

VCMMCC

Commission Meeting Minutes

Ventura County Public Health
2240 E. Gonzales Road, Suite 200
Oxnard, CA 93036

May 24, 2010

√	Commission Members in Attendance	
√	Michael Powers , Director, Ventura County Health Care Agency	√ Roberto S. Juarez , CEO, Clinicas del Camino Real, Inc.
√	Lanyard Dial, MD , Physician, Ventura County Medical Association	√ Kathy Long , Ventura County Board of Supervisors
√	David Araujo, MD , Director, Ventura County Medical Center Family Medicine Residency Program	√ Tim Maurice , Private Hospitals/Healthcare System
√	Maylee Berry , Medi-Cal Beneficiary Advocate	√ Catherine Rodriguez , Ventura County Medical Health System
√	John Fankhauser, MD , Physician, Ventura County Medical Center Executive Committee.	√ Anil Chawla, MD , Physician, Clinicas del Camino Real, Inc.
√	Rick Jarvis , Private Hospitals/Healthcare System	

	Staff in Attendance	Consultants/Guests in Attendance
	Terrie Stanley , Health Care Agency (HCA) Director Managed Care	Tim Reilly, Pacific Health Consulting Group
	Jon Polich , Assistant County Counsel	Tyrone Espinoza, California Department of Health Care Services
	Dee Pupa , HCA Fiscal Manager	O. Z. Kamara, California Department of Health Care Services
	Alison Sawyer , HCA Staff/Services Specialist	

AGENDA ITEM / PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
1. Call to Order Roll Call Michael Powers	<ul style="list-style-type: none"> The meeting was called to order at 3:03 p.m. All Commissioners present, except for Maylee Berry. A quorum was present 	
2. Minutes of the Prior Meeting Michael Powers	The Minutes of the April 26, 2010 VCMMCC meeting were presented for review and approval.	Mr. Juarez made the motion to approve the minutes, Dr. Araujo seconded. Approved, 10-0
3. Staff Appointments Supervisor Kathy Long	Recommendation: Approve the following staff on an interim basis to fulfill duties required by the Commission: <ul style="list-style-type: none"> Appoint Terrie Stanley as Chief Executive Officer 	Supervisor Long made the motion to approve the recommended appointments; Dr.

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	<ul style="list-style-type: none"> • Alison Sawyer as Clerk of the Board and • Dee Pupa as Assistant Clerk of the Board <p>Mr. Juarez commented that it was important for the Commissioners to receive items well in advance of the meetings. In addition, he stated that he thinks that there should be more than one candidate from which to make a choice. Supervisor Long agreed that the more advance notice the better. She commented that she did not want to see the process bog down for interim positions. She highlighted the aggressive timeline, and the importance of moving ahead on critical actions. She noted that Ms. Stanley has been working to help establish the COHS, that she has years of experience in the arena, and can keep the Commission and the COHS operating effectively. She reminded the Commission that no cost is being assessed to the COHS for the current staffing.</p>	<p>Araujo seconded. Approved, 10-0</p>
<p>4. Recruitment of Key Senior Leadership Positions</p> <p>Terrie Stanley</p>	<ul style="list-style-type: none"> • Recommendation: Accept Job Duties, Compensation and Recruitment Plan for the position of Chief Executive Officer (CEO) • Recommendation: Accept Job Duties, Compensation and Recruitment Plan for the positions of Chief Financial Officer (CFO) and Chief Medical Officer (CMO) <p>Noting that Agenda Item 5 proposes that a recruitment/staffing vendor be brought on. Ms. Stanley noted that an interview panel will be formed for the final selection. She suggested that a Finance Committee be created that can also serve as the interview panel. Further recommendation is to bring the CEO on first – that individual would then participate in the CFO/CMO hires. Dr. Araujo inquired about the reason for the salary levels recommended. Ms. Stanley said that the goal was to come in at a level reasonable for a start-up plan. She noted that this is first new start-up in about fifteen years – the others have matured over time. In addition, this will be Medi-Cal only as the sole product line. Dr. Araujo wondered if the compensation package would make recruitment difficult. He noted that proposed salaries were 20%-30%</p>	<p>Mr. Juarez made the motion to accept the recommendations for all three positions; Dr. Dial seconded. Approved, 10-0</p>

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	<p>below the market. Ms. Stanley mentioned that the Commission can adjust the package if, at a subsequent meeting, it is deemed necessary.</p> <p>Dr. Dial asked about the dual reporting for the CMO. Ms. Stanley responded that the two functions were separated to avoid administrative influence on medical functions.</p>	
<p>5. Authorize the Interim CEO to proceed with finalizing a contract with vendor for staffing, recruitment, and employee benefits administration</p> <p>Terrie Stanley</p>	<ul style="list-style-type: none"> • Recommendation: Review and accept staffing plan for the Ventura COHS for Services that are not included in the Administrative Services Agreement • Recommendation: Direct the Interim CEO to execute a contract with Regional Government Services/Local Government Services (RGS/LGS) for recruitment of personnel and benefit package development. <p>In addressing Mr. Juarez’ concerns about having multiple vendors from which to choose, Ms. Stanley noted that RGS/LGS is unique, and the COHS would have to vendor out all functions separately, whereas they can do it all. As the employer, RGS/LGS is able to offer a strong benefit package—whereas the COHS, as a small employer, is not in that position. There is an administration charge of about 2% per employee—Ms. Stanley feels that no one else could beat that price. In addition, strong referrals have been received, including one from the Ventura County Transportation Commission. Mr. Powers agreed that typically the Commission would want competition.</p> <p>Mr. Maurice asked why the organization chart still lists an HR director if this function is being outsourced. Ms. Stanley noted that if the choice is to retain RGS/LGS, the HR function/staffing can be removed from the staffing plan.</p> <p>In response to a question from Dr. Fankhauser, Ms. Stanley affirmed that the RGS/LGS employees assigned to the COHS can eventually be transitioned over.</p> <p>Dr. Araujo asked if they would recruit for the CEO/CFO/CMO positions. Mr. Juarez inquired if the Commission would do the final selections. Ms. Stanley responded that RGS/LGS would do the</p>	<p>Dr. Dial made the motion to accept the staffing plan and to direct the Interim CEO to execute the contract with RGS/LGL for a term not to exceed 24 months and to include a 90-day termination notice clause with or without cause and reimbursement rate not to exceed 2% of payroll, Mr. Maurice seconded.</p> <p>Approved, 11-0</p>

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	<p>recruitment and initial screenings, but that final selections would reside with the Commission.</p> <p>In response to Mr. Powers’ question, Ms. Stanley confirmed that the COHS can recommend recruitment parameters.</p> <p>Ms. Rodriguez asked about the term of the contract. Ms. Stanley noted that there was none specified. In the ensuing discussion, the Commission recommended that the term not exceed two years.</p> <p>Dr. Araujo wondered if there was a termination clause and, if so, could the transition occur sooner. Ms. Stanley affirmed that there was such a clause and that language could be added for early transition.</p> <p>Commissioner Berry is now in attendance.</p>	
<p>6. Authorize Interim CEO to retain vendor to broker VCMMCC Insurance Program Authorize Interim CEO to retain vendor for actuarial services.</p>	<ul style="list-style-type: none"> • Recommendation: Authorize the Interim CEO to sign Broker of Record Letter authorizing Beecher Carlson Insurance Services LLC to request information and negotiate insurance program on behalf of VMMCC. • Recommendation: Authorize the Interim CEO to sign necessary documents authorizing Milliman to act as actuary for VCMMCC. <p>Ms. Stanley noted that Beecher Carlson will be acting as broker and that the needs will vary based on what is done in-house and what is out-sourced. They will work with the COHS to get a plan that fits. The first priority will be insurance for Directors and Officers.</p>	<p>Mr. Juarez made the motion to accept both recommendations, Dr. Araujo seconded. Approved, 11-0</p>
<p>7. Filing of Necessary Legal Documents with the Secretary of State for the Operation of the Organization</p> <p>John Polich</p>	<p>Recommendation: Authorize Counsel to File Necessary Legal Documents with the Secretary of State for the Operation of the Organization.</p> <p>Mr. Polich informed the Commission that this is a standard form from the Secretary of State. It must be filed by a newly formed Public Agency within 70 days. Mr. Polich noted that the County Counsel’s office will oversee the filing.</p>	<p>Supervisor Long made the motion accept the recommendation, Dr. Dial seconded. Approved, 11-0</p>
<p>8. Administrative Services Proposals, including Pharmacy Benefits Management;</p>	<p>Recommendation: Selection of one of two vendors – Affiliated Computer Services, Inc. (ACS) or CenCal Health – and Authorize Interim CEO to enter into an agreement for an Administrative Service</p>	<p>Supervisor Long made the motion to authorize the Interim CEO to enter into a five year</p>

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<p>Selection of Vendor. Authorize the Interim CEO to contract with Vendor</p> <p>Terrie Stanley</p>	<p>Provider for the Ventura County Medi-Cal Managed Care Commission’s Health Plan.</p> <p>Ms. Stanley noted that in response to Commission discussion at the previous meeting about looking for a third administrative services vendor to consider, three others were approached – two other COHS and one Local Initiative. None of these three responded. In referencing the two attached documents (Administrative Services Comparison, Administrative Cost Comparison-Start up & Ongoing Fees) Ms. Stanley noted that in some areas there are similarities, in others, differences.</p> <p>Mr. Powers commented that CenCal provides some pieces we don’t need but they did not back them out of the contract.</p> <p>Ms. Stanley noted that there is clearly a need, from stakeholders point of view, to keep as much as possible local.</p> <p>Dr. Dial noted that CenCal has more in management fees and less in PMPM, while ACS is opposite. He wondered if either is better. Mr. Reilly commented that he noticed that CenCal has higher costs during implementation and is to be repaid in a relatively short time. This approach is possible, but would eat up cash. ACS’ business strategy is (1) to minimize administrative costs (by scaling nationally) and (2) invest in the COHS as a client—hoping for more than five years. He also noted that ACS can save the COHS money because of their network, including Pharmacy management. He noted that ACS is the fiscal intermediary for Medi-Cal-State contracts to pay for fee-for-service.</p> <p>Dr. Dial stated that he thought ACS has more incentive to work with us.</p> <p>Dr. Chawla noted that CenCal has the Quality Improvement (QI)/ Legal/ Compliance pieces in place whereas with ACS we would have to develop/hire our own. Ms. Stanley reiterated that stakeholders have emphasized local control</p> <p>Mr. Maurice inquired as to how the staffing plan would differ. Ms. Stanley responded that there would be some overlap with CenCal as the COHS would still have to have an oversight function. She noted</p>	<p>contract with ACS for administrative services, Dr. Dial seconded.</p> <p>Approved, 10-1</p>

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	<p>the staffing plan is fluid based.</p> <p>Mr. Powers commented that stakeholder consensus was to keep QI and credentialing local and CenCal would not adjust their proposal accordingly.</p> <p>Mr. Maurice noted that ACS is more cost-effective in terms of provider cost from a claims management point of view.</p> <p>In response to a question from Mr. Jarvis, Ms. Stanley said that costs were guaranteed for five years. Mr. Maurice expressed concern about CPI escalator over a five-year contract. Ms. Stanley noted that the first three years were fixed, the final two were negotiable. Mr. Reilly commented it will take at least until the second year before the COHS understands what it wants to bring in-house and that decision would have to be made well before the five-year point.</p> <p>Supervisor Long noted that local control for QM and Compliance will be important to the beneficiaries.</p> <p>Mr. Maurice noted that ACS has the clear advantage in the back end process and wondered if CenCal can offer anything. Ms Stanley noted that they said they will work with the COHS. Mr. Powers emphasized that CenCal is an excellent plan and their CEO is very supportive. There may still be opportunities for partnership.</p> <p>Mr. Jarvis noted that he is uncomfortable with the financial end – there has not been enough time to digest it.</p> <p>Ms. Stanley noted three reasons to go with ACS: they can work within the current timeframe, their plan allows for the conservation of financial resources, and their plan emphasizes local control.</p>	
<p>9. Approve the Creation of a Finance Committee as a Sub-Committee of the Ventura County Medi-Cal Managed Care Commission / Member Selection</p> <p>Terrie Stanley</p>	<ul style="list-style-type: none"> • Recommendation: Approve the composition of the Finance Committee • Recommendation: Approve the recommended duties of the Finance Committee • Recommendation: Approve the meeting frequency of the Finance Committee <p>Mr. Juarez suggested that this Committee be called the “Executive/Finance” Committee to reflect the spectrum of issues that may be brought before it. Mr. Reilly noted that all public plans have</p>	<p>Mr. Jarvis made the motion to accept the recommendations, Ms. Rodriguez seconded.</p> <p>Approved, 11-0</p>

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	<p>and executive or finance standing committees which may address certain issues in more detail.</p> <p>In reviewing the recommended duties with the Commission, Ms. Stanley noted that the Committee will work with the CEO to set dollars limits that the CEO can authorize. She also mentioned that the Provider Incentive Program Structure would be based on Quality or some agreed-upon indicators.</p> <p>In noting that one of the duties is to serve as an interview committee for the CEO/CMO/CFO recruitment, Mr. Juarez noted that he would prefer to have a separate HR/hiring/personnel committee. Mr. Reilly commented that other plans do that or have an ad hoc committee which fulfills those functions. Supervisor Long asked if the Executive/Finance Committee will serve as the interview committee just for the first phase of the interviews. Ms. Stanley said that yes, it would conduct the first screening.</p> <p>Ms. Stanley informed the Commission that the recommended composition of the Committee reflects the composition of the Commission, representative of the majority of the stakeholders.</p> <p>In addition to the ex officio members of the Executive/Finance Committee (Commission Chair and Vice-Chair), the Commission accepted the following volunteers: Hospital/Health System, Private: Rick Jarvis Hospital/Health System, Public: Catherine Rodriguez Clinic Rep: Clinicas Representative, to be determined</p>	
<p>10. California Children’s Services Current Status with County Organized Health Systems</p> <p>Terrie Stanley</p>	<p>Ms. Stanley presented information on the California Children’s Services (CCS) program. She noted the responsibility for treatment of CCS eligible conditions is carved out of most Medi-Cal Managed Plans, except for three of the original COHS plans. She informed the Commission that legislation in 1994 mandated that as new plans come on line, any of their members with CCS-eligible conditions will have the treatment for those conditions handled by CCS program staff.</p> <p>Public Comment: Janice Marder, Director of Case Management, St. Johns Regional Medical Center, asked if Santa Barbara recently had a</p>	

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	<p>carve-in. Ms. Stanley stated that Santa Barbara was on of the plans that have had the carve-in. Ms. Marder noted that it is a challenge from the hospital’s perspective to coordinate care with other providers and that there are a number of providers who are reluctant to become CCS-paneled. Mr. Espinoza (DHCS) noted that in order to provide services under the CCS-program a provider would have to be impaneled and noted that the reimbursement rate is higher than the typical fee for service. Ms. Stanley commented that the focus is to co-ordinate with CCS, and do what is best for the kids.</p>	
<p>11. Final Comments from Commissioners</p>	<ul style="list-style-type: none"> • Ms. Berry showed the Commission a booklet containing information on access to health care resources in the Ventura County community. She informed the Commission that the booklet, “Ventura County Access to Care Cancer Coalition (VCACCC) Resource Guide” is printed with a grant from the American Cancer Society and is available in English and Spanish. She made copies available. • Ms. Stanley presented the second issue of the COHS newsletter, noting it would be emailed also to the Commissioners. • Mr. Powers thanked Commission members for their work, for their time, and their attention. 	
<p>12. Public Comment/Correspondence</p>	<ul style="list-style-type: none"> • Mr. Bob Rossi congratulate the Commissioners and expressed a few concerns: about beneficiaries being notified of meetings, about potential conflict of interest if a Commission member’s employee applies for a COHS job, about the DMHC being provider dominated—wondering if the beneficiaries are adequately represented. Ms. Stanley commented that all notice requirements including timeframe are met. The meeting times and places are posted and are available on the website. In addition, she noted that an Advisor Committee will be established to ensure adequate representation by members. • Mr. Tyrone Espinoza (DHCS) acknowledged the Commission and congratulated Ms. Stanley on her interim appointment. He noted that the State supports the Commissions efforts and looks forward to working together. • Rev. R. Threat inquired about access to VCMMCC minutes and 	

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	<p>to the VCMMCC website. He noted that there were church and other organizations that would be happy to distribute information about meetings, and public and private clinics could post notices. Ms. Stanley explained how to access the minutes and the website. Reverend Threat wondered if the employees will be Commission or vendor employees (re Agenda Item 5). Ms. Stanley noted they will be vendor employees.</p>	
<p>13. Adjourn Michael Powers, Chair</p>	<p>Mr. Powers adjourned the meeting at 4:46 p.m.</p>	

Submitted by: Alison C Sawyer
Recorder