

**Ventura County Medi-Cal Managed Care Commission  
(VCOMMCC) dba Gold Coast Health Plan (GCHP)  
Executive / Finance Committee Meeting Minutes  
January 8, 2015**

**CALL TO ORDER**

Chair Araujo called the meeting to order at 3:33 p.m. in the Executive Conference Room at Gold Coast Health Plan, 711 E. Daily Drive, Suite 106, Camarillo, CA 93010.

**COMMITTEE MEMBERS PRESENT**

**David Araujo, MD**, Ventura County Medical Center Family Medicine Residency Program  
**Antonio Alatorre**, Clinicas del Camino Real, Inc.  
**David Glycer**, Private Hospitals / Healthcare System  
**Gagan Pawar, MD**, Clinicas del Camino Real, Inc.  
**Dee Pupa**, Ventura County Health Care Agency

**STAFF IN ATTENDANCE**

**Ruth Watson**, Interim CEO / Chief Operations Officer  
**John Meazzo**, Interim Chief Financial Officer  
**Traci R. McGinley**, Clerk of the Board  
**Cathy Salenko**, Legal Counsel  
**William Freeman**, Network Operations Director  
**Guillermo Gonzalez**, Government Relations Director  
**Steven Lalich**, Communications Director  
**Allen Maithel**, Controller  
**Melissa Scrymgeour**, Chief Information Officer  
**Lyndon Turner**, Financial Analysis Director

**PUBLIC COMMENTS**

None.

**1. APPROVE MINUTES**

- a. **August 7, 2014 Regular Meeting Minutes**
- b. **November 6, 2014 Special Meeting Minutes**

Committee Member Pawar requested that the second to the last paragraph on page 3 of the November 6, 2014 Special Meeting Minutes, read as follows:

CFO Raleigh stated that a larger provider, the County of Ventura, is still having problems with billing GCHP therefore the reserves were increased. In response to a question from Committee Member Pawar CFO Raleigh stated that GCHP will not have to pay the provider for billings more than twelve months old, but must take the amounts into account in order to estimate the total future costs.

Committee Member Glycer moved to approve the August 7, 2014 Regular Meeting Minutes and the November 6, 2014 Special Meeting Minutes as amended. Committee Member Alatorre seconded. The motion carried with the following vote:

AYE: Alatorre, Araujo, Glycer, Pawar and Pupa.  
NAY: None.  
ABSTAIN: None.  
ABSENT: None.

## 2. ACCEPT AND FILE ITEMS

### a. CEO Update

Interim CEO Watson provided an overview of the report highlighting the significant growth in membership.

Committee Member Alatorre stated that AB 85 requires the County to submit data to the state regarding the maximum number of enrollees they can accept. He expressed concern that members would have access issues because the County's original figures were 30,000 and they are now reporting that they can accept an additional 65,000. Interim CEO Watson explained that the information is based on a formula provided by the State. The AB 85 member tracking report will be provided to the Commission monthly for their review.

Further discussion was held regarding the AB 85 qualification guidelines. Chair Araujo noted that these are Members that are not assigned to PCPs. In response to questions from the Committee, Financial Analysis Director Turner explained that 11% of the 140,000 members in December are not assigned to PCPs - they are share of cost members, administrative members, etc.

Discussion was held regarding the ACA 1202 funds. Committee Member Alatorre suggested using the approximate \$2.5 million remaining from calendar year 2013 for provider increases. CEO Watson recommended that this amount, plus additional funds be discussed during that Provider Reimbursement Increase agenda item.

Committee Member Alatorre moved to accept the CEO Update. Committee Member Pupa seconded. The motion carried with the following vote:

AYE: Alatorre, Araujo, Glycer, Pawar and Pupa.  
NAY: None.  
ABSTAIN: None.  
ABSENT: None.

## 2. CFO Update – October and November Financials

John Meazzo, Interim Chief Financial Officer, reviewed the October and November financials. Interim CEO Watson reported that DHCS has cut the Adult Expansion (AE) population capitation rate effective January 2015, by approximately twenty percent (20%). The Plan retroactively recorded a reduction of twenty percent (20%) of charges

to January 2014. Staff is in the process of estimating an appropriate reserve should the Plan be required to return the excess premium. Discussion was held regarding the AE population MLR. Plans across the state do not believe that the full impact of the AE population has been seen and are greatly concerned that the State will make additional retroactive rate cuts before the real impact has been seen.

After discussion was held regarding the \$9 million Provider Reserve in the October Income Statement it was decided that the final October results would not contain the Provider Reserve.

Financial Analysis Director Turner stated that DHCS is currently only providing rates every six months. Committee Member Glycer asked if the State could make additional cuts retroactive to January 2014. Interim CEO Watson responded that they could actually go back 18 months.

Committee Member Pawar requested that the revenue and expenditure data for the AE population be separated from other aide codes. Interim CEO Watson explained that revenue and medical expenses could be provided; however other expenses across the Plan (such as additional staffing) could not be separated in that manner.

Financial Analysis Director Turner added that the data to this granular of a level only started this fiscal year. Staff will need some time to determine the best way to present the information to the Committee because at this time it is only raw data.

Committee Member Alatorre stated that he had requested the same information be provided in the Health Services Update (the Authorizations pie chart). It was determined that data would be provided for the Family, Duels and SPD's aid codes.

Committee Member Glycer moved to accept the October and November Financials with the removal of the \$9 million Provider Reserve from the October Income Statement Committee Member Alatorre seconded. The motion carried with the following vote:

AYE: Alatorre, Araujo, Glycer, Pawar and Pupa.  
NAY: None.  
ABSTAIN: None.  
ABSENT: None.

### 3. **APPROVAL ITEMS**

#### a. **Provider Reimbursement Increases**

Interim CEO Watson reviewed the report with the Committee and noted that the Plan is at a point where provider reimbursement rates can be increased. Staff recommended the two following increases:

- Capitation for PCPs and Specialists would be increased by 20%, effective 03/01/15, subject to future annual reviews; and
- Fee-for-service rates for pediatricians would be raised to 120% of Medi-Cal fee-for-service (FFS), effective 03/01/15, subject to future annual reviews

Additional programs will be analyzed and developed by staff at a future date.

Committee Member Glycer asked why staff was recommending this specific group of providers be the first to receive an increase. Interim CEO Watson responded that this was just the start and \$3 million was put aside to look at the rest of the providers. GCHP's providers have been very patient, but a number of providers have advised GCHP that they cannot afford to continue to see Medi-Cal patients at the current rates. GCHP rates are lower than any other COHS in the state. Interim CEO Watson added that the Hospital and ancillary providers need to be looked at individually, two of the hospital contracts were recently renegotiated and each took approximately 90 days.

Committee Members asked how GCHP compares to other counties. Interim CEO Watson explained that some counties pay greater than 120% of Medi-Cal or even Medicare to insure they have sufficient providers in their network.

Committee Member Glycer moved to approve the Provider rate increases and to provide the Commission with 120, 125 and 130 percent options for comparison. Committee Member Alatorre seconded. The motion carried with the following vote:

AYE: Alatorre, Araujo, Glycer, Pawar and Pupa.  
NAY: None.  
ABSTAIN: None.  
ABSENT: None.

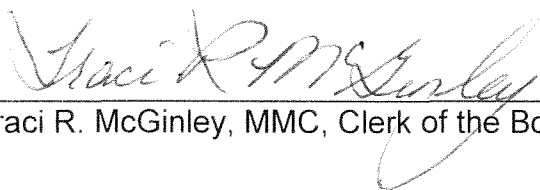
#### **COMMENTS FROM COMMITTEE MEMBERS**

Committee Member Alatorre noted that the minutes have improved greatly.

#### **ADJOURNMENT**

Meeting adjourned at 5:41 p.m.

APPROVED:

  
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Traci R. McGinley, MMC, Clerk of the Board