CALL TO ORDER

Vice Chair Juarez called the meeting to order at 3:03 p.m. in Suite 230 at the Ventura County Public Health Building located at 2240 E. Gonzales Road, Oxnard, CA 93036.

COMMITTEE MEMBERS PRESENT
Eileen Fisler, Ventura County Medical Health System
David Glyer, Private Hospitals / Healthcare System
Roberto Juarez, Clinicas del Camino Real, Inc.

ABSENT / EXCUSED
Robert Gonzalez, MD, Ventura County Medical Health System
Gagan Pawar, MD, Clinicas del Camino Real, Inc.

STAFF IN ATTENDANCE
Michael Engelhard, CEO
Michelle Raleigh, CFO
Nancy Kierstyn Schreiner, Legal Counsel
Traci R. McGinley, Clerk of the Board
Ruth Watson, COO
Guillermo Gonzalez, Government Affairs Director
Steve Lalich, Communications Manager
Lyndon Turner, Finance Manager

PUBLIC COMMENTS
None.

1. APPROVE MINUTES

   a. October 3, 2013 Regular Meeting Minutes
Committee Member Glyer moved to approve the October 3, 2013 Regular Meeting Minutes. Committee Member Fisler seconded. The motion carried. Approved 3-0.

2. ACCEPT AND FILE ITEMS

   a. CEO Update
CEO Engelhard updated the Committee on the Corrective Action Plan (CAP); the Plan has been meeting the deadlines and submitting the required reports to the State.
RECESS  A brief recess was called at 3:08 p.m. The meeting reconvened at 3:10 p.m.

b. September Financials (Unaudited)
CFO Raleigh reviewed the unaudited September financials and highlighted that this is the first time the Plan has been above the required Tangible Net Equity (TNE) levels. Committee Member Glyer recommended the TNE graph show the amount outstanding of the Line of Credit (LOC) from the County of Ventura until paid in full.

CFO Raleigh reminded the Committee that beginning in May, the methodology used to distribute the expenses into specific categories was modified to more closely follow State reporting. This change in methodology has taken time to implement as shown in the columns outlined of the Total Expense Composition chart. Therefore, the months following September will be comparable.

A high-dollar transplant claim was paid in October and GCHP expects the reinsurance to refund a majority of that amount, which was the primary reason of inpatient costs being over budget in September.

The Community Adult Based Services (CBAS) revenue has been confirmed at same level, which is approximately $850,000 per month.

Discussion was held regarding the fact that ACS / Xerox had not been billing GCHP for administrative services related to the Targeted Low Income Children (TLIC) population as this program was phasing-in over the last few months of FY 2012-13.

Concern was raised regarding the level of claims-related interest payments. COO Watson explained that after ACS / Xerox went through a system upgrade and it took more than a month to determine that interest on the late payment of claims was being over-paid. Programs to collect known interest over-payments are being implemented.

Committee Member Fisler suggested that the Pharmacy Cost Trend graph reflect a target for the budgeted PMPM cost.

b. FY 2012-13 Audit Results
CFO Raleigh reviewed the final FY 2012-13 audit results performed by McGladrey and explained that the audit was finalized October 30, 2013 and was subsequently submitted to the State. The following areas were discussed: the State, Milliman, McGladrey, Berkeley Research Group (BRG), and GCHP met and determined that the Incurred But Not Reported (IBNR) figure would not be changed from what was reported in the June 30, 2013 financial statements. There are items that were reclassified per the auditors’ suggestions; the restated figures were then reviewed. TNE was originally stated as $7.7 million, but was revised up to $11.9 million when audit adjustments are incorporated. The primary reason for the upward revision to TNE was based on increased revenue due to the State finalizing payment rates after the initial close of the Plan’s financial books. The AB 97 provider rate reductions have been postponed therefore a portion of the AB 97 reserves have been released.
Vice-Chair Juarez requested an update on the Financial Forecast – Key Initiatives. CFO Raleigh responded that this would be provided in a future meeting.

Discussion was held regarding the TNE and when the Plan would be able to start paying the LOC from Ventura County. CEO Engelhard responded that the State will require the Plan’s TNE to be in excess of 130% of the calculated TNE level for a significant period of time before allowing the LOC to be repaid and that the TNE level will need to be above 130% after repaying the LOC.

Committee Member Glyer moved to accept the CEO Report, the September Financials and the FY 2012-13 Audit Results. Committee Member Fisler seconded. The motion carried. **Approved 3-0.**

**COMMENTS FROM COMMITTEE MEMBERS**

None.

**CLOSED SESSION**

Legal Counsel Kierstyn Schreiner explained the purpose of the Closed Session items.

**ADJOURN TO CLOSED SESSION**

The Committee adjourned to Closed Session at 4:22 p.m. regarding the following items:

- Closed Session Conference with Legal Counsel – Existing Litigation pursuant to Government Code Section 54956.9 Lucas v. Regional Government Services et al, VCSC Case No. 56-2013-00432444-CU-CE-VTA

**RETURN TO OPEN SESSION**

The Regular Meeting reconvened at 4:26 p.m.

Legal Counsel Kierstyn Schreiner announced that there was no reportable action.

**ADJOURNMENT**

Meeting adjourned at 4:26 p.m.

**APPROVED:**

Traci R. McGinley, MMC, Clerk of the Board