

**Ventura County Medi-Cal Managed Care Commission (VCMMCC)
dba Gold Coast Health Plan (GCHP) Executive / Finance
Committee Meeting Minutes
March 20, 2012**

CALL TO ORDER

Chair Cho called the meeting to order at 3:03 p.m. in Suite 280 at the Ventura County Public Health Building located at 2240 E. Gonzales Road, Oxnard, CA 93036.

ROLL CALL

COMMITTEE MEMBERS PRESENT

Robert Gonzalez, MD, Ventura County Health Care Agency
Roberto S. Juarez, Clinicas del Camino Real, Inc.
Catherine Rodriguez, Ventura County Medical Health System

EXCUSED / ABSENT MEMBERS

Lanyard Dial, MD, Ventura County Medical Association
Vacant Seat

STAFF EX OFFICIO COMMITTEE MEMBERS

Charles Cho, Chair, Interim CEO & Chief Medical Officer
Sonia DeMarta, Vice-Chair, Interim CFO

ADDITIONAL STAFF IN ATTENDANCE

Traci R. McGinley, MMC, Clerk of the Board
Susan Canino, Administrative Assistant
Steven Lalich, Communication Director
Lyndon Turner, Sr. Financial Analyst

PUBLIC COMMENT

None.

1. APPROVAL OF MINUTES

a. February 21, 2012 Meeting Minutes

It was noted that the last paragraph of Agenda Item #2 "variances" should be "vacancies" and in the 3rd paragraph under Agenda Item 3.a. they would prefer "IBNP (Incurred But Not Yet Paid)" be changed to "IBNR (Incurred But Not Recorded)"

Committee Member Gonzalez moved to approve the minutes as amended, Committee Member Juarez seconded and the motion carried. **Approved 3-0.**

2. ACCEPT AND FILE CEO UPDATE

Chair Cho indicated that there were three major issues; the first is that the systems do not communicate with each other. GCHP and ACS met the previous week. Dr. Cho explained that to his surprise the Auto Assignment Policy had never been implemented within the ACS systems. Dr. Cho continued stating that he was in contact with the top ACS individual for GCHP, Adam Blodgett, Regional Vice-President.

The second issue is with regard to the Urgent Care Policy. GCHP pays for after-hours urgent care visits no matter what. Urgent Care during regular hours is to contact the PCP and it is up to the PCP if the Member is seen during regular hours. Urgent Care must complete a Treatment Authorization Form (TAR). ACS just advised Dr. Cho that they had not implemented the policy into their system and that it is not possible to program their system to work with the policy; Dr. Cho stressed that they should have informed him about that in November.

Chair Cho noted that the third issue is with regard to the nurses, they are under the ACS contract. It was a financial necessity in the beginning, Adam Blodgett of ACS is looking into amending the contract to transfer the Nurses under RGS.

Chair Cho stressed how critically low office space was becoming at the Plan's current location. Offices and cubicles have been cut extremely small and many of the professionals need their private spaces. It is believed that at least double the current amount of space is needed.

Chair Cho added that he has been assessing staffing needs and the Plan is currently 4 nurses short, 1 nurse could easily save the Plan \$1 million. We currently only have 1 nurse dedicated to case management. We need to understand that expenses are justified and will save money and expedite review.

Committee Member Juarez agreed with Dr. Cho and thanked him for the information. Chair Cho noted that he does have access to the Commission as CMO and will start using that at a later date. Committee Member Gonzalez added that CMO should be a regular item on the Agenda. This information is what the Commission needs to hear about. Committee Member Juarez suggested the Chief Operating Officer as well.

Dr. Cho stressed that it is difficult to find high level individuals. The Plan was short staffed before there were open positions. We have been cut \$30 million but can make it up in managed care.

There was discussion among Commissioners about how positions were filled. Chair Cho explained that he understood their concern, but stressed that their CEO needs to have the authority to make decisions; Commissioners should not take over functions of the Plan.

Chair Cho explained that Associate Medical Director, Nancy Wharfield, reviewed the Custodial Care cases when they were denied and appealed, we have two that have

gone to State, but we have not heard the results. We are not abandoning these individuals or families, but are trying to see what proper care is needed. Since all that were rejected have appealed we are trying to see if they qualify for CCS, we are hoping to find alternatives. Paul Russell of the local CCS is assisting us. Dr. Cho continued stating that if these are denied, we still need to assist these people. We do not want to be looked upon that we do not have compassion, we will find solutions.

Chair Cho added that there will be similar situations with CBAST adult day care we have about 1100 members, 53 of 1100 did not qualify for conversion. We felt that if they were not taken care of they would end up in the hospital; we reassessed the 53 and have enhanced the medical care. Chair Cho added that they believe one-half should be in a facility staff is relieved that only 53 did not qualify for CBAST.

Chair Cho noted that the Plan is receiving many refunds right now. There are many things and many different problems, \$33 million. Some are over payments; some are just not able to determine which invoice was being paid.

Interim CFO DeMarta added that some providers are sending checks back. ACS is contacting other providers about overpayment and how they would like it to be addressed.

3. ACCEPT AND FILE FINANCIAL REPORT

a. February Financials

Interim CFO Demarta noted that the State had paid several weeks late. Milliman has recommended that the IBNR be adjusted. Also, long term debt to ACS is amortized over several years.

Committee Member Gonzalez asked to reconcile with Clinicas and CMH. Interim CFO DeMarta added that she believed CMH is ongoing. Ken Dixon of ACS responded that the processes have been started and they have also reached out to Los Robles and Clinicas, but without a CEO at GCHP it is on hold. Committee Member Gonzalez stressed the importance of it being done.

RECESS:

A Recess was called at 4:50 p.m. The meeting was reconvened at 5:00 p.m.

Discussion was held regarding year to date expenses. There were questions regarding catastrophic claims, to which Interim CFO DeMarta responded that GCHP has insurance coverage for that.

Committee Member Gonzalez moved to accept the Financial Report, Juarez seconded. The motion carried, **Approved 3-0.**

4. OFFICE MOVE: COUNTY LEASE

Committee Member Juarez expressed his support but said it should go to full Commission.

Committee Member Rodriguez requested the financial impact.

Chair Cho stressed the importance of looking at the full picture because staff is suffering. Interim CFO Demarta noted that with all the open positions we have we would not have places to put them.

Committee Member Gonzalez moved to authorize CFO and CEO to evaluate plan space Juarez second. Motion carried, **Approved 3-0.**

5. REVIEW COMMISSION ACTIONS AND COMMISSION

a. Roles and Authority of Commission Members and CEO

Richard Averett of RGS advised the Committee of RGS' commitment to Gold Coast. RGS serves about two dozen public agencies. RGS is enhancing their support to GCHP through this time. That is what we do and that is why you hire us. For those issues that have been raised which are confidential, we will provide feedback when needed. We provide staff and support.

Committee Member Rodriguez asked how they will ensure they get quality people for the jobs. Jennifer Bower of RGS responded that they do background checks going back seven years. They verify title, pay, education, etc. which are all routine; but can only be done after an offer. One problem with reference is that candidates will give only people that would give positive responses in recruitment. We try to do local community as well as professional. We also search as many professional organizations as possible.

There was discussion regarding excessive travel claims that the CEO had approved. Richard Averett of RGS responded that they thought employee travel was excessive. They brought it up to the CEO and felt it was taken care of, there was no cover up. Jennifer Bower added that RGS' contract directs them to the CEO. Jennifer Bower added that she had previously believed that the HR Director went through the Policies and Procedures with staff but that was not the case.

Committee Member Gonzalez asked to see the travel policies as they may need to be changed. Committee Member Juarez added that he would like to have a study session of the Special Committee.

6. SPECIAL COMMITTEE REPORT

Committee Member Gonzalez noted that the three Committee Members present were selected for a Special Committee and have specific authority to fill interim and regular positions. They have been working every day trying to move these processes forward.

Committee Member Juarez commented that it also included the appointment of a CEO.

Committee Member Gonzalez thanked Dr. Cho and Sonia DeMarta for stepping up and handling this interim, but important time. It does seem like things are calm and more settled.

a. Possible Solutions

1. Claims Director

Committee Member Gonzalez noted that there are two individuals that will interview on Friday. Jennifer Bower added that one internal candidate looks promising.

2. CEO

Committee Member Gonzalez explained that with regard to the CEO there are two different areas, a long term interim and a permanent.

3. Recruiting Firm

Committee Member Gonzalez notated that they no longer wanted to use The Self Company. We need to try to get all of this squared away. We need resumes of all the people on video. (This is with regard to the CFO position as well.)

Chair Cho explained that Self did one search that is almost complete for the QI Director and we have four great candidates. He also advised Dr. Cho that he has a number of candidates for the CFO position. Jennifer Bower noted that she spoke with Self and if we broke the contract there would be no further costs with the exception of the QI position. Chair Cho added that the contract also has a two year warranty commitment.

4. Legal Counsel

Committee Member Gonzalez noted that while counsel is being sought, County Counsel will assist the Commission.

Committee Member Juarez explained that the group wants a firm instead of an individual. Interviews with two firms in Ventura County have been scheduled. Committee Member Gonzalez added that they want to try to use a local firm.

5. CFO

Committee Member Gonzalez noted that there is an internal candidate for this position as well, but he would like to see all of the resumes. (See notes under Recruiting Firm as well.)

6. ACS Nurses

Committee Member Juarez explained that the Commission discovered that the Nurses were ACS employees so we want to look at the ACS contract and move them under RGS.

Ken Dixon of ACS stated that they are in full support however they're a rare core group that they included in the core dollars of the contract. ACS will meet with Dr. Cho later in the week.

Jennifer Bower of RGS said it would be fairly easy. Chair Cho added that he would have the proposal on Thursday.

7. Consultants – Contract for Services Not to Exceed \$150,000

Committee Member Gonzalez announced that they are looking at a consulting firm that can come in overnight and go about setting up improvements. Consulting could be here as early as next Wednesday.

Committee Member Juarez added that they want to contact at least several organizations.

Committee Member Gonzalez added that on Thursday mornings there is a conference call with State, COHS's CEO's and CAHIO. There seems like there has been lot of progress. He hopes by next week to have interim solution in place.

Committee Member Juarez stated that as a Special Committee they need to look at interim, permanent and regular staffing. They want to make sure we do what is best.

COMMENTS FROM COMMITTEE MEMBERS

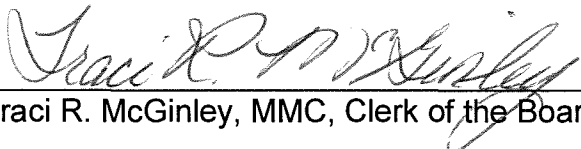
Committee Member Juarez stated that there was a breach of confidentiality about the investigation. Several times he reported that he never discussed this with GCHP staff. We never mentioned the name of the person. There was breach of confidentiality and that name should not have been out there. The investigation has been tainted. The meeting with investigator and the report is not privy to Commission but only RGS.

Jennifer Bower of RGS commented that she believed he was talking about her and she disagreed. She listened to his comments at the Commission Meeting; the investigation job is private because it is a personnel report and is usually not privy to a body.

ADJOURNMENT

Chair Cho adjourned the meeting at 7:05 p.m.

APPROVED:



Traci R. McGinley, MMC, Clerk of the Board