

**Ventura County Medi-Cal Managed Care Commission (VCMACC)
dba Gold Coast Health Plan (GCHP) Executive / Finance
Committee Meeting Minutes
February 21, 2012**

CALL TO ORDER

Chair Greenia called the meeting to order at 3:24 p.m. in Suite 280 at the Ventura County Public Health Building located at 2240 E. Gonzales Road, Oxnard, CA 93036.

ROLL CALL

COMMITTEE MEMBERS PRESENT

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

EXCUSED / ABSENT MEMBERS

Lanyard Dial, MD, Ventura County Medical Association
Rick Jarvis, Private Hospitals / Healthcare System

STAFF EX OFFICIO COMMITTEE MEMBERS

Earl Greenia, Chair, CEO
Sonia DeMarta, Vice-Chair, Interim CFO

ADDITIONAL STAFF IN ATTENDANCE

Traci R. McGinley, Clerk of the Board
Audra Lucas, Administrative Assistant
Candice Limousin, Human Resources Director
Lyndon Turner, Sr. Financial Analyst
Steven Lalich, Communication Director

PUBLIC COMMENT

None.

1. APPROVAL OF MINUTES

a. January 17, 2012 Meeting Minutes

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

2. ACCEPT AND FILE CEO UPDATE

CEO Greenia noted GCHP's recent meeting in Sacramento with the State, they are reviewing their position on the AB97 10% provider reduction (2.19% is the managed care actuarial equivalent for GCHP); more information should be coming in the following weeks.

Recruitment activities for the open CFO, Quality Improvement and Claims Director positions were discussed; as well as the internal and external interests. The Committee asked about the search agency costs. Director Limousin advised the Committee that the contracted recruitment agency's search fee is approximately 30% of the base pay of each position and includes a 2-year placement guarantee.

CEO Greenia announced the first meeting of the Quality Committee occurred recently and that the Committee approved the Quality Program and Annual Work Plan.

As required by the State, Berkeley Research Group (BRG) Health Analytics Consulting Firm completed phase one of their assessment of the Plan. The focus was on claims and finance with a review of GCHP Provider Network. There were concerns and discussions about vacancies such as the open CFO and Claims Director positions and the IBNR (Incurred but Not Recorded) costs.

3. ACCEPT AND FILE FINANCIAL REPORT

a. January Financials

Interim CFO DeMarta reviewed the claims paid out, tax payments and salaries. She added that there is a foreseeable advantageous drop in provider receivables as we move forward.

Questions were raised regarding interim payments and advances to providers, the policy and procedure for advances. After further discussion it was requested that a policy be created and brought forward to the Executive Finance Committee Meeting.

Interim CFO, DeMarta noted the expense for purchase of network servers for the data warehouse software.

Discussion on Milliman and its recommendation to maintain the budgeted PMPM (per member per month) approach to booking IBNR (Incurred but not yet recorded). The approach is expected to be modified as statistics become available in the next few months.

Highlighted update included favorable variance from Pharmacy, salaries and travel expenses. Unfavorable categories included interest expense due to unpaid claims and high volume of claims unprocessed.

Discussion on contractual obligations of both ACS and GCHP for interest payments on unpaid claims and claims processing difficulties. Ken Dixon of ACS responded noting the cooperation between GCHP and ACS during this process. CEO Greenia advised the Committee that GCHP is responsible per the contract. Committee Member Rodriguez requested a claims inventory at next Executive Finance Committee Meeting.

Other items discussed were the timing of next fiscal year's proposed budget and concerns regarding budget reserves.

4. ACS PROJECT IMPLEMENTATION

ACS Services were highlighted with the priority levels list, estimated additional costs for projects outside the original contract agreement and Commission responsibility to approve change orders.

Questions were posed regarding the estimate listed for the Clinicas Contract change order. Discussion was held regarding what meetings, people and information were necessary to determine a true estimate for project implementation.

5. EXTERNAL MONITOR SERVICES

CEO Greenia provided an overview of what was entailed in the assessment that BRG Health Analytics did when they were at the Plan recently. BRG expressed concern about the CFO and Claims Director vacancies and the calculation of IBNR. The Committee asked the reasons for having the service, to which CEO Greenia advised that the Plan was directed by the State to contract with BRG due to concerns the State had from the recent Medical Loss Evaluation review visit and in response to provider complaints regarding claims payment.

6. EXTERNAL AUDITOR SELECTION

Interim CFO DeMarta advised the Committee that after review of the five proposals received, Management selected McGladrey for the Audit Contract. Initial information has already been forwarded to them and staff is expecting to have them on-site sometime next month. They expect to be completed in March and have an opinion in April.

7. SALARY SCHEDULES

CEO Greenia brought the Salary Schedule forward as previously requested by the Committee. After discussion it was noted that data from other COHS and ACAP, a national trade association for not-for-profit health plans, were used to develop the schedule.

8. **MODEL PROVIDER CONTRACTS**

No discussion was held as the model contracts were brought forward for informational purposes.

COMMENTS FROM COMMITTEE MEMBERS

Committee Member Juarez asked about the status of the CEO's review and schedule of Closed Sessions.

Committee Member Rodriguez requested that the draft Minutes of the Executive Finance Committee go before the Commission.

ADJOURNMENT

Chair Greenia adjourned the meeting at 4:45 p.m.

APPROVED:



Traci R. McGinley, MMC, Clerk of the Board