit Workplan                 | Audit Services  | With the incorporation of the Audit Services Program back into Compliance, this will help strengthen our Delegation Oversight Monitoring programs to not duplicate efforts.   | <ul style="list-style-type: none"> <li>Annual Risk Assessment</li> <li>Monitoring Plan</li> <li>Senior Leadership Team Support</li> </ul>    | 50%        | <ul style="list-style-type: none"> <li>Audit Services already has been working to develop their annual plan and will need to present to Senior Leadership.</li> <li>This part of the Plan is worked on a calendar basis.</li> <li>Much of the plan was reprioritized to support the EM</li> <li>Compliance already has a digital newsletter and updated website.</li> <li>Needing to work with LA Care Comms on updating website with Audit Services, new CEO information and updating the frequency of communications to the LA Care staff.</li> <li>This needs to include FWA</li> </ul> |
| 17 | <b>**New**</b><br>2025 Compliance Comms Plan     | All             | With the integration of Audit Services, New CEO, Forvis/Mazars, Medicare Awareness and Fraud Prevention, the Compliance Department will develop a new Comms plan for 2025.  | <ul style="list-style-type: none"> <li>Medicare Product Leadership</li> <li>SIU</li> <li>Senior Leadership</li> <li>Forvis/Mazars</li> </ul> | 75%        | <ul style="list-style-type: none"> <li>Compliance already has a digital newsletter and updated website.</li> <li>Needing to work with LA Care Comms on updating website with Audit Services, new CEO information and updating the frequency of communications to the LA Care staff.</li> <li>This needs to include FWA</li> </ul>  |

# Executive Summary - Compliance Training

EXHIBIT A

## Board Report Executive Summary

**Report Title: Enterprise Compliance, Provider and Associate Training Update**

**Date: 08/21/2025**

**Prepared By: Theresa Moore, Director, Enterprise Compliance Management**

### 1. Purpose / Desired Impact of the Report

The purpose of this report is to provide a status update on the required provider and employee training programs. The goal is to inform stakeholders.

### 2. Background / Context

**External Learning Provider Training:** The Provider Training Unit is responsible for facilitating training to all providers who contract with L. A. Care. This unit ensures providers complete the required onboarding and confirmation of training, understanding, and completion.

**Enterprise Compliance New Hire Training:** The Enterprise Compliance Unit is responsible for ensuring all new hire associates and contingent workers complete their required compliance training in a timely manner.

### 3. Key Considerations / Analysis

#### Management Considerations:

The key objective is to meet the quarterly requirement of Provider Training as well as the requirement for all associates.

### 4. Risk Area and Mitigation Activities

#### Risk Statement:

Providers are required to complete onboarding training within 30 days of active status. Enterprise Compliance Provider Training monitors for training confirmation and collects training validation materials to confirm compliance with this regulatory requirement. All L. A. Care Employees and Contingent workers are required to complete Compliance Training upon hire. Enterprise Compliance tracks and maintains a report of completed training by associate.

**Known Key Risk:** Yes  No  Unknown

#### Risks examples to include in the Risk Statement

- |  |  |  |  |  |
|--|--|--|--|--|
| <input type="checkbox"/> Claims                  | <input checked="" type="checkbox"/> Compliance | <input checked="" type="checkbox"/> Regulatory | <input type="checkbox"/> Vendor              | <input type="checkbox"/> Community           |
| <input type="checkbox"/> Financial               | <input type="checkbox"/> Pharmacy              | <input type="checkbox"/> Privacy               | <input type="checkbox"/> Access              | <input type="checkbox"/> Pop Health          |
| <input checked="" type="checkbox"/> Reputational | <input type="checkbox"/> Clinical              | <input type="checkbox"/> IT                    | <input type="checkbox"/> Legal               | <input checked="" type="checkbox"/> Contract |
| <input checked="" type="checkbox"/> Member       | <input checked="" type="checkbox"/> Provider   | <input type="checkbox"/> InfoSec               | <input checked="" type="checkbox"/> Employee | <input type="checkbox"/> Medicare            |

## Lines of Business

Medi-Cal       L.A. Covered       PASC–SEIU       D-SNP

### Risk Mitigation Activities:

We monitor and track providers' onboarding activity to ensure onboarding training is completed. We track and maintain a list of associates assigned Compliance Training as part of the new hire process.

## 5. Recommended Action / Decision Requested

Board Action Needed:

- For Information Only
- For Discussion with Board/Committee
- For Approval / Decision

Proposed Motion (if applicable): **N/A**

## 5. Next Steps / Timeline / Milestones

- No immediate action from the board is required

## 6. Attachments / Supporting Materials / Presentations

- Providers (Direct Network & PPG Network) 2<sup>nd</sup> QTR 2025 Performance Results
- PPG Network 2<sup>nd</sup> QTR 2025 Corrective Action Plan Monitoring
- Associate Training 2<sup>nd</sup> QTR 2025 Results

# Compliance Training Requirements

- DHCS requires that we complete onboarding training for all contracted providers within 30 days of active status. Our Onboarding Training is a 90-minute, instructor-led session that is facilitated weekly via a Webex platform. The content includes 21 specific topics, a few are Member rights and responsibility, Cultural Sensitivity, Mental Health, Balanced Billing, Access and availability Standards, Federal and State Statutes, and Compliance with our Medi-Cal Marketing Guidelines.
- We have added 205 Direct Network providers and 240 Delegated Providers through June 2025. All of whom have completed their training. We have learned that training starts providers off on the right path to success.
- All L. A. Care Employees and Contingent Workers (contracted and temporary) receive compliance training as part of the onboarding process. Compliance Training is given at onboarding as well as annually for all staff.

# DIRECT NETWORK

| Month<br>PCP/Specialists/ Mid-<br>Level Providers | #of New Providers | # of Compliant<br>Providers | Training Compliance<br>Percentage |
|---|-------------------|-----------------------------|-----------------------------------|
| April   | 30                | 30                          | 100%                              |
| May   | 48                | 48                          | 100%                              |
| June  | 28                | 28                          | 100%                              |

| Month<br>Ancillary Providers | #of New Providers | # of Compliant<br>Providers | Training Compliance<br>Percentage |
|------------------------------|-------------------|-----------------------------|-----------------------------------|
| April                        | 6                 | 6                           | 100%                              |
| May                          | 2                 | 2                           | 100%                              |
| June                         | 1                 | 1                           | 100%                              |

| Month<br>Vendors | #of New Providers | # of Compliant<br>Providers | Training Compliance<br>Percentage |
|------------------|-------------------|-----------------------------|-----------------------------------|
| April            | 2                 | 2                           | 100%                              |
| May              | 0                 | 0                           | N/A                               |
| June             | 0                 | 0                           | N/A                               |

# PPG NETWORK

| Month<br>PCP/Specialists | #of New Providers | # of Compliant<br>Providers | % of Monthly<br>Reports Received | Training<br>Compliance<br>Percentage |
|--------------------------|-------------------|-----------------------------|----------------------------------|--------------------------------------|
| April                    | 180               | 171                         | 32                               | 96%                                  |
| May                      | 219               | 203                         | 31                               | 93%                                  |
| June                     | 181               | 178                         | 31                               | 98%                                  |

| Month<br>Mid-Level<br>Providers | #of New Providers | # of Compliant<br>Providers | % Monthly Reports<br>Received | Training<br>Compliance<br>Percentage |
|---------------------------------|-------------------|-----------------------------|-------------------------------|--------------------------------------|
| April                           | 77                | 75                          | 32                            | 97%                                  |
| May                             | 70                | 67                          | 31                            | 96%                                  |
| June                            | 56                | 55                          | 31                            | 98%                                  |

| Month<br>Ancillary Providers | #of New Providers | # of Compliant<br>Providers | % Monthly Reports<br>Received | Training<br>Compliance<br>Percentage |
|------------------------------|-------------------|-----------------------------|-------------------------------|--------------------------------------|
| April                        | 10                | 10                          | 32                            | 100%                                 |
| May                          | 5                 | 5                           | 31                            | 100%                                 |
| June                         | 3                 | 3                           | 31                            | 100%                                 |

# PPG NETWORK PROVIDER TRAINING

## Quarter 2 Corrective Action Plan Monitoring

| Month | Health Network         | Providers Reported | Late Trainings          | Training Compliance |
|-------|------------------------|--------------------|-------------------------|---------------------|
| April | Family Care Specialist | 4                  | 1 PCP, 1 ML providers   | 50%                 |
|       | Prospect Medical Group | 11                 | 3 PCP, 1 ML provider    | 68%                 |
| May   | Family Care Specialist | 4                  | 2 PCP and 1 M provider  | 25%                 |
| June  | Family Care Specialist | 10                 | 3 PCP and 1 ML provider | 60%                 |

# Compliance Associate Training Results

## L.A. Care Employees (FTE's) & Contingent Workers (CW's)

| Fiscal Year Q3 - April through June 2025 | Compliance Training L.A. Care New Employees |              |                      |
|--|---|--------------|----------------------|
|  | # Complete                                  | # Incomplete | Percentage Completed |
| <b>Total of New Employees</b>            | 141   | 0            | 100%                 |

| Fiscal Year Q3 - April through June 2025 | Compliance Training L.A. Care New CW's |              |                      |
|--|--|--------------|----------------------|
|  | # Complete                             | # Incomplete | Percentage Completed |
| <b>Total of New Contingent Workers</b>   | 134                                    | 13           | 92%                  |

When an associate hasn't completed mandatory training, we begin by notifying both the associate and their manager to reinforce our compliance policy. If this step does not resolve the issue, we escalate by involving the HR Business Partner to provide additional support and guidance. Should these efforts still fail to achieve compliance, the final measure is to deactivate the associate's system access to ensure organizational standards are upheld.

# Executive Summary - Policy Management

## EXHIBIT B

## Board Report Executive Summary

**Report Title: Policy Management Report Out**

**Date: 08/21/2025**

**Prepared By: Theresa Moore, Director, Enterprise Compliance Management**

### 1. Purpose / Desired Impact of the Report

This policy management initiative advances enterprise compliance by leveraging enhancements to the SAI360 GRC Platform. Through streamlined policy review processes, strategic collaboration with business units, and improved system accessibility, we have elevated detection of outdated policies and increased overall compliance to 98%. The effort supports sustained policy governance, fosters leadership engagement, and establishes a cadence for annual reviews and ongoing reporting.

### 2. Background / Context

The Enterprise Compliance team launched a targeted initiative to strengthen policy management across the organization through the SAI360 GRC Platform. This decision was informed by an observed need to streamline the detection of outdated and high-risk policies, increase transparency, and ensure consistent compliance practices.

Beginning in May 2025, key platform enhancements enabled broader accessibility, standardized review workflows, and raised awareness of policies requiring attention. A collaborative effort with business unit SMEs and leadership established clearer review standards and initiated a robust cleanup of pending or “To Be Retired” policies. The expected end date for Business Units to complete their review is **Friday, August 29, 2025**

### 3. Key Considerations / Analysis

#### Management Considerations:

Recent enhancements to the SAI360 GRC Platform have resulted in measurable improvements in policy oversight and organizational compliance. The following key findings and insights emerged:

### 4. Risk Area and Mitigation Activities

Lack of consistent monitoring, auditing, and management of policies through the SAI360 GRC Platform may result in noncompliance with legal and regulatory requirements, outdated internal guidance, and diminished audit readiness. Consequences include increased exposure to enforcement actions, compromised service delivery to members and providers, and reputational harm to L.A. Care. Inaction could hinder the organization’s ability to maintain accreditation and public trust, particularly in areas tied to health equity and civil rights.

**Known Key Risk:** Yes  No  Unknown

**Impacted Area/Risk/Lines of Business:** Please include Risk Areas and Lines of Business in the Risk Statement

**Risk Areas** [Risks examples to include in the Risk Statement]

|              |            |            |          |            |
|--------------|------------|------------|----------|------------|
| Claims       | Compliance | Regulatory | Vendor   | Community  |
| Financial    | Pharmacy   | Privacy    | Access   | Pop Health |
| Reputational | Clinical   | IT         | Legal    | Contract   |
| Member       | Provider   | InfoSec    | Employee | Medicare   |

**Lines of Business** [LOBs to mention in the Risk Statement]

|          |              |           |       |
|----------|--------------|-----------|-------|
| Medi-Cal | L.A. Covered | PASC-SEIU | D-SNP |
|----------|--------------|-----------|-------|

**Risk Mitigation Activities:**

Enterprise Compliance will enforce policy review and attestation cycles to ensure timely updates and cross-functional accountability. The SAI360 GRC platform was enhanced to improve usability, automate review reminders, and enforce role-based controls. A targeted policy cleanup effort will remove outdated documents, directly reducing compliance risk. Governance training sessions have equipped business units with clearer expectations, and a quarterly dashboard now supports executive oversight and early identification of gaps.

## 5. Recommended Action / Decision Requested

Board Action Needed:

- For Information Only
- For Discussion with Board/Committee
- For Approval / Decision

Proposed Motion (if applicable): **N/A**

[Insert motion language, if a decision is being requested. If none, enter "N/A."]

**5. Next Steps / Timeline / Milestones**

- August 29, 2025 – Final day for Business Area review of policies
- September 30, 2025 – Completion of Policy Cleanup Project
- October 2025 – Final Report out on Policy Cleanup Project to C&Q
- FY2026 – Annual review and attestation cadence implemented and enforced

**6. Attachments / Supporting Materials / Presentations**

- Policy Management Report Out – Part of the Enterprise Compliance presentation

# Policy Module Enhancements in SAI360 GRC Platform

- Streamlined detection of outdated and high-risk policies
- Raised awareness of policies requiring review or retirement
- Collaborated with business leaders to establish clear review standards
- Improved platform accessibility across all functional areas

# Current Policy Status – July 2025

|                           | May 2025   | July 2025  |
|---------------------------|------------|------------|
| <b>Currently Approved</b> | 346        | 362        |
| <b>Out of Date</b>        | 12         | 5          |
| <b>Compliance Rate</b>    | <b>96%</b> | <b>98%</b> |

*As of July 31, 2025*

# Next Steps & Recommendations

## Immediate Priorities:

- Continue working with Leadership and Business Unit (BU) Subject Matter Expert (SMEs) to clean up overdue and “To Be Retired” policies
  - Operation Policy Cleanup: cleanup of all pending policies by **September 30**
- Leadership endorsement for new review cadence
  - Annual reviews and attestations
- Continual Overdue Policy report outs to BUs – cadence TBD

# Executive Summary

## Enterprise Risk Management

EXHIBIT C

## Board Summary Report

Report Title: Enterprise Risk Assessment Update – Q3 FY 2025

Date: 07/31/2025

Prepared By: Dominic Simonton, Director – Enterprise Risk Management

### 1. Purpose / Desired Impact of the Report

The purpose of this report is to provide the Board with an update on the status of enterprise risks rated “Very High” in the 2025 assessment cycle. The goal is to provide an update on Management Action Plans (MAPs), spotlight ongoing mitigation strategies for key areas—including HRA, Encounters, Regulatory Risk Oversight, Delegates Risk, DSNP Oversight, Talent Management, and Vendor Management—and ensure continued alignment with compliance requirements, audit readiness, and organizational operational priorities.

### 2. Background / Context

L.A. Care’s Enterprise Risk Management (ERM) program identifies, assesses, and monitors risks across all lines of business. As part of the 2025 Enterprise Risk Assessment, 7 high-priority risks were identified with inherent ratings of “Very High,” primarily in the areas of regulatory risk oversight, and vendor management. This report summarizes progress made on the associated MAPs and updates the Board on the current residual risk status.

### 3. Key Considerations / Analysis

Management Considerations:

- Overall Progress: All 7 high-priority risks remain on track with ongoing MAPs.
- Delegates and Vendor Management: Active oversight continues, with enhanced contract monitoring and escalation procedures.

Impact Summary:

These activities are crucial to maintaining regulatory compliance, protecting member data, and minimizing operational disruptions. Continued MAP execution supports readiness for audits and external reviews.

### 4. Risk Area and Mitigation Activities

Risk Statement:

Failure to mitigate high-priority enterprise risks such as regulatory oversight and vendor risk management integrity may result in operational delays, regulatory non-compliance, audit findings, or compromised member data protection.

Known Key Risk:  Yes  No  Unknown

Impacted Area/Risk/Lines of Business:

- Risks: Compliance  | Regulatory  | Financial  | Reputational  | IT  | Member  |

Provider

- Lines of Business: Medi-Cal  | L.A. Covered  | D-SNP  | PASC-SEIU

Risk Mitigation Activities:

- Ongoing MAP tracking and monthly status reviews.
- Strengthened vendor and delegate risk management processes.

## 5. Recommended Action / Decision Requested

Board Action Needed:

For Information Only    For Discussion with Board/Committee    For Approval / Decision

Proposed Motion (if applicable):

N/A

## 6. Next Steps / Timeline / Milestones

- August 2025: Continue HRA and financial risk mitigation activities.
- October 2025: Update Risk Committee dashboard with revised residual risk ratings.

## 7. Attachments / Supporting Materials / Presentations

None

# Risk Management Update

Presenter(s): Dominic Simonton Director, Enterprise Risk Management

## Risk Mitigation Plan Status Key

|           |         |          |            |                     |
|-----------|---------|----------|------------|---------------------|
| Off Track | Delayed | On Track | Validating | Mitigation In Place |
|-----------|---------|----------|------------|---------------------|

| Risk Year | Risk Title                               | Risk Mitigation Plan Status | Inherent Risk | Residual Risk                                    | Comments   |
|-----------|--|-----------------------------|---------------|--|--|
| 2024      | Health Risk Reassessment (HRA)           | On Track                    | Very High     | <b>Very High (based on 2024 Risk Assessment)</b> | The majority of mitigations have been completed. Internal Audit has completed an initial validation. Final validation in process.          |
| 2024/2025 | Financial Risk - Encounters              | On Track                    | Very High     | <b>Very High (based on 2025 ERA)</b>             | Some mitigations have been completed. Several items on track. Encounters will continue to be a top risk for the company in 2025.           |
| 2024/2025 | Regulatory Compliance Risk - Oversight   | Validating                  | Very High     | <b>High (based on 2025 ERA)</b>                  | Mitigations have been completed. An initial validation audit has been performed and a follow up is in process. Remains a top risk in 2025. |
| 2024/2025 | Risk Exposure From Delegates             | On Track                    | Very High     | <b>High (based on 2025 ERA)</b>                  | Some mitigations have been completed. Additional mitigations planned for 2025. IA validation is in progress. Remains a top risk in 2025.   |
| 2024      | Dual Special Needs Plan (DSNP) Oversight | On Track                    | Very High     | <b>High</b>                                      | Several mitigations have been completed. Internal Audit to validate.   |

# Risk Management Update

Presenter(s): Dominic Simonton, Director, Enterprise Risk Management

| Risk Mitigation Plan Status Key |         |          |            |                     |
|---------------------------------|---------|----------|------------|---------------------|
| Off Track                       | Delayed | On Track | Validating | Mitigation In Place |

| Risk Year | Risk Title        | Risk Mitigation Plan Status | Inherent Risk | Residual Risk Level               | Comments   |
|-----------|-------------------|-----------------------------|---------------|-----------------------------------|--|
| 2024      | Talent Management | On Track                    | Very High     | <b>Medium (Based on 2025 ERA)</b> | Mitigations in progress for hard to fill positions in 2025. Initial assessment performed by Internal Audit |
| 2024      | Vendor Management | On Track                    | Very High     | <b>Medium (based on 2025 ERA)</b> | Some mitigations have been completed. A pre-implementation assessment has been performed by Internal Audit |

# Executive Summary

## Enterprise Risk Management

### Issues Inventory Updates

EXHIBIT C-2

## Board Summary Report

**Report Title: Q3 FY 2025 Issues Management Update**

**Date: 08/21/2025**

**Prepared By: Dominic Simonton, Director – Risk Management**

### 1. Purpose / Desired Impact of the Report

The purpose of this report is to provide a quarterly update to the Board on Risk Management Issues for Q3 FY 2025. The goal is to inform the Board about new and ongoing issues raised through compliance risk channels, the current status of those issues, and the mitigation or remediation activities that have occurred to support resolution and oversight.

### 2. Background / Context

The Issues Management function is responsible for identifying, categorizing, and tracking compliance-related issues across the organization. These issues are reviewed in collaboration with business unit leads, Compliance, and Internal Audit to ensure timely remediation and minimize the impact on members, providers, and L.A. Care operations. This Q3 update reflects activities from April through June 2025, including classifications of Open, Closed, Deferred, Remediated, Tracking Only, and Monitoring Only issues.

### 3. Key Considerations / Analysis

#### Management Considerations:

- The inherent and residual impact and likelihood of most reported issues remain low.
- New issues were identified in Q3 FY 2025, most of which are being actively monitored or assigned for remediation.
- Coordination continues between Compliance Risk Operations and impacts business units for issue resolution and documentation.
- The “Tracking Only” and “Monitoring Only” categories ensure that resolved issues with lingering risk are followed appropriately.
- Ongoing engagement with Compliance and Legal teams helps drive closure and sustain risk-informed decision-making.

### 4. Risk Area and Mitigation Activities

#### Risk Statement:

Issues have a potential effect on members’ access to care, industry reputation, and market value position.

**Known Key Risk:**  Yes  No  Unknown

**Impacted Risk Areas:**

- |  |  |  |                                   |                                     |
|--|--|--|-----------------------------------|-------------------------------------|
| <input type="checkbox"/> Claims                  | <input checked="" type="checkbox"/> Compliance | <input checked="" type="checkbox"/> Regulatory | <input type="checkbox"/> Vendor   | <input type="checkbox"/> Community  |
| <input type="checkbox"/> Financial               | <input type="checkbox"/> Pharmacy              | <input type="checkbox"/> Privacy               | <input type="checkbox"/> Access   | <input type="checkbox"/> Pop Health |
| <input checked="" type="checkbox"/> Reputational | <input type="checkbox"/> Clinical              | <input type="checkbox"/> IT                    | <input type="checkbox"/> Legal    | <input type="checkbox"/> Contract   |
| <input checked="" type="checkbox"/> Member       | <input type="checkbox"/> Provider              | <input type="checkbox"/> InfoSec               | <input type="checkbox"/> Employee | <input type="checkbox"/> Medicare   |

**Lines of Business**

- |  |  |   |   |
|--|--|---|---|
| <input checked="" type="checkbox"/> Medi-Cal | <input checked="" type="checkbox"/> L.A. Covered | <input checked="" type="checkbox"/> PASC–SEIU | <input checked="" type="checkbox"/> D-SNP |
|--|--|---|---|

**Risk Mitigation Activities:**

- Issue tracking with oversight from Compliance Risk Operations.
- Remediation strategies coordinated across internal departments.
- Closure workflows confirmed via formal and informal corrective action plans.
- Monitoring plans in place for issues with long-term compliance considerations.

**5. Recommended Action / Decision Requested**

Board Action Needed:

- For Information Only
- For Discussion with Board/Committee
- For Approval / Decision

Proposed Motion (if applicable): N/A

**6. Next Steps / Timeline / Milestones**

- Continue Q4 monitoring and closure of Q3 items
- Present Q4 FY 2025 Issues Management Update to the Internal Compliance Committee in October 2025.
- Validate and track new issue intake in partnership with Internal Audit and Regulatory Affairs.
- Update the Compliance dashboard to reflect the current inventory status.

**7. Attachments / Supporting Materials / Presentations**

- Attachment A: ICC Presentation – April through June 2025 (Issues Management Inventory Summary).

# Issues Inventory Update – Summary

| Status              | Jan-25 | Feb-25 | Mar-25 | Apr 25 | May 25 | Jun 25 |  |  |  |  |  |  | Year to Date |
|---------------------|--------|--------|--------|--------|--------|--------|--|--|--|--|--|--|--------------|
| <b>Reported</b>     | 2      | 3      | 3      | 2      | 3      | 1      |  |  |  |  |  |  | 14           |
| Open                |        |        |        |        | 1      |        |  |  |  |  |  |  | 1            |
| Closed to inventory |        |        | 2      | 1      |        |        |  |  |  |  |  |  | 3            |
| Deferred            |        |        |        |        |        |        |  |  |  |  |  |  |              |
| Remediated          | 1      | 1      |        |        |        |        |  |  |  |  |  |  | 2            |
| Tracking Only       | 1      | 2      | 1      | 1      | 2      | 1      |  |  |  |  |  |  | 8            |
| Monitoring Only     |        |        |        |        |        |        |  |  |  |  |  |  |              |

- **Open** – Issues confirmed by Compliance Risk Operations that require oversight and monitoring with business units.
- **Closed to Inventory** – Issues in which business units' are seeking guidance about a regulation or best practice process.
- **Deferred** – Issues in which regulatory guidance (DHCS, DMHC, or CMS) is pending to resolve or issue resolution is dependent on another business units' implementation of a system or process.
- **Remediated** – Issues that require formal or informal corrective action plans for resolution.
- **Tracking Only** – Issues managed by other Compliance areas ( such as Regulatory Affairs, Audits, Analysis, Communication and Internal Audit In which the risk management staff is following up for current status updates to closure.
- **Monitoring Only** – Issues in which corrective action plans are completed and monitoring is to be done by Compliance.

# Issues Inventory Years 2019 - 2025

- OPEN
- DEFERRED
- TRACKING ONLY

| Year                | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|------|------|------|------|------|------|------|
| Total               | 6    | 134  | 32   | 105  | 212  | 102  | 14   |
| Open                |      |      |      | 1    | 5    | 6    | 1    |
| Closed to Inventory |      |      | 2    | 20   | 142  | 43   | 3    |
| Deferred            |      |      | 1    |      | 1    |      |      |
| Remediated          | 6    | 134  | 29   | 84   | 60   | 20   | 2    |
| Tracking Only       |      |      |      |      | 4    | 33   | 8    |
| Monitoring Only     |      |      |      |      |      |      |      |

# Issues Inventory Update – Open

| Issue Name and Description  | Date Reported | Business Unit   |
|---|---------------|---|
| <p>Contingent Workers Health Insurance Portability and Accountability Act (HIPAA) Training Gap</p> <p>L.A. Care is investigating a process solution to ensure Contingent Workers hired through the Statement of Work (SOW), which are processed via SciQuest and do not follow the standard Human Resource onboarding procedures, complete their HIPAA compliance training timely. (1656)</p> | 5/19/2025     | Human Resources;<br>Enterprise Operations<br>Compliance |

# Executive Summary - Privacy

EXHIBIT D

## Board Summary Report

**Report Title: SPOC Privacy Report**

**Date: 8/21/25**

**Prepared By: Serge Herrera, Director**

### 1. Purpose / Desired Impact of the Report

The purpose of this report is to update the Compliance and Quality Committee on the status and progress of key Privacy Program initiatives, findings, and metrics for Q2 2025. The goal is to raise awareness, align leadership on strategic improvements, and seek guidance or decisions where appropriate to mitigate compliance and operational risks.

### 2. Background / Context

In Quarter 2, the Privacy Team worked to reinforce regulatory alignment, enhance training and automation, and address workflow inefficiencies across access rights, incident handling, and vendor risk management. Activities were driven by recent DHCS guidance, OCR CAP remediation efforts, and internal audits on member data integrity and contract compliance. Cross-functional collaboration continues with InfoSec, HR, Compliance, and Care Management.

### 3. Key Considerations / Analysis

#### Management Considerations:

Below are ongoing areas of focus for Q2 2025.

- External-facing notices (e.g., Privacy Practices and Terms & Conditions) are being updated to reflect federal/state guidance and emerging technologies.
- HIPAA Sanction Policy revision enforces mandatory training for all staff, including contingent workers.
- Privacy-InfoSec training enhancements are underway post-OCR CAP.
- HIPAA investigations saw monthly spikes; strong controls maintained 100% compliance.
- Right of Access fulfilled 442 requests (100% compliance); new PHI form planned for Fall go-live.
- ARD reviews (739) and member communications (1,859) were handled promptly amid system changes.
- Contract reviews (225) achieved 91% on-time completion; process adjustments mitigate submission delays.

### 4. Risk Area and Mitigation Activities

#### Risk Statement:

Failure to update privacy protocols, workflows, and compliance monitoring may result in regulatory noncompliance, delayed member services, data exposure, reputational damage, and legal ramifications for L.A. Care.

**Known Key Risk:** Yes  No  Unknown

**Impacted Area/Risk/Lines of Business:** Please include Risk Areas and Lines of Business in the Risk Statement

**Risks examples to include in the Risk Statement**

|               |                   |                   |          |                 |
|---------------|-------------------|-------------------|----------|-----------------|
| Claims        | <b>Compliance</b> | <b>Regulatory</b> | Vendor   | Community       |
| Financial     | Pharmacy          | <b>Privacy</b>    | Access   | Pop Health      |
| Reputational  | Clinical          | <b>IT</b>         | Legal    | Contract        |
| <b>Member</b> | Provider          | <b>InfoSec</b>    | Employee | <b>Medicare</b> |

**Lines of Business**

|                 |                     |                  |              |
|-----------------|---------------------|------------------|--------------|
| <b>Medi-Cal</b> | <b>L.A. Covered</b> | <b>PASC-SEIU</b> | <b>D-SNP</b> |
|-----------------|---------------------|------------------|--------------|

**Risk Mitigation Activities:**

- Policy and procedural updates underway to align with DHCS and OCR guidance
- Automation of workflows and access requests via SharePoint
- Training revamps involving HR, InfoSec, and Compliance
- Real-time tracking and dashboards for incident monitoring
- Vendor assessments and audit remediation planning via Prevalent

**5. Recommended Action / Decision Requested**

Board Action Needed:

- For Information Only
- For Discussion with Board/Committee
- For Approval / Decision

Proposed Motion (if applicable): N/A

**6. Next Steps / Timeline / Milestones**

- Finalize policy review and publish updates – Aug 2025
- Launch PHI Form User Testing – Sept 2025
- Go-Live for PHI Form and SharePoint Workflow – Oct 2025
- Complete MSO/PPG audit remediation plans – Sept 2025
- Continue training revamp and module integration – Q3–Q4 2025

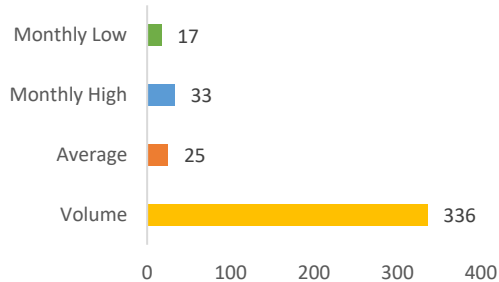
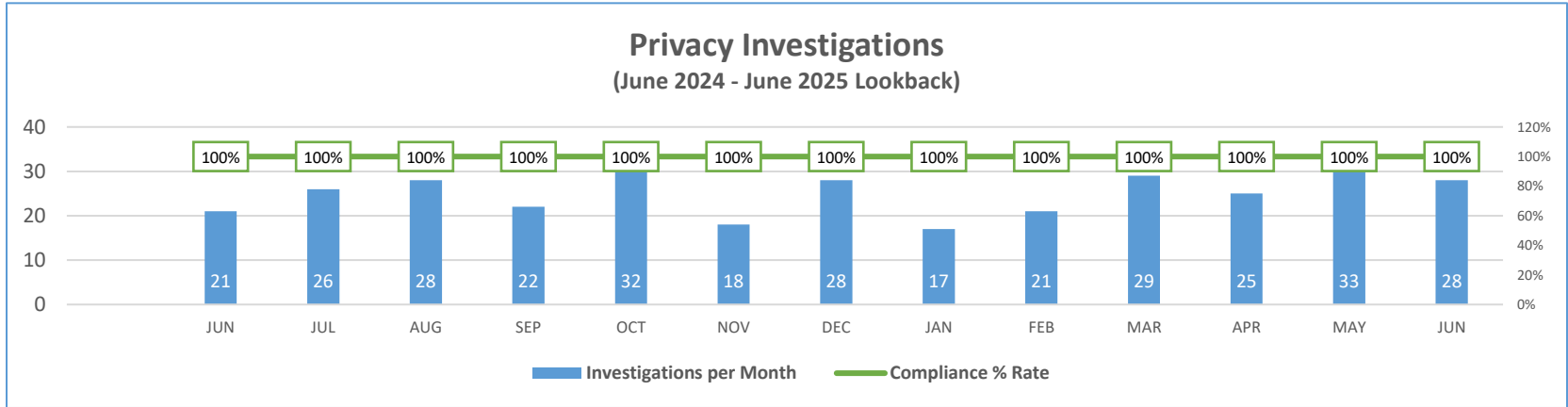
**7. Attachments / Supporting Materials / Presentations**

- Privacy SPOC Report

# Privacy Updates

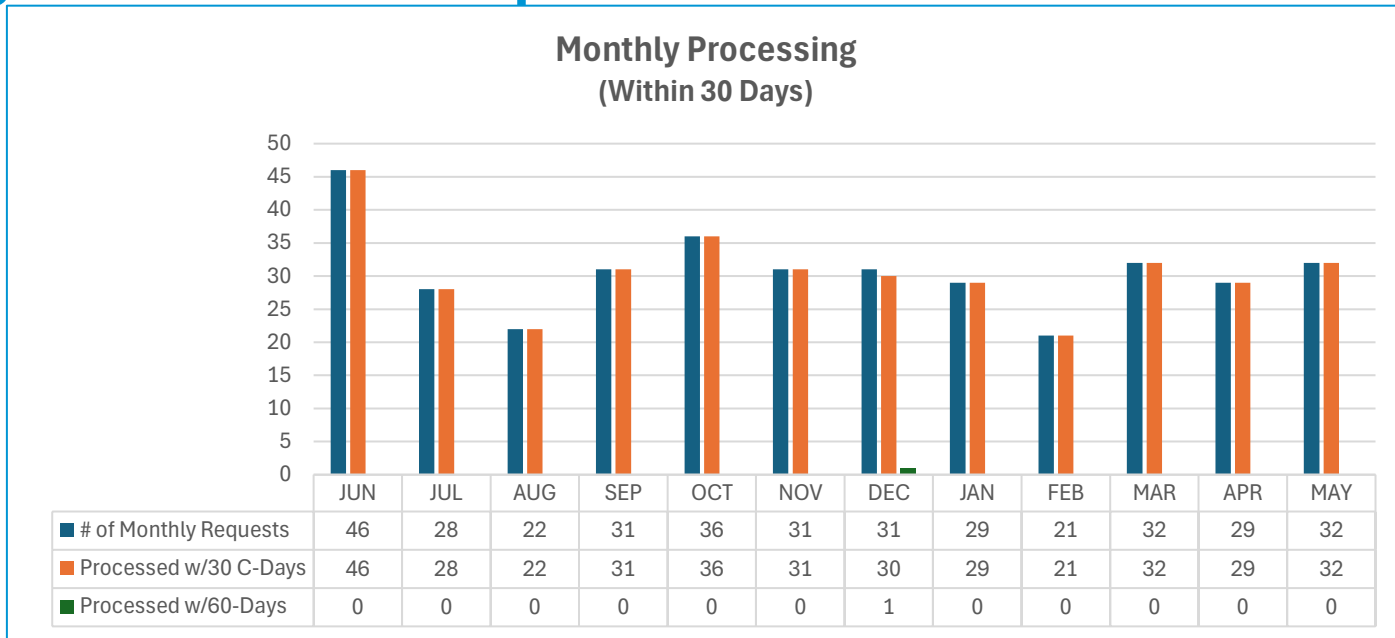
- **Notice of Privacy Practices, Website Privacy Policy, Terms and Conditions**
  - These documents are in the review process to ensure alignment with our internal practices, as well as applicable federal and state regulations.
- **DHCS Memo: Offshoring of PHI**
  - The DHCS memo addressing the prohibition of offshoring PHI has been circulated for feedback. A meeting is being scheduled to draft a formal organizational response.
- **HIPAA Sanction Policy**
  - We are revising the HIPAA Sanction Policy to enforce the required HIPAA trainings for all workforce members, including Contingent Workers.
- **Privacy and Security Trainings**
  - In response to the OCR CAP, Privacy and InfoSec will collaborate to incorporate additional training materials. We will coordinate with HR and Compliance's team to update the training modules accordingly.

# HIPAA Violations Investigations



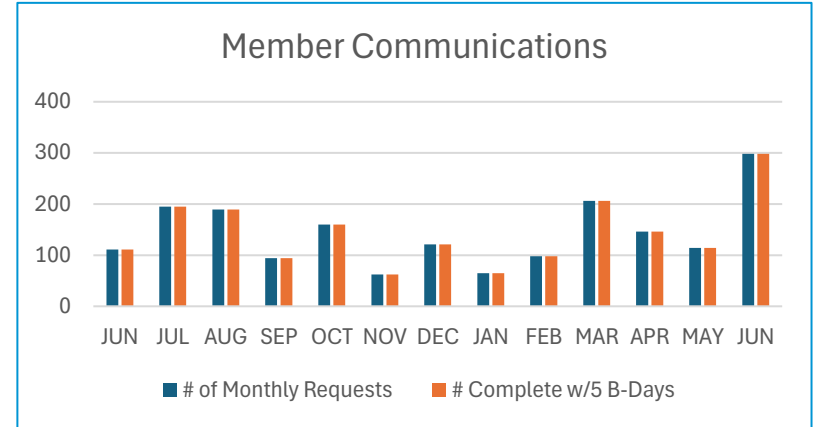
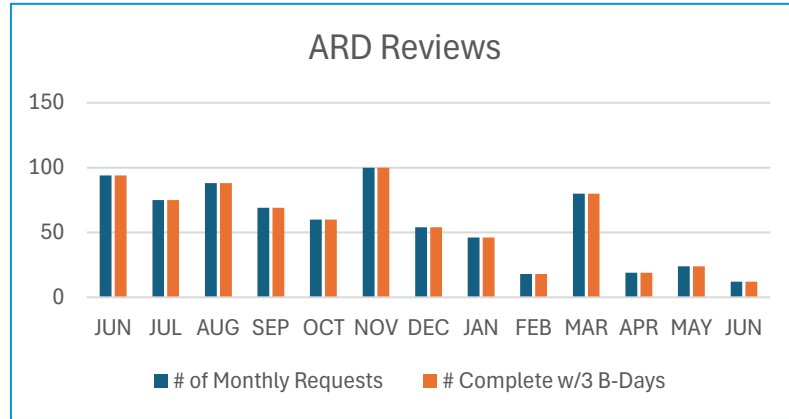
- There's a slight upward trajectory in the number of investigations, with notable spikes in October, March, and May. This trend reflects an increased reporting from our Plan Partner, where most incidents are initially reported but then subsequently retracted.
- This trend might reflect enhanced reporting, increased internal vigilance, or external scrutiny.
- We have strong operational controls that help us achieve 100% compliance despite rising volumes.
- We have established review mechanisms that align with federal and state reporting and investigation requirements.

# Right of Access Requests



- During the reporting period, we received 442 right of access requests, averaging 34 requests per month. 100% of the requests were processed within the regulatory timeframe.
- Types of request for the reporting period included (claims & billings, medical auth., care management, etc.).
- Some of the challenges we faced included duplication, misdirected requests, and missing information.
- New PHI Form in on the way, expected to set up user testing/training to go-live in Fall 2025.

# Privacy Document Reviews



- During the reporting period, Privacy reviewed 739 ARD requests to ensure compliance with regulatory requirements. Privacy processed on average 57 requests per month within 5 business days from receipt. Overall, there is a downward decreased of ARD review request due to recent member management system change and establishment of new ARD review process.
  - Privacy continue to work with Care Management team to identify gaps and risk associated with lapse and barrier due to system change.
- Privacy also reviewed member-related communications. 1,859 were processed during the reporting period, averaging 143 per month. During the last quarter, the volume of request doubled due to urgent member/provider materials related to law enforcement immigration task force.
  - Privacy continue to review and prioritize urgent cases to ensure efficiency on Podio platform.

# Process Improvement: Right of Access Automation

| Define   | Measure  |
|--|--|
| <ul style="list-style-type: none"><li>• Manual workflows causing delays to reporting and evaluation</li><li>• Risk of non-compliance with 30-day response with HIPAA requirements</li><li>• Objective: Implement a streamlined, automated process using SharePoint</li></ul> | <ul style="list-style-type: none"><li>• Average Fulfillment Timeline</li><li>• % of request completed within 30 days</li><li>• Monthly volume of request metrics</li></ul> |
| Analyze  | Improve  |
| <ul style="list-style-type: none"><li>• Enhanced reporting and evaluation frameworks</li><li>• Improved monitoring capabilities</li><li>• Greater adaptability and ease of adjustment</li></ul>  | <ul style="list-style-type: none"><li>• Design new intake forms</li><li>• Real time evidence tracking</li><li>• Weekly performance reviews</li></ul>                       |
| Control  |  |
| <ul style="list-style-type: none"><li>• New training guides</li><li>• New frequently asked questions (FAQs)</li></ul>  |  |

# Executive Summary - Internal Audit Services

## EXHIBIT E

## Board Summary Report

**Report Title: Internal Audit – Enforcement Matter Update**

**Date: 08/21/2025**

**Prepared By: Gennadiy Daych, Director of Internal Audit**

### 1. Purpose / Desired Impact of the Report

The purpose of this report is to provide an update on Enforcement Matter Validation Audit activities related to 23 external audit findings, along with a trend analysis of 2024 audit categories. Its purpose is to inform senior leadership of the status of testing efforts and to highlight category trends identified from the 2024 audit results.

### 2. Background / Context

L.A. Care’s Internal Audit Department is conducting Enforcement Matter Validation activities to verify and validate remediation of items identified in the Settlement Agreement. The validation audits began in April 2025 and will continue throughout the calendar year. Internal Audit is actively collaborating with Compliance, various business units, and L.A. Care leadership to share updates on testing, findings, and proposed recommendations.

The 2024 trends are intended to provide senior leadership with insight into the nature of findings observed during Internal Audit’s 2024 activities.

### 3. Key Considerations / Analysis

#### Management Considerations:

Our validation audit activities include developing testing methodology for each of the audit findings, drafting document request lists, sample selections, and data universe analyses. These 23 findings are spread across several business units: Grievances & Appeals (9), Utilization Management (6), Quality Assurance (5), Prescription Drug (2), and Claims (1).

Our trend analysis of the 2024 audit activities revealed that the top three types of findings were: (1) Oversight Monitoring performed by Business Units (n=15), (2) Lack of Policy and Procedure Adherence (n=14), and (3) Regulatory Compliance (n=6). Collectively, these top three categories accounted for 65% (a total of 35 out of 54) of all findings identified in 2024.

### 4. Risk Area and Mitigation Activities

#### Risk Statement:

**Known Key Risk:** Yes  No  Unknown

If L.A. Care does not effectively implement recommendations and remediate findings from the Enforcement Matter Validation Audit, the organization could face additional regulatory non-compliance, financial penalties, and reputational damage. Additionally, failing to address these findings could significantly impact key business processes and increase the likelihood of repeat findings.

**Impacted Area/Risk/Lines of Business:** Please select those areas impacted

**Risks**

- |  |  |  |  |  |
|--|--|--|--|--|
| <input checked="" type="checkbox"/> Claims       | <input checked="" type="checkbox"/> Compliance | <input checked="" type="checkbox"/> Regulatory | <input checked="" type="checkbox"/> Vendor   | <input checked="" type="checkbox"/> Community  |
| <input checked="" type="checkbox"/> Financial    | <input checked="" type="checkbox"/> Pharmacy   | <input checked="" type="checkbox"/> Privacy    | <input checked="" type="checkbox"/> Access   | <input checked="" type="checkbox"/> Pop Health |
| <input checked="" type="checkbox"/> Reputational | <input checked="" type="checkbox"/> Clinical   | <input checked="" type="checkbox"/> IT         | <input checked="" type="checkbox"/> Legal    | <input checked="" type="checkbox"/> Contract   |
| <input checked="" type="checkbox"/> Member       | <input checked="" type="checkbox"/> Provider   | <input checked="" type="checkbox"/> InfoSec    | <input checked="" type="checkbox"/> Employee | <input checked="" type="checkbox"/> Medicare   |

**Lines of Business**

- |  |                                       |   |   |
|--|---------------------------------------|---|---|
| <input checked="" type="checkbox"/> Medi-Cal | <input type="checkbox"/> L.A. Covered | <input checked="" type="checkbox"/> PASC–SEIU | <input checked="" type="checkbox"/> D-SNP |
|--|---------------------------------------|---|---|

**Risk Mitigation Activities:**

- Timely and comprehensive corrective actions to address findings from the Enforcement Matter Validation Audit and 2024 Internal Audit’s audit activities.
- Continuous and effective monitoring to prevent future instances of non-compliance.

**5. Recommended Action / Decision Requested**

Board Action Needed:

- For Information Only
- For Discussion with Board/Committee
- For Approval / Decision

Proposed Motion (if applicable): N/A

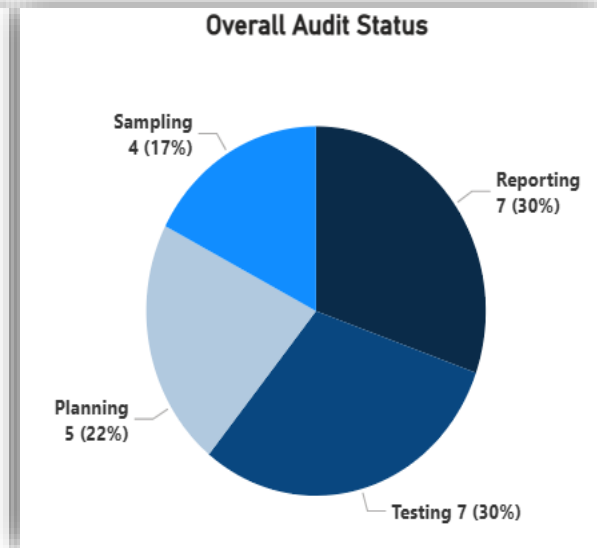
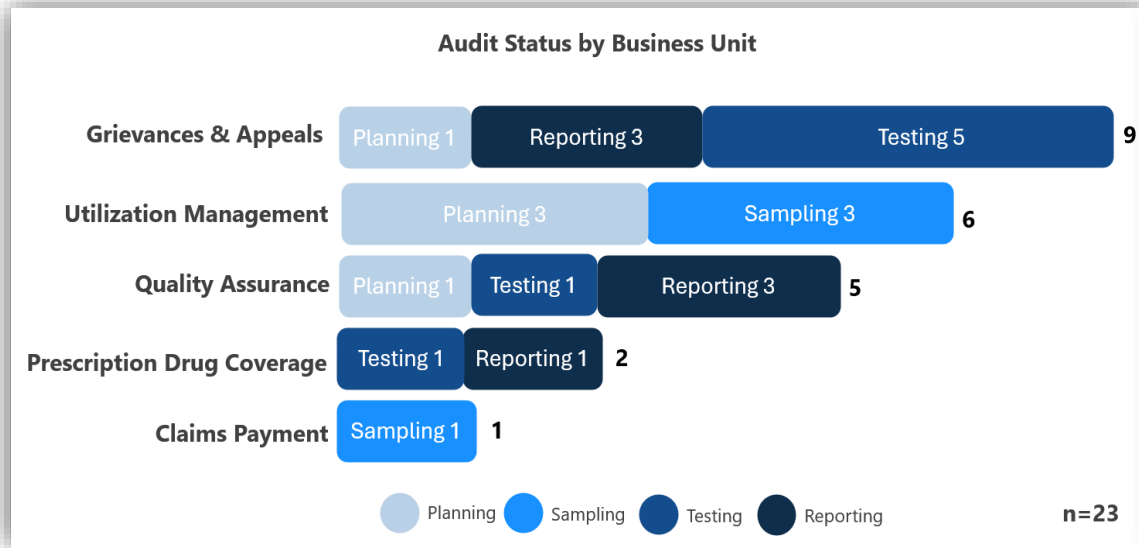
**6. Next Steps / Timeline / Milestones**

- Enforcement Matter Validation Audit Testing will continue throughout the calendar year.
- Enforcement Matter Findings Summary Report target completion is calendar year Q1 2026.
- Continuous validation activities via follow-up reviews to ensure the implementation and correction of 2024 audit activity findings.

**7. Attachments / Supporting Materials / Presentations**

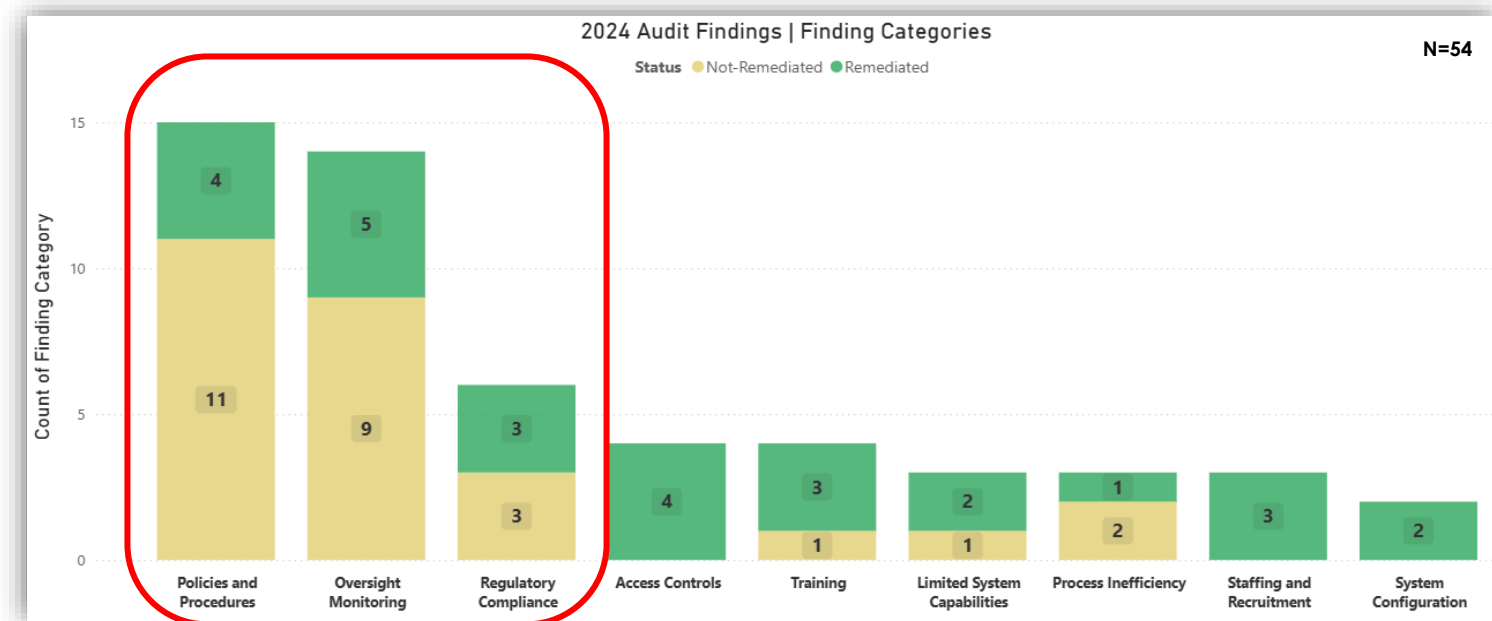
- Attachment A: C&Q PowerPoint Slide Deck – August 21, 2025

# Enforcement Matter – Internal Audit Updates



- **Purpose of Validation Activities** - Verify remediation of items identified in the Settlement Agreement
- **Timeline** - Testing began in April 2025 and will continue throughout the calendar year
- **Collaboration Efforts** –
  - Ongoing communication with Compliance, business units, and leadership
  - Include updates on testing progress, findings, and recommendations
- **Status** – Almost 50% of the validation audits are in a testing/reporting phase.

# 2024 Finding Categories



## Top Findings from 2024 Audit Activities

- Trend analysis identified the three most common finding types:
  - **Oversight Monitoring by Business Units** – 15 instances
  - **Policy and Procedure Non-Adherence** – 14 instances
  - **Regulatory Compliance Issues** – 6 instances
- These top three categories represent **65% (35 of 54)** of all findings reported in 2024

# 2024 Finding Categories – Appendix

| Finding Category                     | Category Definition   |
|--------------------------------------|---|
| <b>Policies and Procedures</b>       | Occurs when a business unit does not adhere to an established policy or procedure; when an existing policy or procedure needs updating; when no relevant policy or procedure exists for the issue identified; or when a policy has not undergone appropriate review and/or obtained required approvals. |
| <b>Training</b>                      | Occurs when staff do not complete required training on schedule, or when the issue is otherwise connected to training deficiencies.   |
| <b>Staffing and Recruitment</b>      | Occurs when the staffing model fails to align with departmental policies and procedures, often due to challenges in filling key positions.  |
| <b>Regulatory Non-Compliance</b>     | Occurs when a business unit does not achieve key performance indicators (KPIs), particularly those tied to regulatory obligations or corporate compliance oversight.  |
| <b>System Configuration</b>          | Occurs when a system is misconfigured, preventing it from executing the intended task.  |
| <b>System Capability Limitations</b> | Occurs when a system is designed to handle a particular task but is unable to do so because of built-in constraints.  |
| <b>Oversight and Monitoring</b>      | Occurs when a business unit lacks sufficient monitoring or reporting mechanisms to detect and address potential risks. IT frequently produces reports for business units directly from the database, though the request queue is often heavily backlogged.  |
| <b>IT Support Delay</b>              | Occurs when IT support is delayed, leading to issues such as backlogged requests.   |
| <b>Access Controls</b>               | Occurs due to failures in deactivating access for terminated LA Care employees, inadequate segregation of duties, or improper application of role-based access controls on a need-to-know basis.  |
| <b>Process Inefficiencies</b>        | Occurs when a workflow, system, or process expends time, resources, or effort without yielding commensurate value.  |

# Executive Summary - Regulatory Audit Update

EXHIBIT F

## Board Summary Report

**Report Title:** Regulatory Audits Update

**Date:** 08/21/2025

**Prepared By:** Xochitl Mena Perez, Sr. Director, Regulatory Compliance

### 1. Purpose / Desired Impact of the Report

The report is intended to provide the Compliance and Quality Committee (C&Q) with updates on the multiple regulatory audits that are actively underway. The report outlines the scope, status, and outcomes of audits conducted by oversight agencies, such as the Department of Health Care Services (DHCS) and other relevant regulatory bodies.

### 2. Background / Context

The organization maintains a structured Regulatory Audits Program that is managed by the Regulatory Audits team, which oversees all aspects of audit coordination, response, and remediation. Key elements of the program include:

- **Audit Readiness and Coordination:** Ensuring business units are prepared for scheduled and unscheduled audits through ongoing education, documentation reviews, and process assessments.
- **Centralized Oversight:** Maintaining a centralized repository of audit activity to track timelines, findings, and corrective actions across all regulatory engagements.
- **Corrective Action Management:** Collaborating with applicable business units to develop, implement, and monitor corrective action plans that address audit findings and prevent recurrence.
- **Stakeholder Communication:** Providing timely updates to Senior Leadership Team and to C&Q to ensure informed oversight.

This Summary Report provides an overview of the current 2025 regulatory audits, outlines the Plan's performance to date, as well as next steps and ongoing readiness efforts.

### 3. Key Considerations / Analysis

**Management Considerations:** A detailed breakdown of the 2025 audits is provided in the slide presentation.

### 4. Risk Area and Mitigation Activities

**Risk Statement:**

Failure to adequately address regulatory audit requests, preliminary findings, or documentation gaps may result in corrective action requirements, enforcement actions, reputational harm, and potential financial penalties. There are added concerns for audits classified as high risk.

**Known Key Risk:** Yes  No  Unknown

**Impacted Area/Risk/Lines of Business:** Please include Risk Areas and Lines of Business in the Risk Statement

**Risks examples to include in the Risk Statement**

- |  |  |  |                                   |  |
|--|--|--|-----------------------------------|--|
| <input checked="" type="checkbox"/> Claims       | <input checked="" type="checkbox"/> Compliance | <input checked="" type="checkbox"/> Regulatory | <input type="checkbox"/> Vendor   | <input type="checkbox"/> Community           |
| <input checked="" type="checkbox"/> Financial    | <input type="checkbox"/> Pharmacy              | <input checked="" type="checkbox"/> Privacy    | <input type="checkbox"/> Access   | <input type="checkbox"/> Pop Health          |
| <input checked="" type="checkbox"/> Reputational | <input type="checkbox"/> Clinical              | <input type="checkbox"/> IT                    | <input type="checkbox"/> Legal    | <input checked="" type="checkbox"/> Contract |
| <input type="checkbox"/> Member                  | <input type="checkbox"/> Provider              | <input checked="" type="checkbox"/> InfoSec    | <input type="checkbox"/> Employee | <input type="checkbox"/> Medicare            |

**Impacted Lines of Business**

- Medi-Cal       L.A. Covered       PASC–SEIU       D-SNP

**Risk Mitigation Activities:**

To support ongoing regulatory compliance and mitigate organizational risk, the Plan has initiated a series of targeted activities that reflect a proactive and structured approach to strengthening its compliance posture and enhancing operational resilience. Continuous monitoring mechanisms have been established to ensure emerging issues are promptly identified and addressed. In support of long-term corrective strategies, a comprehensive five-year trend analysis of the Plan’s performance is underway to identify recurring patterns and guide future remediation efforts. In preparation for upcoming audits, detailed workplans are being developed with an emphasis on validating prior remediation efforts to confirm current compliance. Concurrently, the Plan is actively working to complete outstanding CAPs through sustained collaboration with internal business units and delegated entities. These efforts are designed to reduce the risk of repeat findings and reinforce the Plan’s commitment to regulatory alignment.

Although the Plan’s overall performance has improved, opportunities for further enhancement remain. Areas identified for continued focus include improving data integrity and accuracy, elevating the quality and precision of audit responses, ensuring timely engagement with auditors, and strengthening coordination among impacted business units. To advance these objectives, it is recommended that operational training programs be expanded to include core audit principles, clearly defined audit parameters supported by a standardized playbook, and historical audit trend analysis to support proactive risk identification and mitigation

**5. Recommended Action / Decision Requested**

Board Action Needed:

- For Information Only
- For Discussion with Board/Committee
- For Approval / Decision

Proposed Motion (if applicable):

N/A

**6. Next Steps / Timeline / Milestones**


Please refer to Section 4.0 above, which also outlines the next steps.

**7. Attachments / Supporting Materials / Presentations**

- PowerPoint Presentation - Regulatory Audits Update




# Current Regulatory Audits

- L.A. Care 2025 Audits -

| Audit Name                       | Regulatory | Audit Description  | Risk Rating  | Status  |
|----------------------------------|------------|--|--|---|
| <b>2025 DMHC Financial Audit</b> | DMHC       | Financial examination (a minimum of once every five years) with a specific focus on claims timeliness and payment integrity, and financial statutory compliance. |  High | <ul style="list-style-type: none"><li>•The audit remains in progress.</li><li>•To date, the DMHC has made observations in:<ul style="list-style-type: none"><li>○ Claims processing</li><li>○ Payment accuracy</li><li>○ Paid interests</li><li>○ Provider dispute resolutions.</li></ul></li></ul> |




# Current Regulatory Audits

## - L.A. Care 2025 Audits -

| Audit Name  | Regulatory | Audit Description  | Risk Rating  | Status  |
|---|------------|--|--|---|
| <b>2024 CMS 1/3 Financial Survey</b>                | CMS        | Annual CMS Financial Audit of 1/3 of all participating Medicare Advantage and Prescription Drug Plans with a specific focus on internal controls, cost allocation and solvency review. |  Low  | <ul style="list-style-type: none"> <li>Audit review is completed.</li> <li>Audit resulted in one finding and three (3) observations.</li> <li>The finding does not present known risk.</li> <li>Pending formal notice of audit conclusion.</li> </ul> |
| <b>Forvis Mazars Settlement Agreement Work Plan</b> | DHCS/DMHC  | Mandated consulting agreement to ensure all findings part of the settlement agreement are closed and in compliance.  |  High | <ul style="list-style-type: none"> <li>Active, in Work Plan development.</li> <li>Anticipated Work Plan Memorandum to be submitted 08/08/2025.</li> </ul>   |
| <b>2025 PBP SBE APTC Payment Audit (2021)</b>       | CMS        | Audit evaluating compliance with the Advance Payments of the Premium Tax Credit (APTC) Program for State Based Exchanges (SBE) plans   |  Low  | <ul style="list-style-type: none"> <li>Virtual audit. Remains in progress.</li> <li>At this time, there is no known risk.</li> </ul>  |



# Anticipated Regulatory Audits in 2025

- L.A. Care 2025 Audits -

| Audit Name  | Regulatory | Audit Description  | Risk Rating  | Status                 |
|---|------------|--|--|------------------------|
| <b>2025 Network Adequacy Validation (NAV) Audit</b> | DHCS       | Evaluates the accuracy of data related to the plan's network adequacy with a specific focus on the plan's ability to provide quality healthcare services.  |  Low    | • Scheduled 8/14/2025  |
| <b>2025 Medical Survey</b>                          | DHCS       | Routine audit that assesses the Plan's compliance with regulations governing medical services, quality of care, and oversight of delegated entities responsible for providing medical services.  |  High   | • Scheduled 10/13/2025 |
| <b>2025 Compliance Program Effectiveness</b>        | CMS        | Evaluates the effectiveness of the compliance programs functions related to the prevention, detection of non-compliance, compliance with contractual obligations, and oversight of first-tier, downstream and related entities (FDRs). |  Medium | • Scheduled 11/02/2025 |

# Anticipated Audits in 2025

## - L.A. Care 2025 Audits -

| Audit Name  | Regulatory | Audit Description   | Risk Rating   | Status   |
|---|------------|---|---|--|
| <b>2025 Encounter Data Validation Audit Support</b> | CMS        | Data integrity audit to validate encounter data accuracy, consistency with medical records, and compliance with CMS guidelines and regulations. |  Low | <ul style="list-style-type: none"><li>• Date TBD</li></ul> |
| <b>2025-2026 DPSS Annual Monitoring</b>             | CMS        | Audit evaluates program performance, financial accountability, compliance and operational processes.  |  Low | <ul style="list-style-type: none"><li>• Date TBD</li></ul> |

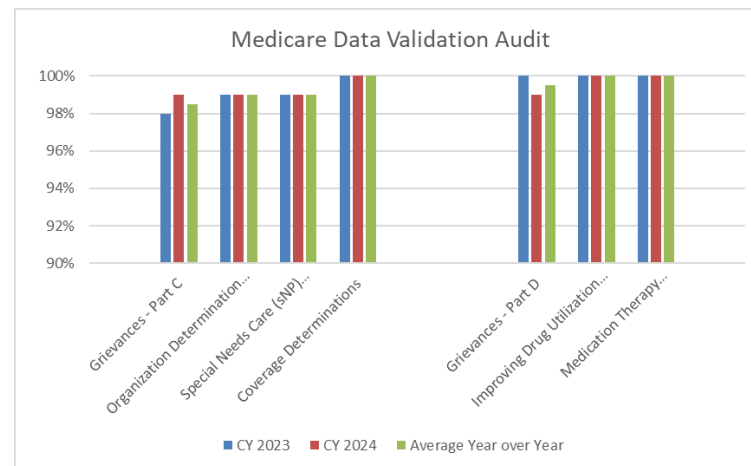
# Finalized Regulatory Audits

## - L.A. Care 2025 Audits -

| Audit Name  | Regulatory | Audit Description   | Risk Rating                              | Status  |
|---|------------|---|--|---|
| <b>2025 (MY24) Medicare Data Validation (MDV) Audit</b> | CMS        | Medicare Part C and Part D Data validating audit with a focus on ensuring the accuracy and reliability of the data reported by Plan to CMS. | <span style="color: green;">●</span> Low | <ul style="list-style-type: none"> <li>Virtual audit, concluded in June 2025</li> </ul> |

### Medicare Data Validation Audit Scores

|   | CY 2023 | CY 2024 | Delta |
|---|---------|---------|-------|
| <b>Part C</b>                                   |         |         |       |
| Grievances - Part C                             | 98%     | 99%     | ↑ +1% |
| Organization Determination and Reconsiderations | 99%     | 99%     | =     |
| Special Needs Care (sNP) Management             | 99%     | 99%     | =     |
| Coverage Determinations                         | 100%    | 100%    | =     |
| <b>Part D</b>                                   |         |         |       |
| Grievances - Part D                             | 100%    | 99%     | =     |
| Improving Drug Utilization Review Controls      | 100%    | 100%    | =     |
| Medication Therapy Management Program           | 100%    | 100%    | =     |



# Key Takeaways and Recommendations

## Takeaways

- ✓ The Plan's overall performance has improved; however, opportunities for further enhancement remain in the following areas:
  - Ensuring data integrity and enhancing data accuracy;
  - Strengthening the quality and precision of responses to the audit;
  - Responding timely to auditors'
  - Strengthening coordination and collaboration among impacted business units.

## Recommendations

Enhancing operational training programs to incorporate:

- Core audit principles;
- Defined audit parameters and standardized playbook;
- Historical audit trend analysis to support risk identification and mitigation.

# Executive Summary - Claims Integrity

EXHIBIT G

## Board Summary Report

Report Title: C&Q Claims Integrity August 2025

Date: 08/21/2025

Prepared By: Erik Chase, Sr. Director, Enterprise Shared Services-Claims Integrity

### 1. Purpose / Desired Impact of the Report

The purpose of this report is to demonstrate consistent adherence to compliance standards while highlighting areas of operational efficiency along with any gaps that signal opportunities for improvement.

### 2. Background / Context

Provide transparent, data-driven insights into how Claims Integrity is performing against the following regulatory compliance standards.

- Claims Processing Metrics and Trending
- Claims Timeliness Compliance Metrics
- Provider Dispute Resolution (PDR) Timeliness Compliance Metrics

### 3. Key Considerations / Analysis

#### Management Considerations:

Ensure compliance with the following standards.

- 95% of claims processed within 30 calendar days
- 99% of claims processed within 90 calendar days
- 95% of PDRs acknowledged within 15 working days
- 95% of PDRs dispositioned within 45 working days

#### *Additional comments*

- **Commentary for General Awareness**
  - Beginning January 01, 2026, the Plan is required to process all claims within 30 calendar days (AB 3275).

### 4. Risk Area and Mitigation Activities

#### Risk Statement:

L.A. Care is monitoring patterns of suspicious billing (with a credible allegation of fraud or currently under investigation by L.A. Care's Special Investigations Unit) by several hospice facilities that are not contracted with L.A. Care. Other health plans in California have also experienced similar trends, and L.A. Care has partnered with these plans to develop a similar review process in an effort to curb this trend. As such, L.A. Care's senior leadership has made the following changes to increase monitoring and oversight of the trend and avoid payment as appropriate:

- For dates-of-service January 01, 2024, and later, all hospice claims from entities and organizations not contracted with L.A. Care shall require an authorization for payment to be considered.

Known Key Risk: Yes  No  Unknown

**Impacted Area/Risk/Lines of Business:** Please select those areas impacted  
**Risks**

**Risks examples to include in the Risk Statement**

- |  |                                     |                                     |                                   |                                     |
|--|-------------------------------------|-------------------------------------|-----------------------------------|-------------------------------------|
| <input checked="" type="checkbox"/> Claims | <input type="checkbox"/> Compliance | <input type="checkbox"/> Regulatory | <input type="checkbox"/> Vendor   | <input type="checkbox"/> Community  |
| <input type="checkbox"/> Financial         | <input type="checkbox"/> Pharmacy   | <input type="checkbox"/> Privacy    | <input type="checkbox"/> Access   | <input type="checkbox"/> Pop Health |
| <input type="checkbox"/> Reputational      | <input type="checkbox"/> Clinical   | <input type="checkbox"/> IT         | <input type="checkbox"/> Legal    | <input type="checkbox"/> Contract   |
| <input type="checkbox"/> Member            | <input type="checkbox"/> Provider   | <input type="checkbox"/> InfoSec    | <input type="checkbox"/> Employee | <input type="checkbox"/> Medicare   |

**Lines of Business**

- |  |  |   |   |
|--|--|---|---|
| <input checked="" type="checkbox"/> Medi-Cal | <input checked="" type="checkbox"/> L.A. Covered | <input checked="" type="checkbox"/> PASC-SEIU | <input checked="" type="checkbox"/> D-SNP |
|--|--|---|---|

**Risk Mitigation Activities:**

**5. Recommended Action / Decision Requested**

Board Action Needed:

- For Information Only
- For Discussion with Board/Committee
- For Approval / Decision

Proposed Motion (if applicable): N/A

**6. Next Steps / Timeline / Milestones**

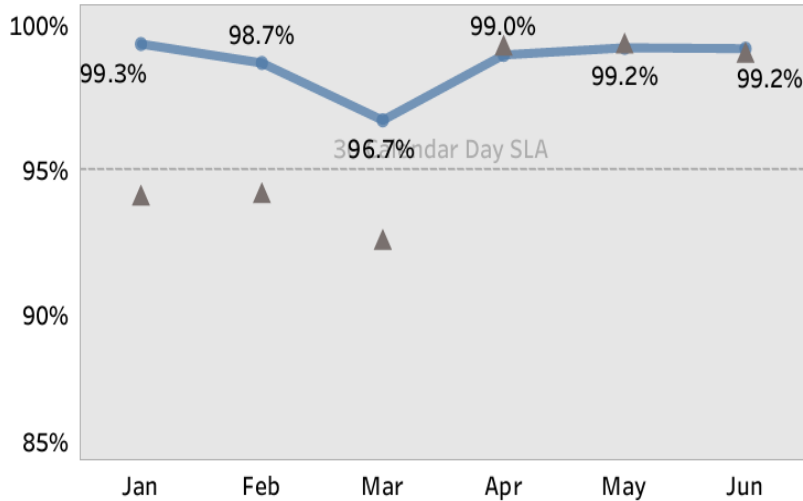
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**7. Attachments / Supporting Materials / Presentation**

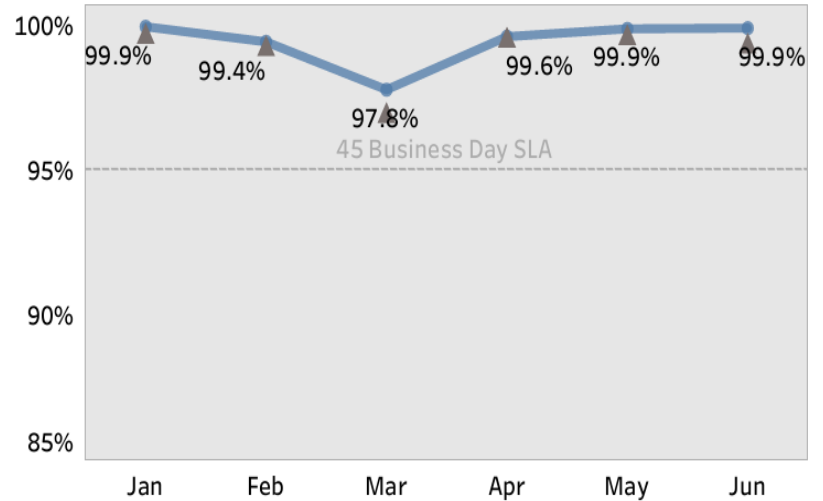
N/A

# Claims Integrity

% Processed within 30 Calendar Days Jan-2025 to Jun-2025

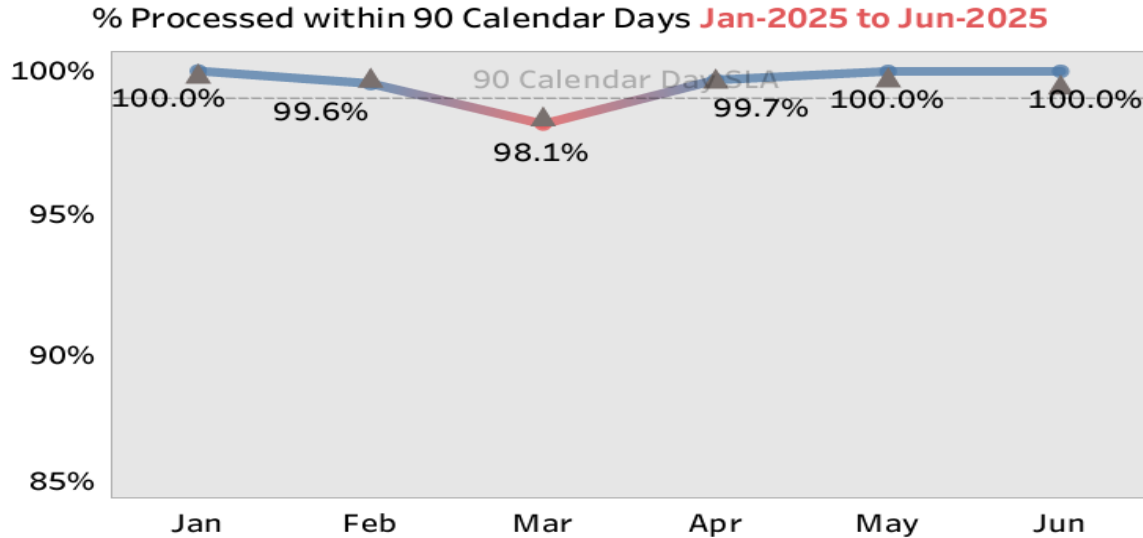


% Processed within 45 Business Days Jan-2025 to Jun-2025



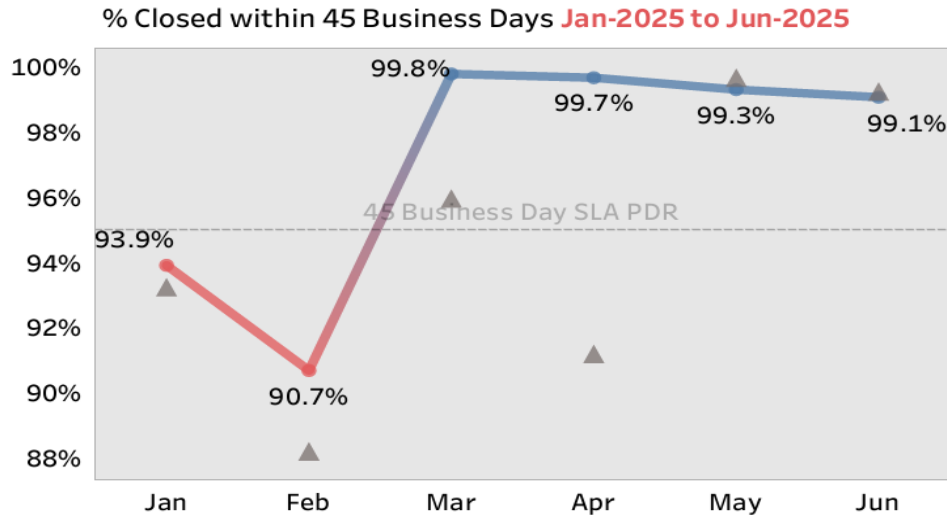
- Plan required to process 95% of clean claims within 30 calendars days
- Interest begins to accrue the first calendar day after the 45th working day

# Claims Integrity



- Plan required to process 99% of clean claims within 90 calendar days.
- *NOTE: Beginning January 01, 2026, Plan is required to process all claims within 30 calendar days (AB 3275).*
- Compliance Impact:
  - L.A. Care/Edifecs Opportunity – Issue identified July 26, 2024, after an Edifecs upgrade took place. The issue identified that claims were incorrectly rejecting before entering the core system. Issue was resolved in February of 2025 and 72,690 claims were ingested into the core adjudication system over the last week of February and first week of March of 2025.

# Claims Integrity Provider Dispute Resolution



- Plan required to process (disposition) 95% of Provider Dispute Resolutions (PDR) received within 45 working days.
- Compliance Impact (January & February 2025):
  - Volume of SIU cases received.
  - Experienced delays in submitting the documentation (medical records, case notes, etc.) to Advize Healthcare
  - Misalignment on the TAT for PDR as compared to the TAT in the original agreement (SOW).

# Claims Integrity (Payment Integrity)

## FY2025 SIU led recoveries

- 1QFY2025
  - SIU Leads - \$0.8M
  - SNF – reopened Payment Integrity monitoring, led to ~\$962K in overpayment identifications.
- 2QFY2025
  - SIU Leads - \$1.0M
  - Acupuncture – configured acupuncture billing restrictions in QNXT to mitigate payment of incorrectly billed claims.
  - Hospice – configured ~15 hospice providers to deny payments for known false claim submissions.
- 3QFY2025
  - SIU Leads - \$1.96M
  - Hospice – denied ~6.4K claims totaling ~\$46M in billed charges.
- **Coordination of Benefits (Internalization)**
  - Team created to identify COB opportunities on claims for MCLA members
    - Recoveries YTD - \$636K
    - Overpayments In Process - \$995K
    - Team evaluating the addition of “commercial-to-commercial” claims into the internal process.
  - Leveraging DHCS Health Insurance System Database (HISDB)
    - Load the eligibility updates prior to receiving the updates from vendor.
    - FY 2025 savings through June 2025
      - \$28.7M

# Executive Summary - Appeals & Grievances

EXHIBIT H

## Board Summary Report

**Report Title: Appeals & Grievance Compliance and Quality Committee Presentation**

**Date: 08/21/ 2025**

**Prepared By: Demetra Crandall, Director**

### 1. Purpose / Desired Impact of the Report

The purpose of this report is to monitor member concerns, identify trends and recurring issues, and promote transparency and accountability within the organization. By tracking both appeals and grievances, the report helps uncover potential gaps in service delivery, highlights areas for quality improvement, and ensures that member feedback is used to drive meaningful changes that enhance overall performance and member satisfaction

### 2. Background / Context

L.A. Care Health Plan demonstrates our commitment to providing service excellence by ensuring our members have access to both its clinical and behavioral health quality care and services. The Appeals and Grievances (A&G) business unit documents, resolves, and tracks member dissatisfaction and disputes. The Appeals and Grievances business unit monitors the appeal and grievance data for emerging trends and/or patterns and collaborates with other departments at L.A. Care to drive continuous improvement.

### 3. Key Considerations / Analysis

#### Management-Considerations:

**APPEALS:** Appeals volume increased by 17% over the same six-month period, rising from 1,486 in January–June 2024 to 1,733 in January–June 2025. Prior authorization for pharmacy appeals was the leading cause of access issues between January and June 2025, accounting for 41% of the total volume. Additionally, the number of appeals overturned increased by 17% during this period, rising from 356 in January–June 2024 to 415 in January–June 2025.

**GRIEVANCES:** Grievance volume increased by 34% over the same six-month period, rising from 52,820 in January–June 2024 to 70,668 in January–June 2025. Access issues were the leading cause of grievances, accounting for 36% of the total volume during this period. Among access-related grievances, difficulty accessing a Primary Care Physician's office was the most common issue, representing 32% of access grievances.

### 4. Risk Area and Mitigation Activities

#### Risk Statement:

The primary areas for A&G risk include Compliance and Regulatory involvement, driven by the volume and the type of grievances received in all lines of business. Higher-than-expected grievance counts, as well as an increase in specific grievance types such as access to care, elevate the potential for missed regulatory timeframes and the need for corrective actions. In addition, ongoing member dissatisfaction can negatively impact retention and enrollment, while also driving down performance in key quality

measures such as STARs and HEDIS. Declines in these metrics carry significant financial risk through reduced incentive payments and potential penalties, along with possible increased regulatory scrutiny and reputational harm.

**Known Key Risk:** Yes  No  Unknown

**Impacted Area/Risk/Lines of Business:** Please include Risk Areas and Lines of Business in the Risk Statement

**Risks examples to include in the Risk Statement**

|              |            |            |          |            |
|--------------|------------|------------|----------|------------|
| Claims       | Compliance | Regulatory | Vendor   | Community  |
| Financial    | Pharmacy   | Privacy    | Access   | Pop Health |
| Reputational | Clinical   | IT         | Legal    | Contract   |
| Member       | Provider   | InfoSec    | Employee | Medicare   |

**Lines of Business**

Medi-Cal      L.A. Covered      PASC–SEIU      D-SNP

**Risk Mitigation Activities:**

The A&G functional area has implemented multiple mitigation activities. These include enhanced reporting for internal monitoring and continued partnership with L.A. Care business units through the Grievance Forum.

**5. Recommended Action / Decision Requested**

Board Action Needed:

- For Information Only
- For Discussion with Board/Committee
- For Approval / Decision

Proposed Motion (if applicable):

N/A

**6. Next Steps / Timeline / Milestones**

- Ongoing review of the current Grievance Forum process to identify improvement opportunities.
- The Grievance Forum participants will receive additional training to strengthen root cause analysis capabilities, ensuring alignment on the correct areas of focus.
- L.A. Care business units will address grievance trends through targeted remediation efforts.
- The business unit reports will be enhanced to provide a more detailed and actionable view of the data.

**7. Attachments / Supporting Materials / Presentations**

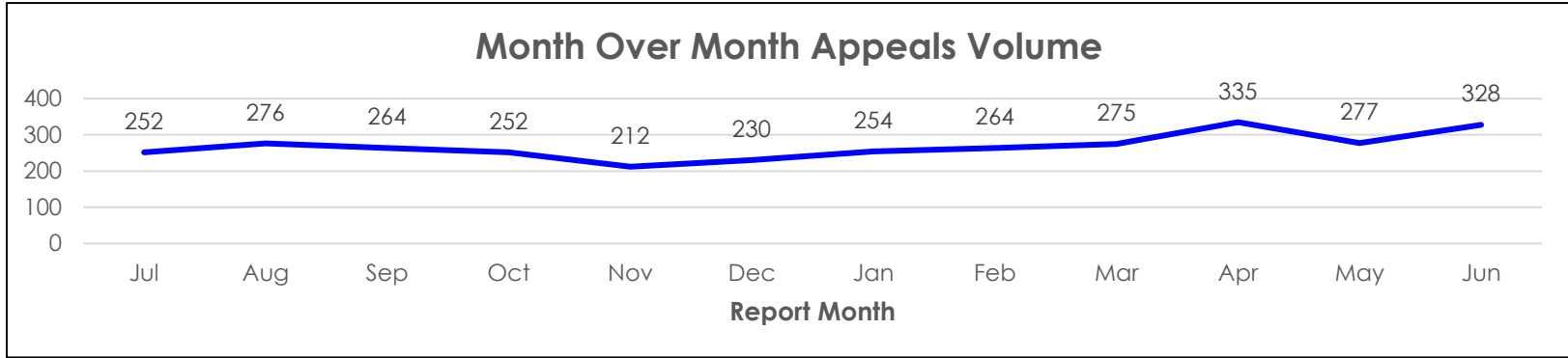
- N/A

# Appeal Volume July 2024 - June 2025

## Monthly Appeals Report: Detailed Appeals Data

Reporting Period: July 2024 - June 2025

Note: Cells highlighted green indicate highest volume Appeals categories/subcategories for the report month.



### Month Over Month Appeals Volume Detail

| Appeals Category             | 2024       |            |            |            |            |            | 2025       |            |            |            |            |            |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                              | Jul        | Aug        | Sep        | Oct        | Nov        | Dec        | Jan        | Feb        | Mar        | Apr        | May        | Jun        |
| Access                       | 247        | 265        | 254        | 236        | 201        | 210        | 233        | 247        | 257        | 318        | 261        | 307        |
| Billing and Financial Issues | 3          | 8          | 9          | 8          | 7          | 14         | 13         | 13         | 14         | 12         | 13         | 11         |
| Quality of Care              | 2          | 3          | 1          | 8          | 4          | 6          | 8          | 4          | 4          | 5          | 3          | 10         |
| <b>Total</b>                 | <b>252</b> | <b>276</b> | <b>264</b> | <b>252</b> | <b>212</b> | <b>230</b> | <b>254</b> | <b>264</b> | <b>275</b> | <b>335</b> | <b>277</b> | <b>328</b> |

- Appeals volume **increased** by 17% over the same six-month period, rising from 1,486 in January–June 2024 to 1,733 in January–June 2025.
  - Prior authorization for **Pharmacy** appeals was the leading cause of access issues between January and June 2025, accounting for 41% of the total volume.
- Appeals overturned **increased** by 17% in over the same six-month period, rising from 356 in January–June 2024 to 415 in January–June 2025.

# Grievance Volume July 2024 - June 2025

## Monthly Grievances Report: Detailed Grievances Data

Reporting Period: July 2024 - June 2025

**Note:** Cells highlighted green indicate top 3 highest volume grievance categories/subcategories for the report month.



| Grievance Category                  | 2024         |              |              |               |               |               | 2025          |               |              |              |               |               |
|-------------------------------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|---------------|---------------|
|                                     | Jul          | Aug          | Sep          | Oct           | Nov           | Dec           | Jan           | Feb           | Mar          | Apr          | May           | Jun           |
| Access                              | 2,871        | 2,933        | 2,812        | 3,784         | 3,267         | 3,231         | 3,829         | 3,053         | 3,113        | 3,326        | 5,112         | 6,818         |
| Attitude and Service                | 2,908        | 2,934        | 3,026        | 3,968         | 3,380         | 3,910         | 4,512         | 3,868         | 3,361        | 3,205        | 3,754         | 4,414         |
| Billing and Financial Issues        | 3,458        | 3,581        | 3,247        | 4,031         | 3,212         | 3,671         | 4,037         | 3,509         | 2,774        | 2,587        | 2,767         | 2,956         |
| Quality of Care                     | 522          | 517          | 481          | 515           | 423           | 436           | 448           | 497           | 593          | 545          | 647           | 688           |
| Quality of Practitioner Office Site | 19           | 31           | 28           | 42            | 38            | 23            | 47            | 38            | 43           | 34           | 46            | 47            |
| <b>Total</b>                        | <b>9,778</b> | <b>9,996</b> | <b>9,594</b> | <b>12,340</b> | <b>10,320</b> | <b>11,271</b> | <b>12,873</b> | <b>10,965</b> | <b>9,884</b> | <b>9,697</b> | <b>12,326</b> | <b>14,923</b> |

- Grievance volume **increased** by 34% over the same six-month period, rising from 52,820 in January–June 2024 to 70,668 in January–June 2025.
- Access issues were the leading cause of grievances with 36% of the total volume in January–June 2025.
  - Access to **Primary Care Physician Office** is the leading cause of Access with 32%.

# Grievance Access Volume by Provider

|                                 | 2024 |     |     |       |       |       | 2025  |       |       |       |       |       | Grand Total |
|---------------------------------|------|-----|-----|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------------|
|                                 | Jul  | Aug | Sep | Oct   | Nov   | Dec   | Jan   | Feb   | Mar   | Apr   | May   | Jun   |             |
| <b>Provider – Access Issues</b> |      |     |     |       |       |       |       |       |       |       |       |       |             |
| Primary Care Physician Office   | 834  | 931 | 900 | 1,325 | 1,160 | 1,146 | 1,502 | 1,084 | 1,052 | 1,204 | 1,624 | 1,611 | 14,373      |
| L.A. Care Health Plan           | 519  | 555 | 515 | 683   | 561   | 615   | 769   | 659   | 577   | 631   | 704   | 725   | 7,513       |
| Specialist                      | 237  | 308 | 314 | 409   | 392   | 366   | 377   | 281   | 345   | 348   | 403   | 486   | 4,266       |
| Transportation                  | 152  | 145 | 156 | 233   | 195   | 196   | 197   | 231   | 176   | 175   | 201   | 282   | 2,339       |
| PPG                             | 172  | 151 | 175 | 200   | 172   | 185   | 185   | 150   | 138   | 136   | 184   | 208   | 2,056       |
| Pharmacy                        | 50   | 45  | 55  | 59    | 57    | 42    | 74    | 46    | 55    | 55    | 79    | 102   | 719         |
| DME Supplier                    | 49   | 41  | 37  | 57    | 47    | 40    | 37    | 54    | 43    | 58    | 85    | 93    | 641         |
| Urgent Care                     | 18   | 18  | 27  | 31    | 35    | 46    | 38    | 34    | 35    | 25    | 35    | 29    | 371         |
| Behavioral Health/Mental Health | 31   | 29  | 35  | 29    | 24    | 23    | 48    | 20    | 33    | 35    | 17    | 27    | 351         |
| Hospital                        | 16   | 20  | 14  | 27    | 21    | 19    | 21    | 23    | 29    | 24    | 29    | 34    | 277         |
| Vision Office                   | 7    | 5   | 8   | 15    | 23    | 12    | 14    | 13    | 12    | 12    | 8     | 18    | 147         |
| Dental Office                   | 8    | 18  | 6   | 11    | 7     | 7     | 9     | 6     | 6     | 10    | 7     | 18    | 113         |
| Laboratory                      | 5    | 11  | 9   | 16    | 3     | 6     | 9     | 8     | 7     | 6     | 7     | 13    | 100         |
| Skilled Nursing Facility        | 7    | 8   | 8   | 7     | 8     | 10    | 5     | 13    | 6     | 12    | 7     | 7     | 98          |

|  | 2024 |     |     |       |       |       | 2025  |       |       |       |       |       | Grand Total |
|--|------|-----|-----|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------------|
|  | Jul  | Aug | Sep | Oct   | Nov   | Dec   | Jan   | Feb   | Mar   | Apr   | May   | Jun   |             |
| <b>Primary Care Physician Office – Access Sub-Category</b> |      |     |     |       |       |       |       |       |       |       |       |       |             |
| Primary Care Physician Office                              | 834  | 931 | 900 | 1,325 | 1,160 | 1,146 | 1,502 | 1,084 | 1,052 | 1,204 | 1,624 | 1,611 | 14,373      |
| Unable to schedule appointment                             | 119  | 157 | 155 | 234   | 203   | 192   | 290   | 196   | 159   | 173   | 259   | 224   | 2,361       |
| Appointment too far out                                    | 157  | 174 | 151 | 229   | 190   | 170   | 215   | 166   | 171   | 173   | 270   | 274   | 2,340       |
| Delay in Authorization                                     | 161  | 129 | 109 | 164   | 130   | 137   | 144   | 129   | 119   | 167   | 152   | 184   | 1,725       |
| Unable to reach provider                                   | 102  | 88  | 102 | 138   | 120   | 134   | 174   | 141   | 130   | 124   | 179   | 141   | 1,573       |
| Phone No Answer  | 37   | 39  | 50  | 80    | 66    | 46    | 87    | 59    | 60    | 60    | 133   | 107   | 824         |
| Geography  | 26   | 54  | 47  | 63    | 60    | 70    | 70    | 50    | 52    | 60    | 91    | 86    | 729         |
| Appointment Cancellations                                  | 53   | 47  | 57  | 56    | 50    | 48    | 61    | 50    | 47    | 61    | 95    | 88    | 713         |
| Unable to fill Rx or inadequate supply                     | 44   | 47  | 47  | 65    | 58    | 69    | 78    | 57    | 50    | 65    | 65    | 68    | 713         |

# Questions?



# Compliance & Quality Committee Meeting OPEN Session Appendices



L.A. Care  
HEALTH PLAN®

For All of L.A.

August 21<sup>st</sup>, 2025



**Compliance**

*The Heartbeat of Accountability*

# Executive Summary

## Enterprise Risk Management

### Appendix A

# Risk Management Update

Presenter(s): Dominic Simonton Director, Enterprise Risk Management

## Risk Mitigation Plan Status Key

|           |         |          |            |                     |
|-----------|---------|----------|------------|---------------------|
| Off Track | Delayed | On Track | Validating | Mitigation In Place |
|-----------|---------|----------|------------|---------------------|

| Risk Year | Risk Title                               | Risk Mitigation Plan Status | Inherent Risk | Residual Risk                                    | Comments   |
|-----------|--|-----------------------------|---------------|--|--|
| 2024      | Health Risk Reassessment (HRA)           | On Track                    | Very High     | <b>Very High (based on 2024 Risk Assessment)</b> | The majority of mitigations have been completed. Internal Audit has completed an initial validation. Final validation in process.          |
| 2024/2025 | Financial Risk - Encounters              | On Track                    | Very High     | <b>Very High (based on 2025 ERA)</b>             | Some mitigations have been completed. Several items on track. Encounters will continue to be a top risk for the company in 2025.           |
| 2024/2025 | Regulatory Compliance Risk - Oversight   | Validating                  | Very High     | <b>High (based on 2025 ERA)</b>                  | Mitigations have been completed. An initial validation audit has been performed and a follow up is in process. Remains a top risk in 2025. |
| 2024/2025 | Risk Exposure From Delegates             | On Track                    | Very High     | <b>High (based on 2025 ERA)</b>                  | Some mitigations have been completed. Additional mitigations planned for 2025. IA validation is in progress. Remains a top risk in 2025.   |
| 2024      | Dual Special Needs Plan (DSNP) Oversight | On Track                    | Very High     | <b>High</b>                                      | Several mitigations have been completed. Internal Audit to validate.   |

# Risk Management Update

Presenter(s): Dominic Simonton, Director, Enterprise Risk Management

| Risk Mitigation Plan Status Key |         |          |            |                     |
|---------------------------------|---------|----------|------------|---------------------|
| Off Track                       | Delayed | On Track | Validating | Mitigation In Place |

| Risk Year | Risk Title        | Risk Mitigation Plan Status | Inherent Risk | Residual Risk Level               | Comments   |
|-----------|-------------------|-----------------------------|---------------|-----------------------------------|--|
| 2024      | Talent Management | On Track                    | Very High     | <b>Medium (Based on 2025 ERA)</b> | Mitigations in progress for hard to fill positions in 2025. Initial assessment performed by Internal Audit |
| 2024      | Vendor Management | On Track                    | Very High     | <b>Medium (based on 2025 ERA)</b> | Some mitigations have been completed. A pre-implementation assessment has been performed by Internal Audit |

■ Mitigation in Place  
 ■ Validating  
 ■ Not Started  
 ■ In Progress  
 ■ Behind Schedule

**Executive Owner:** Sameer Amin

**Risk Owner:** Amanda Asmus

**Inherent Risk:** Very High

**Residual Risk:** Very High

| Key Drivers   | Implications   |
|---|--|
| <ul style="list-style-type: none"> <li>Staffing Shortages (e.g., not enough nurses or care coordinators to complete HRAs)</li> <li>Inefficient Workflows and Processes (manual tracking, bottlenecks in scheduling or follow-up)</li> <li>Inadequate Training (staff unclear on timelines, documentation, or prioritization of high-risk enrollees)</li> <li>Technology Limitations (lack of automated systems to track HRA completion and deadlines)</li> <li>Member Engagement Challenges (difficulty contacting members or securing participation)</li> <li>High Volume of New Enrollees (spikes that overwhelm operational capacity)</li> <li>Lack of Performance Monitoring (no dashboards or KPIs tracking timeliness)</li> </ul> | <ul style="list-style-type: none"> <li>Delayed Care for High-Risk Enrollees (leading to poorer health outcomes)</li> <li>Regulatory Violations and Sanctions (e.g., CMS or state-imposed corrective actions or penalties)</li> <li>Reduced Quality Ratings (impacting Star Ratings, HEDIS scores, accreditation status)</li> <li>Financial Penalties (loss of incentive payments or capitation adjustments)</li> <li>Increased Medical Costs (due to unmanaged conditions escalating into costly interventions)</li> </ul> |

| Key Takeaways   |
|---|
| <ul style="list-style-type: none"> <li>Failure to complete Health Risk Assessments timely may delay critical care interventions for vulnerable enrollees and expose L.A. Care to regulatory penalties, reputational damage, and increase healthcare costs.</li> </ul> |

| Risk Mitigation Efforts in Process  | Due Date   | Status |
|---|--|--------|
| New reports to better track MCLA HRA outreach activities are in-progress to ensure ongoing compliance. Ad-hoc interim reporting is currently in place to support oversight. | June 2025 <i>new Target Due Date</i> Sept. 2025 <i>due to Care Management /IT re-prioritization.</i> |        |

| Risk Mitigation Efforts Completed   | Benefits   | Status |
|---|--|--------|
| MCLA HRA Operational reports expanded to capture new MCLA Populations. Completed; report is being used to track HRA outreach. | Reports will provide tracking of all 1) outreach attempts and 2) completion for HRAs, to meet MCLA PHM requirements. |        |

|   |   |  |
|---|---|--|
| DSNP HRA Operational reports expanded to capture new DSNP line of business. Completed; DSNP initial HRA has reached near 100% compliance in 2024. | Reports will provide tracking of all 1) outreach attempts and 2) completion of HRAs, for DSNP compliance. |  |
|---|---|--|

|   |   |  |
|---|---|--|
| CMC-era Operational Reports and ad-hoc reports: Care Management and EvenMORE teams have been relying on ad-hoc reports and workarounds based on old reports to manually track DSNP HRA outreach and completion. Legacy reports have been phased out now that DSNP reports are operational | Compliance with DSNP HRA requirements through manual workarounds. |  |
|---|---|--|

|  |   |  |
|--|---|--|
| DHCS High Risk populations configured into iPro reports in accordance with DHCS revisions. | HRA outreach and completion for MCLA members meeting DHCS High Risk criteria. |  |
|--|---|--|

|   |  |  |
|---|--|--|
| In July 2024, it was identified that L.A. Care was behind on outreaching MCLA members who require an HRA (DHCS High Risk populations). EvenMORE has obtained temporary staffing to remediate outreach efforts and close the gap by 1/10/2025. | Improved staffing levels to meet workload. |  |
|---|--|--|

# Financial Risk - Encounters

Executive Owner: Afzal Shah

Risk Owner: Loren Maddy

New Information for Aug 25' C&Q

Inherent Risk: Very High

Residual Risk: Very High

| Key Drivers  | Implications  |
|--|---|
| <ul style="list-style-type: none"> <li>Data Integrity Issues (errors, omissions, or inconsistent coding by providers)</li> <li>Inefficient Data Collection Processes (manual reporting, lack of automation)                             <ul style="list-style-type: none"> <li>System Limitations or Integration Problems (incompatible EMRs, data warehouses, or reporting tools)</li> <li>Vendor or Delegated Entity Performance Problems (poor third-party data submission quality or timeliness)</li> </ul> </li> <li>Inadequate Internal QA/QC Review Processes (no effective validation of encounter files before submission)                             <ul style="list-style-type: none"> <li>Staffing Shortages or Skill Gaps (lack of experienced data analysts, coders, or compliance staff)</li> </ul> </li> <li>Frequent Regulatory Changes (new formats or requirements not quickly implemented)                             <ul style="list-style-type: none"> <li>Delayed Provider Submissions (providers submitting claims/encounters late)</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>Regulatory Non-Compliance (resulting in fines, corrective action plans, or sanctions)</li> <li>Financial Penalties or Funding Reductions (especially in risk-adjusted payment models like Medicare Advantage)</li> <li>Inaccurate Risk Adjustment Scores (leading to underpayment for high-risk populations)</li> <li>Audit Findings and Increased Oversight (including CMS or state audits and monitoring)</li> <li>Increased Administrative Burden (to correct, resubmit, or defend encounter data)</li> </ul> |
| Key Takeaways  |   |
| <ul style="list-style-type: none"> <li>Failure to timely submit complete and accurate encounter data could result in regulatory sanctions, financial penalties, degraded quality scores and reduced trust with regulators and stakeholders.</li> </ul>   |   |

Mitigation in Place
  Validating
  Not Started
  In Progress
   
 Behind Schedule

| Risk Mitigation Efforts in Process  | Due Date                     | Status |
|---|------------------------------|--------|
| Development of Encounter KPIs – Based on recommendations from AArete consulting, new KPI's have been defined and are under development. Due to extended period to recruit and train dedicated analytics team, these KPIs should now be available by the end of Q2 2025                                  | 6/2025 <i>now</i><br>7/31/25 |        |
| Encounter Data Validation (Short Term) – Engage with third party vendor (Advize) to audit a sample of Prop 56 payments and validate that the payment-eligible CPT codes are supported by a valid medical record. This project is specific to the CAP for finding 6.3.1 from the DHCS 2024 Medical Audit | 9/2025                       |        |
| Encounter Data Validation (Long Term) – In order to validate that information on encounter data records submitted to regulators is supported by a valid medical record, LAC needs to establish an on-going EDV process to sample, audit and escalate findings to ensure LAC is compliant.               | 12/2025                      |        |

| Risk Mitigations Efforts Completed   | Benefits   | Status |
|--|--|--------|
| Establish an Encounter Data Governance Committee   | Improved Data Governance   |        |
| PPG Outreach – Analysts have been assigned to reach out to our largest PPGs to assist with their submissions and error correction. This is a newly established function as previous monitoring was done at the submitter level.  | Real time support and error correction; improved oversight; increases submission accuracy & completeness;; fewer rejections and rework; and audit readiness. |        |
| Staffing Analysis and Enhancements – In order to expand efforts to monitor encounter submissions at the PPG level, as well as investigate issues that arise with their submissions, 2025 budget includes two (2) additional analysts starting in March 2025. Both positions were filled in May 2025. | Improved Resource allocation for effective monitoring of encounter submission and issue resolution   |        |

# Regulatory Compliance Risk Oversight

New Information for Aug 25' C&Q

**Executive Owner:** Todd Gower **Risk Owner:** Miguel Varela

**Inherent Risk:** Very High

**Residual Risk:** High

| Key Drivers  | Implications   |
|--|--|
| <ul style="list-style-type: none"> <li>Resource constraints (staffing, budget, training)</li> <li>Ineffective governance structures</li> <li>Fragmented and siloed data systems</li> <li>Lack of operational readiness and testing</li> <li>Frequent organizational or regulatory changes</li> <li>Competing organizational priorities</li> <li>Technology limitations (manual processes)</li> <li>Poor documentation and recordkeeping practices</li> </ul> | <ul style="list-style-type: none"> <li>Regulatory fines and sanctions</li> <li>Accreditation risks (e.g., NCQA, CMS)</li> <li>Operational disruptions during audits</li> <li>Increased audit findings and CAPs</li> <li>Increased regulatory oversight and scrutiny</li> <li>Erosion of stakeholder and member trust</li> <li>Financial impact (penalties, remediation costs)</li> </ul> |

## Key Takeaways

- The overall risk is that the Compliance department is unable to properly oversee the organization's performance including operational performance monitoring, operational readiness, and audit readiness for all LOBs. This potentially puts L.A. Care in non-compliance status with our Regulatory bodies. With the development of the new team, it will help to add eyes on these potential compliance issues and will be able to help mitigate.

| Risk Mitigations Efforts Completed  | Benefits  | Status |
|---|---|--------|
| CCM will be developing a separate team under the vertical to concentrate on Internal monitoring.  | Enhances our regulatory readiness and operational accountability.   |        |
| CCM has hired a new manager for this new vertical who will be onboarded 3.10.2025. In addition, 3 Compliance Advisor IIs will be hired on by May 2025. This team will likely need to be expanded later in the year to be able to cover the potential volume of work.  | Strengthens our compliance infrastructure and resource capacity.  |        |
| The new Internal Monitoring vertical should be fully staffed by 6.1.2025. Once staffed they will be able to support Compliance in review any survey generated CAPs as well as following up with BU identified deficiencies. This work will be tracked and reported on a monthly bases to our Internal Compliance Committee (ICC). | Structured and ongoing oversight of CAPs and promotes transparency, accountability, and timely remediation. |        |
| Corporate Compliance Monitoring has established Key Performance Indicators (KPIs) to measure L.A. Care's Business Units (BUs) on a monthly basis.   | Results shared with BUs to mitigate any non-compliance.   |        |
| Corporate Compliance Monitoring (CCM) is currently reviewing any key deficiencies that are brought to their attention.  | CAP initiated as applicable and investigated.   |        |
| CCM currently monitors monthly KPIs to ensure that BUs are following regulatory standards.  | Continuous Monitoring.  |        |
| CCM investigates key regulatory issues that are identified through the Regulatory Compliance team.  | Supports Effective Risk Management.   |        |

# Risk Exposure From Delegates

New Information for Aug 25'

**Executive Owner:** Todd Gower **Risk Owner:** Albert Aguilar

**Inherent Risk:** Very High

**Residual Risk:** High

| Key Drivers   | Implications  |
|---|---|
| <ul style="list-style-type: none"> <li>Lack of clear policies, procedures, and monitoring plans for delegation oversight.</li> <li>Insufficient staffing, expertise, or funding to monitor delegated entities (DEs) effectively.</li> <li>Weak or unclear delegation agreements regarding performance standards, reporting requirements, and compliance expectations.</li> <li>Delayed or inconsistent follow-up when issues are identified with a delegate.</li> <li>Delegates not providing required data (e.g., appeals, grievances, clinical performance) on time or L.A. Care not reviewing it promptly.</li> <li>Delegates do not fully understand regulatory requirements or L.A. Care's expectations.</li> <li>Frequent changes in state and federal requirements for delegated functions (e.g., utilization management, claims processing, grievances).</li> <li>Limited collaboration between L.A. Care's Compliance, Legal, Operations, and Delegation Oversight Teams.</li> </ul> | <ul style="list-style-type: none"> <li>Member dissatisfaction and burden on internal resources to resolve issues.</li> <li>Delayed or inappropriate care management decisions by delegates.</li> <li>Risk of Corrective Action Plans (CAPs), fines, or penalties from DMHC, CMS, or DHCS.</li> <li>Need to sever relationships with non-compliant delegates or face regulatory actions.</li> <li>Associated with non-compliance and poor member satisfaction outcomes.</li> <li>Loss of trust with regulators, providers, and members.</li> <li>Resources diverted to remediation, re-audits, and corrective actions</li> </ul> |

| Risk Mitigation Efforts in Process  | Due Date | Status      |
|---|----------|-------------|
| <ul style="list-style-type: none"> <li>Implement a Governance, Risk, and Compliance (GRC) tool as a centralized platform for tracking delegate risks and mitigation efforts.</li> <li>Current 3rd party risk management central repository for delegate activities is 75% complete and undergoing testing and will be complete by September 2025. (Not Full GRC)</li> <li>Other modules are under development such as Issue and CAP management that will further mature how we track delegate risk mitigation efforts.</li> </ul> | 9/2025   | In Progress |
| <ul style="list-style-type: none"> <li>DO RACI Assessment results were socialized with SLT during the April 2025 Executive Delegate Oversight Committee comprised of the majority of SLT members.</li> <li>Compliance proposed a future state to SLT which is now aligning with the 5 strategic pillars. SLT is aligning on future timelines.</li> </ul>  | TBD      | In Progress |

| Key Takeaways/Metrics  |
|--|
| <ul style="list-style-type: none"> <li>Alignment &amp; Cultural Shift: Implementing a multiyear strategic change requires ongoing alignment across SLTs and a shift in organizational culture toward proactive risk management.</li> <li>Scalability of Oversight: The complexity and volume of Delegation Oversight activities continue to grow, necessitating scalable solutions such as AI-driven monitoring and a centralized GRC tool.</li> <li>Data Integration &amp; Transparency: Ensuring seamless coordination across business units and systematically tracking risk indicators remains a challenge, reinforcing the need for a unified source of truth.</li> <li>Delegate Engagement &amp; Compliance: Balancing regulatory compliance with effective delegate relationships requires continuous refinement of oversight processes and feedback mechanisms.</li> </ul> |

| Risk Mitigations Efforts Completed   | Benefits  | Status              |
|--|---|---------------------|
| Enhance Delegation Oversight Committee structure to focus on high-risk issues and improve cross-functional collaboration.  | Expectation setting & accountability  | Mitigation in Place |
| Conduct a delegate survey to assess oversight experience and identify improvement opportunities.   | Improved Delegate engagement and identify improvement opportunities.  | Mitigation in Place |
| <ul style="list-style-type: none"> <li>Develop a smartsheet tracker to identify potential performance trends based on CAP information and NONC information.</li> <li>The CAP template has been developed and has been shared with the Delegation Oversight members.</li> </ul> | Strengthens regulatory compliance, promotes accountability, and mitigates the likelihood of recurring deficiencies in delegated entities. | Mitigation in Place |

Mitigation in Place
  Validating
  Not Started
  In Progress
  Behind Schedule

# Dual Special Needs Plan (DSNP) Oversight

New Information for Aug 25' C&Q

**Executive Owner:** Todd Gower

**Risk Owner:** Miguel Varela

**Inherent Risk:** Very High

**Residual Risk:** High

| Key Drivers  | Implications   |
|--|--|
| <ul style="list-style-type: none"> <li>• Delayed or Incomplete Internal Readiness Assessments:                             <ul style="list-style-type: none"> <li>o Lack of a structured approach to assess compliance across departments and delegates.</li> </ul> </li> <li>• Insufficient Resources for Program Oversight:                             <ul style="list-style-type: none"> <li>o Limited staffing, expertise, or tools dedicated to DSNP implementation monitoring.</li> </ul> </li> <li>• Poor Delegate Onboarding or Oversight:                             <ul style="list-style-type: none"> <li>o Delegated entities may not have received clear DSNP program guidance or expectations.</li> </ul> </li> <li>• Complexity of CMS DSNP Requirements:                             <ul style="list-style-type: none"> <li>o Multiple layers of compliance involving Medicare, Medicaid, care coordination, and member communication.</li> </ul> </li> <li>• Lack of a Centralized Monitoring Framework:                             <ul style="list-style-type: none"> <li>o Fragmented efforts across departments without an enterprise-wide view.</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• High Risk of CMS Audit Findings or Sanctions:                             <ul style="list-style-type: none"> <li>o Failure to demonstrate compliance may result in Civil Monetary Penalties (CMPs) or Corrective Action Plans (CAPs).</li> </ul> </li> <li>• Member Harm and Service Disruptions:                             <ul style="list-style-type: none"> <li>o Poor care coordination or benefit delivery to dual-eligible members (some of the most vulnerable).</li> </ul> </li> <li>• Reputational Damage with Regulators and Members:                             <ul style="list-style-type: none"> <li>o Especially concerning given CMS's public audit findings and star rating implications.</li> </ul> </li> <li>• Program Suspension or Enrollment Freezes:                             <ul style="list-style-type: none"> <li>o CMS may freeze DSNP enrollment or restrict L.A. Care Care from expanding its footprint.</li> </ul> </li> <li>• Increased Internal and Remediation Costs:                             <ul style="list-style-type: none"> <li>o High administrative burden to respond to audits and implement corrective actions.</li> </ul> </li> </ul> |

| Key Takeaways/Metrics   |
|---|
| <ul style="list-style-type: none"> <li>• L.A. Care lacks a fully implemented monitoring program for its DSNP internal operations and delegated entities.</li> <li>• There is uncertainty regarding compliance with CMS requirements for DSNP.</li> <li>• L.A. Care is highly likely to be audited by CMS, increasing regulatory exposure</li> </ul> |

| Risk Mitigation Efforts in Process   | Due Date  | Stat us |
|--|---|---------|
| Development of DSNP KPI – Identify, create, and implement Key Performance Indicators (KPIs) related to DSNP metrics. Six of eight metrics are complete and in production. One metrics is in testing, one requires completion of new UM system. | Q2/2025 <span style="color: blue;">now</span> Q3/2025 |         |

| Risk Mitigations Efforts Completed  | Benefits  | Status |
|---|---|--------|
| Staffing Analysis and Enhancements – Compliance teams are conducting staffing analysis and requesting enhancements that will allow for this additional work. Staffing analysis complete, <span style="color: blue;">and new staff hired in July 25.</span>  | <span style="color: blue;">Ensures increased capacity to support internal monitoring, timely issue resolution, and improved oversight of corrective actions.</span> |        |
| Establish a Compliance Delegation Oversight Committee – The Compliance Delegation Oversight team is standing up a three-tiered Committee structure that will allow for the ingestion of information from different L.A. Care Business areas completing Oversight activities. This centralization process will provide the oversight needed on the multiple activities happening within L.A. Care. | <span style="color: blue;">Improved collaboration and escalation of issues to respective committees</span>  |        |
| Delegate Scorecards – the Delegation Oversight Monitoring team established a framework to gather and visualize compliance-related information for each of our delegates. These “baseball cards” will allow for a holistic analysis on the performance from each delegate  | <span style="color: blue;">Improved oversight and accountability</span>   |        |

# Talent Management

## Timely Performance Management & Improve Recruitment Process

Mitigation in Place

Validating

Not Started

In Progress

Behind Schedule

**Executive Owner:** Terry Brown

**Risk Owner:** Jyl Russell

**Inherent Risk:** Very High

**Residual Risk:** Medium

| Key Drivers  | Implications  |
|--|---|
| <ul style="list-style-type: none"> <li>Key Talent Management (including Leadership)</li> <li>Organizational Structure                             <ul style="list-style-type: none"> <li>Span of Control (people &amp; processes)</li> <li>Siloed Organizations &amp; processes</li> </ul> </li> <li>Talent Acquisition</li> <li>Employee On-boarding</li> <li>Performance Management</li> <li>High Performing Organizational Reviews</li> </ul> | <ul style="list-style-type: none"> <li>Personnel not aligned to Strategy</li> <li>Business Unit Misalignment</li> <li>Attrition/Retention of Key Employees</li> <li>Workforce Performance</li> <li>Skills aligned to role</li> <li>Lack of clear expectations and ownership of processes</li> </ul> |

| Key Takeaways/Metrics  |
|--|
| <ul style="list-style-type: none"> <li>L.A. Care is like other health plans, with risks in recruiting and retaining skilled talent.</li> <li>L.A. Care's process can be perceived as cumbersome and may contain longer cycle times to recruit, promote, and receive approvals for hires.</li> <li>L.A. Care has difficulty in timely performance management of staff.</li> </ul> |

| Risk Mitigations Efforts Completed  | Benefits   | Status |
|---|--|--------|
| <b>Complete Revisions of P&amp;P HR-214: Employee Conduct and Discipline:</b> <ul style="list-style-type: none"> <li>Review and approval process – Chief, Legal, Executive team</li> <li>Finalize documents and post to GRC Policy Manager</li> <li>Send for Employee Attestations</li> </ul> | Promotes fair workplace culture, strengthens compliance with employment laws, and reduces the risks of grievances or litigation. |        |

| Risk Mitigation Efforts in Process   | Due Date | Status |
|--|----------|--------|
| <b>Address Hard To Fill Positions:</b><br>Create reporting for hard to fill positions (every other week)<br>Standardize Review for Talent Acquisition Advisors/Hiring Managers/HR Business Partners<br>Process for optimization of job postings, grades and department needs<br>Communicate all ongoing efforts to hiring managers<br>Ongoing review and appropriate improvements to process | On-going |        |

| Risk Mitigations Efforts Completed (Cont.)  | Benefits  | Status |
|---|---|--------|
| <b>Updated Manager Training:</b> <ul style="list-style-type: none"> <li>Create training documentation (include policy and templates)</li> <li>Pilot training to select group</li> <li>Launch Training</li> </ul>  | Provides improved clarity and guidance to management employees on LA Care policies. |        |
| <b>Training for managers on L.A. Care's hiring process:</b> <ul style="list-style-type: none"> <li>Identify and document top issues that delay hiring process (e.g., candidates must meet the Basic Qualifications (BQs)).</li> <li>Create plan to train managers on recruiting processes so that they may improve the cycle time of their portion of the process.</li> <li>Determine most effective delivery system</li> <li>Deliver training</li> </ul> | Improves consistency, equity and compliance of recruitment practices.               |        |

# Vendor Management and Contracting Process

New Information for Aug 25' C&Q

**Executive Owner:** T. Gower / A. Shah

**Risk Owner:** Michael Sobetzko

**Inherent Risk:** Very High

**Residual Risk:** Medium

| Key Drivers   | Implications  |
|---|---|
| <ul style="list-style-type: none"> <li>• Decentralized Vendor Oversight:                             <ul style="list-style-type: none"> <li>o Different departments own different pieces of the vendor lifecycle (e.g., sourcing, contracting, performance), with limited coordination.</li> </ul> </li> <li>• Complex and Manual Contracting Processes:                             <ul style="list-style-type: none"> <li>o Excessive handoffs and unclear approval workflows delay execution and create accountability gaps.</li> </ul> </li> <li>• Lack of a Designated Vendor Management Office (VMO):                             <ul style="list-style-type: none"> <li>o No single team is responsible for monitoring vendor performance, compliance, and risk.</li> </ul> </li> <li>• Inconsistent Contract Terms and Enforcement:                             <ul style="list-style-type: none"> <li>o Variability in contract language and performance standards due to lack of centralized templates or review.</li> </ul> </li> <li>• Limited Use of Technology for Vendor Oversight:                             <ul style="list-style-type: none"> <li>o Absence of tools for tracking SLAs, risk assessments, renewal timelines, and issue resolution.</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Increased Regulatory and Contractual Risk:                             <ul style="list-style-type: none"> <li>o Inability to verify vendor compliance with contractual, regulatory, or data security requirements (e.g., HIPAA, CMS rules).</li> </ul> </li> <li>• Delays in Service Delivery and Implementation:                             <ul style="list-style-type: none"> <li>o Slow contracting and onboarding timelines may disrupt operations or delay critical initiatives.</li> </ul> </li> <li>• Financial Waste and Value Leakage:                             <ul style="list-style-type: none"> <li>o Without active oversight, vendors may underperform or charge for services that do not meet expectations.</li> </ul> </li> <li>• Reputational Damage from Vendor Failures:                             <ul style="list-style-type: none"> <li>o Third-party errors can impact member experience, care delivery, or public trust.</li> </ul> </li> <li>• Inefficient Use of Internal Resources:                             <ul style="list-style-type: none"> <li>o Employees may duplicate efforts or escalate avoidable vendor issues due to lack of centralized coordination.</li> </ul> </li> </ul> |

| Key Takeaways/Metrics   |
|---|
| <ul style="list-style-type: none"> <li>• L.A. Care lacks a centralized, cross-functional approach to third-party vendor oversight.</li> <li>• Contracting processes are complex and fragmented, causing delays and inconsistent enforcement of vendor requirements.</li> <li>• There is no clear owner accountable for ensuring vendors comply with contractual obligations.</li> </ul> |

| Risk Mitigation Efforts in Process | Due Date | Status |
|------------------------------------|----------|--------|
| Procurement Council                | 12/2025  |        |

| Risk Mitigations Efforts Completed  | Benefits   | Status |
|---|--|--------|
| Leadership review of the contracting process assessment. Evaluation of recommendations to understand what will be implemented. <a href="#">Current Policies are being reviewed and updated.</a> | <ul style="list-style-type: none"> <li>• <a href="#">Identification of process improvements.</a></li> </ul>  |        |
| End to End process currently being assessed with 3rd party consultant   | <ul style="list-style-type: none"> <li>• Identification of process improvements.</li> </ul>  |        |
| Vendor Risk Management Committee (VRMC) Charter was approved at September Risk Committee  | <ul style="list-style-type: none"> <li>• Improved Line of Sight to vendor performance and potential risks to L.A. Care</li> </ul>                                  |        |
| Risk Management Process formalized – Vendor Risk Management Policy approval by Vendor Risk Management Committee in January  | <ul style="list-style-type: none"> <li>• Improved due diligence, onboarding and performance monitoring.</li> <li>• Clarifies roles and responsibilities</li> </ul> |        |

# Executive Summary

## Enterprise Risk Management

### Issues Inventory Updates

Appendix A-2

# Issues Inventory Update – Summary

| Status              | Jan-25 | Feb-25 | Mar-25 | Apr 25 | May 25 | Jun 25 |  |  |  |  |  |  | Year to Date |
|---------------------|--------|--------|--------|--------|--------|--------|--|--|--|--|--|--|--------------|
| <b>Reported</b>     | 2      | 3      | 3      | 2      | 3      | 1      |  |  |  |  |  |  | 14           |
| Open                |        |        |        |        | 1      |        |  |  |  |  |  |  | 1            |
| Closed to inventory |        |        | 2      | 1      |        |        |  |  |  |  |  |  | 3            |
| Deferred            |        |        |        |        |        |        |  |  |  |  |  |  |              |
| Remediated          | 1      | 1      |        |        |        |        |  |  |  |  |  |  | 2            |
| Tracking Only       | 1      | 2      | 1      | 1      | 2      | 1      |  |  |  |  |  |  | 8            |
| Monitoring Only     |        |        |        |        |        |        |  |  |  |  |  |  |              |

- **Open** – Issues confirmed by Compliance Risk Operations that require oversight and monitoring with business units.
- **Closed to Inventory** – Issues in which business units' are seeking guidance about a regulation or best practice process.
- **Deferred** – Issues in which regulatory guidance (DHCS, DMHC, or CMS) is pending to resolve or issue resolution is dependent on another business units' implementation of a system or process.
- **Remediated** – Issues that require formal or informal corrective action plans for resolution.
- **Tracking Only** – Issues managed by other Compliance areas ( such as Regulatory Affairs, Audits, Analysis, Communication and Internal Audit In which the risk management staff is following up for current status updates to closure.
- **Monitoring Only** – Issues in which corrective action plans are completed and monitoring is to be done by Compliance.

# Issues Inventory Years 2019 - 2025

- OPEN
- DEFERRED
- TRACKING ONLY

| Year                | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|------|------|------|------|------|------|------|
| Total               | 6    | 134  | 32   | 105  | 212  | 102  | 14   |
| Open                |      |      |      | 1    | 5    | 6    | 1    |
| Closed to Inventory |      |      | 2    | 20   | 142  | 43   | 3    |
| Deferred            |      |      | 1    |      | 1    |      |      |
| Remediated          | 6    | 134  | 29   | 84   | 60   | 20   | 2    |
| Tracking Only       |      |      |      |      | 4    | 33   | 8    |
| Monitoring Only     |      |      |      |      |      |      |      |

# Issues Inventory Update – Open

| Issue Name and Description  | Date Reported | Business Unit   |
|---|---------------|---|
| <p>Contingent Workers Health Insurance Portability and Accountability Act (HIPAA) Training Gap</p> <p>L.A. Care is investigating a process solution to ensure Contingent Workers hired through the Statement of Work (SOW), which are processed via SciQuest and do not follow the standard Human Resource onboarding procedures, complete their HIPAA compliance training timely. (1656)</p> | 5/19/2025     | Human Resources;<br>Enterprise Operations<br>Compliance |

# Issues Inventory Update – Remediation

| Issue Name and Description   | Date Reported | Accountable Exec./Business Unit      | Remediation Description   | Date Remediated |
|--|---------------|--------------------------------------|---|-----------------|
| <p>Contingent Workers User Accounts Not Deleted/Off-Boarded Fully</p> <p>Multiple contingent workers who left L.A. Care their access was not timely deactivated. (1648)</p>  | 2/5/2025      | Business Units: Human Resources & IT | Human Resources conducted a reminder communication to Business Units for the off-boarding process, IT developed an integrated automation and periodic access reconciliation validation process. | 4/30/2025       |
| <p>Transitional Care Services (MCLA) Completions for Admission, Discharge and Transfer</p> <p>Transitional Care Services (TCS) are not being conducted for all Admission, Discharge and Transfer (ADT). (1624)</p> | 11/13/2024    | Care Management                      | A system automation was completed for the report used to identify ADT.  | 6/27/2025       |

# Issues Inventory Update – Closed To Inventory

| Issue Name and Description  | Date Reported | Accountable Exec./Business Unit                       | Closed Description   | Date Closed |
|---|---------------|---|--|-------------|
| <p>New Member Welcome Packet Flyer</p> <p>MediCal Product is seeking guidance about new members receiving a flyer to informed them on how to obtain the provider directory, formulary and member handbook electronically. (1655)</p>  | 4/10/2025     | MediCal Product & Regulatory Analysis & Communication | Regulatory Analysis & Communication provide the guidance for utilizing the flyer, no further action was needed.  | 6/27/2025   |
| <p>Non-Compliance DMHC Timely Access Report (TAR) Filling Out of Network Report</p> <p>L.A.Care is investigating the accountable business area to confirm the accuracy for identifying out of network providers or their correct specialty data in the TAR report. (1651)</p> | 3/20/2025     | Provider Data Management; Provider Data Services: IT  | The TAR team successfully completed the remediation of the MY2024 Non-Network APNR. The updated reports were uploaded to the DMHC portal on April 23, 2025, and are now available for review | 5/9/2025    |
| <p>2024 DHCS Medical Audit - 5.3.1 Provider Qualifications</p> <p>The Plan did not train newly contracted providers within ten working days after being placed on active status. (1642)</p>   | 12/19/2024    | Provider Training                                     | The DHCS accepted the CAP and no further questions at this time.   | 6/3/2025    |

# Issues Inventory Update – Closed To Inventory

| Issue Name and Description  | Date Reported | Accountable Exec./Business Unit  | Closed Description   | Date Closed |
|---|---------------|--|--|-------------|
| <p>2024 DHCS Medical Audit - 1.3.1 Written Consent for appeals</p> <p>The Plan did not ensure members' written consent was obtained for authorized representation to file appeals on the members' behalf. (1632)</p>                    | 12/19/2024    | <p>Appeals &amp; Grievances<br/>Robert Martinez<br/>Demetra Crandall</p> | <p>The DHCS accepted the CAP and no further action required.</p>   | 6/3/2025    |
| <p>Decentralization of Audit Services for Plan Partners</p> <p>Investigating L.A. Care's Quality Improvement Audit Team plans to delegate administrative functions to Business Units. (1628)</p>  | 12/12/2024    | <p>Delegation Oversight Audits</p>                                       | <p>Delegation Oversight audit team handles the auditing process for Plan Partners.</p>   | 4/30/2025   |
| <p>2024 DHCS Medical Audit - Initial Health Assessment (IHA) (2.1.D.1)</p> <p>The Plan did not ensure the completion of an IHA for new members within 120 days of enrollment. Repeat Finding: 2023 DHCS Audit Finding 2.1.1. (1587)</p> | 6/24/2024     | <p>Utilization Management</p>  | <p>This issue is closed to inventory because DHCS provided L.A. Care with the Potential Preliminary Findings for the 2024 Medical Audit.</p> | 4/15/2025   |

# Issues Inventory Update – Tracking Only

| Issue Name and Description   | Date Reported | Business Unit               |
|--|---------------|-----------------------------|
| <p>Oversight and Monitoring Provider Training Plan Partner Anthem</p> <p>Anthem was assessed a finding for not providing mandatory provider training during a Delegation Oversight audit. (1659)</p>   | 6/12/2025     | Delegation Oversight        |
| <p>Improvement Stars Rating Appeals &amp; Grievances For Complaints Tracking Module (CTM)</p> <p>CTM Workgroup, (Medicare Product, QI, Sales, and A&amp;G) are working on improving Star Rating measure performance for Complaints Tracking Module (CTM). (1658)</p>         | 5/28/2025     | DSNP Products               |
| <p>Primary Care Provider (PCP) Assignment for Provider Terminations</p> <p>Provider Network Management approved to assign member's PCP based on the location of the terminated provider vs the Time and Distance process which is based on the member's location. (1657)</p> | 5/16/2025     | Provider Network Management |
| <p>Plan Partner Blue Shield Promise Cold Call Members</p> <p>MediCal Product team is investigating if Plan Partner Blue Shield Promise was potentially cold calling members. (1654)</p>  | 4/10/2025     | MediCal Products            |

## Board Summary Report Template

**Report Title:** *CMO Report*

**Date:** *08/21/2025*

**Prepared By:** *Sameer Amin, MD, Chief Medical Officer*

### 1. Purpose / Desired Impact of the Report

The purpose of this report is to provide updates and share recent events from Health Services. The goal is to inform stakeholders, align priorities, and raise awareness of potential risks.

### 2. Background / Context

The CMO report has been shortened to focus on the most recent and highest-level information. The report focuses on updates from Medical Management, Community Health, Pharmacy, and Quality.

### 3. Key Considerations / Analysis

#### Management Considerations:

There are two areas of Health Services that we are actively tracking from a regulatory and member standpoint – Utilization Management and Access to Care. The Utilization Management department looks at referrals and makes decisions as to whether the requests are in line with medical guidelines. We recently changed the computer system that the team uses to look at the requests, make decisions, and inform members and providers. With the new system, the teams had a drop in their productivity and had to work through issues with the technology. Our dashboards are now showing the decreased performance over the last few months. Our most current information shows that our performance has now normalized and this will be seen on upcoming dashboards. The Access to Care issues are longstanding and have a variety of causes including the lack of Medi-Cal providers in the County. Previously we have tried to bring new providers into the system through medical school scholarships, residency positions, and provider recruitment. We are now working much more closely with our delegated providers on telehealth, home-based care, and care outside of the primary care providers office.

### 4. Risk Area and Mitigation Activities

#### Risk Statement:

##### Utilization Management

Utilization Management achieved timeliness targets through February 2025 but dipped in March through July during the Syntranet-to-QNXT transition (remaining in the 80–90% range).

##### Access to Care

For Measurement Year (MY) 2023, 35 corrective action plans have been completed, but non-compliance persists among some provider groups for appointment availability for primary, specialty, and behavioral health care.

**Known Key Risk:** Yes  No  Unknown

**Impacted Area/Risk/Lines of Business:** The Utilization Management risk is regulatory for all lines of business. The Access to Care issue is associated with the care of our members in all lines of business.

**Risk Mitigation Activities:**

Utilization Management

We have completed a variety of technology and workflow changes and anticipate being back at previous turnaround times and productivity by July. We are also working to streamline the referral process to reduce Plan and Provider administrative burden - Optimization efforts and provider training for the new provider portal are underway, with 12,395 users and 6,900+ authorization requests submitted by electronic means since June launch. Authorization burden has been reduced by removing 4,000 codes in July 2025 (24% reduction compared to 2024).

Access to Care

Education and provider engagement strategies are being implemented to improve compliance. Oversight and monitoring continues for the Direct Network and Plan Partners, with corrective actions and performance reporting in progress.

**5. Recommended Action / Decision Requested**

Board Action Needed:

For Information Only

For Discussion with Board/Committee

For Approval / Decision

**5. Next Steps / Timeline / Milestones:** For the Utilization Management risk, we have made the needed changes and are awaiting our performance metrics to compile for the month of July. New reporting will be available at the follow up C&Q meeting. For Access to Care performance, we are looking to telehealth and our Direct Network specialists to fill the gap. We are also working with Quality Health Partners, DocGo, and HomeBase to provide gap closure at CRC events, in the home, and post-discharge.

**6. Attachments / Supporting Materials / Presentations**

Attached CMO Report\_August 2025.



**L.A. Care**  
HEALTH PLAN®

**For All of L.A.**

CMO Report: August 2025

# Health Services Division Update

Medical Management  
Community Health  
Pharmacy  
Quality Improvement

**Sameer Amin, MD**

Chief Medical Officer, Health Services

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## Medical Management

### Enhanced Care Management (ECM)

#### Enrollment

Enrollment in ECM has reached over 28,000 members in CY 2024, on track to meet the Department of Health Care Services (DHCS) target of 30,000 by year-end. Since February 2024, enrollment has grown 89% through targeted outreach and enrollment process improvements. Justice-Involved initiatives have processed over 800 California Department of Corrections and Rehabilitation (CDCR) releases since April, with readiness underway to manage up to 5,000 monthly releases from L.A. County Jail.

#### Contracting & Network

The ECM network includes 91 contracted providers, with growth focused on Justice-Involved, Birth Equity, and Child Welfare expertise. The Department of Health Services (DHS) will exit ECM in October 2025; continuity plans are in place to absorb members within the existing network. Provider engagement remains strong, with monthly technical assistance webinars drawing 600–840 attendees.

### Care Management

The Dual Eligible Special Needs Plan (D-SNP) Care Management team supports 1,256 high-risk members (4.5% of D-SNP membership), driven by annual enrollment period growth. Medi-Cal L.A. Care (MCLA) Care Management maintains 1,698 active cases, with 8,195 high-risk Transitional Care cases open in July, including 3,383 new cases.

### Utilization Management

UM achieved timeliness targets through February 2025 but dipped in March through July during the Syntranet-to-QNXT transition (remaining in the 80–90% range). Optimization efforts and provider training for the new provider portal are underway, with 12,395 users and 6,900+ authorization requests submitted online since June launch. Authorization burden has been reduced by removing 4,000 codes in July 2025 (24% reduction in 2024).

## Managed Long Term Services and Supports (MLTSS)

Community Supports referrals have risen sharply, with Personal Care and Homemaking averaging 221/month (↑151%) and Respite Care averaging 74/month (↑131%) since October 2024. Assisted Living Facility Transition (ALFT) placements increased from 228 in 2024 to 318 in January–June 2025, avoiding higher-cost Long-Term Care (LTC) stays. The Medical Management Change Initiative streamlined inpatient discharge planning, while LTC and Intermediate Care Facilities for the Developmentally Disabled (ICF-DD) prior authorization removal cut LTC authorizations by 84% from May–July. Hospice program oversight will transition to MLTSS in early 2026, with dedicated staff onboarding in August 2025.

## Community Health

### Community Supports (CS) Operations & Reporting

The Community Supports network continues to expand, with providers in various stages of contracting across service lines. The Community Health Platform team led updates to the Community Supports Letter of Interest and certification application used by all Medi-Cal Managed Care Plans (MCPs) in Los Angeles County to align with California Department of Health Care Services (DHCS) service description changes effective July 2025. Regulatory compliance milestones were met, including implementation of Closed Loop Referral requirements and submission of the CS Model of Care. Planning is underway for the January 2026 launch of the Transitional Rent benefit for the Behavioral Health population of focus. Monthly provider training webinars continue, with 133 participants in July's session on motivational interviewing.

### Behavioral Health

The School-Based Health Incentive Program has concluded, with DHCS approving L.A. Care's Project Outcome Report and final payments to the Los Angeles County Office of Education completed. A competitive Request for Proposal process is underway for behavioral health benefit administration. Collaboration continues with Plan Partners and county agencies—including the Department of Mental Health, Department of Public Health's Substance Abuse Prevention and Control division, and four Regional Centers—to operationalize Memoranda of Understanding by target dates.

## Housing Initiatives

### **Housing Trio (Housing Navigation, Tenancy Sustaining Services, Housing Deposits)**

Policy changes from DHCS, effective January 2026, will align eligibility for Housing Trio services with the new Transitional Rent program and revise allowable goods, services, and duration limits. As of August 4, 2025, 15,764 members are enrolled (up 14% year-over-year), supported by 33 contracted providers. Network capacity is over 25,000 members, though staffing shortages remain a challenge. A new Los Angeles County Department of Homeless Services and Housing will partner with L.A. Care for Transitional Rent contracting.

### **Day Habilitation (CS)**

Day Habilitation launched in July 2024, with no major policy changes required under the 2026 DHCS updates. As of August 2025, 16 members are enrolled, supported by three contracted providers, with seven more in the onboarding process.

### **Transitional Rent (CS)**

The Transitional Rent program is in development for its January 2026 launch. The Housing Unit will manage program operations and provider network, with the Social Services team handling referrals and authorizations. Three providers—Department of Homeless Services and Housing, Department of Mental Health, and Department of Public Health’s Substance Abuse Prevention and Control—are in contracting.

### **Housing and Homelessness Incentive Program (HHIP)**

Investments in Skid Row services launched successfully, with a campus grand opening scheduled for August 14, 2025. The We Are LA eviction prevention program has reached over 61,000 people, screening 13,618 individuals and referring 9,954 to prevention or diversion resources, exceeding benchmarks. Field Medicine provider capacity-building awards are being finalized, including selection of the University of Southern California for MacArthur Park services.

## Field and Street Medicine

The Field Medicine network is growing, with Federally Qualified Health Centers and directly contracted providers formalizing participation through Memoranda of Understanding (MOUs). L.A. Care will distribute \$700,000 in performance incentive payments for Measurement Period 1 (July–December 2024).

A dedicated provider phone line and direct specialty referral access are now available. Five new applications to join the network were received in August, and the second Field Medicine

Provider Summit is scheduled for August 21, 2025. Coordination is underway with the Los Angeles County Emergency Centralized Response Center to align service mapping and care coordination.

## Pharmacy

### **Medication Adherence Programs**

The Comprehensive Adherence Solutions Program (CASP) continues to perform well despite a 40% increase in eligible members, supported by the development of a Salesforce-based Customer Relationship Management (CRM) platform for Medicare Star Ratings efforts, planned for launch in November 2025. Text and robocall refill campaigns are temporarily paused due to a data mapping issue, with resumption expected in August. Statin adherence has improved by 1.42% year-over-year, aided by targeted social media campaigns. A new member email campaign on pharmacy benefits and health tips will launch in late Q3 2025. Quarterly provider analyses continue to identify prescribing patterns impacting adherence, with corrective actions coordinated with Provider Network Management.

### **Medication Safety and Quality Measures**

Pharmacy is collaborating with Navitus on provider interventions for newly active Medicare Star measures — Concurrent Use of Opioids and Benzodiazepines (COB) and Polypharmacy Use of Multiple Anticholinergic Medications in Older Adults (Poly-ACH) — with outreach underway in 2025. In partnership with Quality Performance Management, supplemental claims data improved the Statin Therapy for Patients with Cardiovascular Disease (SPC) measure by approximately 10% for Measurement Year (MY) 2024.

### **Medication Therapy Management (MTM)**

Following changes in the Centers for Medicare & Medicaid Services (CMS) eligibility criteria, the MTM program qualification rate increased 85%, largely due to growth in Dual Eligible Special Needs Plan (D-SNP) membership. L.A. Care and Navitus have completed annual comprehensive medication reviews for 42% of eligible members as of July 2025.

### **Other Pharmacy Quality Initiatives**

The Asthma Medication Ratio (AMR) measure improved after provider education on updated asthma guidelines, reducing reliance on short-term medications. Pharmacy is collaborating with Care Management to close gaps in key measures, and with Participating Physician Groups

(PPGs) through automated biweekly quality reports. New provider tip sheets and a “Refill Roadmap” member guide aim to improve transparency and reduce barriers in the prescription process.

### **Member Experience and Community Engagement**

The “Getting Needed Prescription Drugs” Consumer Assessment of Healthcare Providers and Systems (CAHPS) score improved by 4.97 percentage points from 2023 to 2024, prompting its inclusion in the 2026 Value Initiative for IPA Performance program. Pharmacy has participated in Regional Community Advisory Committee (RCAC) listening sessions to address member concerns about delays in obtaining prescriptions. Four “brown bag” medication review events at Community Resource Centers reached 109 participants and included 140 blood pressure screenings, supporting Healthcare Effectiveness Data and Information Set (HEDIS) measure performance.

### **Process Improvements**

The automated prior authorization program, PA Accel, which uses real-time medical and pharmacy data at the point of sale, is live across D-SNP, L.A. Care Covered (LACC), and Personal Assistance Services Council (PASC) lines of business. From January to May 2025, 5,380 transactions were processed, with over half meeting approval criteria automatically.

## **Quality Improvement**

### **Accreditation**

L.A. Care remains accredited by the National Committee for Quality Assurance (NCQA) for Medicaid, Medicare, and Exchange product lines through October 2026. Efforts are underway to achieve accreditation for the PASC–SEIU (Personal Assistance Services Council–Service Employees International Union) commercial product line by 2026. Preparations for the 2026 NCQA Health Plan Accreditation survey are on track, including new Credentialing and Utilization Management information integrity standards implemented by June 2025. Health Equity Accreditation activities are progressing, with 80% of evidence reviewed and no gaps identified to date.

### **Access to Care**

For Measurement Year (MY) 2023, 35 corrective action plans have been closed, but non-compliance persists among some PPGs in appointment availability for primary, specialty, and behavioral health care. Education and provider engagement strategies are being implemented to improve compliance. Oversight and monitoring continue for the Direct Network and Plan Partners, with corrective actions and performance reporting in progress.

### **Provider Quality Review**

Potential Quality of Care Issues (PQIs) are being processed timely, with a 99.9% completion rate for FY 2024–2025. Enhanced tracking now includes 12-month rolling trends to detect emerging issues earlier and strengthen oversight.

### **Health Education, Cultural, and Linguistic Services (HECLS)**

Programs include expanded medically tailored meal tiers for nutrition-sensitive conditions, a 75% increase in birthing population outreach, and continued success in the Diabetes Self-Management Education program. The Language Assistance Program fulfilled 880 interpreter requests in May, with Spanish, Thai, American Sign Language, Khmer, and Mandarin as the top languages.

### **Clinical Initiatives, MCAS, and LACC**

MY 2024: Most Managed Care Accountability Set (MCAS) measures are higher despite the headwind of losing universal measures lift from Kaiser. Measures that did not reach The Minimum Performance Level (MPL) still increased in performance. Sanctions projected to be reduced by more than 94% since MY 2022.

MY2025: Most MCAS measures with continued year-over-year increase in performance on top of strong MY 2024.

LACC: 4 out of 4 Quality Transformation Initiative (QTI) measures increased in performance since MY 2022. Our CIS-10 (Childhood Immunization Status measure) rates continue to increase despite rising vaccine misinformation and hesitancy challenging many communities and health plans. Aggressive colorectal cancer screening campaign is underway and on track to achieve highest screening rates to-date.

New home care, virtual care, and mobile clinic wrap-around services partnerships are expanding access to care, meeting members where they are, and expanding care options. They are closing preventive care gaps where primary care providers have not been able to do so.

## **Stars and HEDIS (Healthcare Effectiveness Data and Information Set)**

### **DSNP HEDIS MY2024:**

- Every measure up compared to MY2023
- HEDIS performance exceeded goal
- HEDIS domain Star rating projected to be 2.58 (substantially up from MY 2023)

### **DSNP HEDIS MY2025**

- Continued year-over-year improvement on top of strong MY 2024
- Most measures performing higher vs. strong MY 2024 YTD
- As of June refresh, most measures are tracking well against % of annual goal
- We are on track for HEDIS to exceed 3.0 Star performance range for first time ever

## **Population Health Management (PHM)**

Year-one NCQA evidence submissions are complete, with gaps identified for the PASC line of business being addressed. Collaborative efforts with local health departments and health plans target maternal and infant mortality disparities, with a goal to reduce rates for Black and Native American persons by at least 5% annually. Transitional Care Services (TCS) enhancements include real-time admission/discharge notifications, centralized intake, and a maternal care model offering high-risk support from pregnancy through postpartum care.

The Population Health Cross-Functional Leadership Team is evolving to align with the Population Health Management Strategic Roadmap, “Wings of Care”. It will include representation from Health Services and non-clinical Departments to form the enterprise Population Health Leadership Team, Population Health Cross-Divisional Team, and multiple Tactical Workgroups.

## **Initial Health Appointment (IHA)**

Compliance initiatives include monthly provider scorecards, provider portal reporting, text and robocall campaigns, and training updates. Team is seeking more specific guidance from DHCS in areas where policies, requirements, and targets have not been clear. The MY 2025 Managed Care L.A. Care (MCLA) completion rate is 35.3% as of May.

### **Practice Transformation and Provider Engagement**

Practice Transformation Programs such as Transform L.A., EQUIP LA, and the Equity & Practice Transformation Payments initiative are improving provider workflows and performance on key measures and delivering milestone payments.

### **Health Information Ecosystem**

Hospital and Skilled Nursing Facility contracts have been updated to meet California Data Exchange Framework requirements, with over 1,000 active L.A. Care Health Information Exchange users and a 91% increase in patient record access year-over-year. Fast Healthcare Interoperability Resources (FHIR) projects and consent management enhancements are underway, with projected cost savings from automated notifications and reduced readmissions.

### **Incentive Programs**

Pay-for-Performance (P4P) initiatives for physicians, hospitals, and skilled nursing facilities are being aligned with state and federal methodologies, with updated program descriptions and planning for MY 2026. Member incentives tied to quality measures are expanding through the Nations Benefit platform to boost personalized engagement, accelerate the delivery of member incentives, and improve Stars performance.

### **Facility Site Review (FSR)**

The FSR team is updating standards for 2026, developing mobile unit tools in collaboration with Los Angeles County, and addressing workforce retention through new career pathways for nursing roles.

## Board Summary Report

**Report Title:** *Quality Improvement and Health Equity Committee (QIHEC) Summary Report*

**Date:** 08/15/2025

**Prepared By:** *Alexander Li, MD Chief Health Equity Officer*

### 1. Purpose / Desired Impact of the Report

The purpose of this QIHEC report is to provide the Board (Compliance and Quality Committee) a regular update of the discussions and recommendations from QIHEC as required by DHCS.

### 2. Background / Context

The July 2025 QIHEC meeting occurred on July 15, 2025. The meeting centered on federal and state policy changes and an overview L.A Care QI, health equity and provider enablement programs.

### 3. Key Considerations / Analysis

#### Management Considerations:

Overall, the QIHEC members expressed concerns that the new policies will have a significant adverse impact on immigrants and adult expansion populations. There is also recommendations on how L.A. Care can better improve member engagement, HEDIS performances, access to services and address disparities.

### 4. Risk Area and Mitigation Activities

#### Risk Statement:

As the federal and state policies get enacted, the QIHEC members recommended that L.A. Care take an active role of either leading or collaborating with community partners to keep people insured and help support our providers while they adjust to cuts in their revenue.

**Known Key Risk:** Yes  No  Unknown

**Impacted Area/Risk/Lines of Business:** The new federal and state policies will impact all lines of business with Medi-Cal being the most impacted. There is also concern expressed by QIHEC members that health disparities will worsen and there will be multiple tiers of care in L.A. and across the country..

#### Risk Mitigation Activities:

TBD

### 5. Recommended Action / Decision Requested

Board Action Needed: For Information Only

# Quality Improvement and Health Equity Committee (QIHEC)

## *Summary Report for Compliance and Quality Committee*



**L.A. Care**  
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**ELEVATING  
HEALTHCARE**  
IN LOS ANGELES COUNTY  
SINCE 1997

Alexander Li, MD  
August 2025

# July 15, 2025 QIHEC Agenda

- **Federal and State Policy Updates**
- **L.A. Care Program Overview**
  - Member outreach programs
    - Robocalls, texts, colorectal cancer test kits and community outreach
  - Provider/Network Assessment
    - E.g. appointment (non-urgent and urgent) availability, call back to patient etc.
  - Managed Care Accountability Set
    - (presented by QI team in the past to C&Q)
  - Equity and Quality in Independent Practices (EQuIP-LA) and Equity Practice Transformation (EPT) Program
  - CME Program

# Discussion on Federal and State Policies

- Main concerns from QIHEC members are:
  - Immigrant and adult expansion populations.
    - With the rise in fear which results in decrease in coverage, access and use health care.
  - Destabilization of providers who depend on Medi-Cal and other supplemental payments.
- *Asked how L.A. Care plans to advocate and address the impact on those who may lose Medi-Cal and support providers.*

# QIHEC Recommendations on L.A. Care Programs:

- Outreach Programs
  - Robocall and text in multiple languages (Spanish, Asian languages etc).
  - Target all lines of business for colon cancer screening (colorectal kits are only sent to LACC and Medicare Plus).
    - Overall, agree with staff's recommendations to continue with robocalls, texting and use of colorectal cancer test kit.
      - *Work with state to approve texting campaigns quicker and contact information.*
      - *Asked the staff to look for ways to increase response rate.*
      - *Expand colorectal cancer test kits to Medi-Cal or focus more on communities in Medi-Cal with low screening rates.*
  - In light of Immigration of Custom Enforcement raids,
    - *Track and trend usage of community resource Center care gap closure events over the next few months.*

# Addressing Health Disparities: HEDIS and Services for Disabled Members (Recommendations)

- Overall, the committee is appreciative that L.A. Care is taking a more pro-active approach with using data and analytics to guide and track our disparities and interventions.
- *Identify measures that Federally Qualified Health Centers (FQHCs) need to report on so that the FQHCs can play a more active role at improving HEDIS performance and health disparities.*
- *76% of the committee members that voted said that they believe that the disability training will raise provider awareness and change practice behavior.*

# Provider Access and Availability Results (FYI)

| Health Plan         | Primary Care | Specialty Care |
|---------------------|--------------|----------------|
| L.A. Care           | 2/9          | 3/6            |
| Anthem Blue Cross   | 7/9          | 3/6            |
| Blue Shield Promise | 7/9          | 3/6            |
|                     |              |                |

- *L.A. Care sent out corrective action plans to top 6 Provider Groups.*
  - *Provider/practice education.*
    - *Emphasized on the unmet elements (e.g. urgent appointments etc).*
    - *Improve scheduling and call back for appointments*
    - *Doing further analyses on the difference between L.A. Care and Plan Partners.*

# Managed Care Accountability Set (Recommendations)

- Approved the report by QI and the team's recommendations.
  - *Multi-channel outreach to members*
  - *Work closely with provider groups to identify challenges and opportunities at joint operation meetings.*
  - *Promote care gap services at community resource cents.*
- Address provider concerns and mistrust with future CDC vaccine recommendations.
  - *Perhaps use society recommendations or track the Vaccine Integrity Project*
  - *Come back to the next QIHEC with a more focused discussion on this concern.*

# Practice Transformation and Improvement Programs: EQuIP-LA (FYI)

- Equity and Quality at Independent Practices in LA (EQuIP-LA)
  - 2 year program sponsored by California Health Care Foundation ended.
  - 3 IPAs: representing 31 practices with around 50K Medi-Cal members
    - Focused on health disparities in diabetes control, controlling blood pressure and colon cancer screening.
    - *Succeeded in:*
      - *Improve use of EHRs*
        - *Patient outreach dashboard*
        - *Data validation issues*
      - *Learning objectives (QI, workflow etc)*
    - *Did not succeed in goals set out with :*
      - *Achieve 20% or more improvement in the 3 measures.*
      - *Report out by race/ethnicity.*

# Practice Transformation and Improvement Program: Equity Practice Transformation (FYI)

- Equity Practice Transformation (EPT)
  - 42 practices completed 3 of 6 rounds of milestones (\$2.7 M)
  - *Success:*
    - *Only 2 practices dropped out*
    - *Overwhelming positive feedback on our practice coaches*
    - *Closer working relationship with practices*
  - *Challenges*
    - *Bandwidth with training and reporting*
    - *Small practices are having more trouble than larger practices and clinics*
    - *Stratification of data by race/ethnicity*
    - *Changes with the program (data reporting etc.)*

# Continuing Medical Education Training (FYI)

- Mixture of in-person and on-line live webinars.
- Aling with our QI/health equity efforts:
  - Behavioral health
  - Enhancing primary care,
  - Gun violence prevention
  - Maternal child health,
  - Improving HEDIS services
  - Substance use prevention
  - Others

## What is health equity?

**Inequity** refers to unfair, avoidable Differences arising from poor governance, corruption or cultural exclusion

**Inequality** refers to the uneven distribution of health or health resources as a result of genetic or other factors or the lack of resources

**Disparity** refers to a difference, not specifically the result of unfairness or injustice



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**Questions?**