

**Ventura County Medi-Cal Managed Care Commission (VCMCC)  
dba Gold Coast Health Plan (GCHP)**

**Regular Meeting**

**Monday, September 28, 2020, 2:00 p.m.**

**Gold Coast Health Plan, 711 East Daily Drive, Community Room, Camarillo, CA  
93010**

**Executive Order N-25-20**

**Conference Call Number: 1-805-324-7279**

**Conference ID Number: 764 909 520#**

**Para interpretación al español, por favor llame al 805-322-1542 clave 1234**

**AGENDA**

**CALL TO ORDER**

**ROLL CALL**

**PUBLIC COMMENT**

The public has the opportunity to address Ventura County Medi-Cal Managed Care Commission (VCMCC) doing business as Gold Coast Health Plan (GCHP) on the agenda. Persons wishing to address VCMCC should complete and submit a Speaker Card.

Persons wishing to address VCMCC are limited to three (3) minutes unless the Chair of the Commission extends time for good cause shown. Comments regarding items not on the agenda must be within the subject matter jurisdiction of the Commission.

Members of the public may call in, using the numbers above, or can submit public comments to the Committee via email by sending an email to [ask@goldchp.org](mailto:ask@goldchp.org). If members of the public want to speak on a particular agenda item, please identify the agenda item number. Public comments submitted by email should be under 300 words.

**CONSENT**

**1. Approval of Ventura County Medi-Cal Managed Care Regular Minutes of August 24, 2020.**

Staff: Maddie Gutierrez, MMC – Clerk of the Commission

**RECOMMENDATION:** Approve the minutes of August 24, 2020.

**2. Adopt a Resolution to Renew Resolution No. 2020-005, to Extend the Duration of Authority Empowered in the CEO to issue Emergency Regulations and Take Action Related to the Outbreak of Coronavirus (“COVID-19”)**

Staff: Scott Campbell, General Counsel

RECOMMENDATION: Adopt Resolution No. 2020-006 to:

1. Extend the duration of authority granted to the CEO to issue emergency regulations and take action related to the outbreak of COVID-19.

**3. Adopt a Resolution Cancelling the Upcoming November 16, 2020 Ventura County Medical Managed Care Commission (“Commission”) Regular Meeting.**

Staff: Scott Campbell, General Counsel

RECOMMENDATION: Staff recommends the following:

1. To adopt Resolution No. 2020-007 to cancel the upcoming November 16, 2020 regular Commission meeting.

**4. Approve Amendment No. 4 to Agreement (“Agreement”) with Health Management Associates (“HMA”) to authorize additional HMA resources to assist in management of Gold Coast Health Plan (GCHP).**

Staff: Scott Campbell, General Counsel

RECOMMENDATION: Staff recommends the following:

1. To approve Amendment No. 4 authorizing additional HMA resources to assist CEO, Margaret Tatar, in management of Gold Coast Health Plan (GCHP).

**FORMAL ACTION**

**5. GCHP’s PACE Organization Letter of Support Criteria Policy**

Staff: Margaret Tatar, Chief Executive Officer

RECOMMENDATION: Staff recommends the Commission approve to delegate the Chief Executive Officer (CEO) to manage any requests in accordance with this Commission policy.

**6. August 2020 Financials Report**

Staff: Kashina Bishop, Chief Financial Officer

RECOMMENDATION: Staff recommends the Commission approve the August 2020 financial package.

**REPORTS**

**7. Chief Executive Officer (CEO) Report**

Staff: Margaret Tatar, Interim Chief Executive Officers

RECOMMENDATION: Receive and file the report.

**8. Chief Medical Officer (CMO) Report**

Staff: Nancy Wharfield, M.D., Chief Medical Officer

RECOMMENDATION: Receive and file the report.

**9. Chief Diversity Officer (CDO) Report**

Staff: Ted Bagley, Chief Diversity Officer

RECOMMENDATION: Receive and file the report.

**10. Executive Director of Human Resources (H.R.) Report**

Staff: Michael Murguia, Executive Director of Human Resources

RECOMMENDATION: Receive and file the report.

**ADJOURNMENT**

Unless otherwise determined by the Commission, the next regular meeting will be held at 2:00 P.M. on October 26, 2020 at Gold Coast Health Plan at 711 E. Daily Drive, Suite 106, Community Room, Camarillo, CA 93010.

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**Administrative Reports relating to this agenda are available at 711 East Daily Drive, Suite #106, Camarillo, California, during normal business hours and on <http://goldcoasthealthplan.org>. Materials related to an agenda item submitted to the Commission after distribution of the agenda packet are available for public review during normal business hours at the office of the Clerk of the Commission.**

**In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact (805) 437-5512. Notification for accommodation must be made by the Monday prior to the meeting by 3 p.m. to enable the Clerk of the Commission to make reasonable arrangements for accessibility to this meeting.**

## **AGENDA ITEM NO. 1**

**TO:** Ventura County Medi-Cal Managed Care Commission  
**FROM:** Maddie Gutierrez, MMC - Clerk to the Commission  
**DATE:** September 28, 2020  
**SUBJECT:** Meeting Minutes of August 24, 2020 Regular Commission Meeting.

### **RECOMMENDATION:**

Approve the minutes.

### **ATTACHMENTS:**

Copy of Minutes for the August 24, 2020 Regular Commission Meeting.

**Ventura County Medi-Cal Managed Care Commission  
(VCOMMCC)  
dba Gold Coast Health Plan (GCHP)  
August 24, 2020 Regular Meeting Minutes**

**CALL TO ORDER**

Commission Chair Dee Pupa called the meeting to order via teleconference at 2:02 p.m. Clerks were in the Community Room located at Gold Coast Health Plan, 711 East Daily Drive, Camarillo, California.

**ROLL CALL**

Present: Commissioners Dr. Sevet Johnson, Gagan Pawar, M.D., Dee Pupa, Jennifer Swenson, Scott Underwood, M.D., and Supervisor John Zaragoza.

Absent: Commissioners Antonio Alatorre, Fred Ashworth, Shawn Atin, Theresa Cho, M.D., and Laura Espinosa.

Attending the meeting for GCHP were: Margaret Tatar, Chief Executive Officer, Nancy Wharfield, M.D., Chief Medical Officer, Ted Bagley, Interim Chief Diversity Officer, Kashina Bishop, Chief Financial Officer, Michael Murguia, Exec. Director of Human Resources, Robert Franco, Interim Chief Compliance Officer, Scott Campbell, General Counsel, Cathy Salenko, Health Care General Counsel, Marlen Torres, Executive Director of Strategies and External Affairs, and Eileen Moscaritolo, HMA Consultant.

Additional Staff participating on the call: Vicki Wrighster, Dr. Anne Freese, Rachel Lambert, Bob Bushey, Helen Miller, Dr. Lupe Gonzalez, Pauline Preciado, Kim Timmerman, Anna Sproule, Debbie Rieger, Carolyn Harris, Sandi Walker, Paula Cabral, and Susana Enriquez-Euyoque.

Sonia DeMarta from AmericasHealth Plan (AHP), Cynthia Salas from the County of Ventura, and Anna Rangel, interpreter.

**PUBLIC COMMENT**

Dr. Sandra Aldana addressed the Commission stating it is a difficult time for individuals with developmental disabilities to get follow up care. She wanted to remind the Commission that effective communication with partners is important.

## **CONSENT**

### **1. Approval of Ventura County Medi-Cal Managed Care Commission Regular Minutes of July 27, 2020.**

Staff: Maddie Gutierrez, MMC – Clerk of the Commission

**RECOMMENDATION:** Approve the minutes of July 27, 2020.

Commissioner Swenson motioned to approve Consent item 1, Approval of Ventura County Medi-Cal Managed Care Commission Regular Minutes of July 27, 2020. Supervisor Zaragoza seconded.

Roll Call Vote:

**AYES:** Commissioners Dr. Sevet Johnson, Gagan Pawar, M.D., Dee Pupa, Jennifer Swenson, Scott Underwood, M.D. and Supervisor John Zaragoza.

**NOES:** None.

**ABSENT:** Commissioners Antonio Alatorre, Fred Ashworth, Shawn Atin, Theresa Cho, M.D., and Laura Espinosa.

Commissioner Pupa declared the motion carried.

### **2. Adopt a Resolution to Renew Resolution No. 2020-004 to Extend the Duration of Authority Empowered in the CEO to Issue Emergency Regulations and Take Action related to the Outbreak of Coronavirus (“COVID-19”)**

Staff: Scott Campbell, General Counsel

**RECOMMENDATION:** Adopt resolution 2020-005 to:

1. Extend the duration of authority granted to the CEO to issue emergency regulations and take action related to the outbreak of COVID-19.

Commissioner Swenson motioned to approve the adoption of Resolution 2020-005. Commissioner Pupa seconded.

Roll Call Vote:

AYES: Commissioners Dr. Sevet Johnson, Gagan Pawar, M.D., Dee Pupa, Jennifer Swenson, Scott Underwood, M.D. and Supervisor John Zaragoza.

NOES: None.

ABSENT: Commissioners Antonio Alatorre, Fred Ashworth, Shawn Atin, Theresa Cho, M.D., and Laura Espinosa.

Commissioner Pupa declared the motion carried.

**Commissioner Antonio Alatorre joined the meeting at 2:09 p.m.**

**PRESENTATIONS**

**Commissioner Laura Espinosa joint the meeting at 2:11 p.m.**

**3. Gold Coast Health Plan Fire Season Preparedness**

Staff: Nancy Wharfield, M.D., Chief Medical Officer  
Anne Freese, PharmD., Director of Pharmacy

**RECOMMENDATION:** Accept and file the presentation.

Chief Medical Officer, Nancy Wharfield, M.D. stated Dr. Freese will explain the PowerPoint presentation.

Dr. Anne Freese gave a high-level overview which included recent fire history as well as GCHP responsibilities during fire season in the County. One of the top priorities is member safety and health care. GCHP also reports to DHCS and reports to providers, the Commission and elected and County officials.

Supervisor Zaragoza asked if communication is done via email. Dr. Freese responded yes. Supervisor Zaragoza stated County officials receive communications for various organizations throughout the county and this is a good communication mode.

Commissioner Espinosa motioned to accept and file the presentation. Supervisor Zaragoza seconded.

Roll Call Vote:

AYES: Commissioners Antonio Alatorre, Laura Espinosa, Dr. Sevet Johnson, Gagan Pawar, M.D., Dee Pupa, Jennifer Swenson, Scott Underwood, M.D. and Supervisor John Zaragoza.

NOES: None.

ABSENT: Commissioners Fred Ashworth, Shawn Atin, and Theresa Cho, M.D.

Commissioner Pupa declared the motion carried.

**FORMAL ACTION**

**4. June 2020 Financial Report**

Staff: Kashina Bishop, Chief Financial Officer

**RECOMMENDATION:** Staff recommends that the Commission approve the revised June 2020 financial package.

Chief Financial Officer, Kashina Bishop reviewed the additional adjustments to the June 2020 financials. She noted a net reduction to TNE of \$8.4 million and TNE is currently at 198%. The June net loss is \$6.8 million. CFO Bishop will continue to keep June open for auditing purposes until October when the audit is completed.

Supervisor Zaragoza stated he is concerned about the \$8 million reduction and errors found. He stated it would good to have some positive news and noted there is always a loss of some kind. He asked if there is a way to watch the budget closer, there are errors and he asked why they weren't caught. She stated we look to reserves when necessary and always want to be conservative. We want to be careful not to over-estimate. Supervisor Zaragoza stated we have a track record of expenses and we always end up negative. We need to watch the budget closer first there is a loss and then an error. CFO Bishops stated the errors were caught one month later. The \$8.4 million is a result of the State budget crisis. Chief Executive Officer, Margaret Tatar, stated she regrets the error and it was remediated quickly.

Commissioner Swenson asked in a financial perspective, where does it leave the plan at year end for last year. CFO Bishop stated we were at a loss of \$6.6 million for the whole year, which is a huge improvement over the prior year's loss of almost \$60 million.



General Counsel, Scott Campbell reminded the Commission that the State retroactively adjusted rates resulted in the loss for the year.

Commissioner Swenson motioned to approve the June 2020 revised financial package. Commissioner Underwood seconded.

Roll Call Vote:

**AYES:** Commissioners Antonio Alatorre, Laura Espinosa, Dr. Sevet Johnson, Gagan Pawar, M.D., Dee Pupa, Jennifer Swenson, Scott Underwood, M.D. and Supervisor John Zaragoza.

**NOES:** None.

**ABSENT:** Commissioners Fred Ashworth, Shawn Atin, and Theresa Cho, M.D.

Commissioner Pupa declared the motion carried.

## **5. July 2020 Financial Report**

Staff: Kashina Bishop, Chief Financial Officer

**RECOMMENDATION:** Staff recommends the Commission approve the July 2020 financial package.

Chief Financial Officer, Kashina Bishop reviewed the July 2020 financials. She noted a July net loss of \$742,000. TNE is currently 196% of the minimum required. Medical loss ratio is equal to 95.4% and administrative ratio is 5.9%. She reviewed the flexible budget, financial impacts of COVID-19 and updated financial forecasts. She noted the Net Premium revenue is \$69.5 million and in line with budget on a flexible basis.

Commissioner Alatorre motioned to approve the July 2020 financial package. Commissioner Swenson seconded.

Roll Call Vote:

**AYES:** Commissioners Antonio Alatorre, Laura Espinosa, Dr. Sevet Johnson, Gagan Pawar, M.D., Dee Pupa, Jennifer Swenson, Scott Underwood, M.D. and Supervisor John Zaragoza.

**NOES:** None.

**ABSENT:** Commissioners Fred Ashworth, Shawn Atin, and Theresa Cho, M.D.

Commissioner Pupa declared the motion carried.

**REPORTS**

**6. Chief Executive Officer (CEO) Report**

Staff: Margaret Tatar, Interim Chief Executive Officer

**RECOMMENDATION:** Receive and file the report.

Chief Executive Officer, Margaret Tatar reviewed the State Update with the Commission via PowerPoint presentation. The presentation included information on the Long-Term care at Home benefit, and the 1115 Waiver renewal.

Commissioner Pupa stated that at the last Commission meeting Commissioner Alatorre had a question regarding administrative members. Steve Peiser, Sr. Director of Network Management was going to do some research and report back. Steve is currently out of the office and Commissioner Pupa asked if the research had been done. CEO Tatar state she will follow up and get that information to the Commission.

**7. Chief Medical Officer (CMO) Report**

Staff: Nancy Wharfield, M.D., Chief Medical Officer

**RECOMMENDATION:** Receive and file the report.

Chief Medical Officer, Nancy Wharfield, M.D., noted there was an increase in Telemedicine claims received. COVID-19 admissions and all COVID-19 related charts were reviewed. CMO Wharfield stated the Population Needs Assessment was approved by DHCS on July 22, 2020.

Dr. Anne Freese gave a pharmacy update. She noted she had received initial documents from DHCS on the pharmacy transition. These documents are being reviewed and an update will be presented to the Commission at the next meeting.

## **8. Chief Diversity Officer (CDO) Report**

Staff: Ted Bagley, Interim Chief Diversity Officer/ Interim Human Resources Director

RECOMMENDATION: Receive and file the report.

Executive Director of Human Resources, Michael Murguia, stated he will be presenting a separate Human Resources report to the Commission in the future. MR Murguia stated he would be presenting the CDO report in Mr. Bagley's absence.

Mr. Murguia noted there were no new cast investigations. He noted a Lunch & Learn on COVID-19 would be held by BBK for the staff.

Mr. Murguia also noted CDO Bagley's various accomplishments over the two-year period. He also noted that effective August 3<sup>rd</sup> Mr. Bagley transitioned back to a two day per week CDO schedule and will continue to overlap with Mr. Murguia during the initial 30-day onboarding.

Supervisor Zaragoza motioned to approve Agenda items 6 - CEO Report, 7 – CMO Report, and 8 – CDO Report. Commissioner Alatorre seconded.

Roll Call Vote:

**AYES:** Commissioners Antonio Alatorre, Laura Espinosa, Dr. Sevet Johnson, Gagan Pawar, M.D., Dee Pupa, Jennifer Swenson, Scott Underwood, M.D. and Supervisor John Zaragoza.

**NOES:** None.

**ABSENT:** Commissioners Fred Ashworth Shawn Atin, and Theresa Cho, M.D.

Commissioner Pupa declared the motion carried.

The Commission moved to Closed Session at 3:33 p.m. to discuss agenda item 9.

## **CLOSED SESSION**

### **9. PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

Title: Chief Executive Officer

General Counsel, Scott Campbell stated there was no reportable action.

## **ADJOURNMENT**

Commissioner Pupa adjourned the meeting at 4:36 p.m.

Approved:

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Maddie Gutierrez, MMC  
Clerk to the Commission

## **AGENDA ITEM NO. 2**

**TO:** Ventura County Medi-Cal Managed Care Commission

**FROM:** Scott Campbell, General Counsel

**DATE:** September 28, 2020

**SUBJECT:** Adopt a Resolution to Renew Resolution No. 2020-005, to Extend the Duration of Authority Empowered in the CEO to issue Emergency Regulations and Take Action Related to the Outbreak of Coronavirus (“COVID-19”)

### **SUMMARY:**

Adopt Resolution No. 2020-006 to:

1. Extend the duration of authority granted to the CEO to issue emergency regulations and take action related to the outbreak of COVID-19.

### **BACKGROUND/DISCUSSION:**

COVID-19, which originated in Wuhan City, Hubei Province, China in December, 2019, has resulted in an outbreak of respiratory illness causing symptoms of fever, coughing, and shortness of breath. Reported cases of COVID-19 have ranged from very mild to severe, including illness resulting in death. Since that time, confirmed COVID-19 infections have continued to increase in California, the United States, and internationally. To combat the spread of the disease Governor Newsom declared a State of Emergency on March 4, 2020. The State of Emergency adopted pursuant to the California Emergency Services Act, put into place additional resources and made directives meant to supplement local action in dealing with the crisis.

In the short period of time following the Governor’s proclamation, COVID-19 has rapidly spread through California necessitating more stringent action. On March 19, 2020, Governor Newsom issued Executive Order N-33-20 (commonly known as “Safer at Home”) ordering all residents to stay at home to slow the spread of COVID-19, except as needed to maintain continuity of operation of the federal critical infrastructure sectors.

The following day, the Ventura County Health Officer issued a County-wide “Stay Well at Home”, order, requiring all County residents to stay in their places of residence subject to certain exemptions set forth in the order.

Prompted by the increase of reported cases and deaths associated with COVID-19, the Commission adopted Resolution No. 2020-001 declaring a local emergency and empowering the interim CEO with the authority to issue emergency rules and regulations to protect the health of Plan's members, staff and providers. Specifically, section (2) of Resolution No. 2020-001 describes the emergency powers delegated to the CEO which include, but are not limited to: entering into agreements on behalf of the Plan, making and implementing personnel or other decisions, to take all actions necessary to obtain Federal and State emergency assistance, and

implement preventive measures to preserve Plan activities and protect the health of Plan's members, staff and providers.

Normally under Government Code Section 8630, the Commission must review the need for continuing the local emergency once every sixty (60) days until the local governing body terminates the local emergency. However, under Governor Newsom's March 4, 2020, State of Emergency proclamation, that 60 day time period in section 8630 is waived for the duration of the statewide emergency. Pursuant to Resolution No. 2020-001, the Plan's Local Emergency proclamation and emergency authority vested in the CEO expired on April 27, 2020.

On April 27, 2020, the Commission adopted Resolution No. 2020-002 to renew Resolution No. 2020-001 to: (1) reiterate and renew the Plan's declaration of a Local Emergency through the duration of the Governor's State of Emergency proclamation or when the Commission terminates its declaration of Local Emergency, whichever occurs last; and (2) to extend the duration of authority empowered in the CEO to issue emergency regulations and take action. Resolution No. 2020-002 expired on May 18, 2020.

On April 28, 2020, Governor Gavin Newsom alongside State Public Health Officer Dr. Sonia Angell, announced California's Roadmap to Pandemic Resilience, which discussed how the state is planning to modify its state-wide Safer at Home order to "reopen California".

On May 4, 2020, Governor Newsom issued Executive Order N-60-20, declaring that California is prepared to move into the early phase of "Stage 2" to permit the gradual reopening of lower risk businesses and open spaces commencing on Friday, May 8, 2020, with modifications. As the state moves forward with reopening of certain businesses and spaces, Executive Order N-60-20 directs the State Public Health Officer to establish criteria and procedures, as set forth in the order, to determine whether and how local jurisdictions may implement local measures that depart from statewide directives.

Following the Governor's order, the Ventura County Health Officer modified its County-wide Stay Well at Home order on May 7, 2020, to align itself with the State's reopening process announced on May 4, 2020. Under the County Health Officer's May 7th order, certain low risk businesses such as florists, clothing stores, book stores, and sporting goods stores are permitted to re-open with modifications.

On May 18, 2020, the Commission adopted Resolution No. 2020-003 to renew and reiterate the enumerated powers granted to the CEO in Resolution No. 2020-002 above, and to: (1) authorize the CEO, with the advice counsel, to implement a staggered return to work program for Plan personnel; and (2) extend the duration of authority empowered in the CEO to issue emergency regulations and take action. Resolution No. 2020-003 expired on June 22, 2020.

Following the Commission's adoption of Resolution No. 2020-003, the State has permitted new specified businesses and recreation areas to reopen subject to modifications designed to implement social distancing and prevent the further spread of the disease. To help guide businesses and outdoor recreation areas as they reopen, the State Public Health Officer issues individual reopening protocols for each industry that is permitted to reopen. The individual protocols require these spaces to implement industry-specific safety measures to help combat COVID-19.

In line with the State's directives, the County Health Officer updated its May 7, 2020 order again on May 20, May 22, May 29, and June 11, 2020. As with the previous County Health Officer orders, the June 11th order permits specified new industries to re-open in line with the State's directives.

In the following weeks however, the State and County Health Department reported a sharp increase in new confirmed COVID-19 cases and hospitalizations. Evidence demonstrates that the timing of these increases is in line with the reopening of “high risk” businesses where individuals may congregate with members who are not part of the same household and remove their face coverings to eat and drink. The uptick in cases prompted the County Health Officer to issue an order on July 2, 2020, (“July 2nd Order”) to require the closure of bars, and the temporary closure of County beaches in anticipation of large crowds that were expected and did gather during the Fourth of July weekend.

On July 13, 2020, the State Public Health Officer issued a state-wide order to require the immediate closure of: (1) indoor and outdoor operations of bars, pubs, brewpubs and breweries; and (2) indoor operation of restaurant dining, movie theaters, zoos, museums, cardrooms, wineries and tasting rooms. The order also imposes more stringent requirements on specified counties, including Ventura County that have appeared on the State’s monitoring list for three consecutive days to prohibit the indoor operations of: gyms and fitness centers, places of worship, protests, offices for non-critical infrastructure sectors, personal care services, hair salons, barbershops, and malls. Also on July 13, 2020, the County Health Officer issued an order, requiring the closure of indoor operations of the following establishments: gyms and fitness centers, worship services, protests, offices for non-essential sectors, personal care services (e.g., nail salons, body waxing, and tattoo parlors), hair salons and barbershops, and malls.

On July 16, 2020, the County Health Officer amended its July 2nd Order to permit bars that serve food, wineries, and wine tasting rooms to reopen provided that they operate outdoors and abide by applicable State orders and guidance, and additional local requirements set forth in the County order.

On July 27, 2020, the Commission adopted Resolution No. 2020-004 to renew and reiterate the enumerated powers granted to the CEO in Resolution No. 2020-003 through August 24, 2020. Unless renewed by the Commission, the delegation of authority empowered in the CEO, pursuant to Resolution No. 2020-004 shall expire today, August 24, 2020.

On August 24, 2020, the Commission adopted Resolution No. 2020-005 to renew and reiterate the enumerated powers granted to the CEO in Resolution No. 2020-004 through September 28, 2020. Unless renewed by the Commission, the delegation of authority empowered in the CEO, pursuant to Resolution No. 2020-005 shall expire today, September 28, 2020.

On August 28, 2020, the State Health Officer issued a new order that sets forth an updated framework that is intended to guide the gradual reopening of businesses and activities in the state while reducing the increased community spread of the disease. The new framework is entitled, “California’s Plan for Reducing COVID-19 and Adjusting Permitted Sector Activities to Keep Californians Health and Safe”. Under this updated framework, every county in California is assigned to a tier based on how prevalent COVID-19 is in each county and the extent of community spread—Purple (Widespread), Red (Substantial), Orange (Moderate) and Yellow (Minimal). The color of each respective tier indicates what sectors may reopen. As of the date of this report, Ventura County is in the Purple Tier.

Under the State’s August 28th order, the County will remain in this tier for at least three weeks before it can progress to a new tier. In response to the State’s updated guidance, the County Health Officer issued a revised order on August 28, 2020 to conform to the State’s new framework and rescind subparts (f) and (g) of its July 13th order to permit hair salons, barbershops and malls to operate indoors subject to State health directives.

Although, recent public health data demonstrates the infection and hospitalization rates are down, COVID-19 continues to pose a significant threat to the public health and safety of Commission personnel. There is still no vaccine proven to combat the disease and the disease can spread rapidly through person-to-person contact and by those in close proximity.

This resolution will continue to empower the CEO with the authority to issue orders and regulations necessary to prevent the further spread of the disease and protect the health and safety of Plan members and staff. As mentioned above, pursuant to Resolution No. 2020-002, the Plan's Local Emergency proclamation shall remain effective through the duration of the Governor's State of Emergency proclamation or when the Commission terminates its declaration of Local Emergency, whichever occurs last.

**FISCAL IMPACT:**

None.

**RECOMMENDATION:**

1. Adopt Resolution No. 2020-006 to extend the duration of authority empowered in the CEO through October 26, 2020.

**ATTACHMENT:**

1. Resolution No. 2020-006.



## RESOLUTION NO. 2020-006

### **A RESOLUTION OF THE VENTURA COUNTY MEDICAL MANAGED CARE COMMISSION, DOING BUSINESS AS THE GOLD COAST HEALTH PLAN ("PLAN"), TO RENEW AND RESTATE RESOLUTION NO. 2020-005 TO EXTEND THE DURATION OF AUTHORITY EMPOWERED IN THE INTERIM CHIEF EXECUTIVE OFFICER OR CHIEF EXECUTIVE OFFICER ("CEO") RELATED TO THE OUTBREAK OF CORONAVIRUS ("COVID-19")**

WHEREAS, all recitals in the Commission's Resolution Nos. 2020-001, 2020-002 2020-03, 2020-004, and 2020-005 remain in effect and are incorporated herein by reference; and

WHEREAS, a severe acute respiratory illness caused by a novel (new) coronavirus, known as COVID-19, has spread globally and rapidly, resulting in severe illness and death around the world. The World Health Organization has described COVID-19 as a global pandemic; and

WHEREAS, on March 19, 2020, the Commission adopted Resolution No. 2020-001, proclaiming a local emergency pursuant to Government Code Sections 8630 and 8634, and empowered the CEO with the authority to issue rules and regulations to preserve Plan activities, protect the health and safety of its members staff and providers and prevent the further spread of COVID-19; and

WHEREAS, on April 27, 2020, the Commission adopted Resolution No. 2020-002 to: (1) renew and reiterate the declaration of a local emergency related to the outbreak of COVID-19 declared in Resolution No. 2020-001 to remain effective through the duration of the Governors' State of Emergency proclamation or when the Commission terminates its declaration of Local Emergency, whichever occurs last; and (2) to extend the duration of authority empowered in the CEO through Resolution No. 2020-001 to May 18, 2020; and

WHEREAS, on May 18, 2020, the Commission adopted Resolution No. 2020-003 to renew the authority first granted to the CEO in Resolution No. 2020-001 to June 22, 2020 and to authorize the CEO, with the advice counsel, to implement a staggered return to work program for Plan personnel; and

WHEREAS, following the reopening of "high risk businesses" where individuals may congregate with members who are not part of the same household and remove their face coverings to eat and drink, the State and County Health Department reported a sharp increase in new confirmed COVID-19 cases and hospitalizations ; and

WHEREAS, the uptick in cases prompted the County Health Officer to issue an order on July 2, 2020, ("July 2nd. Order") to require the closure of bars, and the temporary closure of County beaches in anticipation of large crowds that were expected and did gather during the Fourth of July weekend; and

WHEREAS, on July 13 2020, the State Public Health Officer issued a state-wide order to require the immediate closure of: (1) indoor and outdoor operations of bars, pubs, brewpubs and breweries; and (2) indoor operation of restaurant dining, movie theaters, zoos, museums, cardrooms, wineries and tasting rooms. The order also imposes more stringent requirements on specified counties, including Ventura County that have appeared on the State’s monitoring list for three consecutive days to prohibit the *indoor* operations of: gyms and fitness centers, places of worship, protests, offices for non-critical infrastructure sectors, personal care services, hair salons, barbershops, and malls; and

WHEREAS, also on July 13, 2020, the County Health Officer issued an order, requiring the closure of indoor operations of the following establishments: gyms and fitness centers, worship services, protests, offices for non-essential sectors, personal care services (e.g., nail salons, body waxing, and tattoo parlors), hair salons and barbershops, and malls; and

WHEREAS, , on July 16, 2020, the County Health Officer amended its July 2nd Order to permit bars that serve food, wineries, and wine tasting rooms to reopen provided that they operate outdoors and abide by applicable State orders and guidance, and additional local requirements set forth in the County order; and

WHEREAS, on July 27, 2020, the Commission adopted Resolution No. 2020-004 to renew and reiterate the enumerated powers granted to the CEO in Resolution No. 2020-003 through August 24, 2020; and

WHEREAS, on August 24, 2020, the Commission adopted Resolution No. 2020-005 to renew and reiterate the enumerated powers granted to the CEO in Resolution No. 2020-004 through September 28, 2020; and

WHEREAS, on August 28, 2020, the State Health Officer issued a new order that sets forth an updated framework that is intended to guide the gradual reopening of businesses and activities in the state while reducing the increased community spread of the disease, entitled “California’s Plan for Reducing COVID-19 and Adjusting Permitted Sector Activities to Keep Californians Health and Safe”; and

WHEREAS, under this updated framework, every county in California is assigned to a tier based on how prevalent COVID-19 is in each county and the extent of community spread—Purple (Widespread), Red (Substantial), Orange (Moderate) and Yellow (Minimal) and the color of each respective tier indicates what sectors may reopen. As of the date of this Resolution, Ventura County is in the Purple tier; and

WHEREAS, in response to the State’s updated guidance, the County Health Officer issued a revised order on August 28, 2020 to conform to the State’s new framework and rescind subparts (f) and (g) of its July 13th order to permit hair salons, barbershops and malls to operate indoors subject to State health directives; and

WHEREAS, there is still no vaccine proven to combat the disease, and the disease can spread rapidly through person-to-person contact and those in close proximity; and

WHEREAS, the imminent and proximate threat of introduction of COVID-19 in Commission staff workplaces continues to threaten the safety and health of Commission personnel; and

WHEREAS, under Article VIII of the Ventura County Medi-Cal Managed Care Commission aka Gold Coast Health Plan's (the "Plan's") bylaws, the CEO is responsible for coordinating day to day activities of the Ventura County Organized Health System, including implementing and enforcing all policies and procedures and assure compliance with all applicable federal and state laws, rules and regulations; and

WHEREAS, California Welfare and Institutions Code section 14087.53(b) provides that all rights, powers, duties, privileges, and immunities of the County of Ventura are vested in the Plan's Commission; and

WHEREAS, California Government Code section 8630 permits the Plan's Commissioners, acting with the County of Ventura's powers, to declare the existence of a local emergency to protect and preserve the public welfare of Plan's members, staff and providers when they are affected or likely to be affected by a public calamity; and

WHEREAS, the Plan is a public entity pursuant to Welfare and Institutions Code section 14087.54 and as such, the Plan may empower the CEO with the authority under sections 8630 and 8634 to issue rules and regulations to prevent the spread of COVID-19 and preserve Plan activities and protect the health and safety of its members, staff and providers; and

NOW, THEREFORE, BE IT RESOLVED, by the Ventura County Medi-Cal Managed Care Commission as follows:

Section 1. Pursuant to California Government Code sections 8630 and 8634, the Commission adopted Resolution No. 2020-001 finding a local emergency exists caused by conditions or threatened conditions of COVID-19, which constitutes extreme peril to the health and safety of Plan's members, staff and providers.

Section 2. Resolution No. 2020-001 also empowered the CEO with the authority to furnish information, to promulgate orders and regulations necessary to provide for the protection of life and property pursuant to California Government Code sections 8630 and 8634, to enter into agreements, make and implement personnel or other decisions and to take all actions necessary to obtain Federal and State emergency assistance and to implement preventive measures and other actions necessary to preserve Plan activities and protect the health of Plan's members, staff and providers, including but not limited to the following:

- A. Arrange alternate "telework" accommodations to allow Plan staff to work from home or remotely, as deemed necessary by the CEO, to limit the transfer of the disease.
- B. Help alleviate hardship suffered by Plan staff related to emergency conditions associated with the continued spread of the disease such as acting on near-term policies relating to sick leave for Plan staff most vulnerable to a severe case of COVID-19.
- C. Address and implement expectations issued by the California Department of Health Care Services ("DHCS") and the Centers for Medicare & Medicaid Services ("CMS") regarding new obligations to combat the pandemic.
- D. Coordinate with Plan staff to realign job duties, priorities, and new or revised obligations issued by DHCS and CMS.
- E. Take such action as reasonable and necessary under the circumstances to ensure the continued provision of services to members while prioritizing the Plan's obligations pursuant to the agreement between DHCS and the Plan ("Medi-Cal Agreement").
- F. Enter in to such agreements on behalf of the Plan as necessary or desirable, with advice of legal counsel, to carry out all actions authorized by the Commission in the Resolution.
- G. Authorize the CEO to implement and take such action on behalf of the Plan as the CEO may determine to be necessary or desirable, with advice of legal counsel, to carry out all actions authorized by the Commission in this Resolution.

Section 3. In Resolution 2020-001, the Commission further ordered that:

- A. The Commission approves and ratifies the actions of the CEO and the Plan's staff heretofore taken which are in conformity with the intent and purposes of these resolutions.

Section 4. Resolution No. 2020-001 expired on April 27, 2020.

Section 5. On April 27, 2020, the Commission adopted Resolution No. 2020-002 to:

- A. Renew and reiterate the declaration of a local emergency related to the outbreak of COVID-19 to remain effective through the duration of the Governors' State of Emergency proclamation or when the Commission terminates its declaration of Local Emergency, whichever occurs last; and
- B. To extend the duration of authority empowered in the CEO to issue emergency regulations related to the COVID-19 outbreak to May 18, 2020.

Section 6 The Commission adopted Resolution No. 2020-003 on May 18, 2020, to renew and reiterate the authority granted to the CEO approved in Resolution No. 2020-002 and to adopt the following additional emergency measures:

A. In addition to the authority granted to the CEO in Section 2, to authorize the CEO, with the advice counsel, to implement a staggered return to work program for Plan personnel; and

B. Extend the authority granted to the CEO through June 22, 2020.

Section 7. On May 4, 2020, California Governor, Gavin Newsom issued Executive order N-60-20, to modify its state-wide Safer at Home order and allow the state to move into Stage 2 of the reopening process to permit certain low risk businesses and open spaces to open with modifications. Executive Order N-60-20, also directs the State Public Health Officer to establish and criteria and procedures, as set forth in the order to determine how local jurisdictions may implement public health measures that depart from state-wide directives of the State Public Health Officer.

Section 8. The Commission adopted Resolution No. 2020-004 on July 27, 2020 to renew and reiterate the authority granted to the CEO approved in Resolution No. 2020-003 through August 24, 2020. Resolution No. 2020-004 expired on August 24, 2020.

Section 9. The Commission adopted Resolution No. 2020-005 on August 24, 2020 to renew and reiterate the authority granted to the CEO approved in Resolution No. 2020-004 through September 28, 2020. Resolution No. 2020-005 shall expire on September 28, 2020.

Section 10. The Commission now seeks to renew and reiterate the authority granted to the CEO approved in Resolution No. 2020-005 through October 26, 2020.

Section 11. Unless renewed by the Commission, the delegation of authority empowered in the CEO, pursuant to this resolution shall expire on October 26, 2020.

PASSED, APPROVED AND ADOPTED by the Ventura County Medi-Cal Managed Care Commission at a regular meeting on the 28th day of September 2020, by the following vote:

AYE:

NAY:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Chair:

Attest: \_\_\_\_\_

\_\_\_\_\_  
Clerk of the Commission



### **AGENDA ITEM NO. 3**

**TO:** Ventura County Medi-Cal Managed Care Commission

**FROM:** Scott Campbell, General Counsel

**DATE:** September 28, 2020

**SUBJECT:** Adopt a Resolution Cancelling the Upcoming November 16, 2020 Ventura County Medical Managed Care Commission (“Commission”) Regular Meeting.

#### **SUMMARY:**

The Ventura County Medical Managed Care Commission (“Commission”) desires to cancel the upcoming November 16, 2020 regular Commission meeting. The Commission will be having a Strategic Planning meeting in October and on December 15, 2020 and there is an opportunity to have any required action items heard at this meeting.

#### **BACKGROUND/DISCUSSION:**

Pursuant to subsection (b) of Article VI of the Ventura County Medi-Cal Managed Care Commission’s (“Commission’s”) bylaws, a regular Commission meeting shall be held monthly and the Commission shall by resolution establish the date time and location for the monthly meeting.

The Commission adopted a Resolution establishing the Commission’s meeting schedule for the year 2020 and such schedule included a meeting on November 16, 2020, a week earlier than usual due to the Thanksgiving Holiday.

A regular Commission meeting is scheduled on October 26, 2020 and the subsequent regular meeting is only three weeks later on November 16, 2020. The Commission will be having a Strategic Planning meeting on December 15, 2020 and there is an opportunity to have any required action items heard at the meeting. As of the date of this Report, no urgent matters are scheduled or anticipated to be on the November 16, 2020 meeting.

In light of the foregoing, the Commission desires to cancel the November 16, 2020 meeting.

#### **RECOMMENDATION**

Staff recommends the following:

1. To adopt Resolution No. 2020-007 to cancel the upcoming November 16, 2020 regular Commission meeting.

**CONCURRENCE:**

N/A

**ATTACHMENT:**

Attachment 1: Resolution No. 2020-007.



**RESOLUTION NO. 2020-007**

**A RESOLUTION OF THE VENTURA COUNTY MEDICAL  
MANAGED CARE COMMISSION, DOING BUSINESS  
AS THE GOLD COAST HEALTH PLAN (“PLAN”), TO  
CANCEL THE UPCOMING NOVEMBER 16, 2020  
REGULAR COMMISSION MEETING**

WHEREAS, pursuant to subsection (b) of Article VI of the Ventura County Medi-Cal Managed Care Commission’s (“Commission’s”) bylaws, a regular Commission meeting shall be held monthly and the Commission shall by resolution establish the date time and location for the monthly meeting; and

WHEREAS, the Commission adopted a Resolution establishing the Commission’s meeting schedule for the year 2020 and such schedule included a meeting on November 16, 2020, a week earlier than usual due to the Thanksgiving Holiday; and

WHEREAS, a regular Commission meeting is scheduled on October 26, 2020 and the subsequent regular meeting is only three weeks later on November 16, 2020; and

WHEREAS, the Commission will be having a Strategic Planning meeting on December 15, 2020 and there is an opportunity to have any required action items heard at the meeting;

WHEREAS, as of the date of this Resolution no urgent matters are scheduled or anticipated to be on the November 16, 2020 meeting; and

WHEREAS, based on the foregoing, the Commission desires to cancel the November 16th meeting.

NOW, THEREFORE, BE IT RESOLVED, by the Ventura County Medi-Cal Managed Care Commission as follows:

Section 1. The November 16, 2020 regular Commission meeting is canceled.

PASSED, APPROVED AND ADOPTED by the Ventura County Medi-Cal Managed Care Commission at a regular meeting on the 28th day of September 2020, by the following vote:

AYE:

NAY:

ABSTAIN:

ABSENT:

---

Chair:

Attest:

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Clerk of the Commission



## **AGENDA ITEM NO. 4**

**TO:** Ventura County Medi-Cal Managed Care Commission

**FROM:** Scott Campbell, General Counsel

**DATE:** September 28, 2020

**SUBJECT:** Approve Amendment No. 4 to Agreement (“Agreement”) with Health Management Associates (“HMA”) to authorize additional HMA resources to assist in management of Gold Coast Health Plan (GCHP).

### **SUMMARY:**

Since the November 2019, the Gold Coast Health Plan Commission (“Commission”) has contracted with Health Management Associates (“HMA”) to provide management services and for Margaret Tatar to serve as the Interim CEO (“Agreement”).

On July 27, 2020, the Commission approved Amendment No. 3 to the Agreement to extend the duration of Ms. Tatar’s service as CEO through January 31, 2022. Under Amendment No. 3, two other HMA resources, Eileen Moscaritolo and Ray Jankowski, are authorized to assist Ms. Tatar in management of the Commission, subject to the overall cap of \$1,528,300 for services and up to an additional \$57,199 in travel costs, which are not likely to be incurred due to COVID-19 related safety protocols.

As Ms. Tatar has assumed the role of CEO, it has become apparent that other HMA resources are needed to provide for greater flexibility in the management of pending matters and strategic initiatives. Accordingly, we seek authorization for Amendment No. 4 to the Agreement to authorize additional HMA resources to assist Ms. Tatar on an as needed basis and subject to the overall cap for service. All other terms of the Agreement with HMA will remain unchanged and there will be no increase in the cost.

### **BACKGROUND/DISCUSSION:**

On November 4, 2019, the Commission approved a purchase order between HMA and the Commission to have Ms. Tatar to serve as Interim CEO while the Commission searched for a permanent replacement. The purchase order also allowed other HMA personnel to serve Gold Coast Health Plan (“GCHP”).

The GCHP Commission conducted a careful and thorough search for a CEO to lead the organization. After careful consideration, the Commission decided to Adopt Amendment No.

3 to the Agreement to appoint Margaret Tatar of HMA as its CEO for a contract term of 18 months through January 31, 2022.

Under Amendment No. 3, HMA resources, Eileen Moscaritolo and Ray Jankowski, whom have extensive C-suite experience are authorized to assist part time. Amendment No. 3 also established the afore-mentioned cap on services and travel expenses. Since that Amendment, GCHP has experienced personnel changes, a leave of absence in a critical function for the health plan, ongoing pressures due to the State’s economic downturn, and pressures due to implementation of GCHP’s Solvency Action Plan (“SAP”). These circumstances, along with the imminent system conversion that GCHP is undertaking, militate in favor of using targeted additional assistance to help keep current projects on track.

The rates for the current personnel are as follows:

Margaret Tatar-Managing Principal	Eileen Moscaritolo-Principal	Ray Jankowski-Senior Fellow
Standard Rate: \$325.00	Standard Rate: \$310.00	Standard Rate: \$325.00

Under Amendment No. 4, the rate for the above specified personnel will remain unchanged and an additional category of HMA personnel will be authorized to assist in management of the pending matters on an as needed that require additional resources. Prior to utilizing additional staff, Ms. Tatar will obtain the approval of the Commission Chair.

The rates and title for the newly authorized personnel are as follows and constitute a 30% discount in HMA’s regular rates:

Senior Consultant	Consultant
Standard Rate: \$266.00	Standard Rate: \$266.00

**FISCAL IMPACT:**

The fiscal impact is undetermined at this time as it will vary depending on the amount of services provided by HMA. The Commission will be billed for services of the newly authorized HMA resources under the rates listed above, and approved in Amendment No. 4 of the Agreement. Payment to all HMA personnel however, shall not exceed a total amount of \$1,585,499 for the duration of services through January 31, 2022.

## **RECOMMENDATION**

Staff recommends the following:

1. To approve Amendment No. 4 authorizing additional HMA resources to assist CEO, Margaret Tatar, in management of GCHP.



## **AGENDA ITEM NO. 5**

**TO:** Ventura County Medi-Cal Managed Care Commission  
**FROM:** Margaret Tatar, Chief Executive Officer  
**DATE:** September 28, 2020  
**SUBJECT:** Gold Coast Health Plan's PACE Organization-Letter of Support Criteria Policy

### **SUMMARY:**

Last year, the Department of Health Care Services (DHCS) revised its Program for All-Inclusive Care for the Elderly (PACE) Application Process Policy Letter (PL) 19-01. Under the revised PL, for a PACE Organization (PO) to operate in a County Organized Health System (COHS) county, like Ventura County, it must first obtain a letter of support from the COHS operating therein, in this case Gold Coast Health Plan (GCHP).

GCHP has taken a proactive approach and has written an internal policy on this matter. The purpose of this policy is to set forth the criteria that a PACE Organization (PO) must meet for GCHP to consider writing a letter of support for the PO to operate a PACE center in Ventura County.

Thus, the intent of the policy attached is to outline the guiding criteria that will be used when determining if a letter of support will be given and to obtain Commission approval to delegate this decision the Chief Executive Officer (CEO) to manage any such requests in accordance with this Commission policy.

### **RECOMMENDATION:**

Staff recommends the Commission approve to delegate the Chief Executive Officer (CEO) to manage any requests in accordance with this Commission policy.



Title: PACE Organization- Letter of Support Criteria Policy	Policy Number: GA-002
Department: Government Affairs	Effective Date: October 1, 2020
CEO Approved:	Revised:

**Purpose:**

The purpose of this policy is to set forth the criteria that a Program for All-Inclusive Care for Elderly (PACE) Organization must meet in order for Gold Coast Health Plan (GCHP) to consider writing a letter of support for the PACE Organization to operate a PACE Organization (PO) in Ventura County.

**Policy:**

For a PO to operate in Ventura County it must first obtain a letter of support from GCHP as indicated in the Department of Health Care Services (DHCS) PACE Application Process Policy Letter (PL) 19-01. Therefore, GCHP has identified the criteria, under the Procedure section, it will use to determine whether to provide a letter of support for a prospective PO.

**Definitions:**

Duals: Individuals who qualify for Medicare and Medicaid benefits.

Gold Coast Health Plan: The County Organized Health System (COHS) that serves as the only Medi-Cal managed care health plan in Ventura County serving the Medi-Cal population.

Department of Health Care Services: The California Department of Health Care Services (DHCS) within the California Health and Human Services Agency (CHHS) that finances and administers several individual health care service delivery programs, including Medi-Cal, which provides health care services to low-income people.

Letter of Support: The letter that All PACE applicants must submit from local entities in the area that the applicant proposes to serve. These entities may include but are not limited to:

- County Board of Supervisors
- County Health and Human Services (HHS) Director
- Local hospitals
- Medi-Cal managed care health plans
- Independent Physician Associations
- Commission on Aging
- Area Agencies on Aging
- Local Multipurpose Senior Services Program (MSSP) Waiver sites

If a COHS exists in the County where the PACE program is proposed, the COHS, must submit a letter of support that includes the following statements:

- A statement that the COHS supports the establishment of the independent PO in the county, and



Title: PACE Organization- Letter of Support Criteria Policy	Policy Number: <b>GA-002</b>
Department: Government Affairs	Effective Date: October 1, 2020
CEO Approved:	Revised:

- A statement that the COHS requests DHCS to submit an amendment to the 1115 Waiver to allow the independent operation of a specified PO in that COHS county.

**PACE Organization:** A PACE Organization that coordinates the care of each participant enrolled in the program based on his or her individual needs with the goal of enabling older individuals to remain living in their community. A person qualifies for PACE if she or he:

1. Is 55 years of age or older;
2. Meets the requirement for skilled nursing home care as determined by the PACE Organization’s interdisciplinary team assessment and is certified by the DHCS;
3. Lives in a service area (county and zip code) served by a PACE program, and;
4. Can live in the community without jeopardizing his or her health or safety.

**Procedure:**

Per PL 19-01, COHS plans are the sole source for Medi-Cal services in a county that has designated the COHS model. DHCS will only consider the operation of a third-party PO in a COHS county if the applicant includes a letter of support from the COHS that includes the following:

1. A statement that the COHS supports the establishment of the independent PO in the county, and
2. A statement that the COHS request DHCS to submit an amendment to the 1115 Waiver to allow the independent operation of a specified PO in that COHS county.

The COHS letter of support should be included with the Letter of Intent submitted by the applicant organization signifying its intent to expand into a COHS county or to start a new PO in a COHS county. DHCS will ultimately decide whether to move forward with a PACE applicant in a COHS and recommend an 1115 Waiver amendment.

In order to meet PL 19-01 requirements, GCHP has established the following criteria that the prospective PO must meet in order to provide a letter of support. The proposed PO must demonstrate that it:

1. Is currently operating in Ventura County;
2. Is currently operating in good standing, which means that, for those organizations currently contracted with GCHP for the delivery of services, have not been sanctioned or subject to penalties pursuant to enforcement actions from DHCS or GCHP;
3. Has demonstrable experience in serving the Medi-Cal population, in particularly those who are dually eligible for Medicare and Medi-Cal, in Ventura County;
4. Is a not for profit or governmental agency; and





Title: PACE Organization- Letter of Support Criteria Policy	Policy Number: <b>GA-002</b>
Department: Government Affairs	Effective Date: October 1, 2020
CEO Approved:	Revised:

- Will cooperate with GCHP by providing periodic reporting on PO operations, including marketing/outreach methods, enrollment and disenrollment statistics, etc.

GCHP will consider the above five criteria and whether there is the need for another PO in Ventura County in making its decision.

**Attachments:**

N/A

**References:**

- [Policy Letter 19-01](#): Program for All-Inclusive Care for the Elderly Application Process

**Revision History:**

Review Date	Revised Date	Approved By



## **AGENDA ITEM NO. 6**

**TO:** Ventura County Medi-Cal Managed Care Commission  
**FROM:** Kashina Bishop, Chief Financial Officer  
**DATE:** September 28, 2020  
**SUBJECT:** August 2020 Fiscal Year to Date Financials

### **SUMMARY:**

Staff is presenting the attached August 2020 fiscal year-to-date (“FYTD”) financial statements of Gold Coast Health Plan (“GCHP”) for the Commission to review and approve.

### **BACKGROUND/DISCUSSION:**

The staff has prepared the unaudited August 2020 FYTD financial package, including statements of financial position, statement of revenues and expenses, changes in net assets, and statement of cash flows.

#### **Financial Overview:**

GCHP experienced a net loss of \$266,055 in the month of August. The improvement from budget projections is attributed to the timing of administrative expenses and increased revenue due to changes in prior year membership estimates.

Staff will revise the financial forecasts as new information is obtained, which may have a material effect on the projections. Key factors which will impact GCHP’s financial position are as follows:

1. Revision of the June 30, 2020, financial statements to reflect changes in the Incurred But Not Paid (IBNP) estimate of medical expenses. The final audited statements will be presented at the October Commission meeting.
2. Receipt of calendar year 2021 capitation rates from the State.
3. The length of time Long Term Care facilities obtain a 10% increase (currently indefinite through the emergency).
4. Potential changes to utilization and the unknown impact of the pandemic.

The State will distribute draft capitation rates for calendar year 2021 in a few iterations between September and December 2020, each with potentially significant financial impacts dependent on the severity of the reductions to GCHP's base rates. Your management team will keep the Commission apprised of all these phases of rate changes and their implications to GHCP and the Solvency Action Plan (SAP):

- A. September 2020 draft rates will reflect, at a minimum, the following policy and legislatively mandated changes:
  1. The pharmacy carve-out reflective of the transition to the Medi-Cal Rx program;
  2. A 0.5% reduction to the underwriting gain;
  3. Potentially Preventable Admissions efficiency adjustment; and
  4. The pharmacy Healthcare Common Procedure Coding System (HCPCS) efficiency adjustment. This will identify the top 50 HCPCS in total statewide spend and compare to Medicare Part B unit price.
  
- B. October 2020 draft rates will also reflect the Low Acuity Non-Emergent (LANE) efficiency adjustment. This identifies potentially preventable ER visits and quantifies savings that would have been achieved if the services were delivered in a more appropriate level of care.
  
- C. December 2020 draft rates will include a potential population acuity adjustment or other base data adjustments.

**Solvency Action Plan Update:**

While the staff at GCHP remains committed to process improvement, strong internal controls, and fair and transparent contract negotiations with providers, we now also maintain a keen focus on the SAP driven by our highly limited reserves and the adverse impact of the economic downturn on the Medi-Cal program. Since the beginning of the fiscal year, GCHP management has made the following progress in connection with the Commission-approved Solvency Action Plan:

Actions	Annualized impact in savings
Continued focus on interest expense reduction	\$500,000
Reduction of LTC facility rates to 100% of Medi-Cal rate	\$1.8 million
Sent notification to providers regarding reduction of Adult Expansion PCP rates	\$4.5 million
Revision to Non-Pharmacy Dispensing Site policy	\$2-3 million
Contract signed – rate reduction to tertiary hospital	\$1.3 million
<b>TOTAL ANNUAL SAVINGS</b>	<b>\$10.1 – 11.1 million</b>

The focus going forward will be on phase 2 of the Solvency Action Plan which involves the following initiatives. We are pleased to report that the Provider Advisory Committee has expressed interest in creating a subcommittee to propose changes for Phase 2 of the SAP.

Current Focus	Annualized impact in savings
Outlier contract rates	TBD
Implementation of HMS – scheduled for late October	\$1-3 million
Improved contract language	TBD
Expansion of capitation arrangements	Required TNE and risk reductions
LANE/HPCPS analysis	TBD

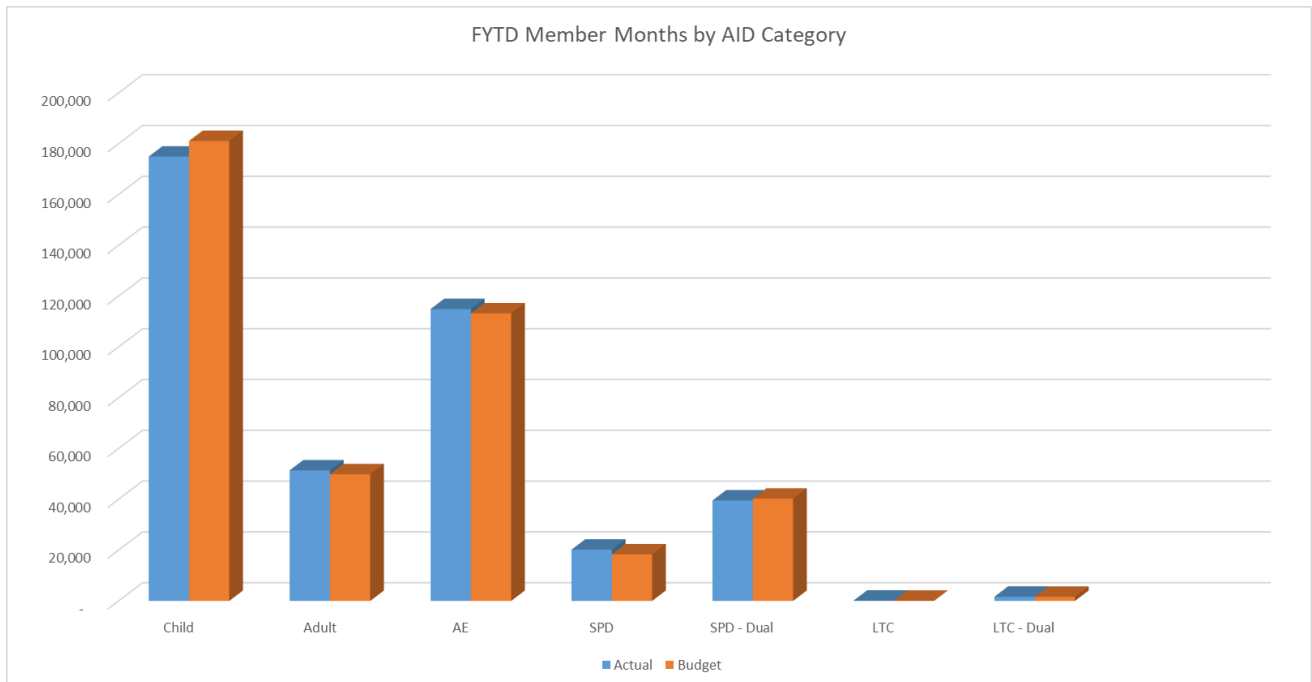
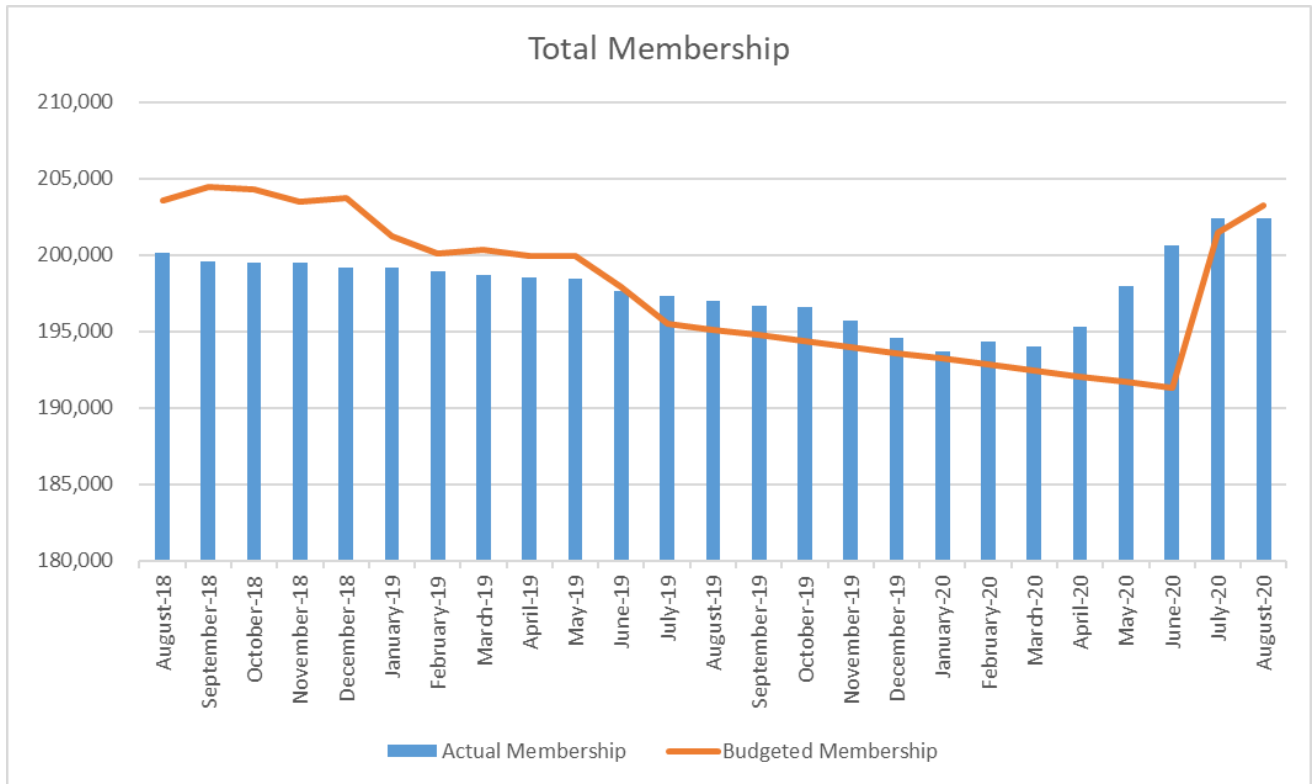
**Financial Report:**

For the month of August 2020, GCHP is reporting a net loss of \$266,055.

**August 2020 FYTD Highlights:**

1. Net loss of \$1.0 million, a \$3.2 million favorable budget variance.
2. FYTD net revenue is \$144.5 million, \$6.6 million over budget.
3. FYTD Cost of health care is \$137.6 million, \$4.9 million over budget.
4. The medical loss ratio is 95.3% of revenue, 1% less than the budget.
5. FYTD administrative expenses are \$8.1 million, \$1.4 million under budget.
6. The administrative cost ratio is 5.6%, 1.7% under budget.
7. Current membership for August is 202,418.
8. Tangible Net Equity is \$68.0 million which represents approximately 30 days of operating expenses in reserve and 192% of the required amount by the State.

**Note:** To improve comparative analysis, the Plan is reporting the budget on a flexible basis which allows for updated revenue and medical expense budget figures consistent with membership trends.



Revenue

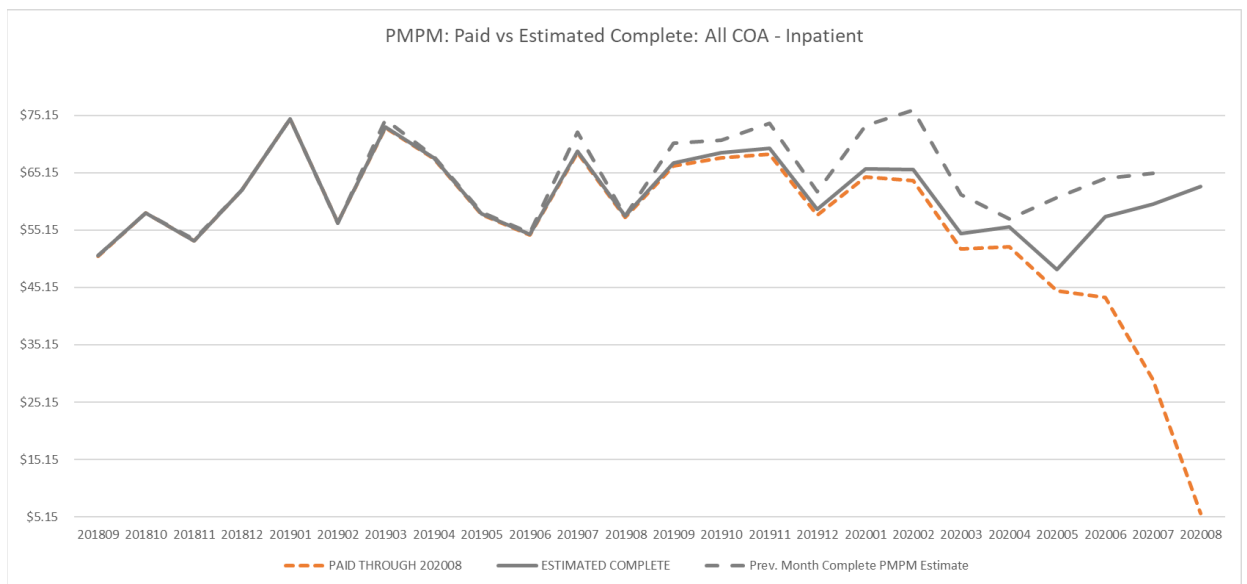
Net Premium revenue is \$144.5 million; a \$6.6 million and 5% favorable budget variance. The primary drivers of the budget variance are revenue associated with directed payments and changes in estimate for prior year revenue.

Health Care Costs

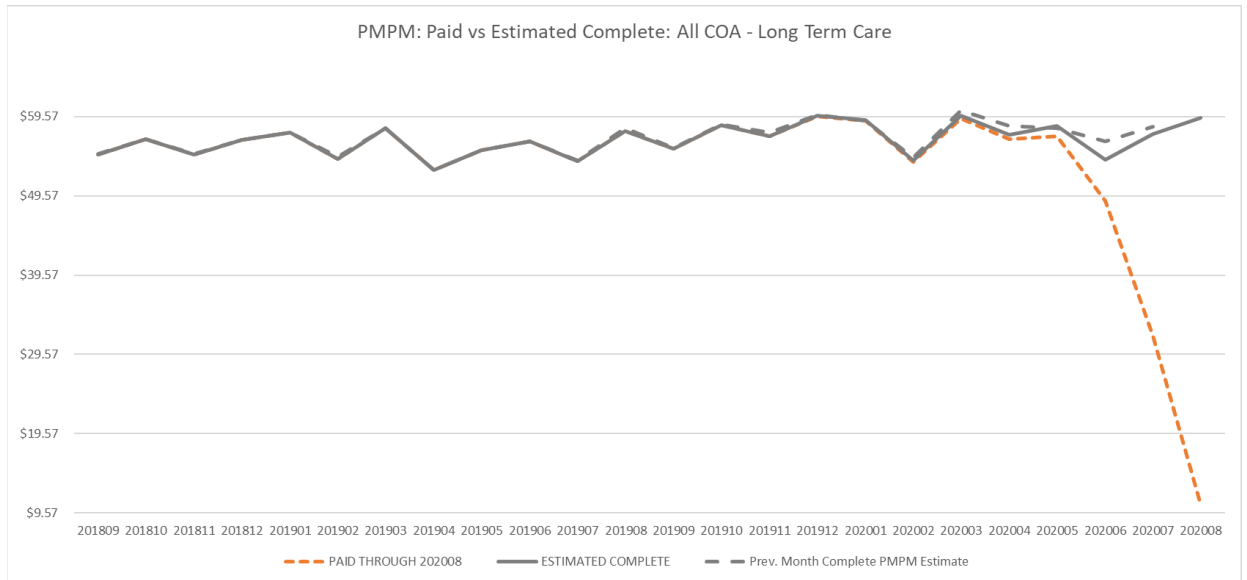
FYTD Health care costs are \$137.6 million; a \$4.9 million and 4% unfavorable budget variance.

Notable variances from the budget are as follows:

1. Directed payments for Proposition 56 are over budget by \$3.6 million. GCHP did not budget for Proposition 56 expenses as the May revise of the State budget had removed funding for Proposition 56. The State budget in June ultimately included Proposition 56 funding. GCHP receives funding to offset the expense.
2. Inpatient hospital costs are under budget by \$2.5 million due to decreased utilization from COVID-19 and the increase in membership.



3. Long term care (LTC) expenses are over budget by \$1.3 million. The State increased facility rates by 10% effective March 1, 2020 through the emergency. The full impact was mitigated through the Solvency Action Plan and the reduction of LTC contractual rates to 100% of the Medi-Cal fee schedule.



4. Pharmacy expense is over budget by \$1.2 million and 5% due to increases in both utilization and unit costs. Pharmacy expense increased due to COVID-19 and the allowance of a 100-day supply of medications to be dispensed without a treatment authorization request. In addition, dermatology costs were significantly elevated from March through August. Due to changes in the pharmacy network in September, we would anticipate a decrease in expense through the end of the fiscal year.
  
5. Total fee for service health care costs excluding capitation and pharmacy, and considering date of service, are over budget by \$.17 PMPM (.1%).

**Note:** Medical expenses are calculated through a predictive model which examines the timing of claims receipt and claims payments. It is referred to as “Incurred But Not Paid” (IBNP) and is a liability on the balance sheet. On the balance sheet, this calculation is a combination of the Incurred But Not Reported and Claims Payable. The total liability is the difference between the estimated costs (the orange line above) and the paid amounts (in grey above).

Administrative Expenses

The administrative expenses are currently running within amounts allocated to administration in the capitation revenue from the State. In addition, the ratio is comparable to other local initiative health plans.

For the fiscal year to date through August, administrative costs were \$8.1 million and \$1.4 million below budget. As a percentage of revenue, the administrative cost ratio (or ACR) was 5.6% versus 7.3% for budget.

### Cash and Short-Term Investment Portfolio

At August 31, the Plan had \$139.5 million in cash and short-term investments. The investment portfolio included Ventura County Investment Pool \$43 million; LAIF CA State \$206,000; the portfolio yielded a rate of 2.5%.

### Medi-Cal Receivable

At August 31, the Plan had \$112.1 million in Medi-Cal Receivables due from the DHCS.

### **RECOMMENDATION:**

Staff recommends that the Commission approve the August 2020 financial package.

### **ATTACHMENT:**

August 2020 Financial Package





## **FINANCIAL PACKAGE**

For the month ended August 31, 2020

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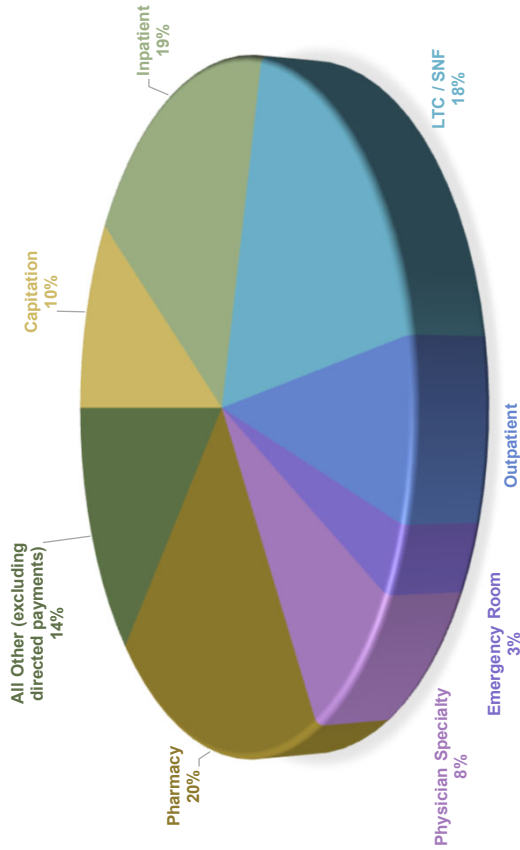
- Executive Dashboard
- Statement of Financial Position
- Statement of Revenues, Expenses and Changes in Net Assets
- FYTD PMPM Budget to Actual Analysis - Fee for Service by AID Category
- Statement of Cash Flows

**Gold Coast Health Plan**  
**Executive Dashboard as of August 31, 2020**

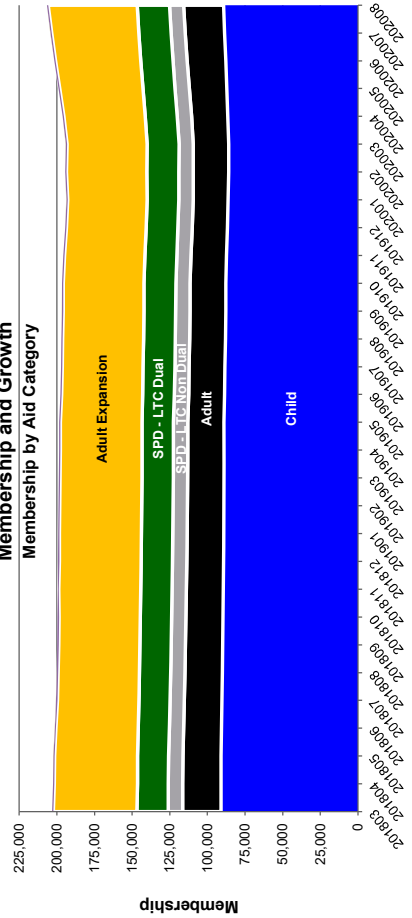
	FYTD 20/21 Budget*	FYTD 20/21 Actual	FY 19/20 Actual	FY 18/19 Actual
Average Enrollment	202,374	202,418	196,012	198,140
PMPM Revenue	\$ 340.61	\$ 356.93	\$ 348.73	\$ 299.23
<b>Medical Expenses</b>				
Capitation	\$ 33.11	\$ 33.21	\$ 24.93	\$ 23.90
Inpatient	\$ 68.32	\$ 62.08	\$ 65.19	\$ 62.09
LTC / SNF	\$ 57.36	\$ 60.66	\$ 59.20	\$ 56.06
Outpatient	\$ 25.94	\$ 25.18	\$ 25.81	\$ 25.88
Emergency Room	\$ 12.93	\$ 10.34	\$ 11.97	\$ 12.14
Physician Specialty	\$ 25.78	\$ 26.96	\$ 27.63	\$ 26.71
Pharmacy	\$ 64.40	\$ 67.39	\$ 61.05	\$ 56.60
All Other (excluding directed payments)	\$ 32.22	\$ 45.26	\$ 41.07	\$ 38.20
Total Per Member Per Month	\$ 320.07	\$ 331.08	\$ 316.86	\$ 301.58
Medical Loss Ratio	96.3%	95.3%	94.6%	102.0%
Total Administrative Expenses	\$ 9,554,221	\$ 8,139,155	\$ 50,821,685	\$ 46,655,880
% of Revenue	7.3%	5.6%	6.2%	6.6%
TNE	\$ 50,232,476	\$ 68,005,542	\$ 71,272,142	\$ 75,604,948
Required TNE	\$ 27,745,713	\$ 35,418,324	\$ 34,685,521	\$ 32,382,791
% of Required	181%	192%	205%	233%

\* Flexible Budget (uses actual membership & member mix against budgeted rates)

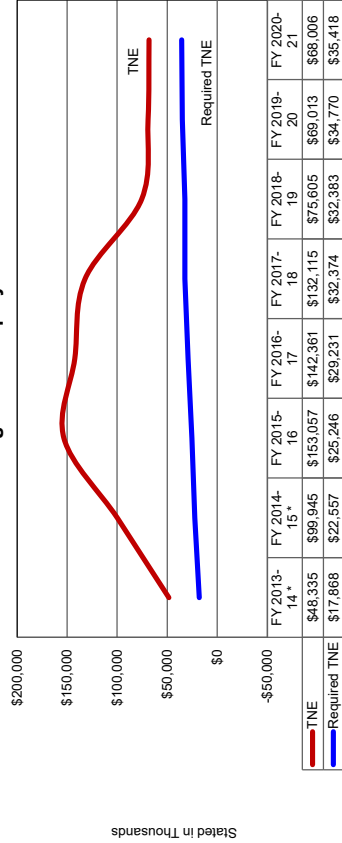
**% OF TOTAL MEDICAL EXPENSE**



**Membership and Growth**  
**Membership by Aid Category**



**Historical Tangible Net Equity**



**STATEMENT OF FINANCIAL POSITION**

	<u>08/31/20</u>	<u>07/31/20</u>	<u>06/30/20</u>
<b>ASSETS</b>			
<b>Current Assets:</b>			
<b>Total Cash and Cash Equivalents</b>	<b>96,281,996</b>	<b>83,566,367</b>	<b>80,327,619</b>
<b>Total Short-Term Investments</b>	<b>43,220,038</b>	<b>43,299,622</b>	<b>43,040,224</b>
Medi-Cal Receivable	112,054,954	103,385,754	102,000,828
Interest Receivable	359,362	232,554	309,342
Provider Receivable	887,733	618,291	727,334
Other Receivables	5,471,781	5,471,781	6,832,616
<b>Total Accounts Receivable</b>	<b>118,773,830</b>	<b>109,708,380</b>	<b>109,870,120</b>
Total Prepaid Accounts	3,403,018	3,157,127	1,751,774
Total Other Current Assets	153,789	153,789	153,789
<b>Total Current Assets</b>	<b>261,832,670</b>	<b>239,885,284</b>	<b>235,143,525</b>
<b>Total Fixed Assets</b>	<b>1,525,090</b>	<b>1,568,069</b>	<b>1,610,328</b>
<b>Total Assets</b>	<b>\$ 263,357,760</b>	<b>\$ 241,453,354</b>	<b>\$ 236,753,853</b>
<b>LIABILITIES &amp; NET ASSETS</b>			
<b>Current Liabilities:</b>			
Incurred But Not Reported	\$ 67,324,380	\$ 63,404,053	\$ 60,079,314
Claims Payable	14,227,547	10,842,570	5,597,372
Capitation Payable	16,180,122	16,051,298	17,035,206
Physician Payable	15,113,136	14,584,624	15,929,522
DHCS - Reserve for Capitation Recoup	5,257,358	5,257,358	5,257,358
Accounts Payable	666,022	1,821,454	2,363,635
Accrued ACS	3,331,133	1,720,204	1,692,422
Accrued Provider Reserve	734,000	668,922	1,182,056
Accrued Pharmacy	20,918,642	13,764,427	20,041,432
Accrued Expenses	1,180,743	874,611	782,470
Accrued Premium Tax	46,524,861	40,491,437	34,505,280
Accrued Payroll Expense	2,830,074	2,630,403	2,187,982
<b>Total Current Liabilities</b>	<b>194,288,016</b>	<b>172,111,360</b>	<b>166,654,048</b>
<b>Long-Term Liabilities:</b>			
Other Long-term Liability-Deferred Rent	1,064,202	1,070,396	1,086,511
<b>Total Long-Term Liabilities</b>	<b>1,064,202</b>	<b>1,070,396</b>	<b>1,086,511</b>
<b>Total Liabilities</b>	<b>195,352,219</b>	<b>173,181,756</b>	<b>167,740,559</b>
<b>Net Assets:</b>			
Beginning Net Assets	69,013,294	69,013,294	75,604,948
Total Increase / (Decrease in Unrestricted Net Assets)	(1,007,752)	(741,696)	(6,591,654)
<b>Total Net Assets</b>	<b>68,005,542</b>	<b>68,271,598</b>	<b>69,013,294</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 263,357,760</b>	<b>\$ 241,453,354</b>	<b>\$ 236,753,853</b>

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR MONTH ENDED August 31, 2020**

	August 2020		Year-To-Date		Variance Fav / (Unfav)	Variance %	August 2020 Year-To-Date		Variance Fav / (Unfav)	
	Actual	Budget	Actual	Budget			Actual	Budget		
<b>Membership (includes retro members)</b>	202,418	404,748	88	0%						
Revenue										
Premium	\$ 81,057,180	\$ 137,892,761	\$ 18,624,391	14%				\$ 386.62	\$ 340.69	\$ 45.93
Reserve for Cap Requirements	-	-	-	0%				-	-	-
MCO Premium Tax	(6,033,424)	-	(12,019,581)	0%				(29.69)	-	(29.69)
<b>Total Net Premium</b>	<b>75,023,757</b>	<b>137,892,761</b>	<b>6,604,810</b>	<b>5%</b>				<b>356.93</b>	<b>340.69</b>	<b>16.24</b>
<b>Other Revenue:</b>										
Miscellaneous Income	-	-	468	0%				0.00	-	0.00
Miscellaneous	-	-	468	0%				0.00	-	0.00
<b>Total Other Revenue</b>	<b>75,023,757</b>	<b>137,892,761</b>	<b>6,605,278</b>	<b>5%</b>				<b>356.93</b>	<b>340.69</b>	<b>16.24</b>
<b>Medical Expenses:</b>										
Capitation (PCP, Specialty, Kaiser, NEMT & Vision)	6,905,047	13,404,577	(40,083)	0%				33.21	33.12	(0.09)
<b>FFS Claims Expenses:</b>										
Inpatient	12,634,933	27,658,948	2,528,527	9%				62.08	68.34	6.26
LTC / SNF	12,404,607	23,221,036	(1,337,895)	-6%				60.66	57.37	(3.29)
Outpatient	4,849,808	10,501,517	309,002	3%				25.18	25.95	0.77
Laboratory and Radiology	711,813	756,931	(594,797)	-79%				3.34	1.87	(1.47)
Directed Payments - Provider	2,467,722	3,605,106	(3,605,106)	0%				8.91	-	(8.91)
Emergency Room	2,068,554	4,187,374	1,049,043	20%				10.34	12.94	2.59
Physician Specialty	6,091,545	10,437,164	(476,514)	-5%				26.96	25.79	(1.17)
Primary Care Physician	1,566,863	2,511,960	(354,699)	-14%				7.08	6.21	(0.87)
Home & Community Based Services	3,285,768	3,223,416	(674,307)	-21%				9.63	7.96	(1.66)
Applied Behavioral Analysis/Mental Health Service	2,337,030	4,095,264	(302,289)	-7%				10.86	10.12	(0.74)
Pharmacy	13,671,234	26,069,602	(1,211,707)	-5%				67.39	64.41	(2.98)
Provider Reserve	161,328	321,944	192,500	-67%				0.80	0.48	(0.32)
Other Medical Professional	408,541	741,464	(18,077)	-2%				1.83	1.79	(0.04)
Other Medical Care	10,270	-	(10,270)	0%				0.03	-	(0.03)
Other Fee For Service	916,128	1,415,675	(202,885)	-14%				4.00	3.50	(0.50)
Transportation	755,031	926,137	(607,073)	-190%				2.29	0.79	(1.50)
Total Claims	63,331,175	116,362,881	(5,638,491)	-5%				301.36	287.49	(13.87)
Medical & Care Management Expense	1,108,819	2,509,598	220,254	9%				5.65	6.20	0.55
Reinsurance	303,951	309,099	467,485	34%				0.76	1.16	0.39
Claims Recoveries/Budget Reduction	(316,627)	(406,474)	406,474	0%				(1.00)	-	1.00
Sub-total	1,096,143	2,191,968	2,977,082	26%				5.41	7.36	1.94
<b>Total Cost of Health Care</b>	<b>71,332,365</b>	<b>132,744,541</b>	<b>(4,893,461)</b>	<b>-4%</b>				<b>339.98</b>	<b>327.97</b>	<b>(12.02)</b>
<b>Contribution Margin</b>	<b>3,691,392</b>	<b>5,148,220</b>	<b>1,711,818</b>	<b>33%</b>				<b>16.94</b>	<b>12.72</b>	<b>4.22</b>
<b>General &amp; Administrative Expenses:</b>										
Salaries, Wages & Employee Benefits	1,832,238	4,415,005	494,273	11%				9.68	10.91	1.22
Training, Conference & Travel	624	12,044	10,721	89%				0.00	0.03	0.03
Outside Services	2,066,987	4,388,926	141,364	3%				10.49	10.84	0.35
Professional Services	415,933	774,128	(36,030)	-5%				2.00	1.91	(0.09)
Occupancy, Supplies, Insurance & Others	461,591	1,600,457	634,284	40%				2.39	3.95	1.57
Care Management Reclass to Medical	(1,108,820)	(2,509,598)	(220,253)	9%				(5.65)	(6.20)	(0.55)
G&A Expenses	3,668,553	8,680,962	1,024,360	12%				18.91	21.45	2.53
Project Portfolio	356,583	873,258	390,706	45%				1.19	2.16	0.97
<b>Total G&amp;A Expenses</b>	<b>4,025,136</b>	<b>9,554,221</b>	<b>1,415,066</b>	<b>15%</b>				<b>20.10</b>	<b>23.61</b>	<b>3.50</b>
<b>Total Operating Gain / (Loss)</b>	<b>(333,744)</b>	<b>(4,406,000)</b>	<b>3,126,883</b>	<b>-71%</b>				<b>(3.16)</b>	<b>(10.89)</b>	<b>7.73</b>
<b>Non Operating</b>										
Revenues - Interest	66,603	150,000	120,280	80%				0.67	0.37	0.30
Gain/(Loss) on Sale of Asset	1,086	-	1,086	0%				0.00	-	0.00
<b>Total Non-Operating</b>	<b>67,689</b>	<b>150,000</b>	<b>121,366</b>	<b>81%</b>				<b>0.67</b>	<b>0.37</b>	<b>0.30</b>
<b>Total Increase / (Decrease) in Unrestricted Net Assets</b>	<b>\$ (266,055)</b>	<b>\$ (4,256,000)</b>	<b>\$ 3,248,249</b>	<b>-76%</b>				<b>\$ (2.49)</b>	<b>\$ (10.52)</b>	<b>\$ 8.02</b>

**FYTD PMPM BUDGET TO ACTUAL ANALYSIS - FEE FOR SERVICE BY AID CATEGORY**

	Adult			Child			Adult Expansion		
	Budget	Actual	Variance %	Budget	Actual	Variance %	Budget	Actual	Variance %
Inpatient	\$ 127.55	\$ 117.98	\$ (9.57) -7%	\$ 5.88	\$ 5.00	\$ (0.88) -15%	\$ 115.70	\$ 103.58	\$ (12.12) -10%
Outpatient	45.30	93.46	48.16 106%	4.32	3.07	(1.25) -29%	38.32	35.11	(3.21) -8%
ER	17.34	15.23	(2.11) -12%	10.03	5.88	(4.15) -41%	16.70	14.57	(2.13) -13%
LTC	8.04	16.04	8.00 99%	0.31	0.30	(0.01) -2%	22.53	23.05	0.52 2%
PCP	6.55	8.54	1.99 30%	5.83	5.16	(0.67) -12%	5.75	7.52	1.77 31%
Specialty	45.22	48.37	3.15 7%	4.15	3.80	(0.35) -8%	41.38	41.59	0.21 1%
Pharmacy	91.12	100.95	9.83 11%	11.58	12.33	0.75 6%	110.05	116.88	6.83 6%
Mental Health/ABA	5.57	6.82	1.25 22%	8.91	9.56	0.65 7%	5.60	6.62	1.02 18%
All Other	10.64	13.81	3.17 30%	1.27	2.30	1.03 80%	12.61	14.06	1.45 12%
<b>Total</b>	<b>\$ 357.33</b>	<b>\$ 421.20</b>	<b>\$ 63.87 18%</b>	<b>\$ 52.29</b>	<b>\$ 47.40</b>	<b>\$ (4.89) -9%</b>	<b>\$ 368.64</b>	<b>\$ 362.98</b>	<b>\$ (5.66) -2%</b>
FYTD Member Months	49,862	51,414	1,552 3%	181,101	174,970	(6,131) -3%	113,213	114,940	1,727 2%

	Seniors and Persons with Disabilities (SPD)			SPD - Dual			Long Term Care (LTC)		
	Budget	Actual	Variance %	Budget	Actual	Variance %	Budget	Actual	Variance %
Inpatient	\$ 277.82	\$ 257.55	\$ (20.27) -7%	\$ 20.38	\$ 23.19	\$ 2.81 14%	\$ 717.20	\$ 1,289.41	\$ 572.21 80%
Outpatient	99.41	96.67	(2.74) -3%	20.37	20.73	0.36 2%	240.62	91.31	(149.31) -62%
ER	28.18	25.45	(2.73) -10%	1.93	1.68	(0.25) -13%	16.66	-	(16.66) -100%
LTC	151.74	147.76	(3.98) -3%	96.90	92.57	(4.33) -4%	7,854.68	7,671.65	(183.03) -2%
PCP	14.89	22.98	8.09 54%	4.51	3.23	(1.28) -28%	11.21	8.11	(3.10) -28%
Specialty	79.40	95.85	16.45 21%	21.13	17.16	(3.97) -19%	236.35	383.67	147.32 62%
Pharmacy	308.07	346.31	38.24 12%	5.26	12.18	6.92 131%	341.77	211.55	(130.22) -38%
Mental Health/ABA	76.70	78.14	1.44 2%	1.19	1.62	0.43 36%	3.60	-	(3.60) -100%
All Other	77.33	89.79	12.46 16%	56.77	76.48	19.71 35%	586.12	268.00	(318.12) -54%
<b>Total</b>	<b>\$ 1,113.56</b>	<b>\$ 1,160.50</b>	<b>\$ 46.94 4%</b>	<b>\$ 228.43</b>	<b>\$ 248.84</b>	<b>\$ 20.41 9%</b>	<b>\$ 10,008.20</b>	<b>\$ 9,923.70</b>	<b>\$ (84.50) -1%</b>
FYTD Member Months	18,334	20,206	1,872 10%	40,250	39,568	(682) -2%	68	116	48 71%

	LTC - Dual		
	Budget	Actual	Variance %
Inpatient	\$ 61.49	\$ 17.45	\$ (44.04) -72%
Outpatient	13.59	5.61	(7.98) -59%
ER	0.72	0.35	(0.37) -52%
LTC	7,382.67	7,461.15	78.48 1%
PCP	0.55	-	(0.55) -100%
Specialty	11.59	21.39	9.80 85%
Pharmacy	0.08	0.19	0.11 150%
Mental Health/ABA	0.64	0.41	(0.23) -36%
All Other	169.81	44.25	(125.56) -74%
<b>Total</b>	<b>\$ 7,641.13</b>	<b>\$ 7,550.80</b>	<b>\$ (90.33) -1%</b>
FYTD Member Months	1,636	1,662	26 2%

**FFS expenses budgeted based on CY 2019 PMPM data, with the following trend assumptions:**

- Inpatient - 1% annual trend and known contractual changes.
- ER - 1% annual trend and known contractual changes.
- LTC - 2.5% estimated fee schedule change
- Specialty Physician - 1% estimated fee schedule change
- Mental Health/ABA - 2% annual increase due to utilization.
- Pharmacy - 5% overall annual increase.
- Home and Community Based Services - 2% annualized increase due to utilization.

<b>STATEMENT OF CASH FLOWS</b>	<b>August 2020</b>	<b>FYTD 20-21</b>
<b>Cash Flows Provided By Operating Activities</b>		
Net Income (Loss)	\$ (266,056)	\$ (1,007,752)
<b>Adjustments to reconciled net income to net cash provided by operating activities</b>		
Depreciation on fixed assets	33,295	75,553
Disposal of fixed assets	9,684	9,684
Amortization of discounts and premium	-	-
<b>Changes in Operating Assets and Liabilities</b>		
Accounts Receivable	(9,065,450)	(8,903,710)
Prepaid Expenses	(245,891)	(1,651,244)
Accrued Expense and Accounts Payable	8,174,398	1,388,307
Claims Payable	4,042,313	6,958,705
MCO Tax liability	6,033,424	12,019,581
IBNR	3,920,328	7,245,066
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>12,636,046</u>	<u>16,134,192</u>
<b>Cash Flow Provided By Investing Activities</b>		
Proceeds from Restricted Cash & Other Assets		
Proceeds from Investments	79,584	(179,814)
Purchase of Investments plus Interest reinvested	-	-
Purchase of Property and Equipment	-	-
<b>Net Cash (Used In) Provided by Investing Activities</b>	<u>79,584</u>	<u>(179,814)</u>
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>	12,715,630	15,954,378
<b>Cash and Cash Equivalents, Beginning of Period</b>	83,566,367	80,327,618
<b>Cash and Cash Equivalents, End of Period</b>	<u><u>96,281,996</u></u>	<u><u>96,281,996</u></u>



# Gold Coast Health Plan

## FYTD Unaudited Financial Statements August 2020

Integrity

Accountability

Collaboration

Trust

Respect



AUGUST NET LOSS

\$ 266 K



FYTD NET LOSS

\$1.0 M



TNE is \$68.0 M and 192% of the minimum required



MEDICAL LOSS RATIO

95.3%



ADMINISTRATIVE RATIO

5.6%

# Financial Overview:



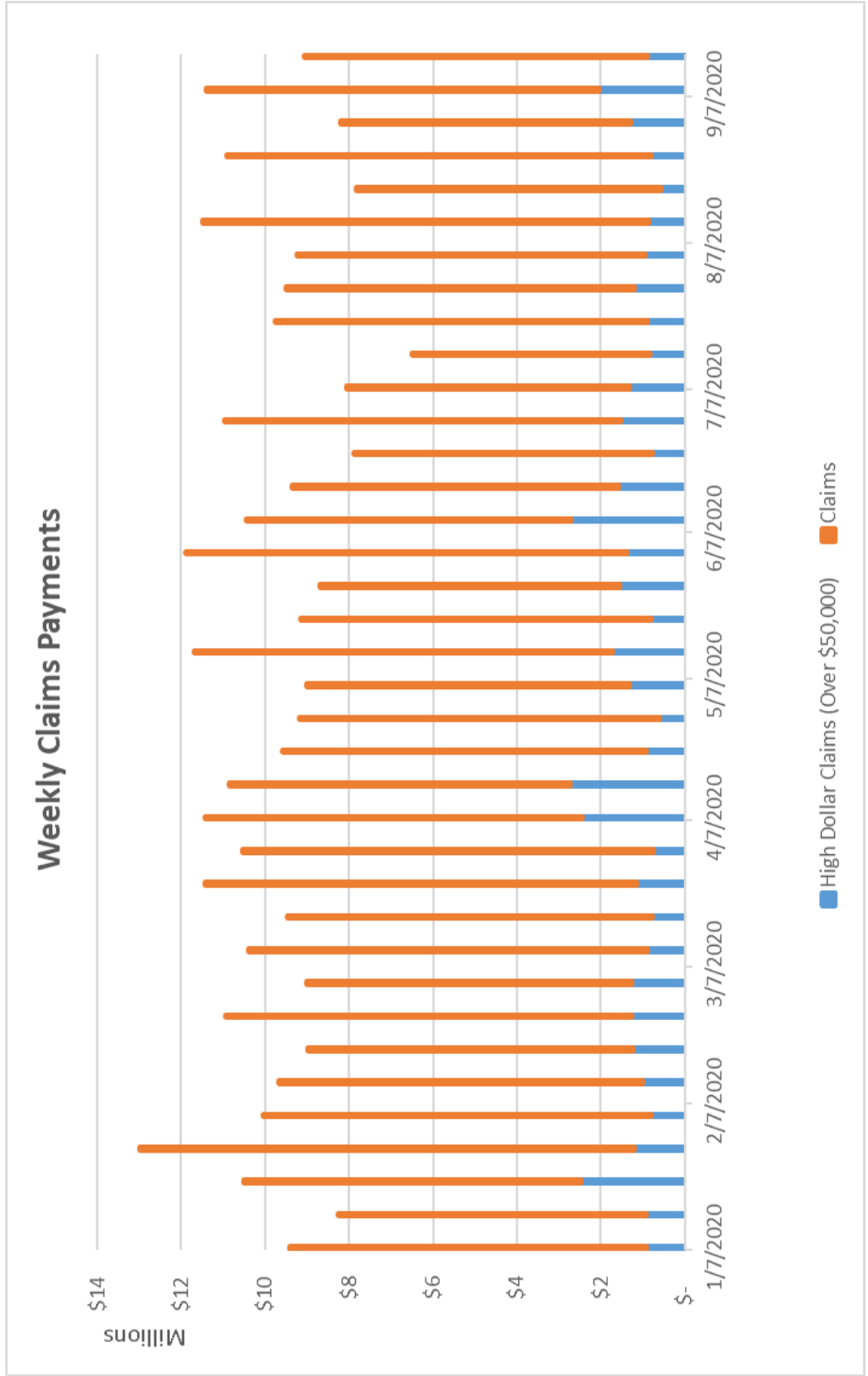
# June 2020 Financial Statements:

- Anticipate a significant decrease to the Incurred But Not Reported liability.
- Final audited statements at the October meeting.

# Financial Impacts of Covid-19:

- Increase in membership – redeterminations pended “through the emergency”.
- Unfunded 10% increase to LTC facility rates.
- Authorizations and claims volume increasing but still lower on per member per month basis.
- Significant decrease in ER utilization

# Financial Impacts of Covid-19:



# Update on the Solvency Action Plan:

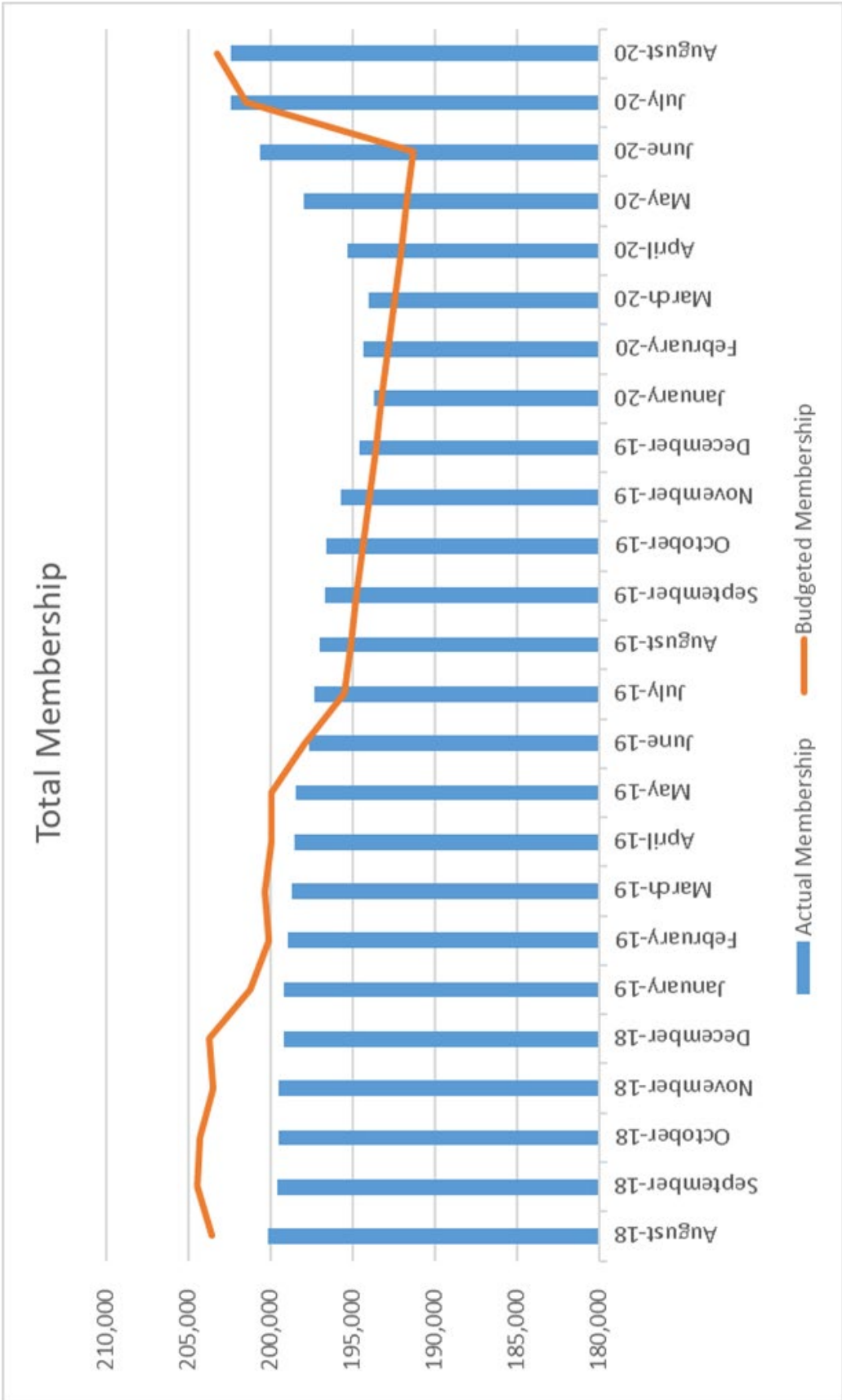
Actions	Annualized impact in savings
Continued focus on interest expense reduction	\$500,000
Reduction of LTC facility rates to 100% of Medi-Cal rate	\$1.8 million
Sent notification to providers regarding reduction of Adult Expansion PCP rates	\$4.5 million
Revision to Non-Pharmacy Dispensing Site policy	\$2-3 million
Contract signed – rate reduction to tertiary hospital	\$1.3 million
<b>TOTAL ANNUAL SAVINGS</b>	<b>\$10.1 – 11.1 million</b>

Current Focus	Annualized impact in savings
Outlier contract rates	TBD
Implementation of HMS – scheduled for late October	\$1-3 million
Improved contract language	TBD
Expansion of capitation arrangements	Required TNE and risk reductions
LANE/HPCPS analysis	TBD

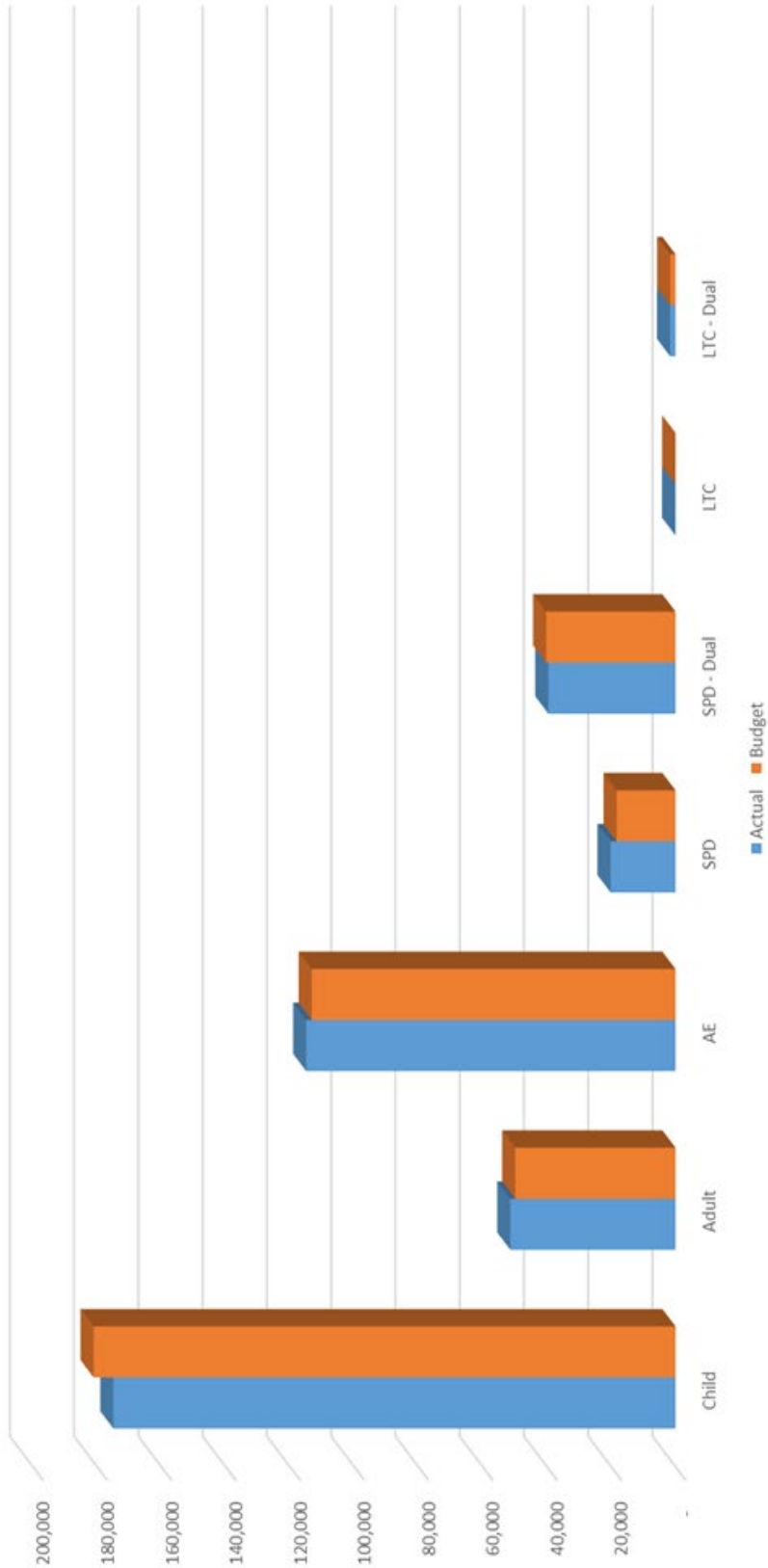
# Revenue

**Net Premium revenue is \$144.5 million, over budget by \$6.6 million and 5%.**

- **Revenue for Proposition 56 is \$4.5 million.**
- **Increase in revenue related to FY 19-20.**



FYTD Member Months by AID Category

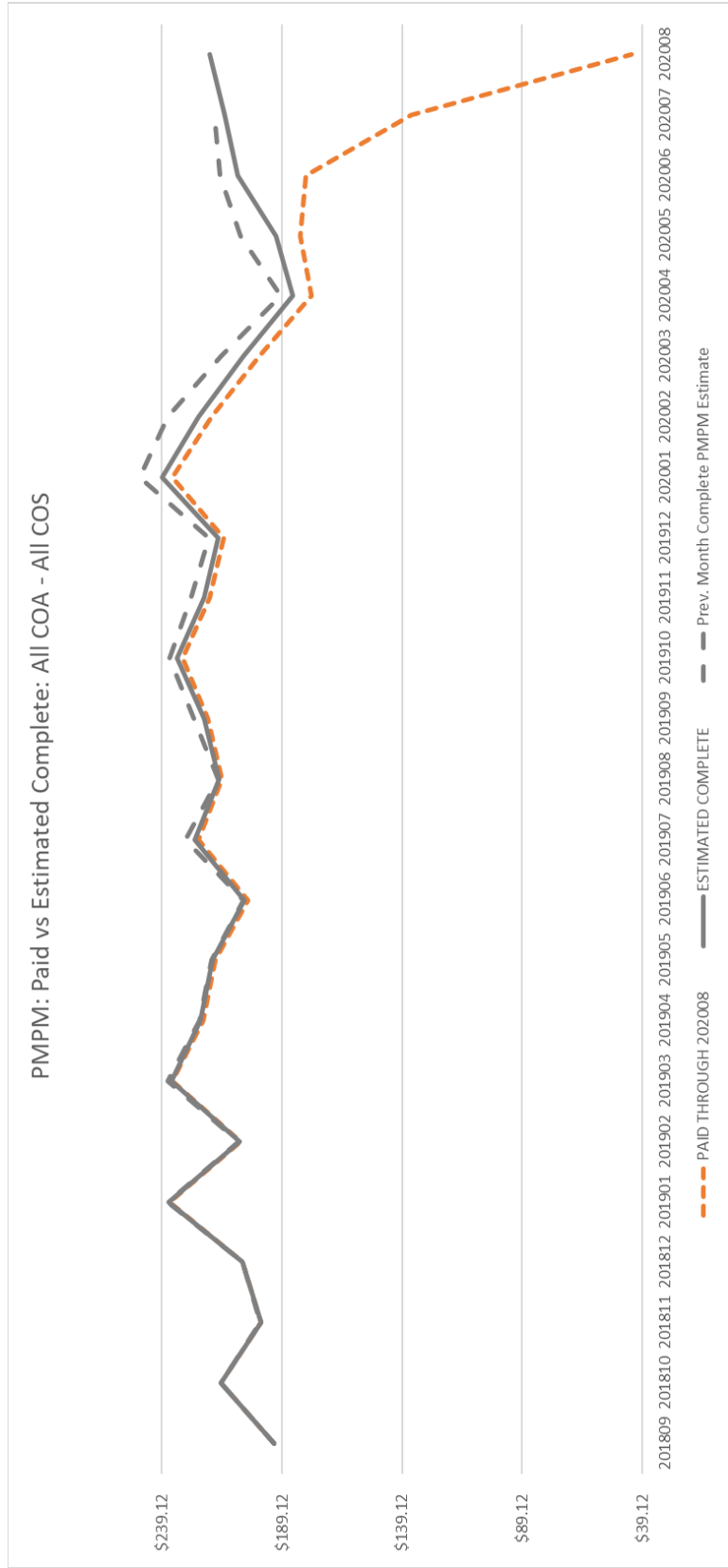


# Medical Expense

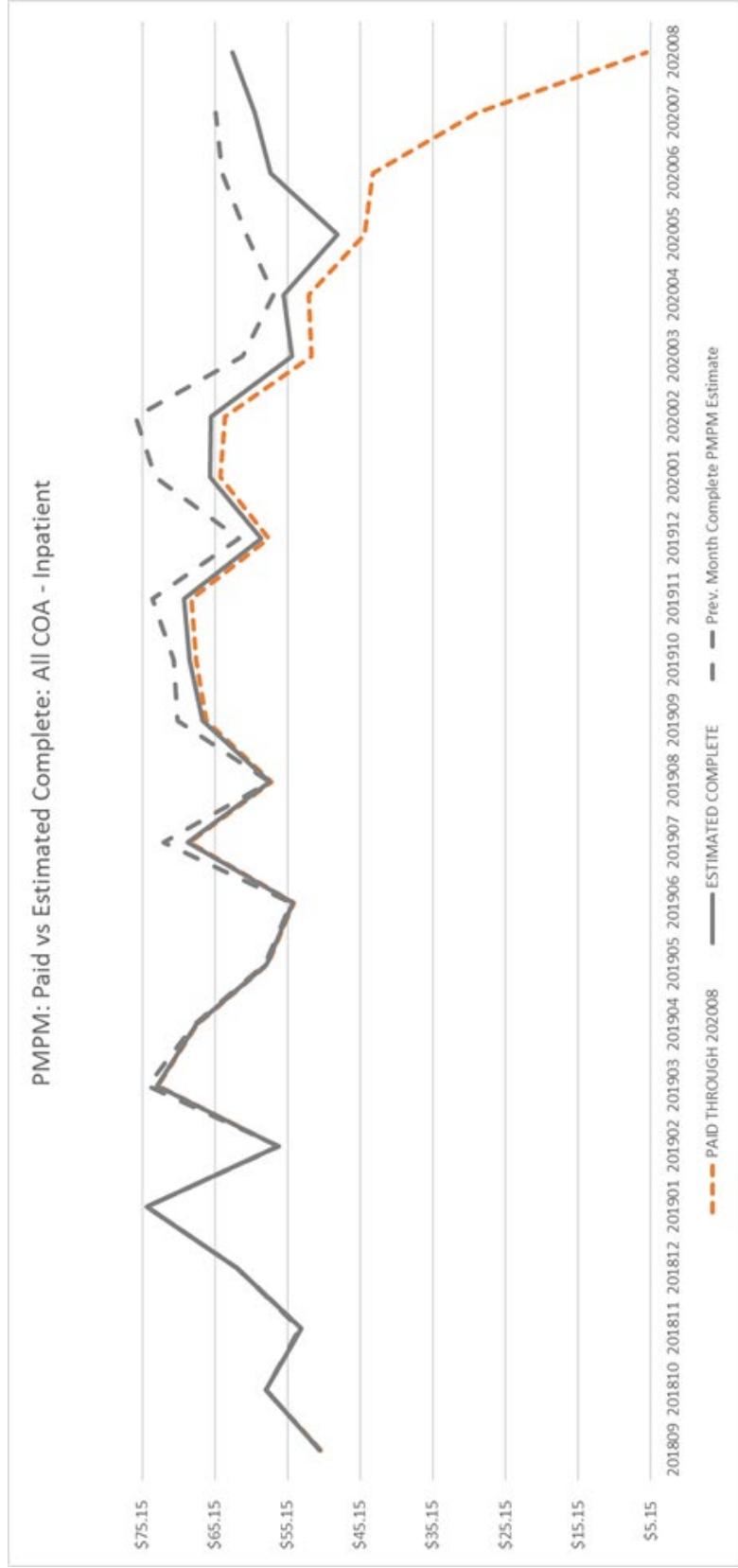
**FYTD Health care costs are \$137.6 million and \$4.9 million over budget. Medical loss ratio is 95.3%, a 1% budget variance.**



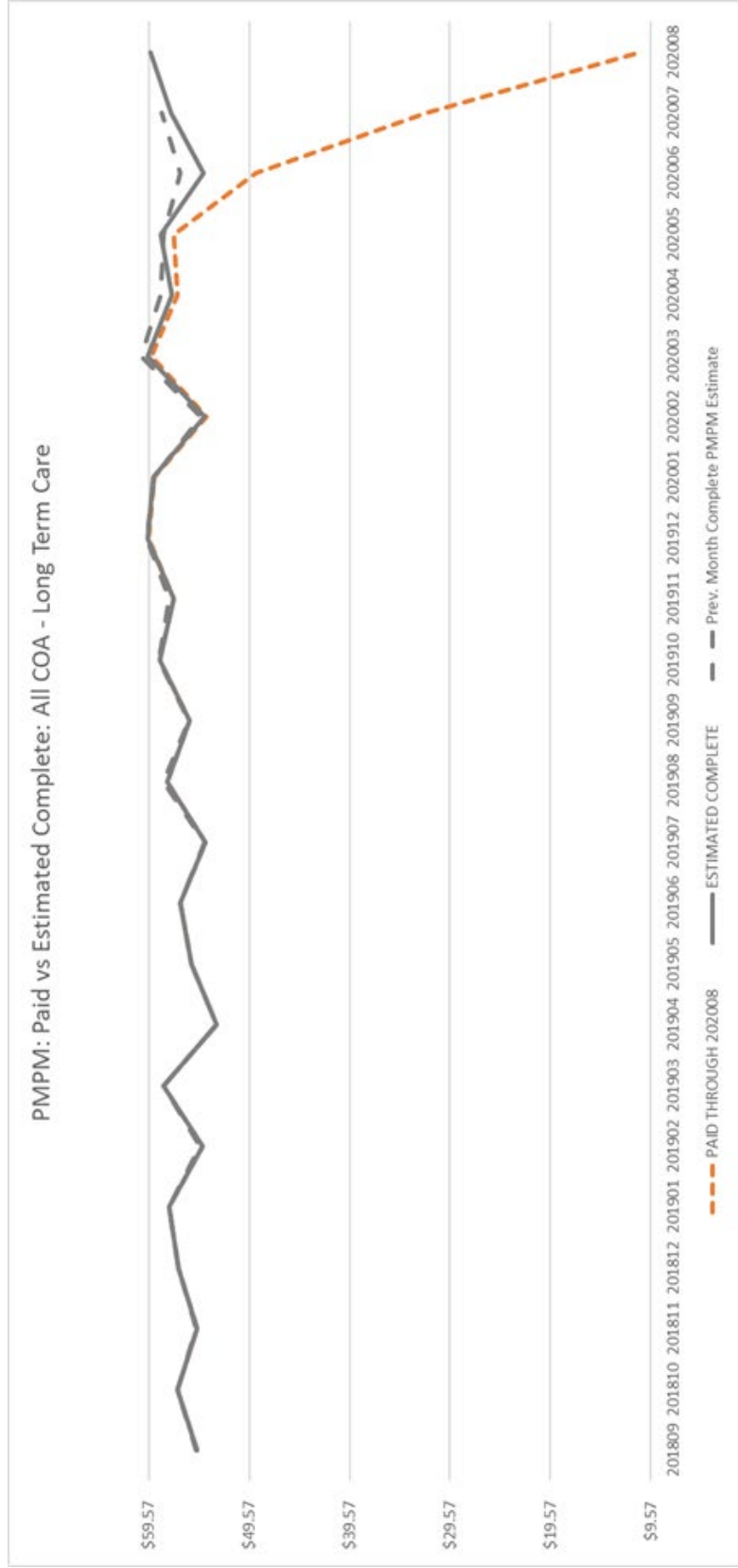
# Total Fee For Service Medical Expenses



# Inpatient Medical Expenses: Under Budget by \$2.5 Million (9%)



# Long Term Care Expenses: Over budget by \$1.3 million (6%)



# Other Impacts to Medical Expenses:

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Directed Payments – over  
budget by \$3.6 million

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Pharmacy – over budget by  
\$1.2 million

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# Financial Statement Summary

	August	FYTD	FYTD Budget	Budget Variance
Net Capitation Revenue	\$ 75,023,757	\$ 144,497,571	\$ 137,892,761	\$ 6,604,810
Health Care Costs	71,332,365	137,638,002	132,744,541	4,893,461
<b>Medical Loss Ratio</b>		<b>95.3%</b>	<b>96.3%</b>	
Administrative Expenses	4,025,136	8,139,155	9,554,221	(1,415,066)
<b>Administrative Ratio</b>		<b>5.6%</b>	<b>7.3%</b>	
Non-Operating Revenue/(Expense)	67,688	271,833	150,000	121,833
Total Increase/(Decrease) in Net Assets	\$ (266,055)	\$ (1,007,751)	\$ (4,256,000)	\$ 3,248,248
Cash and Investments	\$ 139,502,034			
GCHP TNE	\$ 68,005,542			
Required TNE	\$ 35,418,324			
<b>% of Required</b>	<b>192%</b>			

## Questions?

Staff recommends the Commission approve the unaudited financial statements for August 2020.

**AGENDA ITEM NO. 7**

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Margaret Tatar, Chief Executive Officer

DATE: September 28, 2020

SUBJECT: Chief Executive Officer Report

**CEO SUMMARY: Verbal Update.**

**Government and Community Relations Update**

California Legislature:

On August 31, 2020, the Legislature finished its second year of the 2019-20 Legislative Session. Several Medicaid related legislative bills moved out of the Legislature and are currently being reviewed by Governor Newsom. The Governor has until September 30, 2020, to sign or veto these legislative bills.

Below you will find a high-level summary of relevant bills:

#	Author	Name	Description	Analysis
<a href="#">AB 2360</a>	Maienschein	Telehealth: Mental Health	This bill requires health care service plans and health insurers to establish a telehealth mental health consultation program by July 1, 2021, that provides contracted providers who treat children and persons who are pregnant or up to one year postpartum with access to mental health consultation services.	The Department of Finance is opposed to this bill as it results in costs not included in the 2020 Budget Act.
<a href="#">AB 890</a>	Wood	Nurse Practitioners : Scope of Practice	Effective January 1, 2023, authorizes Nurse Practitioners to provide specified services and in specified settings, if certain educational and training requirements are met. It also establishes the Nurse Practitioner Advisory Committee within the Board of Registered Nursing; requires the Board to develop a test for independent practice competency; and establishes physician consultation and other oversight requirements.	AB 890 addresses California's workforce challenges by creating a new category of licensed nurse practitioners and expands their scope of practice under certain conditions. Specifically, the bill permits a nurse practitioner with a certification from a national certifying body to perform specific functions, without supervision by a physician and surgeon in settings such as clinics, medical group practices, and health care agencies.

#	Author	Name	Description	Analysis
<a href="#">AB 2164</a>	Rivas	Telehealth	This bill revises the definition of a Federally-Qualified Health Center (FQHC) and Rural Health Clinic (RHC) “visit” to include an encounter between a patient and provider using telehealth for purposes of receiving reimbursement from the Department of Health Care Services. The bill also requires the Department to adopt regulations implementing this bill’s provisions by July 1, 2022, with semiannual progress reports to the Legislature commencing July 1, 2021, until such regulations are adopted.	<p>Supporters argue that with an expansion of telehealth, California can further address access barriers for children by ensuring community health centers are able to bring care to where children are, through innovative solutions like telehealth.</p> <p>The California Department of Finance opposes this bill because the identified costs and resources required to implement this bill create a General Fund cost pressure for the Medi-Cal program. Moreover, the Department of Health Care Services currently allows FQHCs and RHCs to serve patients and receive reimbursement for telehealth services during the federal COVID-19 public health emergency.</p>
<a href="#">SB 803</a>	Beall	Mental Health Services: Peer Support Services Certification	The bill requires the Department of Health Care Services (DHCS) to establish standards for peer support specialists that counties may use in developing local peer certification programs. Counties that opt to participate in the program must fund the non-federal share of peer support services. The bill requires the Department to seek federal approval for the pilot program.	<p>The California Department of Finance opposes this bill as it results in significant General Fund costs not included in the 2020 Budget Act and General Fund costs annually thereafter for DHCS to develop and implement a peer support specialist certification program, seek the necessary federal approvals to amend the Medicaid state plan, and reimburse counties pursuant to Proposition 30.</p> <p>Supporters argue peer providers use their lived experience with mental illness, addiction, and recovery, coupled with skills learned through formal training to provide invaluable behavioral health services. The sponsors also point out that research demonstrates that peer support specialists reduce hospitalizations and hospital days, improve client functioning, increase client satisfaction, reduce family concerns, alleviate clinical symptoms, and increase client self-advocacy.</p>



#	Author	Name	Description	Analysis
<a href="#">AB 2276</a>	Reyes	Medi-Cal: Blood Lead Screening Tests	Specifically, it requires providers to seek a signed statement of voluntary refusal to be included in the medical record when the recommended screening is refused by the parent/guardian. It also requires that plans identify all children who have missed a recommended blood lead screening on a quarterly basis and notify the responsible provider (rather than identification of children under 6 years of age, which is consistent with Title 17 guidelines testing).	DHCS and CDPH are developing a statewide blood lead screening monitoring and identification system for children enrolled in Medi-Cal. DHCS is in the process of securing enhanced federal funding for this effort. A statewide system would likely be less costly than having each of Medi-Cal's 29 managed care plans develop a separate system. Additionally, a statewide system would be more effective as beneficiaries frequently move between managed care plans.

Department of Health Care Services:  
**Medi-Cal Managed Care Request for Information**

The California Department of Health Care Services (DHCS) has released a Request For Information (RFI) #20-001 to provide information and solicit input from interested parties regarding:

1. Goals for the Medi-Cal managed care delivery system to be achieved through the upcoming Medi-Cal managed care plan (MCP) request for proposal (RFP) process, and
2. Updates proposed to be included in contracts awarded through the RFP process. Feedback on the RFI is due to DHCS by October 1, 2020.

DHCS indicates it intends to use the updated MCP contract as the boilerplate for all Medi-Cal MCPs, including non-commercial Local Initiative and County Organized Health System plans, concurrent with implementation of the new contracts for commercial plans through the RFP process.

DHCS is seeking feedback on topics such as: addressing health disparities, how managed care plans can engage the community, social determinants of health, behavioral health integration and quality. GCHP will be submitting comments via the Local Health Plans of California (LHPC). Finally, analyzing the RFI is particularly useful to GCHP as we proceed with the strategic planning process because it gives us sightlines into the Newsom Administration's goals for Medi-Cal managed care.

To review the RFI, [click here](#). More information will be shared as it becomes available.

**Foster Care Model of Care Workgroup**

DHCS and the Department of Social Services (DSS) have established a workgroup on the Foster Care Model of Care as part of the California Advancing and Innovating Medi-Cal (CalAIM) initiative. The workgroup will provide a forum for stakeholders to provide feedback on opportunities to improve the current system of care for foster children and youth, and whether a new system of care should be developed for children and youth in foster care.

The workgroup is tasked with creating a long-term plan for how foster children and youth receive health care services (physical health, mental health, substance use disorder treatment, social services, and oral health).

The workgroup will:

- Collaborate to develop policy recommendations and timelines for implementing a new model of care for children and youth in foster care – and/or transitioning to an existing but different model – including the Former Foster Youth program and transitions out of foster programs and services at age 26.
- Discuss and build consensus to ensure all key players have an opportunity to provide feedback and perspectives to inform an approach to address the unique and complex health care needs of this vulnerable population.

The workgroup began meeting over the summer to discuss the development of a model of care. At this point, GCHP is closely monitoring the workgroup as it provides us sightlines into the Newsom Administration’s goals for the Medi-Cal program that will inform our internal strategic planning process. GCHP will continue to work with LHPC and provide feedback as necessary.

For more information, [click here](#). Updates will be given as a model of care is developed.

Community Relations Update:  
**Sponsorships**

Name of Organization	Description	Amount
<b>Diversity Collective Ventura County</b>	The “2020 Ventura County Virtual Pride” will raise funds to sustain the Diversity Collective programs and services. These services include free anonymous HIV & AIDS testing, peer-support groups, cultural competency training, and Rainbow Umbrella Youth Group.	\$1,000
<b>Boys &amp; Girls Club of Santa Clara Valley</b>	The donation and all funds raised from our Golf Classic will benefit the club programs and all members, including operational costs.  The Boys & Girls Club provides daily access to safe, supervised activities that foster children to become productive, responsible and caring citizens. There are ten sites serving the cities of Santa Paula, Fillmore, and the unincorporated area of Piru. The Club concentrates on five areas of youth development: character & leadership	\$250

Name of Organization	Description	Amount
	development; educational & career development; health & life skills; the arts; and sports, fitness, and recreation. The Club's activities primarily take place after school, during school recesses, in the evening, and on weekends. Over 1,650 youth and community members utilize the Club.	
<b>Ventura County Pregnancy Center</b>	The "Earn While You Learn" is a program designed to benefit pregnant women, mothers & fathers of infants up to age 2 with educational classes on prenatal, parenting, life skills, relationships, & finance classes.	\$1,000
<b>Community Memorial Health System (CHMS)</b>	CHMS is working on a quality improvement project with their OB care team that seeks to improve patient health and safety among the current pandemic, and into the future. The project aims to add value to the traditional prenatal model of care by replacing a handful of in-office visits with virtual at home Telehealth visits, supplemented with remote monitoring equipment (fetal Doppler, BP cuff and scale).	\$5,000
<b>Boys &amp; Girls Club of Greater Conejo Valley (BGCGCV)</b>	BGCGCV is looking to provide scholarships for vulnerable youth and families that provide youth full-day access to in person academic, socioemotional and enrichment support from trained adult mentors from 8:00 AM to 5:00 PM Monday through Friday at the club during the 2020-2021 school closures due to the COVID 19 pandemic.	\$2,000

**Compliance Update**

**DHCS Pharmacy Benefit Management (PBM) Focus Audit**

The exit conference for the delivery of the PBM Focus Audit Final Report is tentatively scheduled for September 30, 2020. Upon receipt of the Final Report, GCHP will have 30 days to provide any additional documentation to challenge the findings to DHCS. Compliance will be working with the business unit to address and remediate the findings in the DHCS prescribed timeframes.

Compliance will continue to provide updates as new information is available.

**Delegation Oversight**

GCHP is contractually required to perform oversight of all functions delegated through subcontracting arrangements. Oversight includes, but is not limited to:

- Monitoring / reviewing routine submissions from subcontractor
- Conducting onsite audits
- Issuing a Corrective Action Plan (CAP) when deficiencies are identified

*\*Ongoing monitoring denotes delegate is not making progress on a CAP issued and/or audit results were unsatisfactory and GCHP is required to monitor the delegate closely as it is a risk to GCHP when delegates are unable to comply.*

Compliance will continue to monitor all CAPs. GCHP’s goal is to ensure compliance is achieved and sustained by its delegates. It is a DHCS requirement for GCHP to hold all delegates accountable. The oversight activities conducted by GCHP are evaluated during the annual DHCS medical audit. DHCS auditors review GCHP’s policies and procedures, audit tools, audit methodology, and audits conducted, and corrective action plans issued by GCHP during the audit period. DHCS continues to emphasize the high level of responsibility Plans have in oversight of delegates.

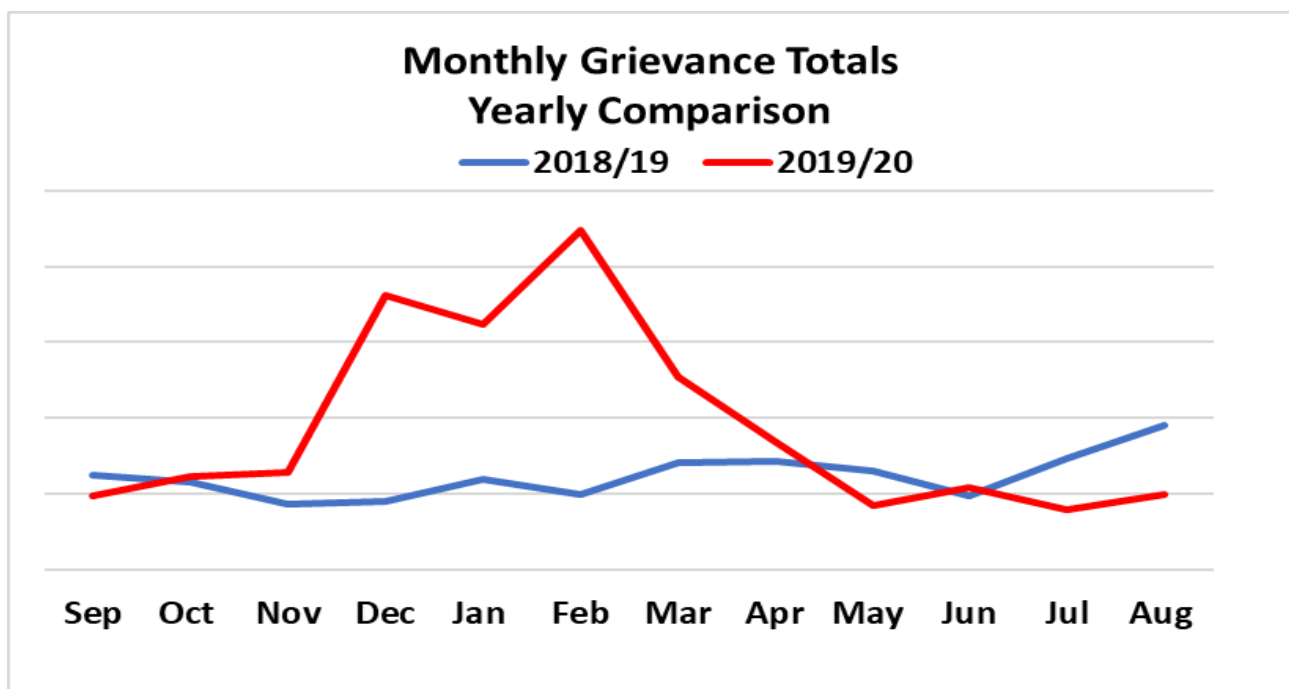
<b>Delegate</b>	<b>Audit Year/Type</b>	<b>Audit Status</b>	<b>Date CAP Issued</b>	<b>Date CAP Closed</b>	<b>Notes</b>
Conduent	2017 Annual Claims Audit	Open	12/28/2017		Issue will not be resolved until new claims platform conversion

Delegate	Audit Year/Type	Audit Status	Date CAP Issued	Date CAP Closed	Notes
Kaiser	2019 Annual Claims Audit	Closed	09/23/2019	06/23/2020	CAP items resolved and audit closed 06/23/2020
VTS	2019 Annual Call Center Audit	Open	04/26/2019	Under CAP	
VSP	2019 Annual Claims Audit	Open	10/29/2019	Under CAP	
Conduent	2019 Call Center Audit	Closed	01/14/2020	05/15/2020	CAP item resolved and audit closed 05/15/2020
Beacon	2020 Annual Claims Audit	Open	04/21/2020	Pending	
Conduent	2020 Annual Claims Audit	Open	04/21/2020	Under CAP	
VTS	2019 Annual Transportation Audit	Closed	01/17/2020	06/15/2020	CAP items resolved and audit closed 06/15/2020
USC	2020 Annual Credentialing Recredentialing Audit	Closed	04/09/2020	06/22/2020	CAP items resolved and audit closed 06/22/2020
VTS	2019 Annual NEMT Audit	Closed	04/21/2020	06/15/2020	CAP items resolved and audit closed 06/15/2020.
VTS	2020 Call Center Audit	Open	05/14/2020	Pending	Audit was conducted on 03/30/2020.
CDCR	2020 Quarterly UM Audit	Closed	08/04/2020	08/05/2020	CAP issued and resolved at the time of the audit
City of Hope	2020 Annual Credentialing Recredentialing Audit	Closed	07/08/2020	07/28/2020	CAP items resolved and audit closed on 07/28/2020

Delegate	Audit Year/Type	Audit Status	Date CAP Issued	Date CAP Closed	Notes
CHLAMG	2020 Annual Credentialing Recredentialing Audit	Closed	N/A	N/A	Completed on 07/21/2020. No findings.
CSMCF	2020 Annual Credentialing Recredentialing Audit	Closed	NA	NA	Audit conducted on July 31 and Aug 3 with no findings.

### Grievance and Appeals

#### Member and Provider Grievances Totals:

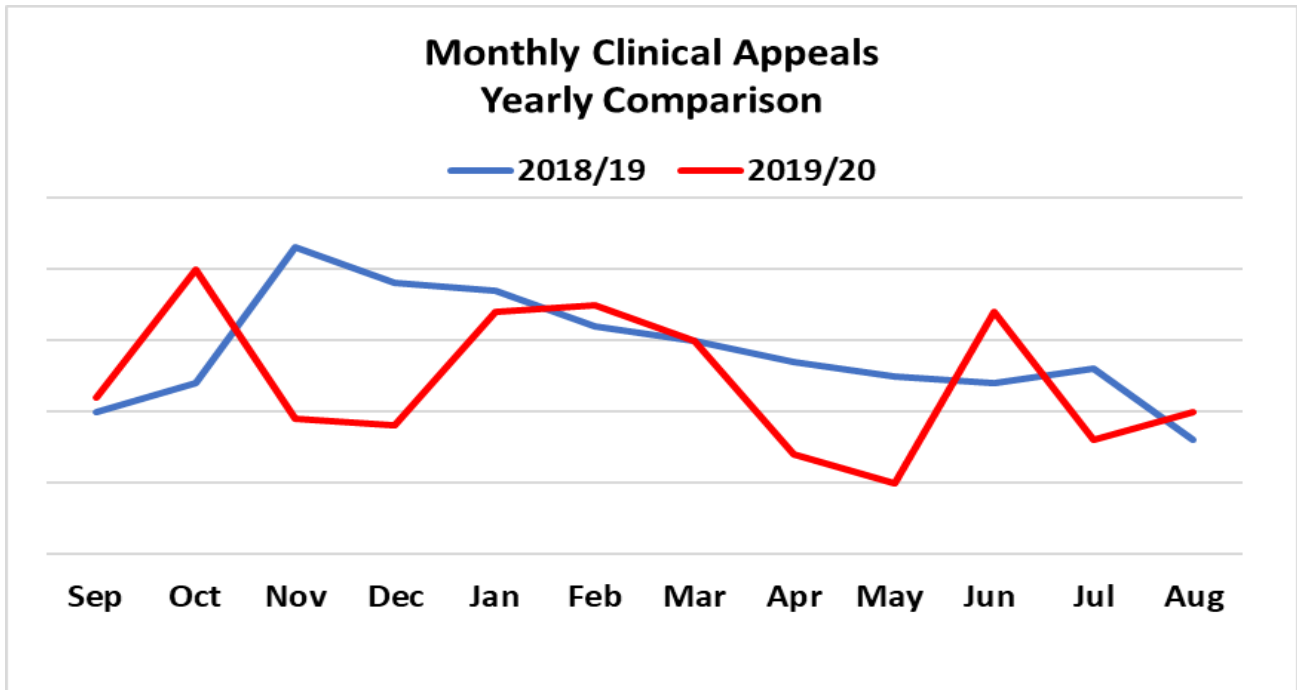


The graph displays a combined total of all grievances received over the past year. In August 2020, the combined total is 196 which is a decrease from August 2019 of which the total was 380 total grievances.

August 2020 - Member Grievance received 33 cases, which is comparable to the 33 cases received August 2019. The top category for August 2020 Member Grievances was Quality of Care.

August 2020 - Provider Grievances received 163 cases, which is a decrease when compared to the August 2019 Provider Grievances cases of 346. The top categories for August 2020 Provider Grievances were Claims Payment, Claims Billing Dispute and Post Service Retro Authorization Review.

**Clinical Appeal Totals:**



August 2020 - Clinical Appeals received 20 cases which is a slight increase, when compared to the August 2019 Clinical Appeal cases of 16. Appeals are based on adverse benefit determinations from an authorization review.

For the month of August 2020, the Appeals were reviewed, and the determination was 10 upheld, 2 overturned, 3 withdrawn and 5 are still being reviewed.

**AmericasHealth Plan (AHP)**

The AHP Plan to Plan Agreement is in its final phase of review by the DHCS based on the latest call with DHCS on August 18, 2020, and the CEO’s overtures to DHCS in September 2020.

GCHP continues to meet weekly with AHP leadership (Leadership Steering Committee) on the implementation process and operational issues. GCHP has completed the Readiness Checklist and has populated it with completion dates and identification of the proper business owners. GCHP has shared the document with AHP and they are in the process of reviewing it for final approval. Both parties are committed to ensuring this tool remains thoroughly updated and to continuously reviewing and adjusting processes to ensure a successful implementation.

Several key workgroups have been established to focus on operational implementation. Some of these workgroups have begun to meet. Workgroups will be reporting their progress to the GCHP-AHP Leadership Steering Committee on a weekly basis.

## **Network Operations**

### ➤ **PCP Assignment to Member Mix – Refer to Attachment A**

### ➤ **Regulatory:**

Completed:

- File and Use Provider Directory submitted timely 09/03/2020
- New enhancement to GCHP website availability of Online PDF Provider Directory on a monthly update as of 09/03/2020
- Bi-Annual Provider Directory approved by DHCS on 09/03/2020 and sent Print and Fulfillment
- New Site Telehealth Indicator deployed on Provider Network Database (PNDB) as well as changes to data selections according to DHCS requirements for 274 File.
  - Requirements
  - UAT Testing
  - Business check out

In Process:

274 Provider Data:

- PAVES Telehealth Indicator Update – MCPs expected to submit production 274 files using the new indicators in the September 2020 submission month
  - Plan of action in development for PNDB provider data
  - Collaboration meeting with Subcontractor Kaiser 07/13/2020 to discuss plan of action and next steps
- Provider Foreign Languages Spoken at the Site and by individual providers expansion
- Monthly Data Corrections

### ➤ **COVID-19 Provider Reach-out and Communication**

The Network Operations team continues to aggressively reach out to providers regarding any COVID-19 related impacts on provider operations and member access. This information is submitted to DHCS. The Provider Communications Workgroup continues to meet on a regular basis and provides timely and helpful updates to our network providers.

Provider Outreach is conducted twice a week by email and phone to determine closures or impact due to the Coronavirus:

- Skilled Nursing Facility (SNF) & Long-Term Care (LTC)
  - Reporting outbreaks of COVID-19 among patients and staff at several facilities



- Several facilities have reported they have no SNF/LTC bed availability, they are not taking new admissions and where facilities are taking members, they are limiting admissions for short stays only
- Due to the above, the Plan expects to see delays in hospital discharges, which will result in increases in admin/placement days.
- Home Health- no issues
- Hospice- no issues
- Palliative Care- no issues
- Congregate Living Facility-no issues, however beds are limited

Email and phone outreach to the following provider types:

- Ambulatory Surgery Center- no issues
- Urgent Care- no issues
- PCP- no issues
- Pharmacy Infusion- no issues
- Lab-Access Issues
  - Quest and Lab Corp reporting delays due to increases in testing, resulting from the latest COVID-19 surge. Quest is also experiencing delays in standard lab testing
- Radiology- no issues
- Physical Therapy- no issues
- Audiology & Hearing Aids- no issues
- DME- no issues

➤ **Provider Contracting Update:** Provider Contracting sent out a total of 3 new contracts

New Contracts:

- USC University Hospital
  - Effective 08/01/2020
  - Added Verdugo Hills Hospital

Amendments:

Provider Contracting sent out a total of 4 Amendments for this time period. Amendments returned and completed are:

- County of Ventura Interim LOA (2)
  - Addition of 8 providers onto Interim LOA as they have recently applied for Medi-Cal enrollment
  - Termination of 3 providers from Interim LOA as they have recently been approved for Medi-Cal enrollment and can be added to the monthly VCMC roster for loading
- OMAC Pharmacy
  - Update to Tax ID # and legal name
- Ventura Orthopedic Medical Group, Inc.
  - Addition of 2 therapist onto Interim LOA as they have recently applied for Medi-Cal enrollment

### Interim LOA

- Simi Valley Radiology & Imaging Medical Group
  - Interim LOA in place for 16 radiologist that are currently pending credentialing
  - Credentialing is being delayed due to COVID-19
- Lags Spine & Sportscare Medical Ctr
  - Addition of pain management provider, Dr Tony Liu. There is a necessity of pain management providers for GCHP members identified by CMH and Health Services. Dr Liu is currently pending credentialing and additional 30 days before completion.
- Amigo Baby Therapy Services
  - Addition of 2 speech therapist identified as a network gap. The 2 therapists are currently pending credentialing.

### LOA:

Provider Contracting sent out a total of 21 member specific LOAs during this time period. LOAs returned and completed are:

- 17 Amigo Baby LOAs
- 1 Aspen Surgery Center LOA
  - Right forearm surgery
- 1 Accredo Health LOA
  - LOA for infusion supplies
- 2 Hollywood Presbyterian Medical Center
  - 2 LOAs for complicated pregnancies including labor, delivery and follow-up care
- Better Doctors:  
Network Operations continues to meet weekly with Quest Analytics as a touch base to ensure that the process continues to move smoothly.

We also continue to verify the demographic information obtained from Better Doctors. The following reviews were performed:

- 958 provider lines reviewed
- 1,336 provider records were audited to insure the providers were loaded accurately in PNDB and IKA (GCHP claims system).

### Provider Change:

Two Trees Physical Therapy acquired Camarillo Aquatics effective September 14, 2020. Member access should not be affected as Two Trees will retain the current Camarillo Aquatic staff and member authorizations will be honored and new future authorizations will be updated to Two Trees Physical Therapy.

### ➤ **Provider Contracting and Credentialing Management System (PCCM)**

PCCM Project overall health is **YELLOW** due to the following reasons:

- Resource constraints due to competing production priorities across the departments involved continued to be managed

➤ **PCCM Items Currently in Progress:**

- 9 Test Case Development – 09/14/2020 thru 09/30/2020
- Business process documentation and review
  - Contracts
  - Credentialing
  - Provider Maintenance
- Reference Type review
- Gap analysis of PNDB data (field-to-field) converted into eVIPs
- Interface development of printed Provider Directory, Online Directory, Quest and Provider Rosters
- Provider Directory Online directory (Coffey) regulatory gap analysis discussions continue
- Extracts to eVIPs Provider Rosters and Better Doctor
- Mapping review and continued clean up – Iterations 1 thru 8

➤ **Provider Database Clean-up Project:**

The Network team has attended bi-weekly meetings with internal GCHP staff and Symplir staff to discuss and make decisions required to support the eVIPs conversion and process configuration. This project includes the review and updating of the Provider Relations Shared Drive. It also includes the testing of the eVIPs system to insure that information transferred from GCHP systems is accurate in the eVIPs system setup.

- Team completed Iteration 8 testing
- Team currently preparing for Iteration 9 testing by reviewing mapping documents, confirming elements in current provider database. Also, reviewing and analyzing multiple reports to ensure required data elements identified for conversion into the new PCCM database.

➤ **Enterprise Transformation Project (ETP):**

To assist providers in identifying changes to the system, GCHP created a tool, the Provider Resource Guide, to assist providers in identifying and navigating changes. The Provider Advisory Committee reviewed and provided feedback on the Provider Resource Guide. Webinar based provider training begins October 1, 2020.

Benefits of the Provider Resource Guide:

The Provider Resource Guides provides a single document to identify changes. The Provider Advisory Committee has reviewed a draft of the document, some of the changes will be incorporated into the Provider Manual.

Example of Changes:

Some GCHP assigned provider numbers will change. The Provider Portal will require new provider accounts and logons, Claims Adjudication and Claims Submission.

➤ **Provider Additions:**

August 2020 Provider Additions – 35 Total

15 In-Area Providers

Provider Type	Additions
PCP	5
Specialist	8
Specialist - Hospitalist	2

20 Out-of-Area Providers

Provider Type	Additions
Specialist	20

➤ **Provider Terminations:**

August 2020 Provider Terminations – 14 Total

12 Out-of-Area Providers

Provider Type	Additions
PCP	2
Specialist	8
Specialist - Hospitalist	2

2 Out-of-Area Providers

Provider Type	Terms
Specialist	2

These provider terminations have no impact on member access and availability. Of note, the specialist terminations are primarily associated with tertiary adult and pediatric academic medical centers where interns, residents, and fellows have finished with their clinical rotations.

**ATTACHMENT A**

**TOTAL MEMBERSHIP MIX:**

MONTH	VCMC	CDCR	CMH	KAISER	DIGNITY	PCP-OTHER	UN-ASSIGNED	ADMIN MEMBERS
Aug-20	81,108	39,776	30,326	5,814	5,454	5,680	4,141	35,297
Jul-20	79,862	39,146	29,849	5,693	5,299	5,632	4,160	36,039
Jun-20	78,801	38,565	29,452	5,552	5,180	5,586	4,244	35,572

**ADMINISTRATIVE MEMBERS MIX:**

CATEGORIES OF ADMINISTRATIVE MEMBERS	SEPTEMBER 2020
Total Administrative Members	36,717
Share of Cost	2,608
Long Term Care	875
BCCTP	89
Hospice (REST-SVS)	25
Out of Area (Not in Ventura)	559
Other Health Care	
DUALS (A, AB, ABD, AD, B, BD)	24,678
Commercial OHI (Removing Medicare, Medicare Retro Billing and Null)	11,393

**NOTES:**

1. GCHP is working on a new format for Commission reporting relating to membership.
2. Total in cells will not add up to distinct count that corresponds to the total Administrative Members because members can be represented in multiple boxes. For example, a member can be both Share of Cost and live Out of Area. They are counted in both of those boxes. However, though a member may be represented in multiple boxes, the member is only counted as one Administrative member.
3. Share of Cost (SOC) Membership will change dependent on a member's use services. SOC members are only counted in months services are rendered.
4. Hospice Membership will vary because members pass away.
5. Other Health Care (OHC) is validated on a monthly basis, and numbers will vary.
6. Medi-Medi membership is validated on a monthly basis, and numbers will vary.

**RECOMMENDATION:**

Receive and file the report.



**AGENDA ITEM NO. 8**

TO: Ventura County Medi-Cal Managed Care Commission  
FROM: Nancy Wharfield, Chief Medical Officer  
DATE: September 28, 2020  
SUBJECT: Chief Medical Officer Report

**Inovalon® INDICES® Provider Insights Dashboards**

The Gold Coast Health Plan (“GCHP”) Quality team successfully launched the Inovalon® INDICES® Provider Insights dashboards on August 14, 2020. This important tool will provide valuable insights for our team and our providers about performance around Medi-Cal Accountability Set (“MCAS”) quality measures.

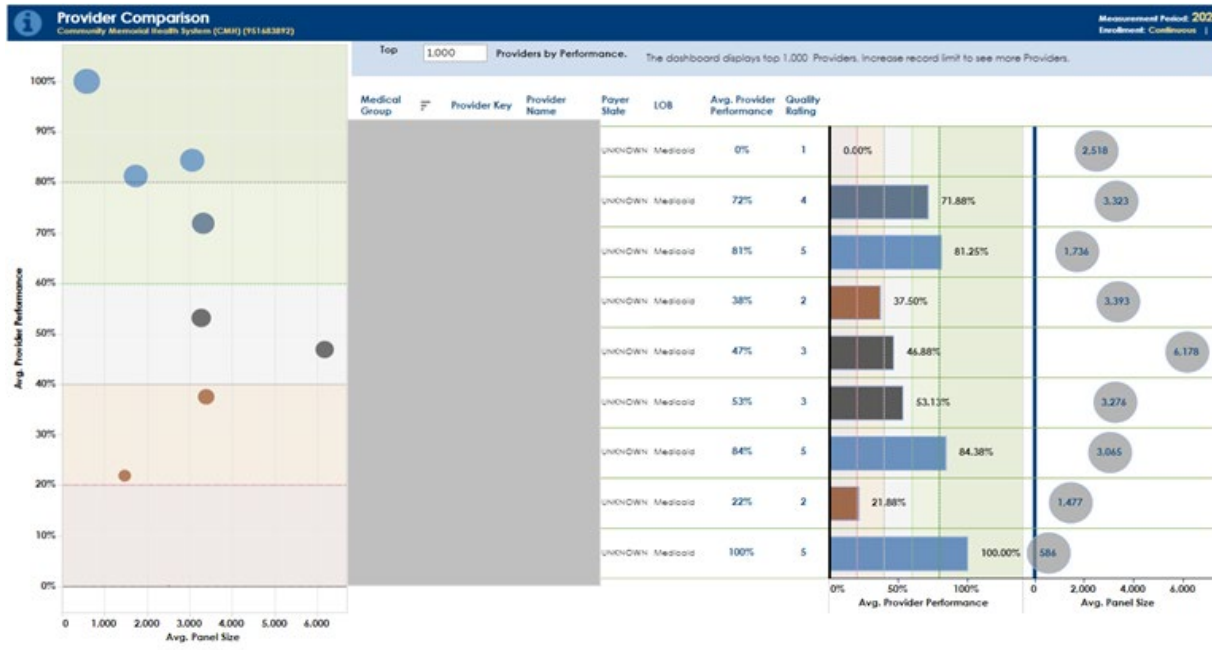
The key features of this platform include:

- Data visualization and reporting dashboards to help improve measure outcomes and performance and support the PDSA cycle
- Monitoring of current and projected measure performance, measure trending and gap analysis
- Ability to view performance at the member or clinic level
- Comparative performance reporting between and among clinics, demographic reporting, and zip code level location data
- Member level detail reports that can be downloaded for additional analysis, managing care gaps and patient outreach

The INDICES tool will provide efficiencies for GCHP and clinic partners through easy to understand navigation and data visualizations, self-serve customizable reports, and the elimination of the need to produce and distribute manual bi-monthly prospective rate reports and member-level gap reports to providers.

Training sessions have been completed for most of our major provider systems. The tool was exceptionally well-received with participants sharing highly positive feedback about the utility of the tool and value of the robust data.

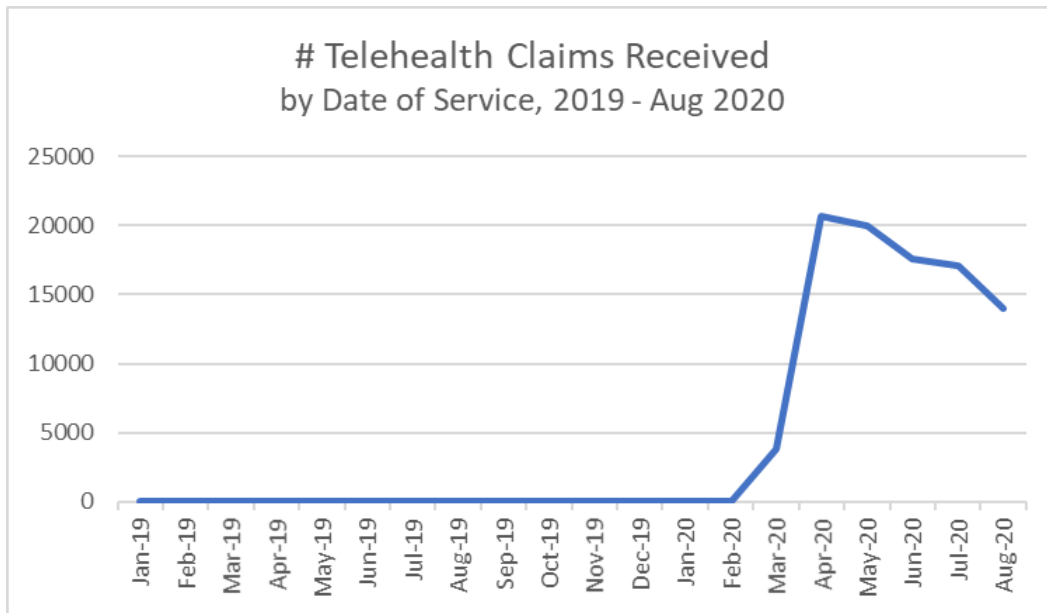
Monthly email communications will keep internal and external users informed of data loads, key tips, enhancements and planned upgrades.



## Utilization Update

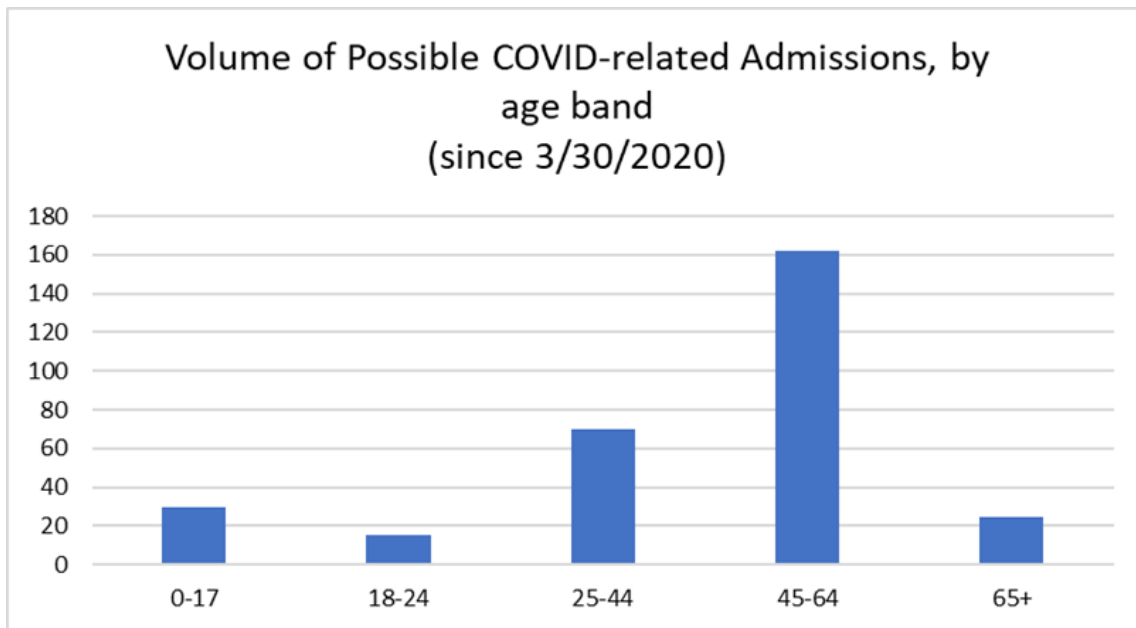
### Telemedicine

Telemedicine claims declined from a peak seen in April of 2020 but continue to be significantly elevated compared to pre-pandemic utilization. Telemedicine utilization for August of 2020 was over 1,500 greater than August of 2019 (14,044 v 9).

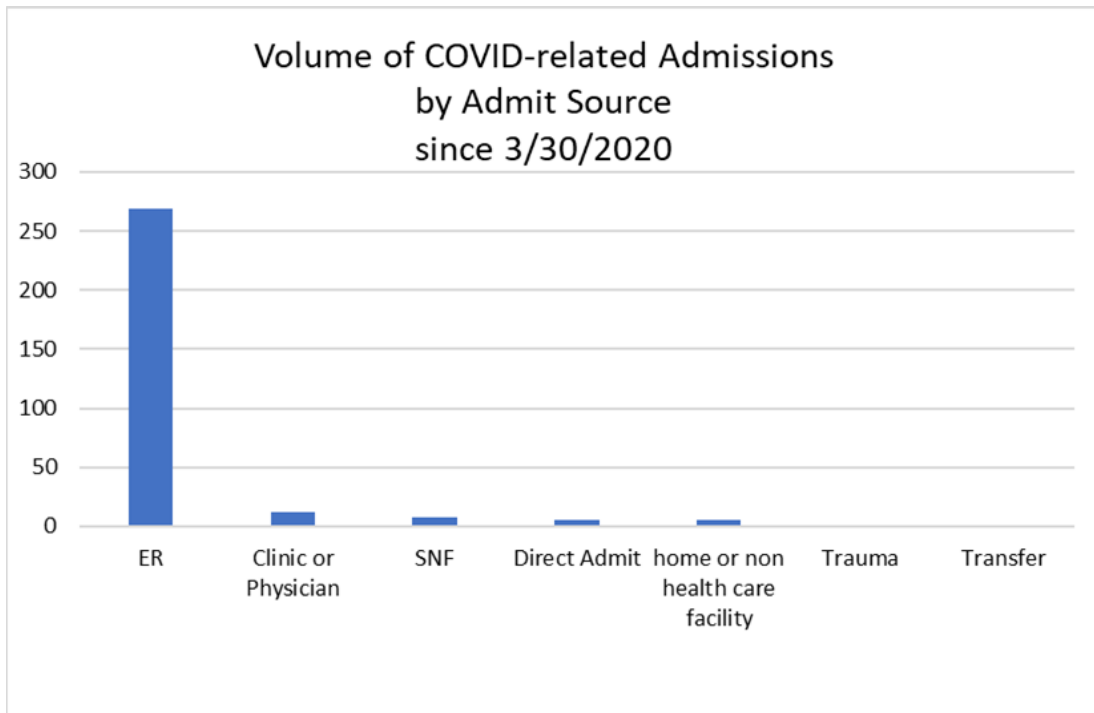
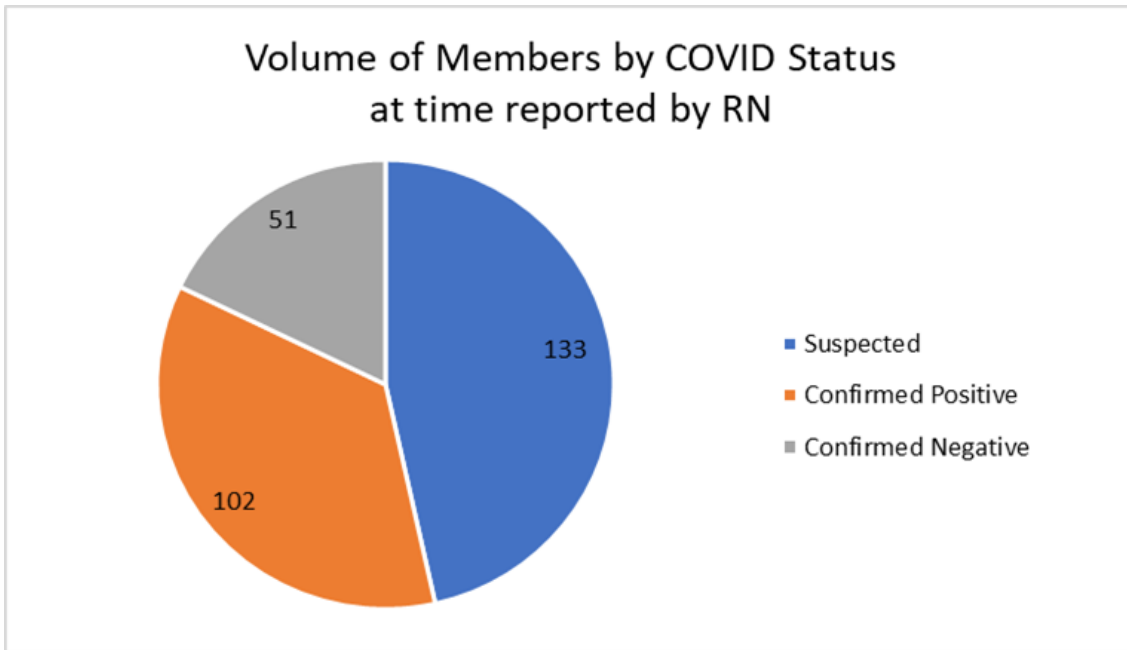


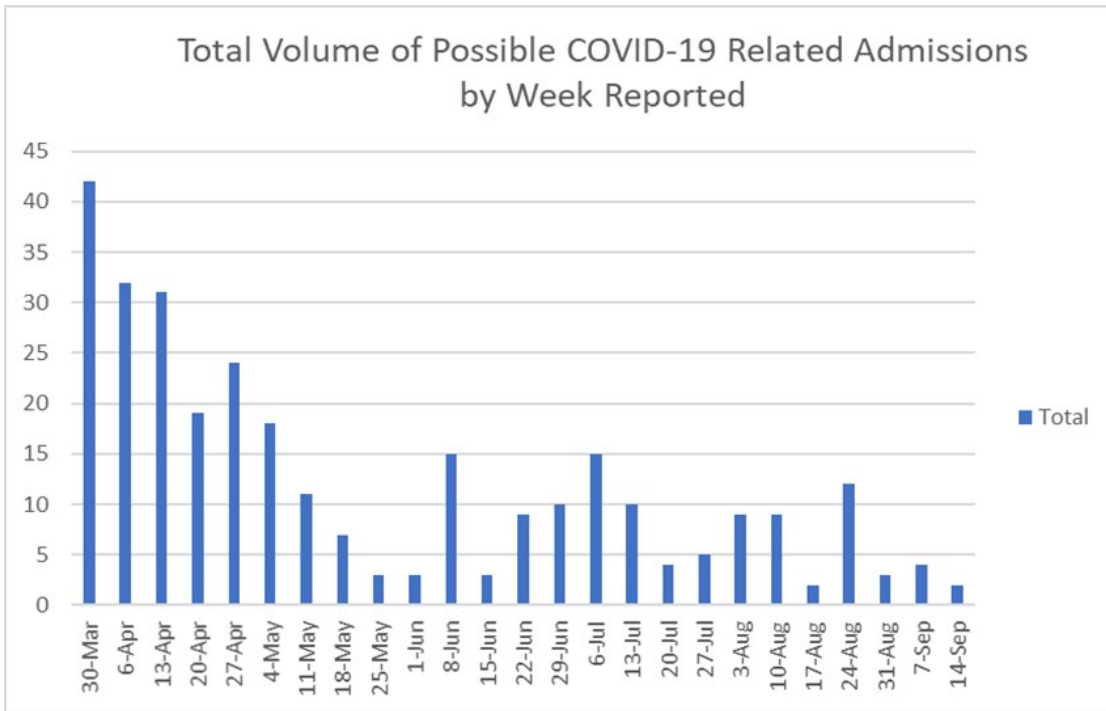
COVID-19 Related Admissions

GCHP staff have reported 302 COVID-19 related hospital admissions to the Department of Health Care Services (“DHCS”) as of 9/16/2020. This is an approximately 11% increase over August 2020 (271). An additional 642 positive results were identified through outpatient laboratory testing. There have been 8 readmissions for members previously reported to be positive. Most admissions continue to be for members in the 45-64 year old age group followed by the 25-44 year old age group. While final status of nearly half of admissions is pending, 102 (36%) admissions were confirmed positive for COVID-19 and 51 (18%) were confirmed negative. Most admissions continue to come through the Emergency Department and volume of admissions has been variable since the peak at the end of March 2020.



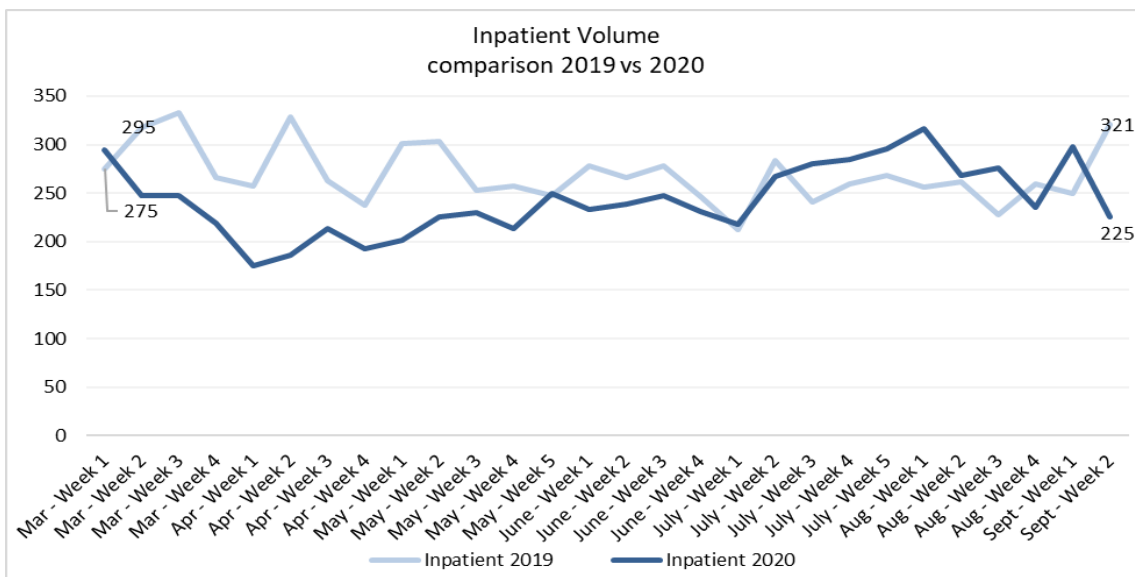


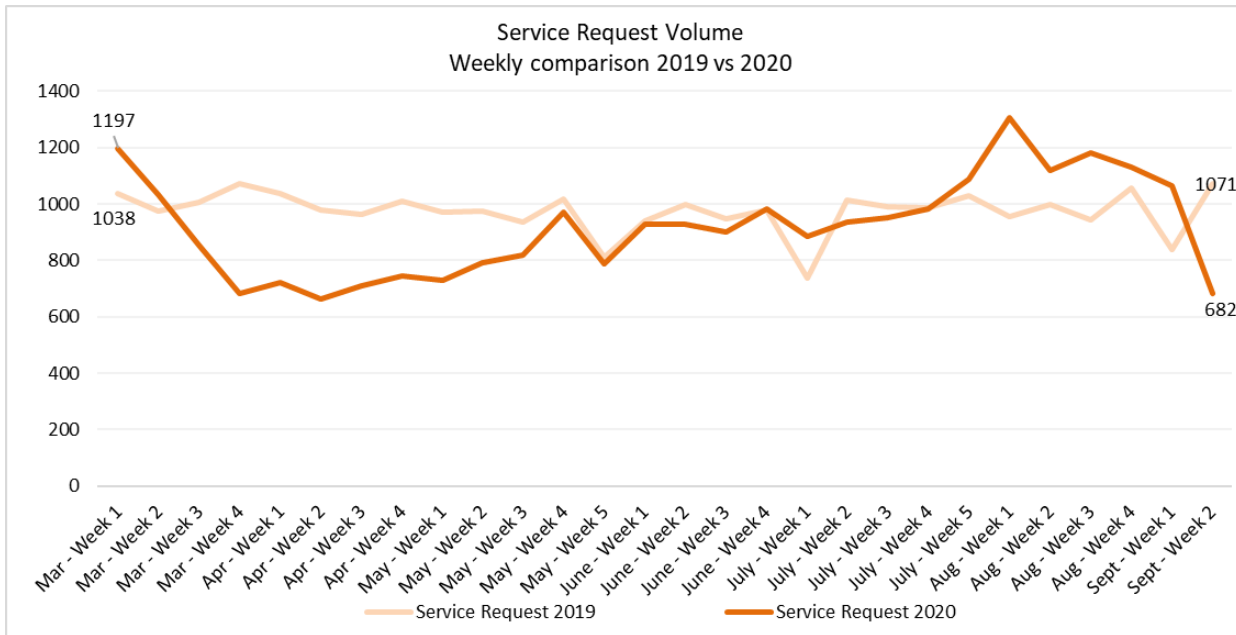




**Service Requests**

Inpatient service requests were down by approximately 12% and 19% for CYQ1 and Q2 compared to prior year. Requests for outpatient service were also down by 1% CYQ1 and 13% in CYQ2. The Labor Day holiday contributed to the decline in inpatient and outpatient service requests for the second week of September shown in the graphs below.



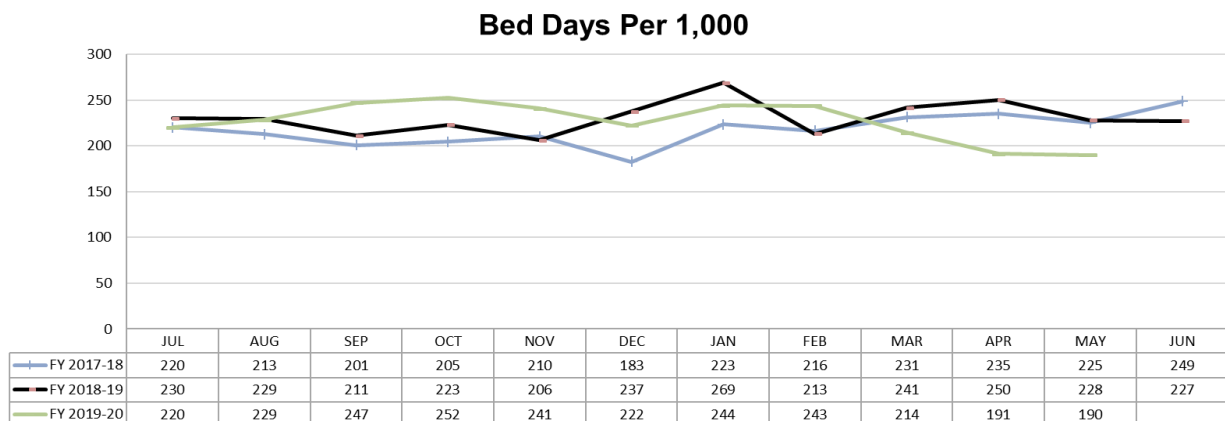


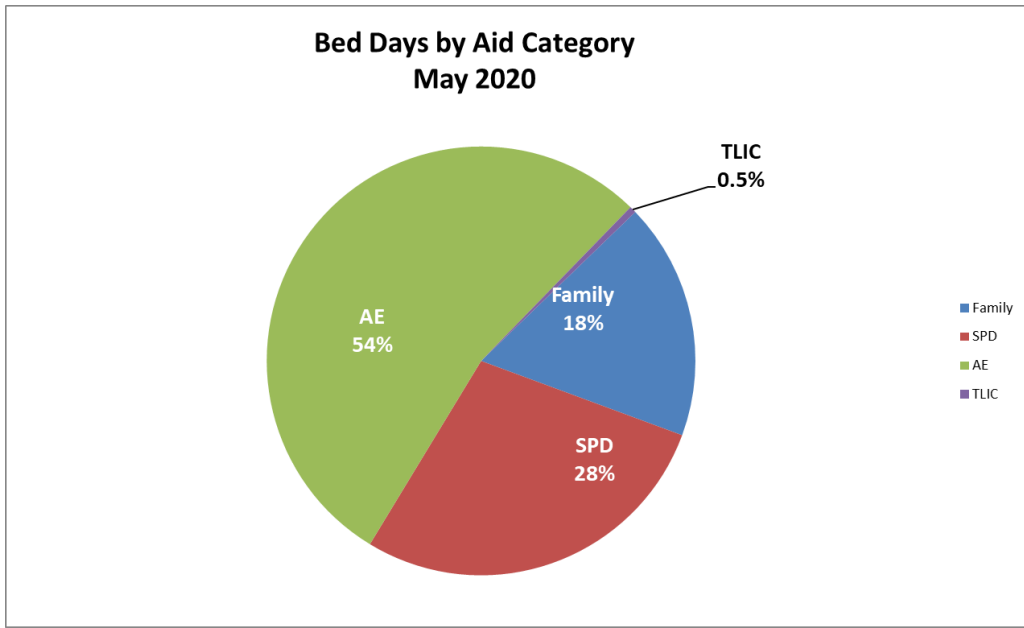
**Bed Days**

Bed days/1000 members decreased from prior year by 5% in CYQ1 (247 v 234.6) and by 22% in CYQ2 (239.3 v 187).

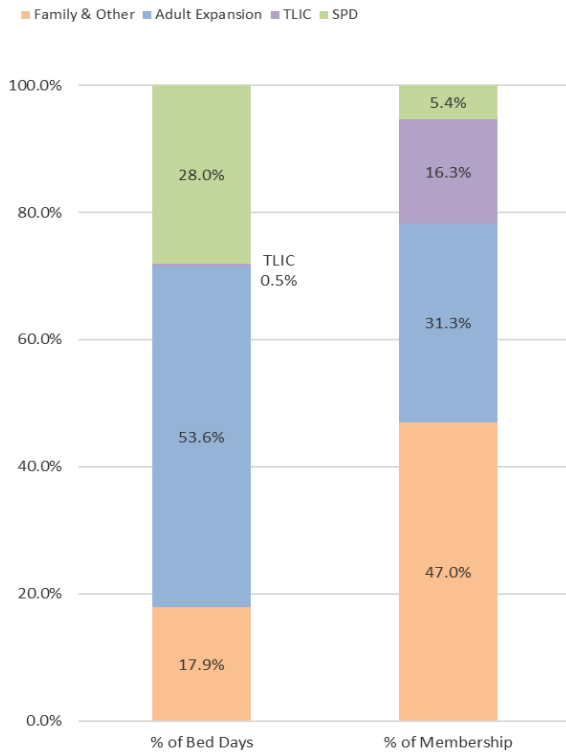
Bed days/1000 benchmark: While there is no Medi-Cal Managed Care Dashboard report of bed days/1000 members, review of available published data from other managed care plans averages 238/1000 members.

Over half of bed days are utilized by Adult Expansion (“AE”) members (54%), followed by Seniors and Persons with Disabilities (“SPD”) (28%) and Family aid code groups (18%). Low income children (“TLIC”) utilization is less than 1% (0.5%). AE members represent about 30% of our population with 54% of bed day utilization. SPDs represent just over 5% of our membership with 28% of bed day utilization.





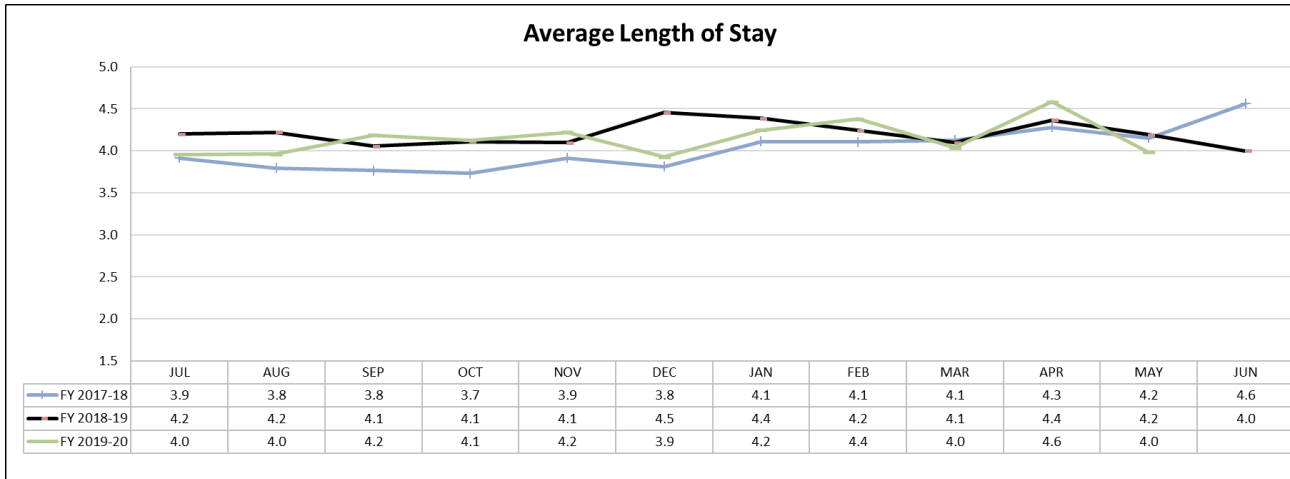
Comparison of Proportion of Days per Aid Group to Proportion of Membership per Aid Group  
 (May 2020 Acute days vs May 2020 Elig Members)  
Non-Duals Only



Average Length of Stay (“ALOS”)

Higher than normal ALOS was seen in February and April (4.4 and 4.6). This is consistent with national trends reflecting capacity for isolation beds in skilled nursing facilities (“SNFs”).

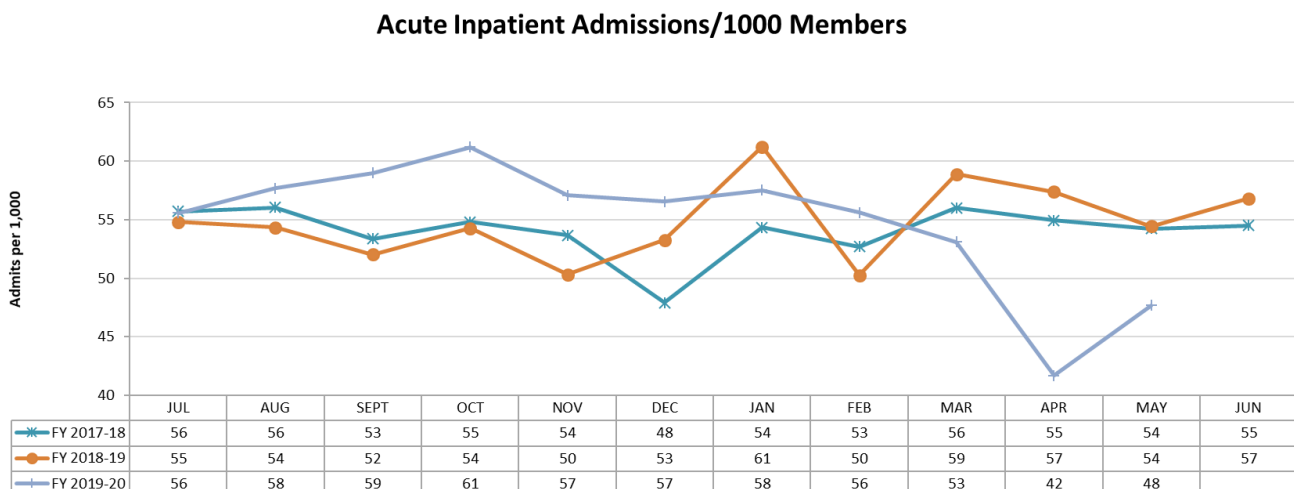
Average length of stay benchmark: While there is no Medi-Cal Managed Care Dashboard report of ALOS, review of available published data from other managed care plans averages 5.



Admits/1000 Members

Admits/1000 members decreased from prior year by 4.5% in 2020 CYQ1 (58 v 55.4) and 21% in CYQ2 (57 v 45.3). The CY2019 admits/1000 average was 58.

Admits/1000 members benchmark: The Medi-Cal plan average is 55/1000 members.



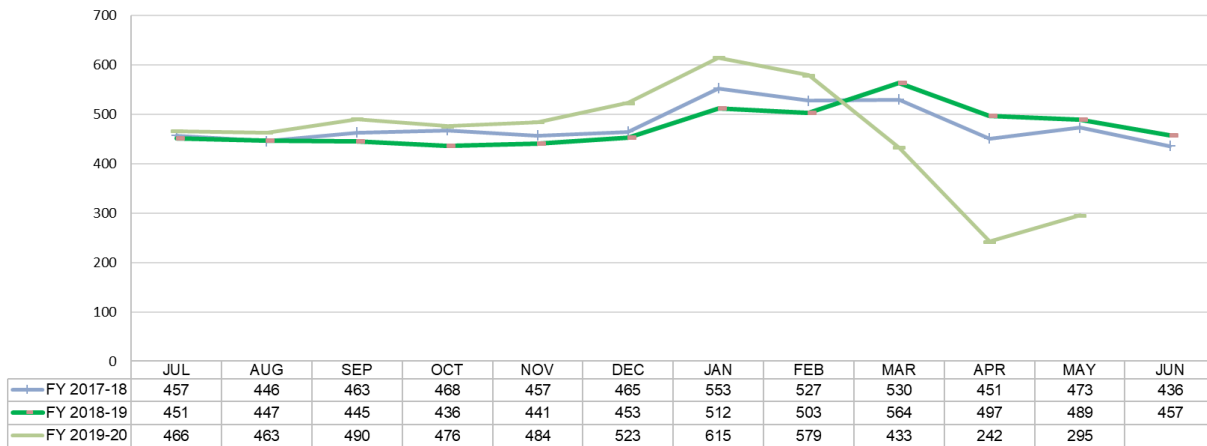
**ED Utilization/1000 Members**

A decline in ED utilization which began in February 2020 reached a significant nadir in April 2020. ED utilization/1000 members declined from prior year by 2% in CYQ1 (530.4 v 520.2) and by 47% in CYQ2 (484.1 v 256.9).

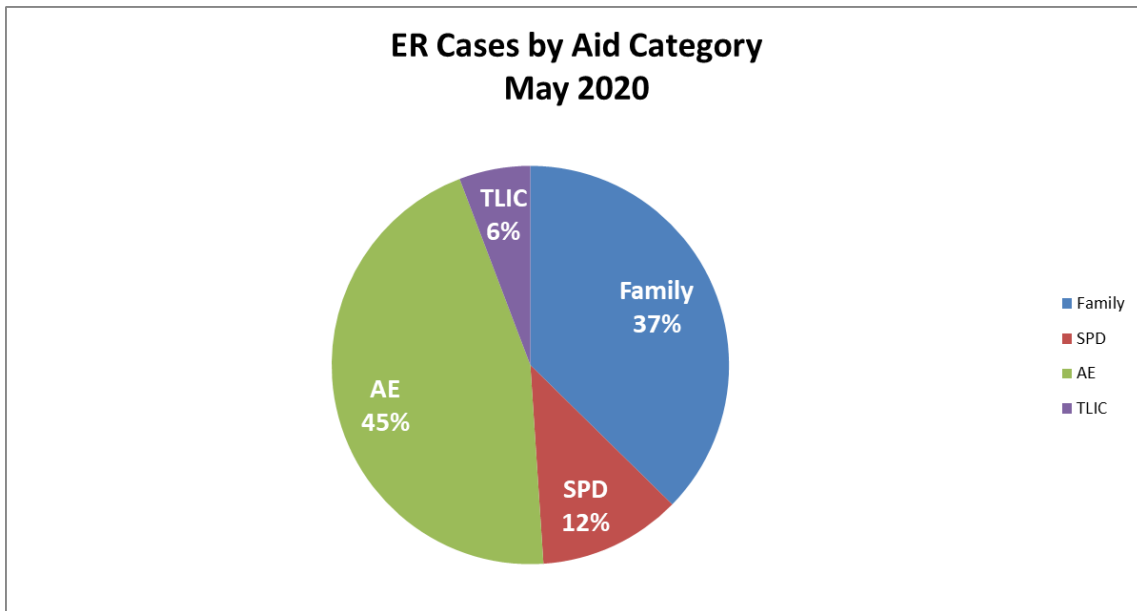
ED utilization benchmark: The MCAS mean for managed Medicaid plans for ED utilization/1000 members is 587.

The AE aid code group represents 45% of ED visits followed by the Family aid code group (37%), SPD (12%), and TLIC (6%).

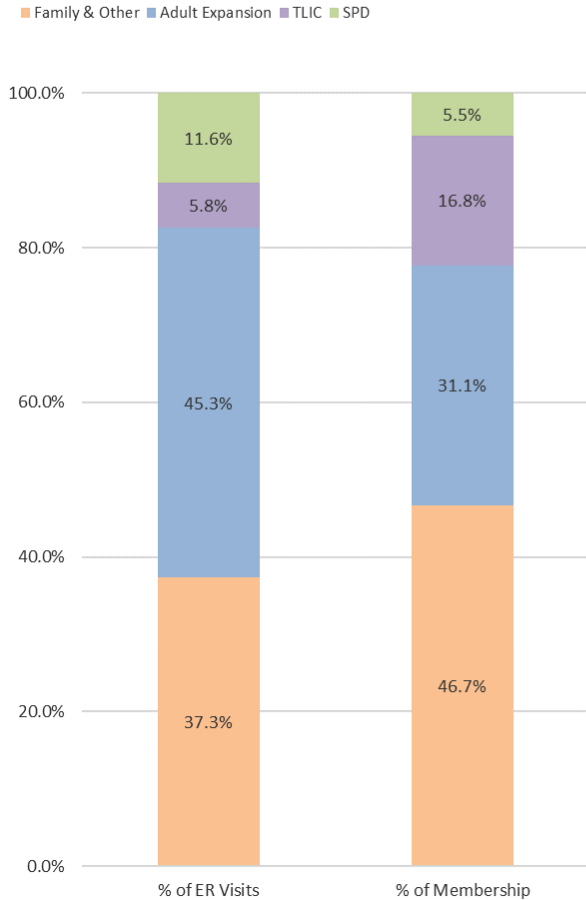
**ER Utilization Per 1,000**



**ER Cases by Aid Category  
May 2020**



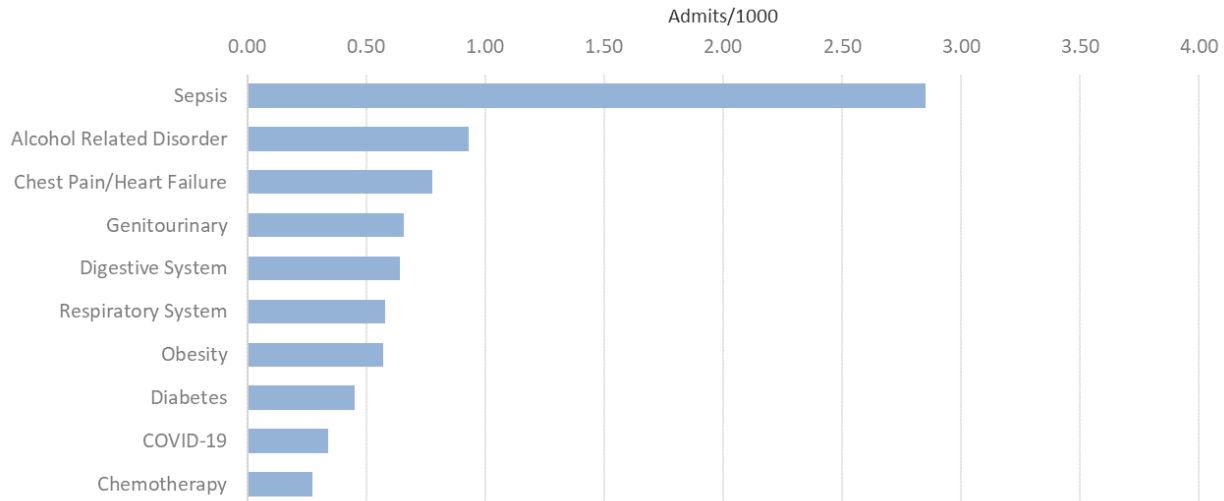
Comparison of Proportion of ER Visits per Aid Group to Proportion of Membership per Aid Group  
(May 2020 ER Visits vs May 2020 Elig Members)  
Non-Duals Only



Top Admitting Diagnoses

Pregnancy/childbirth continues to be our top admitting diagnosis category. When pregnancy is excluded, the top admitting diagnoses continue to be sepsis, followed by alcohol and cardiac categories. COVID-19 appears in position 9/10.

### Top 10 Diagnoses (Excluding Pregnancy) Calendar Year 2020 (thru August)



#### Readmission Rate

The quarterly readmission rate increased from prior year by 3.5% in CYQ1 (14.4 v 14.9) and by 1.3% in CYQ2 (15.3 v 15.5). COVID-19 related readmissions are expected to contribute to the Plan’s readmission rate during the pandemic.

Readmission rate benchmark: The Medi-Cal Plan average readmission rate is 15.8%.

#### Pharmacy Hot Topic Items

##### *Medi-Cal Rx*

DHCS will be carving out all prescription benefits from the Managed Care Plans (MCP) as of January 1, 2021 under a new program called Medi-Cal Rx. Upon implementation, all retail prescription claims will be submitted directly to the state via its PBM. GCHP will continue to work with advocacy groups, other MCPs, DHCS and its PBM, OptumRx, in order to facilitate the implementation of the carve out and will continue to bring information as it becomes available to this group.

GCHP is expecting to receive additional policy documents from DHCS that further describe the appeal processes available to providers at the end of September 2020 or the beginning of October 2020 and will present a more detailed overview of the prior authorization, appeal, and transition policies to the commission at the next commission meeting. Below are a few highlighted elements of these items that will be discussed in detail:

- Transition Policy
  - Medications may be grandfathered for up to 180 days from the date of January 1, 2021



- Existing prior authorizations will be honored for 1 year from the date of the prior authorization
- Any grandfathering may be limited to 1 year from the date the prescription was written and will not transfer across prescription numbers
- Provider Appeals
  - A provider appeal process will be available, but there are very limited details at this time
- Prior Authorizations (PAs)
  - Will be submitted via the new secure provider portal or via *Cover My Meds*
  - *SureScripts* will not be an option for electronic prior authorizations (ePA) on January 1, 2021
  - Providers will be able to set-up a delegated user to assist with PAs submitted via the provider portal

The DHCS dedicated website for Medi-Cal Rx is live and contains announcements, news, and secure portal training/registration. GCHP encourages all of its providers:

1. Visit the portal
2. Sign up for the email subscription service
3. Register for the secure portal and training

DHCS's Dedicated Medi-Cal RX Website:

<https://medi-calrx.dhcs.ca.gov/home/>

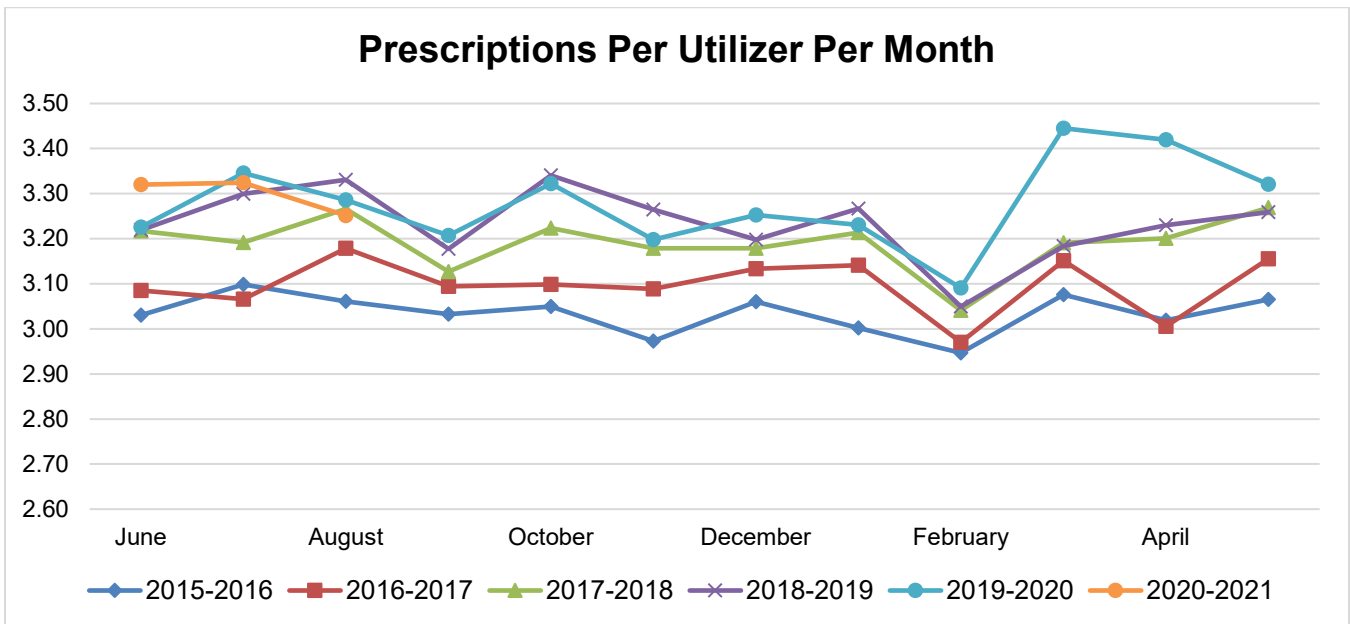
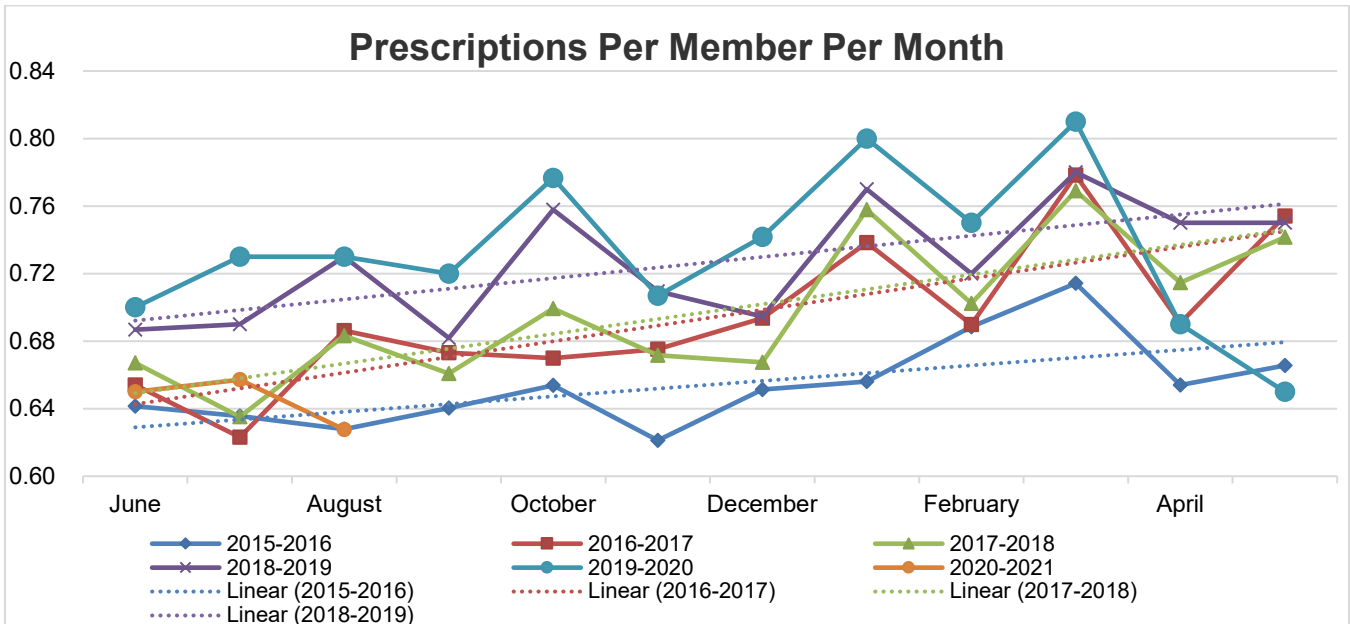
### **Pharmacy Benefit Cost Trends**

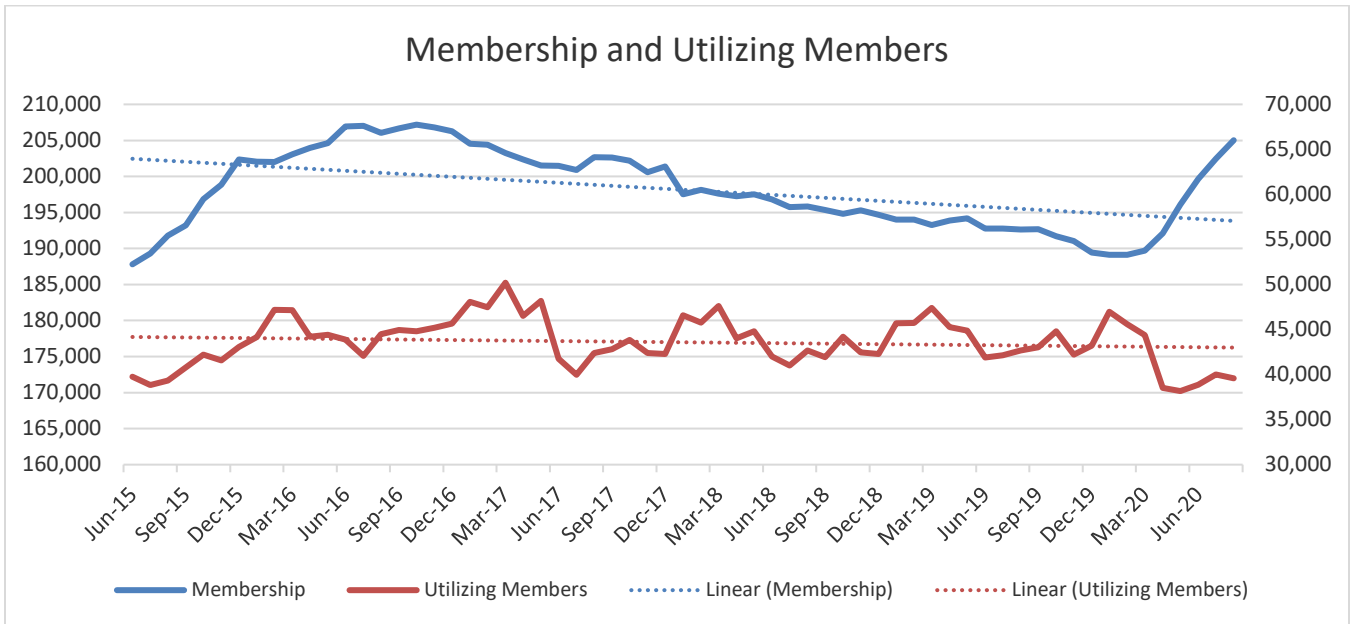
Gold Coast Health Plan's (GCHP) pharmacy trend shows in overall price increase of 11.16% from August 2019 to August 2020; this is a reduction in trend from the prior 5 months which showed an average trend price increase of 16.87%. Pharmacy trend is impacted by unit cost increases, utilization, and the drug mix. Pharmacy costs are predicted to experience double digit increases (>10%) each year from now until 2025. GCHP's trends are in-line with state and national data that is also experiencing significant increases in pharmacy costs. Impact from COVID-19 is expect to increased costs further.

#### *GCHP Annual Trend Data*

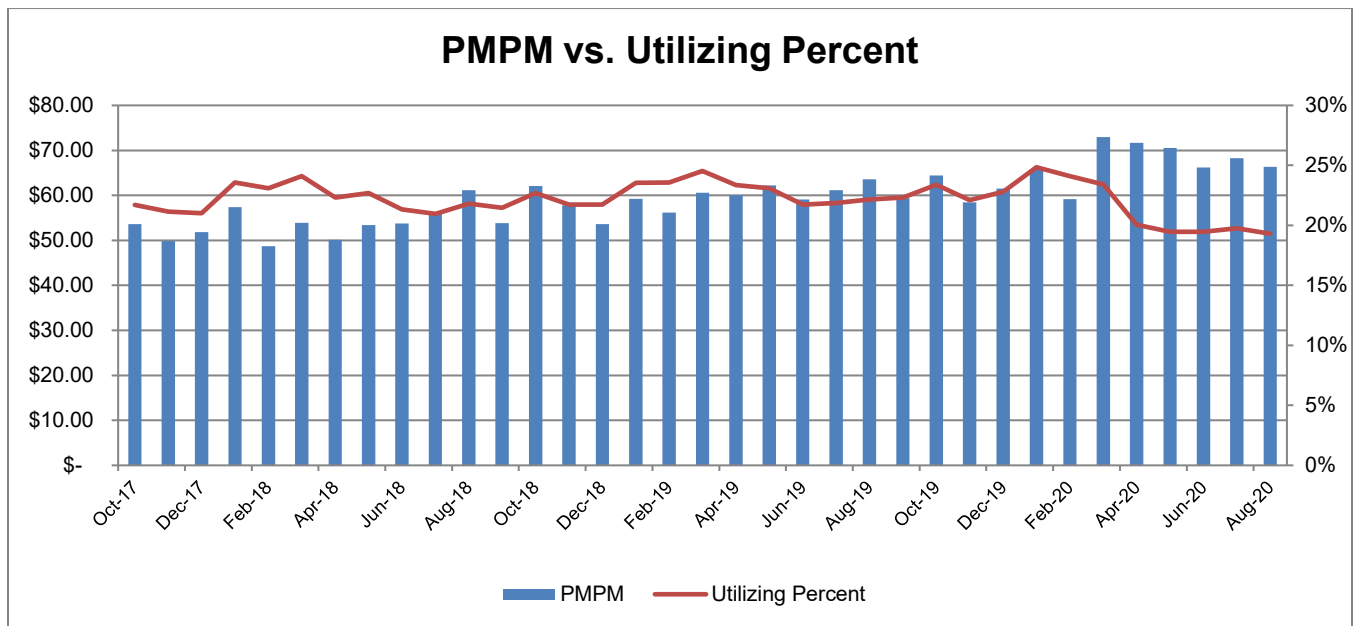
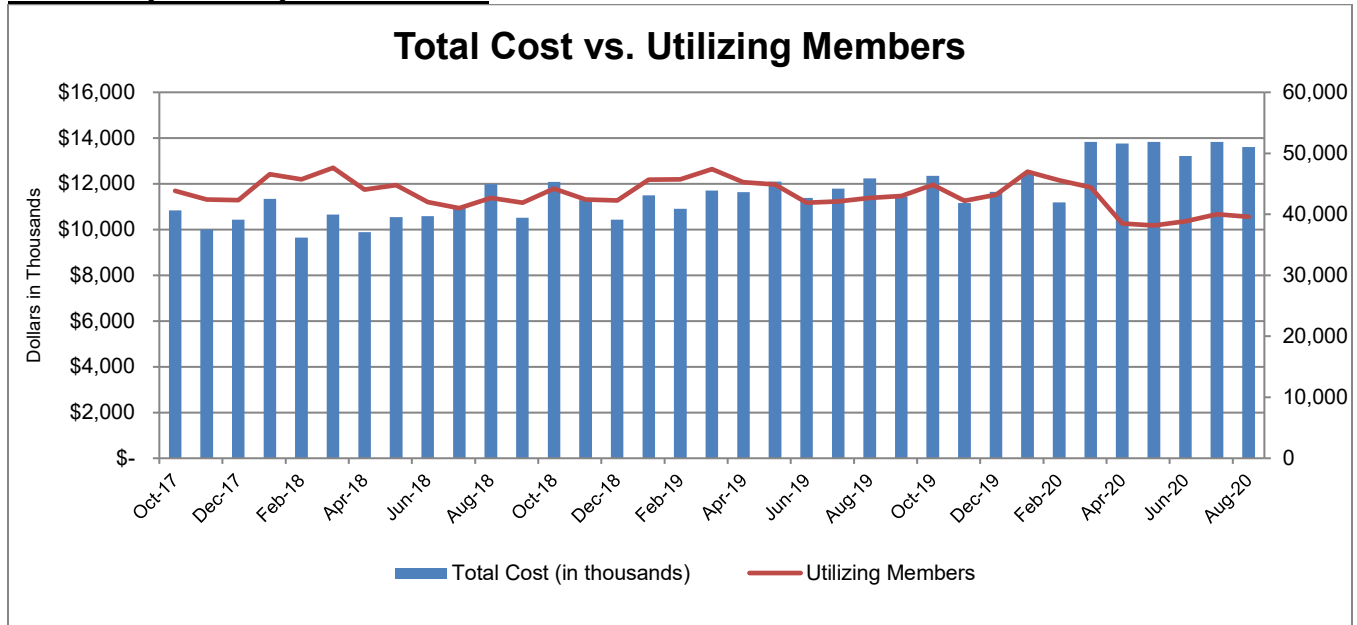
##### Utilization Trends:

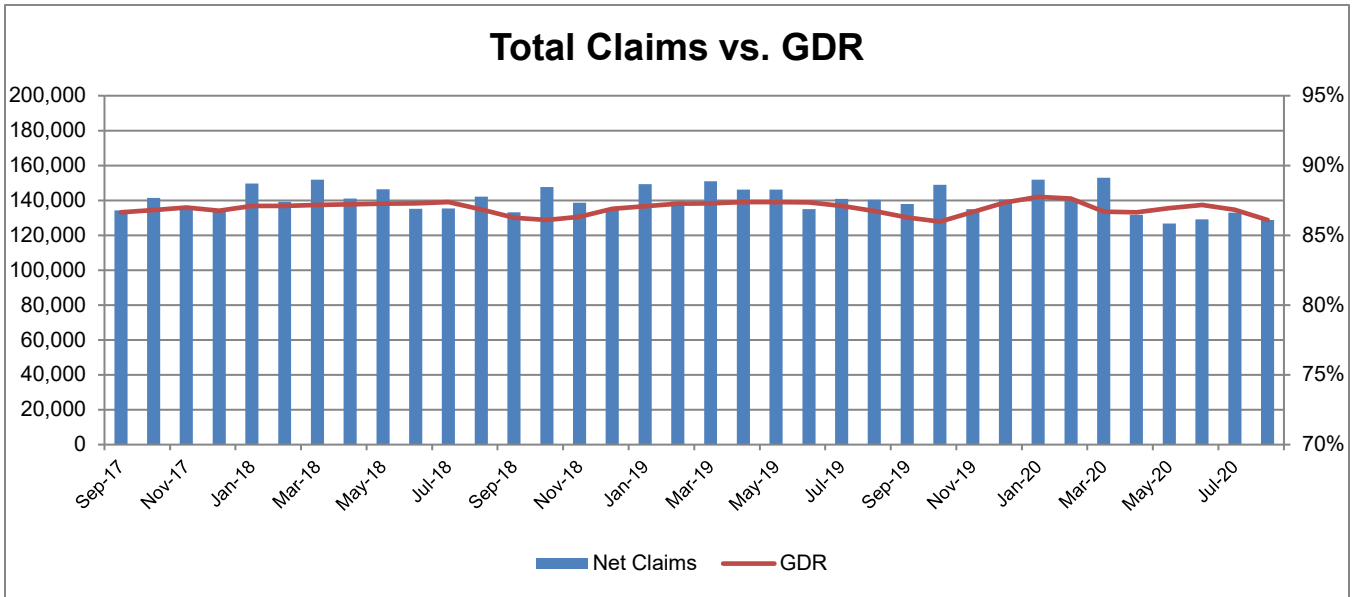
Through March 2020, GCHP's utilization was increasing as demonstrated by the number of members using prescriptions and the number of prescriptions each member is using while GCHP's total membership continued to decline. However, the impact of COVID-19 has caused an increase in membership and the utilization of extended day supplies which suppress the view of increased utilization. The new graph showing scripts per utilizer gives a new view of the increased utilization. GCHP will be continuously monitoring the impact of COVID-19 and the increased membership.



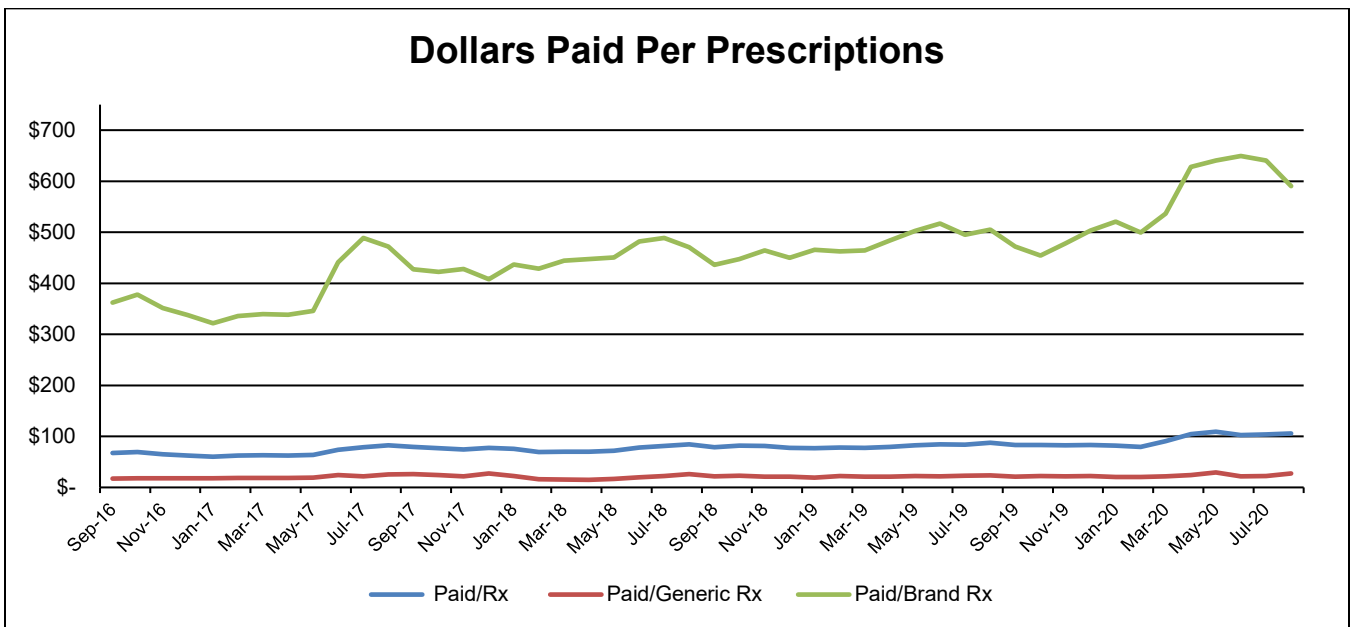


**Pharmacy Monthly Cost Trends:**



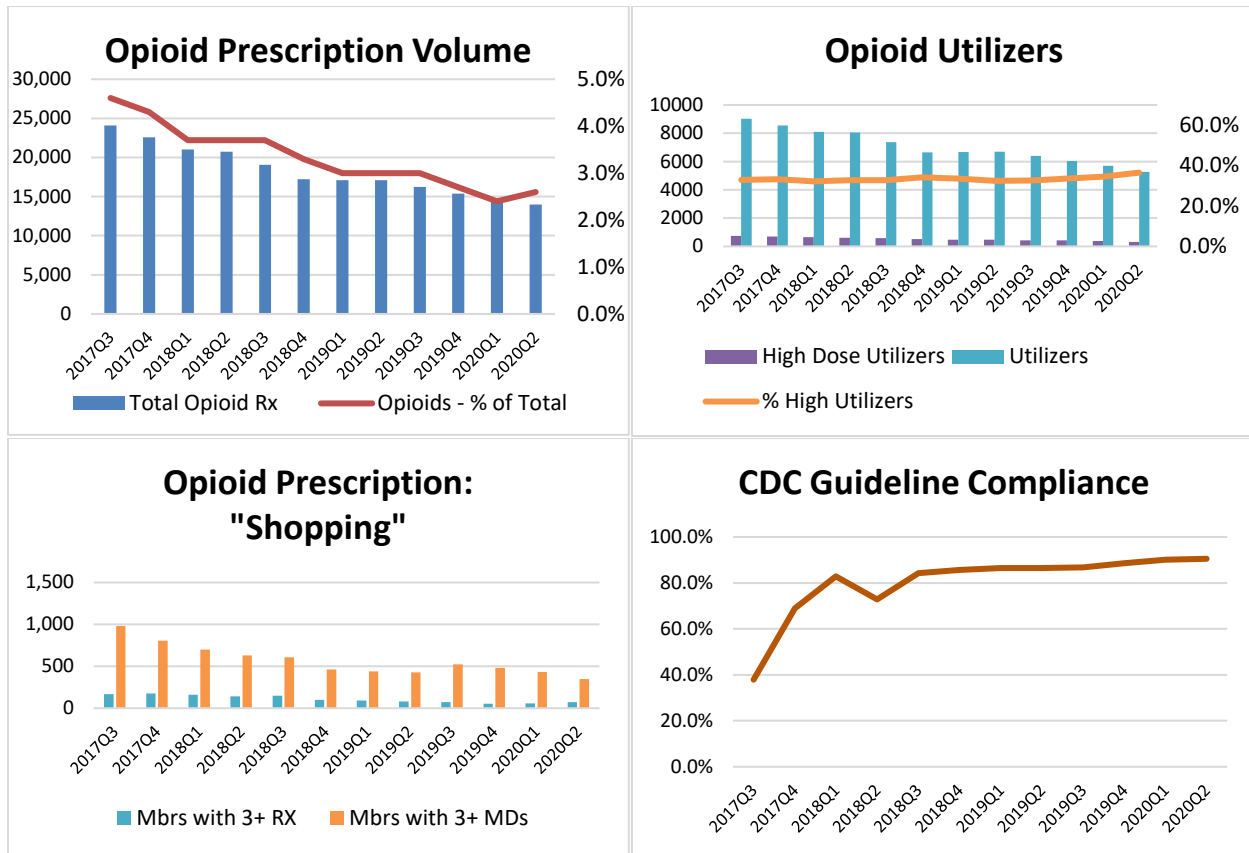


\*Claim totals prior to June 2017 are adjusted to reflect net claims.



## Pharmacy Opioid Utilization Statistics

GCHP continues to monitor the opioid utilization of its members and below are graphs showing some general stats that are often used to track and compare utilization. In general, GCHP continues to see a positive trend toward less prescriptions and lower doses of opioids for the membership.



### Definitions and Notes:

High Dose Utilizers: utilizers using greater than 90 mg MEDD

High Utilizers: utilizers filling greater than 3 prescriptions in 120 days

Prescribers are identified by unique NPIs and not office locations.

These graphs are unchanged from the prior report and will be updated upon receipt of 2020Q3 data.

**Abbreviation Key:**

PMPM: Per member per month

PUPM: Per utilizer per month

GDR: Generic dispensing rate

COHS: County Organized Health System

KPI: Key Performance indicators

RxPMPM: Prescriptions per member per month

Pharmacy utilization data is compiled from multiple sources including the pharmacy benefits manager (PBM) monthly reports, GCHP's ASO operational membership counts, and invoice data. The data shown is through the end of August 2020. The data has been pulled during the first two weeks of August which increases the likelihood of adjustments. Minor changes, of up to 10% of the script counts, may occur to the data going forward due to the potential of claim reversals, claim adjustments from audits, and/or member reimbursement requests.

**References:**

1. [https://www.healthsystemtracker.org/chart-collection/recent-forecasted-trends-prescription-drug-spending/?\\_sf\\_s=drug+spending#item-contribution-to-growth-in-drug-spending-by-growth-driver\\_2017](https://www.healthsystemtracker.org/chart-collection/recent-forecasted-trends-prescription-drug-spending/?_sf_s=drug+spending#item-contribution-to-growth-in-drug-spending-by-growth-driver_2017)
2. <https://arstechnica.com/science/2019/07/big-pharma-raising-drug-prices-even-more-in-2019-3400-hikes-as-high-as-879/>
3. US Food and Drug Administration. "2018 New Drug Therapy Approvals."
4. <https://www.fiercepharma.com/marketing/another-record-year-for-pharma-tv-ads-spending-tops-3-7-billion-2018>
5. <https://www.kff.org/medicaid/issue-brief/utilization-and-spending-trends-in-medicaid-outpatient-prescription-drugs/>

**RECOMMENDATION**

Receive and file the report.



**AGENDA ITEM NO. 9**

TO: Ventura County Medi-Cal Managed Care Commission  
FROM: Ted Bagley, Chief Diversity Officer  
DATE: September 28, 2020  
SUBJECT: Chief Diversity Officer Report

**SUMMARY:**

**Monthly Actions:**

**Community Relations/Diversity**

- Zoom meeting with all local colleges/universities in Ventura County on Racism. The purpose is to develop awareness on campuses of the importance of inclusion in program and curriculum development.
- Second meeting with California Lutheran on Diversity and Inclusion. Presented on 2 occasions on Systematic Racism.
- Attended a community forum with the Mayor of Simi Valley on police reform.
- Attended Zoom meeting with CSUCI on cultural relations.

**Case Investigations**

- No new Hot Line cases or calls

**Other Activities**

- Met with Diversity Council to start planning for upcoming diversity recognition periods.
- Investigating the development of Cultural resource groups to deal with initiatives and cultural specific issues/concerns.
- Started a monthly article in our internal news source, Compass, dealing with diversity subjects. The articles are labeled "Ted Talks".
- Continue the 90-day plan to integrate Michael Murguia to Gold Coast Health Plan as the New HR Leader.

**RECOMMENDATION:**

Receive and file the report.





**AGENDA ITEM NO. 10**

TO: Ventura County Medi-Cal Managed Care Commission  
FROM: Michael Murguia, Executive Director of Human Resources  
DATE: September 28, 2020  
SUBJECT: Human Resources Report

**SUMMARY:**

**Human Resources Activities**

At the end of August, GCHP conducted training sessions with managers and staff on flexible workplans to support employees who help their school age children with remote learning. The training was led by Human Resources, Chief Diversity Officer Ted Bagley, and outside counsel Joe Ortiz. We reviewed the legal benefits that employees are entitled to and reviewed potential flexible solution scenarios to offer our support as an employer.

GCHP is in the midst of its performance review process, which began in July with a training for managers. All employees should have completed their self-assessments by now and their managers should be writing performance reviews and submitting them to the next level of management for approval.

We also have initiated activities to develop an action plan around the results of the GCHP employee survey. We have reviewed the survey results with Ted Bagley and the survey consultant. GCHP's communications manager has joined the team to develop communication strategies to keep employees updated on the action plan. The Employee Action Plan team will start meeting this month to develop strategies to address the areas that were identified as issues by employees.

During the last month, GCHP had two resignations. We continue to evaluate any vacant positions and only backfill key positions. This process requires a review with the CEO and the executive leadership team.

Human Resources also has initiated an assessment of the GCHP recruiting process to ensure that the company is legally compliant in its recruiting practices and to look for efficiencies. We are evaluating documentation, process controls, and overall costs.

GCHP settled two cases through arbitration: A Department of Fair Employment and Housing (DFEH) claim and a Workers Compensation claim. GCHP has no new cases.

In addition, I have completed my 90-day on-boarding process with Ted Bagley.

## **Facilities / Office Updates**

GCHP has a team that is dedicated to planning a return to the office when conditions allow. The team continues to meet and evaluate:

- Controlling the flow of employees who visit the office for supplies, printing, and other business-related activities.
- The possibility of employees needing additional equipment to work from home as the pandemic stretches through the end of this year and possibly into the first quarter of 2021.
- Protocols for a return to the office, including taking temperatures.
- Making any necessary modifications to improve air quality inside the buildings.

### **RECOMMENDATION:**

Receive and file the report.