

**Ventura County Medi-Cal Managed Care Commission
(VCOMMCC) dba Gold Coast Health Plan (GCHP)
Executive / Finance Committee Meeting Minutes
February 5, 2015**

CALL TO ORDER

Chair Araujo called the meeting to order at 3:03 p.m. in the Executive Conference Room at Gold Coast Health Plan, 711 E. Daily Drive, Suite 106, Camarillo, CA 93010.

ROLL CALL

COMMITTEE MEMBERS PRESENT

David Araujo, MD, Ventura County Medical Center Family Medicine Residency Program
David Glycer, Private Hospitals / Healthcare System
Dee Pupa, Ventura County Health Care Agency

EXCUSED / ABSENT COMMITTEE MEMBERS

Antonio Alatorre, Clinicas del Camino Real, Inc.
Gagan Pawar, MD, Clinicas del Camino Real, Inc.

STAFF IN ATTENDANCE

Ruth Watson, Chief Operating Officer and Interim Chief Executive Officer
John Meazzo, Interim Chief Financial Officer
Traci R. McGinley, Clerk of the Board
Scott Campbell, Legal Counsel
William Freeman, Network Operations Director
Steven Lalich, Communications Director
Allen Maithel, Controller
Lyndon Turner, Financial Analysis Director

PUBLIC COMMENTS

Ricardo Calderan of Rabobank stated that as the Plan's money is currently at Rabobank, he was in attendance should the Committee have any questions regarding Item 3a, *Investment Policy*.

1. **APPROVE MINUTES**

a. **January 8, 2015 Regular Meeting Minutes**

Staff noted a correction to the minutes, the first paragraph of Item #2, *CFO Update – October and November Financials* should read as follows:

John Meazzo, Interim Chief Financial Officer, reviewed the October and November financials. Interim CEO Watson reported that DHCS has cut the Adult Expansion (AE) population capitation rate effective January 2015, by approximately twenty percent (20%). The Plan retroactively recorded a reduction of twenty percent (20%) of charges to January 2014. Staff is in the process of estimating an appropriate reserve should the Plan be required to return the excess premium. Discussion was held regarding the AE population MLR. Plans across the state do not believe that the full impact of the AE population has been seen and are greatly concerned that the State will make additional retroactive rate cuts before the real impact has been seen.

Committee Member Glycer moved to approve the January 8, 2015 Regular Meeting Minutes as amended. Committee Member Pupa seconded. The motion carried with the following vote:

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

2. ACCEPT AND FILE ITEMS

a. CEO Update

Interim CEO Watson reviewed the report with the Committee. Main areas of discussion were around the development of programs and distribution of funds for the Adult Expansion (AE) population. Since becoming GCHP Members January 1, 2015, less than 50% of the AE population has seen their PCP. DHCS requires that new members see their PCP within the first 30-60 days of eligibility with the Plan. Interim CEO Watson suggested possibly having incentives to encourage PCPs to reach out to the AE population for their appointment.

CMO Dr. Reeves noted that the Plan needs to find ways to expand services for the AE population. The challenge is to develop programs for this population versus the entire membership.

Interim CEO Watson continued her report explaining that staff has estimated that \$10 million can be set aside for AE programs for this fiscal year, but the Plan must be cautious because services are being utilized twice as much by the new enrollees and staff is concerned that costs will rise.

2. CFO Update – December Financials

John Meazzo, Interim Chief Financial Officer, provided an overview of the December financials.

Committee Member Pupa asked about the Health Care Costs and Medical Loss Ratio (MLR). Interim CFO Meazzo confirmed that the December health care costs of \$50.9 million reflected the adjustment to account for the 85% MLR.

In response to Committee Member Glycer's questions regarding the funds the Plan has received for the AE population, Interim CEO Watson confirmed that the State has indicated that it will take back the difference between the 85% MLR and the Plan's actual medical costs for the AE population. Interim CFO Meazzo added that the Plan is monitoring revenue and expenses every month and watching the per-member-per-month (PMPM) costs.

Chair Araujo suggested that the report to Commission include a statement regarding the current unallocated claim reserve.

Committee Member Pupa moved to accept and file the CEO Update and the CFO Update - December Financials and recommend approval by the Commission. Committee Member Glycer seconded. The motion carried with the following vote:

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

3. INFORMATIONAL ITEMS

a. Investment Policy

Interim CEO Watson reviewed the Investment Policy. Legal Counsel Campbell noted that on page 3a-12, the reference to the City of Thousand Oaks Bonds should be deleted.

Discussion was held regarding an Investment Committee. Interim CEO Watson suggested that the Investment Committee be chaired by a member of the Executive Finance Committee. Legal Counsel Campbell explained that the Investment Committee is not referenced in the policy because it is a staff committee, but will be referenced in the staff report when presented to the Commission. Further discussion was held regarding the committee and in response to questions that arose, Legal Counsel Campbell explained that the Commission would adopt the policy, staff would execute the policy and the Investment Committee would report to the Executive Finance Committee.

Committee Member Pupa expressed her desire to be on the Investment Committee.

Discussion was held regarding the different investments. In response to questions from Committee Member Glycer, Interim CEO Watson noted that staff would provide the Commission with information on the pooled funds.

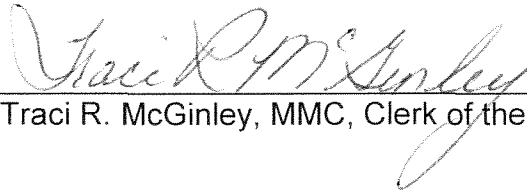
COMMENTS FROM COMMITTEE MEMBERS

None.

ADJOURNMENT

Meeting adjourned at 4:20 p.m.

APPROVED:

A handwritten signature in cursive script, reading "Traci R. McGinley", is written over a horizontal line.

Traci R. McGinley, MMC, Clerk of the Board