

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

April 24, 2017 Regular Meeting Minutes

CALL TO ORDER

Commissioner Darren Lee called the meeting to order at 2:02 p.m. in the Community Room located at Gold Coast Health Plan, 711 E. Daily Drive, Camarillo, California.

PLEDGE OF ALLEGIANCE

Commissioner Lee led the Pledge of Allegiance.

ROLL CALL

Present: Commissioners Antonio Alatorre, Shawn Atin, Lanyard Dial, M.D. (arrived 2:04 p.m.), Narcisa Egan, Laura Espinosa (arrived at 4:42 p.m.), Peter Foy, Michele Laba, M.D. (arrived at 2:08 p.m.), Darren Lee, Gagan Pawar, M.D., Catherine Rodriguez, and Jennifer Swenson.

Absent: None.

PROCLAMATIONS AND COMMENDATIONS

Commissioner Lee introduced new employee, Douglas Freeman, Chief Diversity Officer.

PUBLIC COMMENT

None.

CONSENT CALENDAR

Commissioner Dial moved to approve the Consent Calendar. Commissioner Swenson seconded.

AYES: Commissioners Alatorre, Atin, Dial, Egan, Lee, Pawar, Rodriguez, and Swenson.

NOES: None.

ABSTAIN: Commissioner Foy.

ABSENT: Commissioners Espinosa and Laba.

Commissioner Lee declared the motion carried.

1. **Approval of Ventura County Medi-Cal Managed Care Commission Meeting Regular Minutes of February 27, 2017**

RECOMMENDATION: Approve the minutes.

2. **Approval of Ventura County Medi-Cal Managed Care Commission Meeting Regular Minutes of March 27, 2017**

RECOMMENDATION: Approve the minutes.

3. **Approval of Contract Extension with Etonien LLC for Internal Audit Services**

RECOMMENDATION: Approve the contract with Etonien LLC for internal audit services with a one-year extension for \$120,000 with a not to exceed amount of \$322,645.

4. **Approval of Contract Extension with Mary Beth Liggett, RN, an Independent Contractor, for Concurrent Utilization Review of Long Term Care (LTC) and Skilled Nursing Facility (SNF) Members**

RECOMMENDATION: Approve the contract extension with Mary Beth Liggett, RN, an independent contractor, for concurrent utilization review of LTC and SNF members with a two-year extension for \$210,000 with a not to exceed amount of \$409,400.

5. **Approval of Contract Extension with TBJ Consulting, an Independent Contractor, for Human Resources Consulting Services**

RECOMMENDATION: Approve the contract extension with TBJ Consulting, an independent contractor, for human resources consulting services with a six-week extension for \$112,000 with a not to exceed amount of \$160,000.

FORMAL ACTION ITEMS

6. **February 2017 Year to Date Financials**

RECOMMENDATION: Accept and file February 2017 Fiscal Year to Date Financials.

Patricia Mowlavi, Chief Financial Officer, reported for the first eight-month period, Gold Coast Health Plan's (Plan) performance included a gain in net assets of \$6.2 million and noted the contributions to health care costs over the past years has increased from 81% to 92% indicating additional funds are getting into the community.

Commissioner Swenson moved to approve the recommendation. Commissioner Alatorre seconded.

AYES: Commissioners Alatorre, Atin, Dial, Egan, Foy, Lee, Pawar, Rodriguez, and Swenson.

NOES: None.

ABSTAIN: None.

ABSENT: Commissioners Espinosa and Laba.

Commissioner Lee declared the motion carried.

Commissioner Laba arrived at 2:08 p.m.

7. Approval of Contract with Gorman Health Group LLC with an Engagement Team Consisting of Ten Gorman Resources with Relevant Expertise in Sales, Marketing and Strategy, Network, Healthcare Analytics, Compliance and Operational Performance to Complete the Project Work with an Estimated Level of Effort of 525 Hours Commencing May 1, 2017 and Ending June 20, 2017 for a Feasibility Study of a Dual Eligible Special Needs Plan

RECOMMENDATION: Approve the contract with Gorman Health Group LLC for a feasibility study of a dual eligible special needs plan for eight weeks with a not to exceed amount of \$179,900.

Dale Villani, Chief Executive Officer, stated at the March 17, 2017 Strategic Planning meeting, there was discussion regarding the Plan participating in a dual eligible Special Needs Plan (D-SNP). Gorman Health Group LLC (Gorman) was previously contracted to perform a feasibility study in order to evaluate the Plan's participation and the new contract is phase two in which Gorman will provide an in depth analysis on whether or not this is a viable option for Ventura County.

A discussion followed between the Commissioners and staff regarding phase one consisting of an initial high-level review of the market and the number of eligibles; the necessity of the study as it will provide key factors like network contract rates and utilization management Medicaid space in determining the Plan's participation; the study providing calculations for the estimated start-up costs, break even timeline, and additional revenue; and how this model would allow for the coordinated care of members.

Commissioner Atin moved to approve the recommendation. Commissioner Rodriguez seconded.

AYES: Commissioners Alatorre, Atin, Dial, Egan, Foy, Laba, Lee, Pawar, Rodriguez, and Swenson.

NOES: None.

ABSTAIN: None.

ABSENT: Commissioner Espinosa.

Commissioner Lee declared the motion carried.

REPORTS

8. Chief Executive Officer (CEO) Update

RECOMMENDATION: Accept and file the report.

Mr. Villani stated there have been some personnel changes including Dr. Al Reeves' retirement on July 7, 2017 and a recruitment had been initiated; Ralph Oyaga's resignation as Executive Director of Government Regulatory and External Relations effective May 3, 2017; and the selection of a new Human Resources Executive Director who is scheduled to begin on May 15, 2017.

Invitations have been distributed for the Opioid Policy Summit scheduled for May 5, 2017, from 8:30 a.m. to 12:00 p.m. at the Ventura Beach Marriott with national speakers discussing strategies to address the opioid epidemic in Ventura County.

Mr. Oyaga stated the Alternative Resources for Community Health (ARCH) grant-making program was officially launched and requests for applications went live on the Plan's website on April 7, 2017. The three areas of social determinants of health selected were access to care, access to healthy foods, and the neighborhood and built environment. The deadline for applications is May 1, 2017, and a list of approved grants will be submitted to the Commission at the June 26 meeting.

Lupe Gonzalez, Director of Health Education Disease Management and Health Education, announced the sixth annual resource fair is scheduled for May 13, 2017, with 43 agencies participating.

Mr. Villani stated the CMS Mega Rule major contract amendment is currently in draft status and has been submitted to CMS for their review. The projected implementation date is schedule for July 1, 2017, though there may be 60-day delay. Additionally, the State legislature has recently introduced two new companion bills on how to implement the changes created by the Mega Rule. The intergovernmental transfers process will be changing to a prospective payment system, which will set a percentage above base contract rates affecting how the pass through payments will go to the County hospitals and UC hospitals.

On March 17, 2017, the Department of Health Care Services (DHCS) issued a corrective action plan (CAP) relative to the Provider Network 274 File, which is a new requirement for provider network data reporting. The Plan is complying with the CAP and is submitting timelines and updates to DHCS on a biweekly basis. There are no financial sanctions currently associated with the CAP.

The Pharmacy Benefit Manager conversion with OptumRx is on schedule for June 1, 2017, and the Script Care protest hearing is scheduled for the first week of May.

Lastly, the DHCS annual medical audit begins on June 5, 2017.

9. Chief Operating Officer (COO) Update

RECOMMENDATION: Accept and file the report.

Ruth Watson, COO, stated membership is at 202,338 and reflects a net loss of 905 members from March 2017 through April 2017 mostly due to the lack of re-determination from the prior year and members being terminated as they no longer meet the qualifications. A handout was given to the Commission to replace page 53 of the packet as the goal line had been corrected on the Average Speed of Answer chart. The new director has been working on developing quality metrics to be provided to the ASO vendor. Ms. Watson stated information is available identifying in county and out of county facilities as well as the reasons why there are contracts with out of county facilities. Some of the reasons are whether it is a tertiary hospital needed for transplant care, a trauma center for pediatrics, and facilities added due to their close proximity to each end of the County. Once the document is finalized, it will be emailed to the Commissioners.

A discussion followed between the Commissioners and staff regarding how the County is responsible for the behavioral health patient population that consists of the seriously mentally ill and substance abuse cases, while the Plan covers the mild and moderate cases. Clarification was made on how the auto assignment calculations for the County are dependent upon which primary care physicians are available in that location and staff will research what percentage of eligible Adult Expansion members assigned to the County per AB 85 as the required percentage has changed. The Commission expressed concern regarding the correlation between the CAP placed by the DHCS and the Plan's addition of specialty physicians. Staff explained the CAP is a short-term data problem and in order to contract with the medical groups it had to include all of the physicians, not just individual specialists. Additionally, it was clarified the primary care is focused inside the County and any referrals out the County is required to go through an approval process.

10. Chief Medical Officer (CMO) Update

RECOMMENDATION: Accept and file the report.

Dr. Reeves, CMO, stated going forward Dr. Nancy Wharfield would provide the Health Services update on a quarterly basis.

11. Chief Diversity Officer (CDO) Update

RECOMMENDATION: Accept and file the report.

Douglas Freeman, CDO, reviewed the 2015-2017 Diversity and Inclusion information, which consisted of an introduction and factual study, the 2015-2016 Human Resources/Cultural Diversity Subcommittee action points, and a summary of the CDO reports. He stated at the next Subcommittee meeting scheduled for April 10 a diversity inclusion strategy, which would define the diversity inclusion

blueprint, would be presented with an outline of what is to be expected of the document. Mr. Freeman stated the other report would be the executive summary with the key strategic pillars around the diversity inclusion blueprint.

A discussion followed between the Commissioners and staff regarding the attached 2015-2017 Diversity and Inclusion report being sent to the Ventura County Board of Supervisors (BOS); the preparation of quarterly updates with distribution to both Mike Powers, Chief Executive Officer, County of Ventura and the BOS; and the development of a roadmap and a framework for the strategic outline by June, 2017.

The Commission unanimously agreed to accept and file Agenda Items No. 8 through 11.

Scott Campbell, General Counsel, announced Closed Session Agenda Item No. 12 Conference with Legal Counsel – Signification Exposure to Litigation concerning the Office of Inspector General.

CLOSED SESSION

The Commission adjourned to Closed Session at 3:16 p.m.

12. CONFERENCE WITH LEGAL COUNSEL – SIGNIFICANT EXPOSURE TO LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: One Case

OPEN SESSION

The Regular Meeting reconvened at 4:03 p.m.

Mr. Campbell stated there was no reportable action taken.

Mr. Campbell stated Commissioners Alatorre and Pawar would be recusing themselves from Agenda Item No. 13 – Considerations for Plan-to-Plan Contracts due to the potential of this matter concerning a possible contract with a subsidiary of Clinicas del Camino Real and discussion under 1090 of the broad rules of engagement that Commissioners can be involved.

DISCUSSION

13. Considerations for Plan-to-Plan Contracts

Mr. Villani gave a presentation on Medi-Cal Managed Care Plan to Plan (P2P) contracting, which included why a plan would enter into a contract with another plan. The reasons cited included to create a stronger network, reduce risk, or gain a synergy from the two entities working together. He noted Margaret Tatar from Health Management Associates (HMA) provided input into the presentation, but could not attend tonight's meeting, and would be available if needed at the next Commission meeting in June.

A discussion followed between the Commissioners and staff regarding the Plan's current contract with Kaiser; the State's mandate to enter into this contract order to provide a continuity of care for families; and how Kaiser is paid by a pass through payment process.

Mr. Villani stated none of the County Organized Health Systems (COHS) currently have a plan-to-plan contract, as it does not generally fit the model. An overview of the Plan's contract with other entities was reviewed along with the delegation of items like credentialing, utilization management, and quality as well as those that entail financial risks. Key plan considerations were reviewed including establishing the participation criteria for a full risk partner; securing DHCS' approval to enter into a contract with another plan; defining clearly delineated responsibilities; negotiated rate criteria; the impact on provider/vendor subcontract payments; the impact to the current employee workforce; and the member and provider care coordination and support. The bottom line in deciding to participate in a P2P is determining if it make good business sense to the Plan, the community, and the members.

Commissioner Espinosa arrived at 4:42 p.m.

Mr. Villani noted that anything we do as a public entity where we go out to market to contract with another plan is if a Request for Proposal (RFP) is required, whether the dollar value is impactful enough to warrant a RFP, and what value is gained though a P2P. He stated if the Plan is interested in pursuing a P2P, Ms. Tatar's recommendation was a RFP should be implemented. He noted, as there has been a lot of discussion about P2P contracts in the County, the Plan could consider the implementation of a small pilot program and evaluating if a company could take the required risks and provide greater value or synergies Per the County's direction, the Plan must have a boilerplate drafted and have the State's approval before pursuing this option.

A discussion followed between the Commissioners and staff regarding the staffing impact if the Plan enters into a P2P contract; the possibility of using a sole source model in special situations as opposed to using a RFP model; how a P2P contract would shift the Plan's administration burden but not decrease it; and how transparency is essential and a P2P contract would need to make sense for the patients and the Plan.

Mr. Campbell stated if the Plan was to issue a RFP, there are a number of items to be considered like what type of program the Plan wants and ultimately the state of California will need to approve the contract including how the contract was awarded.

Dr. Enrique de la Garza, a representative from America's Health Plan, spoke in support of Agenda Item No. 13 – Considerations for Plan-to-Plan Contracts.

A discussion followed between the Commissioners and staff regarding the timeframe being dependent upon the DHCS' medical audit and how the State will

not review anything new until the Mega Rule amendments are implemented with the plans. The Commission expressed concern regarding exploring other business lines, as the Plan is currently busy and if it is advisable to pursue them at this time. Mr. Villani stated the best resource to determine this option is HMA, which has actuaries and the staff to perform a feasibility study whether this would be a sound business decision.

A copy of the presentation is on file.

COMMENTS FROM COMMISSIONERS

None.

ADJOURNMENT

The meeting was adjourned at 5:27 p.m.

APPROVED:



Tracy J. Oehler, Clerk of the Board