

**Ventura County Medi-Cal Managed Care Commission
(VCOMMCC) dba Gold Coast Health Plan (GCHP)
Special Executive / Finance Committee Meeting Minutes
May 7, 2014**

Notice of said meeting was duly given in the time and manner prescribed by law. Affidavit of compliance is on file in the Clerk of the Board's Office.

CALL TO ORDER

Due to the current vacancy of the Chair and Vice Chair of the Commission, Legal Counsel Kierstyn Schreiner called the meeting to order at 3:02 p.m. in the Executive Conference Room at Gold Coast Health Plan, 711 E. Daily Drive, Suite 106, Camarillo, CA 93010.

ELECTION OF TEMPORARY CHAIR

Committee Member Pupa moved to appoint Commissioner Glycer as the Temporary Chair of the Executive / Finance Committee. Committee Member Pawar seconded. Commissioner Glycer agreed to be the Temporary Chair. The motion carried with the following vote:

AYE:	Glycer, Pawar and Pupa.
NAY:	None.
ABSTAIN:	None.
ABSENT:	None.

COMMITTEE MEMBERS PRESENT

David Glycer, Private Hospitals / Healthcare System
Gagan Pawar, MD, Clinicas del Camino Real, Inc.
Dee Pupa, Ventura County Medical Health System

ABSENT / EXCUSED

Vacant Seat, Chair
Vacant Seat, Vice-Chair

STAFF IN ATTENDANCE

Michael Engelhard, CEO
Michelle Raleigh, CFO
Nancy Kierstyn Schreiner, Legal Counsel
Traci R. McGinley, Clerk of the Board
Guillermo Gonzalez, Government Affairs Director
Steve Lalich, Communications Director
Al Reeves, MD, CMO
Melissa Scrymgeour, CIO

Lyndon Turner, Financial Analysis Director
Ruth Watson, COO

PUBLIC COMMENTS

None.

1. APPROVE MINUTES

a. April 3, 2014 Regular Meeting Minutes

Committee Member Pupa moved to approve the April 3, 2014 Regular Meeting Minutes. Committee Member Pawar seconded. The motion carried with the following vote:

AYE: Glycer, Pawar and Pupa.
NAY: None.
ABSTAIN: None.
ABSENT: None.

2. NOMINATION COMMITTEE

a. Consideration of Candidates for Chairperson and Vice Chairperson for Purposes of Confirmation and Recommendation to Commission

Legal Counsel Kierstyn Schreiner provided an overview of the purpose and obligations of the Nominating Committee. Further discussion was held.

Committee Member Pupa nominated David Araujo as Chair. Committee Member Glycer seconded. The motion carried with the following vote:

AYE: Glycer, Pawar and Pupa.
NAY: None.
ABSTAIN: None.
ABSENT: None.

Committee Member Pawar nominated Antonio Alatorre as Vice-Chair. Committee Member Glycer seconded. The motion carried with the following vote:

AYE: Glycer and Pawar.
NAY: Pupa.
ABSTAIN: None.
ABSENT: None.

Committee Member Pupa nominated David Glycer as Vice Chair. Committee Member Pawar seconded. The motion failed by the following vote:

AYE: Pupa.
NAY: Glycer and Pawar.
ABSTAIN: None.

ABSENT: None.

Committee Member Glycer agreed to contact the nominees to confirm they are willing to serve as well as present the Nominating Committee's recommendation at the May Commission Meeting.

3. ACCEPT AND FILE ITEMS

a. CEO Update

CEO Engelhard reviewed the written report with the Committee.

b. March Financials

A corrected page 3b-6 was provided. CFO Raleigh reviewed the March financials which highlighted Membership numbers, and the Inpatient, Long-Term Care, Outpatient and Pharmacy Costs. In March, GCHP made partial payments to qualifying providers under the ACA 1202 which compensates qualifying providers up to Medicare levels and made a payment to the County for AB 85. Further discussion was held regarding the ACA 1202 payments and how the State is having ongoing discussions on the reconciliation process with the managed care plans. CFO Raleigh noted that the Medi-Cal managed care plans hoped to get clarification soon from the State.

CFO Raleigh reviewed the upward trend in pharmacy expenses, which was mostly due to several high cost but effective medications like Sovaldi, the new Hepatitis C drug. CMO Reeves noted that Sovaldi is a revolutionary treatment for Hepatitis C, but it is very expensive so the Plan has put utilization controls in place and members using this medication are case managed.

Committee Member Pawar moved to accept the CEO Report and the March Financials. Committee Member Pupa seconded. The motion carried with the following vote:

AYE: Glycer, Pawar and Pupa.
NAY: None.
ABSTAIN: None.
ABSENT: None.

4. INFORMATIONAL ITEMS

a. GCHP Priorities & Initiatives for FY 2014-15 Budget Planning

CEO Engelhard reviewed the information and highlighted items that GCHP may desire or be required to undertake over the next three years. He expressed the importance that a strong foundation is being properly built for the Plan's ability to address new and changing requirements and business needs. The FY 2014-15 proposed projects and budget priorities were also reviewed.

CEO Engelhard noted that GCHP's two largest outsourced contracts mature on the same day, June 30, 2016 and it would not be prudent nor practical to attempt to perform two systems conversions simultaneously. Consequently these two contracts will be

reviewed to prioritize which to extend and which requires an RFP. Staff will come back to the Commission with recommendations later in 2014.

b. FY 2014-15 Budget Development Process

CFO Raleigh reviewed the presentation noting that Membership is projected to increase by approximately 50% by the end of FY 2014-15 as compared to FY 2012-13 and revenue increasing by 79% over the same period. Membership is also expected to grow about 22% between this and next year and anticipates about 153,000 members per month on average over the course of the next fiscal year.

The Membership Mix and Revenue Impact graph that shows the types of members and the payment from the State was reviewed. It demonstrates how important and sensitive the Membership projections are, especially for the Adult Expansion. CEO Engelhard added that it is difficult to budget because many in the new population are coming to GCHP without previous coverage therefore there is no information on utilization, cost and health care acuity.

CFO Raleigh noted that GCHP is being conservative and assumed the recent State capitation rates will stay the same throughout FY 2014-15.

Legal Counsel Kierstyn Schreiner left the meeting.

CFO Raleigh indicated that future budget reviews would occur at the May 19, 2014 full Commission meeting and at the June 5, 2014 Executive / Finance Committee meeting. Final approval for the FY 2014-15 operating and capital budgets will occur at the June 23, 2014 full Commission meeting.

COMMENTS FROM COMMITTEE MEMBERS

Committee Member Pupa thanked staff for informative back-up information being provided.

ADJOURNMENT

Meeting adjourned at 5:17 p.m.

APPROVED:



Traci R. McGinley, MMC, Clerk of the Board