

**Ventura County Medi-Cal Managed Care Commission
(VCMGCC) dba Gold Coast Health Plan (GCHP)
Commission Meeting Minutes
October 27, 2014**

CALL TO ORDER

Chair Araujo called the meeting to order at 3:03 p.m. in Suite 200 at the Ventura County Public Health Building located at 2240 E. Gonzales Road, Oxnard, CA 93036.

ROLL CALL

COMMISSION MEMBERS IN ATTENDANCE

Antonio Alatorre, Clinicas del Camino Real, Inc.
David Araujo, MD, Ventura County Medical Center Family Medicine Residency Program
Barry Fisher, Ventura County Health Care Agency
Michelle Laba, MD, Ventura County Medical Center Executive Committee
Gagan Pawar, MD, Clinicas del Camino Real, Inc.
Dee Pupa, Ventura County Health Care Agency
Robert Wardwell, Private Hospitals / Healthcare System

EXCUSED / ABSENT COMMISSION MEMBERS

Lanyard Dial, MD, Ventura County Medical Association
Peter Foy, Ventura County Board of Supervisors (arrived 3:41 p.m.)
David Glycer, Private Hospitals / Healthcare System
Vacant, Medi-Cal Beneficiary Advocate

STAFF IN ATTENDANCE

Ruth Watson, Chief Operations Officer and Interim Chief Executive Officer
Michelle Raleigh, Chief Financial Officer
Traci R. McGinley, Clerk of the Board
John Polich, County Counsel
Brandy Armenta, Compliance Director
Stacy Diaz, Human Resources Director
Anne Freese, Pharmacy Director
Guillermo Gonzalez, Government Relations Director
Steven Lalich, Communications Director
Vickie Lemmon, Health Services Director
Tami Lewis, Operations Director
Allen Maithel, Controller
Al Reeves, MD, Chief Medical Officer
Melissa Scrymgeour, Chief Information Officer
Lyndon Turner, Financial Analysis Director
Nancy Wharfield, MD, Associate Chief Medical Officer

The Pledge of Allegiance was recited.

Language Interpreting and Translating services were provided by GCHP from Lourdes González Campbell and Associates.

PUBLIC COMMENT

None.

1. APPROVE MINUTES

a. Special Meeting of September 29, 2014

Clerk McGinley noted that staff member Anne Freese, Pharmacy Director, was not present at the meeting. Commissioner Alatorre stated that the minutes do not adequately reflect the discussion held during Item 2d, *Approval of Recommended Search Firm for CEO Position* and requested the Clerk of the Board review the recording and the minutes be brought back to the Commission.

Chair Araujo stated that the recording will be reviewed and minutes will be revised and brought back for approval.

2. APPROVAL ITEMS

a. Affordable Care Act (ACA) Section 1202 Payments

CFO Raleigh reviewed the written report with the Commission.

Interim CEO Watson added that these are pediatricians and PCPs that have large Medi-Cal practices.

Commissioner Pupa asked what other managed care plans were doing. CFO Raleigh responded that the plans that did have this issue have not gone back to recoup.

Commissioner Alatorre stated that the Plan needed something in writing from DHCS or CMS because federal law requires Medi-Cal or Medicare over-payments be recouped.

Interim CEO Watson advised the Commission that it was the legal opinion of the Plan's contract compliance attorneys, that these payments are considered a bump, not an overpayment.

Commissioner Wardwell moved that the Plan not recoup the additional supplemental Affordable Care Act (ACA) Section 1202 payments of approximately \$112,000 for the January 1, 2013 through June 30, 2013 time period. Commissioner Fisher seconded. The motion carried with the following votes:

AYE:	Araujo, Fisher, Laba and Wardwell.
NAY:	Alatorre, Pawar and Pupa.
ABSTAIN:	None.
ABSENT:	Dial, Foy and Glyer.

b. Quality Improvement Committee Report – 3rd Quarter 2014

CMO Reeves reviewed the Quality Improvement Committee Report with the Commission.

Commissioner Pupa moved to approve the Quality Improvement Committee Report - 3rd Quarter 2014. Commissioner Alatorre seconded. The motion carried with the following votes:

AYE: Alatorre, Araujo, Fisher, Laba, Pawar, Pupa and Wardwell.
NAY: None.
ABSTAIN: None.
ABSENT: Dial, Glyer and Foy.

c. Compliance Officer Report – 3rd Quarter 2014

Compliance Director Armenta reviewed the Compliance Report. A number of health plans are receiving corrective actions plans because they did not perform audits of their delegation oversight. Director Armenta assured the Commission that the Compliance Department has implemented a very robust monitoring and reporting system.

Commissioner Pupa moved to approve the Compliance Report. Commissioner Alatorre seconded. The motion carried with the following votes:

AYE: Alatorre, Araujo, Fisher, Laba, Pawar, Pupa and Wardwell.
NAY: None.
ABSTAIN: None.
ABSENT: Dial, Glyer and Foy.

d. CEO Search Firm

Human Resources Director Diaz reported that the ad hoc committee met on October 6, 2014 to review and discuss the Executive Search Firm Proposals. The ad hoc committee recommended moving forward with Witt / Kieffer as the executive search firm to manage the recruitment for Chief Executive Officer.

Commissioner Fisher moved to approve the CEO Search Firm of Witt / Kieffer. Commissioner Pupa seconded. The motion carried with the following votes:

AYE: Alatorre, Araujo, Fisher, Laba, Pawar, Pupa and Wardwell.
NAY: None.
ABSTAIN: None.
ABSENT: Dial, Glyer and Foy.

e. General Counsel Support

Interim CEO Watson reviewed the report with the Commission. Staff recommended Best, Best and Krieger (BB&K) as the top candidate to represent the Commission and the Plan as General Legal Counsel.

Commissioner Alatorre moved to approve Best, Best and Krieger (BB&K) as General Legal Counsel and authorize Interim CEO Watson to enter into an agreement with BB&K

for no less than 12 months. Commissioner Fisher seconded. The motion carried with the following votes:

AYE: Alatorre, Araujo, Fisher, Laba, Pawar, Pupa and Wardwell.
NAY: None.
ABSTAIN: None.
ABSENT: Dial, Glycer and Foy.

f. Lease Amendment / Additional Office Space

Interim CEO Watson reviewed the written report.

Commissioner Fisher moved to approve the Lease Amendment for Additional Office Space. Commissioner Alatorre seconded. The motion carried with the following votes:

AYE: Alatorre, Araujo, Fisher, Laba, Pawar, Pupa and Wardwell.
NAY: None.
ABSTAIN: None.
ABSENT: Dial, Glycer and Foy.

g. 2015 Commission Meeting Calendar

Commissioner Fisher moved to approve the 2015 Commission Meeting Calendar. Commissioner Alatorre seconded. The motion carried with the following votes:

AYE: Alatorre, Araujo, Fisher, Laba, Pawar, Pupa and Wardwell.
NAY: None.
ABSTAIN: None.
ABSENT: Dial, Glycer and Foy.

h. DHCS Contract Amendment A13

Interim CEO Watson reviewed the DHCS Contract Amendment A13 which updates the Plan's FY 2013-14 capitation rates for the traditional Medi-Cal population.

Commissioner Wardwell moved to approve the amendment and authorize the Interim CEO to execute DHCS Contract Amendment A13. Commissioner Alatorre seconded. The motion carried with the following votes:

AYE: Alatorre, Araujo, Fisher, Laba, Pawar, Pupa and Wardwell.
NAY: None.
ABSTAIN: None.
ABSENT: Dial, Glycer and Foy.

3. ACCEPT AND FILE ITEMS

a. Special Investigation Ad Hoc Committee Report

Commissioner Fisher provided an update on the current progress of the investigation. Atkinson, Adelson, Loya, Ruud & Romo, the human resource firm, has interviewed 19 individuals, 10 more are scheduled through November 5, 2014 and anticipate 25 additional interviews prior to December 15, 2014. Vicenti, Lloyd and Stuzman, the financial firm, has interviewed 2 additional individuals since September, have scheduled

4 for the next two weeks and anticipates scheduling 7 interviews with a possibility of a follow-up interview with some of the individuals.

Commissioner Fisher noted the total Invoice Costs to Date:

AALRR	\$91,548.99 through September 2014
VLS	\$58,328.30 through September 2014
Guidepost Solutions	\$ 5,654.24 through September 2014 (company downloading the information off computers).
Discovia	\$ 3,870.75 through September 2014 (company sifts through all of the data).

The estimated date for completion continues to be the end of January 2015.

Chair Araujo stated that the Commission was originally advised that the investigation would cost approximately \$750,000; but when the Commission delegated contracting authority to the Special Investigation Ad Hoc Committee no limit was set. Counsel Polich stated that the Commission could place a limit at any time and any future activities of the firms involved could then be prioritized.

Commissioner Fisher reported that legal counsel of the Special Investigation Ad Hoc Committee reviews each of the invoices and has requested adjustments. He suggested that if the costs get close to \$700,000 the item could be addressed.

Interim CEO Watson stated that due to possible scheduling issues any interviews with Health Services staff should be conducted prior to December due to the DHCS on-site medical audit. Commissioner Fisher requested an e-mail with that information which he will forward to the consultants.

b. CEO Update

Interim CEO Watson reviewed the CEO Update with the Commission.

c. August Financials

CFO Raleigh reviewed the August Financial package with the Commission.

Commissioner Pupa asked about repayment of the Lines of Credit (LOC) to the County of Ventura. CFO Raleigh replied that negotiations with the state and the county have completed and legal staff is reviewing the contract amendment. The State requested additional information on the financials, staff hopes to have additional information in order to present this at the next Executive Finance Committee Meeting.

Commissioner Alatorre asked about the status of an increase to the CAP rates. CFO Raleigh replied this would be looked into this quarter.

d. COO Update

Interim CEO Watson presented the COO Update.

e. CIO Update

CIO Scrymgeour provided a review of the CIO Update.

f. Health Services Update

Associate Medical Officer, Dr. Wharfield, reviewed the written report.

Commissioner Fisher moved to approve the Special Investigation Ad Hoc Committee Report, CEO Report, August Financials, COO Update, CIO Update and the Health Services Update. Commissioner Wardwell seconded. The motion carried with the following votes:

AYE: Alatorre, Araujo, Fisher, Laba, Pawar, Pupa and Wardwell.
NAY: None.
ABSTAIN: None.
ABSENT: Dial, Glycer and Foy.

COMMENTS FROM COMMISSIONERS

Commissioners Alatorre and Pawar announced that they would recuse themselves from Closed Session Item a(ii) and Item b if it is regarding Clinicas.

Chair Araujo noted that Interim CEO Watson was doing a great job. Commissioners Pupa and Wardwell agreed.

CLOSED SESSION

Chair Araujo explained the purpose of the Closed Session items.

ADJOURN TO CLOSED SESSION

The Commission adjourned to Closed Session at 5:02 pm regarding the following items:

a. Closed Session Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9

- i. Cressena Hernandez v. Ventura County Medi-Cal Managed Care Commission et al, Ventura County Superior Court, Case Number 56-2012-00427535-CUOE-VTA
- ii. Clinicas Del Camino Real Inc. v. Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan. Ventura County Superior Court Case Number 56-2014-00456149-CU-BC-VTA

b. Conference with Legal Counsel - Anticipated Litigation Significant Exposure to Litigation Pursuant to Government Code Section 54956.9 (b). (One case)

RETURN TO OPEN SESSION

The Regular Meeting reconvened at 6:26 pm.

Chair Araujo announced that no reportable action was taken.

ADJOURNMENT

Meeting adjourned at 6:30 pm.

APPROVED:



Tracy J. Oehler, Clerk of the Board
for Traci R. McGinley, MMC, Clerk of the Board