

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

Regular Meeting

Monday, August 24, 2020, 2:00 p.m.

**Gold Coast Health Plan, 711 East Daily Drive, Community Room, Camarillo, CA
93010**

Executive Order N-25-20

Conference Call Number: 1-805-324-7279

Conference ID Number: 254 033 683#

Para interpretación al español, por favor llame al 805-322-1542 clave 1234

AGENDA

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

The public has the opportunity to address Ventura County Medi-Cal Managed Care Commission (VCMMCC) doing business as Gold Coast Health Plan (GCHP) on the agenda. Persons wishing to address VCMMCC should complete and submit a Speaker Card.

Persons wishing to address VCMMCC are limited to three (3) minutes unless the Chair of the Commission extends time for good cause shown. Comments regarding items not on the agenda must be within the subject matter jurisdiction of the Commission.

Members of the public may call in, using the numbers above, or can submit public comments to the Committee via email by sending an email to ask@goldchp.org. If members of the public want to speak on a particular agenda item, please identify the agenda item number. Public comments submitted by email should be under 300 words.

CONSENT

1. Approval of Ventura County Medi-Cal Managed Care Regular Minutes of June 22, 2020.

Staff: Maddie Gutierrez, MMC – Clerk of the Commission

RECOMMENDATION: Approve the minutes of July 27, 2020.

2. Adopt a Resolution to Renew Resolution No. 2020-004, to Extend the Duration of Authority Empowered in the CEO to issue Emergency Regulations and Take Action Related to the Outbreak of Coronavirus (“COVID-19”)

Staff: Scott Campbell, General Counsel

RECOMMENDATION: Adopt Resolution No. 2020-005 to:

1. Extend the duration of authority granted to the CEO to issue emergency regulations and take action related to the outbreak of COVID-19.

PRESENTATIONS

3. Gold Coast Health Plan Fire Season Preparedness

Staff: Nancy Wharfield, M.D., Chief Medical Officer
Anne Freese, PharmD., Director of Pharmacy

RECOMMENDATION: Accept and file the presentation.

FORMAL ACTION

4. June 2020 Financials Report

Staff: Kashina Bishop, Chief Financial Officer

RECOMMENDATION: Staff recommends that the Commission approve the revised June 2020 financial package.

5. July 2020 Financials Report

Staff: Kashina Bishop, Chief Financial Officer

RECOMMENDATION: Staff recommends the Commission approve the July 2020 financial package.

REPORTS

6. Chief Executive Officer (CEO) Report

Staff: Margaret Tatar, Interim Chief Executive Officers

RECOMMENDATION: Receive and file the report.

7. Chief Medical Officer (CMO) Report

Staff: Nancy Wharfield, M.D., Chief Medical Officer

RECOMMENDATION: Receive and file the report.

8. Chief Diversity Officer (CDO) Report

Staff: Ted Bagley, Chief Diversity Officer

RECOMMENDATION: Receive and file the report.

CLOSED SESSION

9. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: Chief Executive Officer

ADJOURNMENT

Unless otherwise determined by the Commission, the next regular meeting will be held at 2:00 P.M. on September 28, 2020 at Gold Coast Health Plan at 711 E. Daily Drive, Suite 106, Community Room, Camarillo, CA 93010.

Administrative Reports relating to this agenda are available at 711 East Daily Drive, Suite #106, Camarillo, California, during normal business hours and on <http://goldcoasthealthplan.org>. Materials related to an agenda item submitted to the Commission after distribution of the agenda packet are available for public review during normal business hours at the office of the Clerk of the Commission.

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact (805) 437-5512. Notification for accommodation must be made by the Monday prior to the meeting by 3 p.m. to enable the Clerk of the Commission to make reasonable arrangements for accessibility to this meeting.

AGENDA ITEM NO. 1

TO: Ventura County Medi-Cal Managed Care Commission
FROM: Maddie Gutierrez, MMC - Clerk to the Commission
DATE: August 24, 2020
SUBJECT: Meeting Minutes of July 27, 2020 Regular Commission Meeting.

RECOMMENDATION:

Approve the minutes.

ATTACHMENTS:

Copy of Minutes for the July 27, 2020 Regular Commission Meeting.

**Ventura County Medi-Cal Managed Care Commission
(VCOMMCC)
dba Gold Coast Health Plan (GCHP)
July 27, 2020 Regular Meeting Minutes**

CALL TO ORDER

Commission Chair Dee Pupa called the meeting to order via teleconference at 2:02 p.m. Clerks were in the Community Room located at Gold Coast Health Plan, 711 East Daily Drive, Camarillo, California.

ROLL CALL

Present: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Laura Espinosa, Dr. Sevet Johnson, Gagan Pawar, M.D., Dee Pupa, Jennifer Swenson, Scott Underwood, M.D., and Supervisor John Zaragoza.

Absent: Commissioner Fred Ashworth.

Attending the meeting for GCHP Executive team were: Margaret Tatar, Interim Chief Executive Officer, Nancy Wharfield, M.D., Chief Medical Officer, Ted Bagley, Interim Chief Diversity Officer/Exec. Director of Human Resources, Kashina Bishop, Chief Financial Officer, Michael Murguia, Exec. Director of Human Resources, Robert Franco, Interim Chief Compliance Officer, Scott Campbell, General Counsel, Cathy Salenko, Health Care General Counsel, Marlen Torres, Executive Director of Strategies and External Affairs, Steve Peiser, Sr. Director of Network Management, and Eileen Moscaritolo, HMA Consultant.

Additional Staff participating on the call: Vicki Wrihster, Dr. Anne Freese, Rachel Lambert, Bob Bushey, Helen Miller, Dr. Lupe Gonzalez, Pauline Preciado, Nicole Kanter, Kim Timmerman, Anna Sproule, Debbie Rieger, Carolyn Harris, Kris Schmidt, Sandi Walker, Paula Cabral, Veronica Estrada, Ellen Evanow, and Susana Enriquez-Euyoque.

Sonia DeMarta from AmericasHealth Plan (AHP) and Anna Rangel, interpreter.

PUBLIC COMMENT

None.

CONSENT

1. Approval of Ventura County Medi-Cal Managed Care Commission Regular Minutes of June 22, 2020.

Staff: Maddie Gutierrez, MMC – Clerk of the Commission

RECOMMENDATION: Approve the minutes of June 22, 2020.

Commissioner Espinosa motioned to approve Consent item 1, Approval of Ventura County Medi-Cal Managed Care Commission Regular Minutes of June 22, 2020. Supervisor Zaragoza seconded.

Roll Call Vote:

AYES: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Laura Espinosa, Dr. Sevet Johnson, Gagan Pawar, M.D., Dee Pupa, Jennifer Swenson, Scott Underwood, M.D. and Supervisor John Zaragoza.

NOES: None.

ABSENT: Commissioner Fred Ashworth.

Commissioner Pupa declared the motion carried.

2. Approval of Credentials/Peer Review Committee Member

Staff: Nancy Wharfield, M.D., Chief Medical Officer

RECOMMENDATION: Approve Todd Flosi, M.D., as an active member of the Credentials/Peer Review Committee.

Commissioner Alatorre motioned to approve Dr. Flosi as an active member of the Credentials/Peer Review Committee. Commissioner Cho seconded.

Roll Call Vote:

AYES: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Laura Espinosa, Dr. Sevet Johnson, Gagan Pawar, M.D., Dee Pupa, Jennifer Swenson, Scott Underwood, M.D. and Supervisor John Zaragoza.

NOES: None.

ABSENT: Commissioner Fred Ashworth.

Commissioner Pupa declared the motion carried.

3. Extension of Emergency Powers Authorization

Staff: Scott Campbell, General Counsel

RECOMMENDATION: Adopt Resolution No. 2020-004 to extend the duration of authority empowered in the CEO through September 28, 2020.

Supervisor Zaragoza motioned to approve the adoption of Resolution No. 2020-004. Commissioner Alatorre seconded.

Roll Call Vote:

AYES: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Laura Espinosa, Dr. Sevet Johnson, Gagan Pawar, M.D., Dee Pupa, Jennifer Swenson, Scott Underwood, M.D., and Supervisor John Zaragoza.

NOES: None.

ABSENT: Commissioner Fred Ashworth.

Commissioner Pupa declared the motion carried.

PRESENTATION

4. Commissioner Fiduciary Duties

Staff: Scott Campbell, General Counsel

RECOMMENDATION: Receive and file the presentation.

General Counsel, Scott Campbell presented a PowerPoint reviewing bylaws and the fiduciary roles and duties of Commissioners.

Supervisor Zaragoza left the meeting at 2:23 p.m.

FORMAL ACTION

5. Evaluation of Gold Coast Health Plan's Subcommittees and Consideration of Appointments to such Subcommittees.

Staff: Scott Campbell, General Counsel

RECOMMENDATION: Staff recommends that the Commission determine whether the subcommittees should continue to exist, and if so, if any changes in the make-up of such subcommittees should be made.

Commissioner Espinosa motioned to accept the structure of the subcommittees in order to have discussion. Commissioner Alatorre seconded.

Roll Call Vote:

AYES: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Laura Espinosa, Dr. Sevet Johnson, Gagan Pawar, M.D., Dee Pupa, Jennifer Swenson, and Scott Underwood, M.D.

NOES: None.

ABSENT: Commissioner Fred Ashworth and Supervisor John Zaragoza.

Commissioner Pupa declared the motion carried.

Discussion:

General Counsel, Scott Campbell, reviewed the purpose of the Personnel subcommittee and listed the current members of the Subcommittee: Antonio Alatorre, Dee Pupa and Shawn Atin.

Commissioner Espinosa motioned to approve current members of the Personnel Subcommittee. Commissioner Cho seconded.

Roll Call Vote:

AYES: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Laura Espinosa, Dr. Sevet Johnson, Gagan Pawar, M.D., Dee Pupa, Jennifer Swenson, and Scott Underwood, M.D.

NOES: None.

ABSENT: Commissioner Fred Ashworth and Supervisor John Zaragoza.

Commissioner Pupa declared the motion carried.

General Counsel, Scott Campbell reviewed the purpose of the Bylaws and Delineation of Authority subcommittee and listed the current members: Antonio Alatorre, Shawn Atin, Laura Espinosa, Dee Pupa and Jennifer Swenson.

Commissioner Espinosa motioned to approve current members of the Bylaws and Delineation of Authority Subcommittee. Commissioner Pupa seconded.

Roll Call Vote:

AYES: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Laura Espinosa, Dr. Sevet Johnson, Gagan Pawar, M.D., Dee Pupa, Jennifer Swenson, and Scott Underwood, M.D.

NOES: None.

ABSENT: Commissioner Fred Ashworth and Supervisor John Zaragoza.

Commissioner Pupa declared the motion carried.

General Counsel, Scott Campbell reviewed the purpose of the Credentialing AdHoc subcommittee and listed the current members: Dr. Theresa Cho, Dr. Gagan Pawar and Laura Espinosa.

Commissioner Swenson asked if any other commissioners should be added. Commissioner Cho nominated Dr. Scott Underwood. Commissioner Pupa seconded the motion.

Commissioner Espinosa stated she would step down from this committee, which would allow for an odd number of members for voting purposes. General Counsel Campbell asked if this was acceptable, both Commissioner Cho and Pupa approved. Dr. Underwood accepted the nomination.

Roll Call Vote:

AYES: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Laura Espinosa, Dr. Sevet Johnson, Gagan Pawar, M.D., Dee Pupa, Jennifer Swenson, and Scott Underwood, M.D.

NOES: None.

ABSENT: Commissioner Fred Ashworth and Supervisor John Zaragoza.

Commissioner Pupa declared the motion carried.

General Counsel, Scott Campbell reviewed the purpose of the Strategic Planning subcommittee and listed the current members: Antonio Alatorre, Dee Pupa, Fred Ashworth, Laura Espinosa and Jennifer Swenson.

Commissioner Espinosa motioned to approve current members of the Strategic Planning Subcommittee. Commissioner Pupa seconded.

Roll Call Vote:

AYES: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Laura Espinosa, Dr. Sevet Johnson, Gagan Pawar, M.D., Dee Pupa, Jennifer Swenson, and Scott Underwood, M.D.

NOES: None.

ABSENT: Commissioner Fred Ashworth and Supervisor John Zaragoza.

Commissioner Pupa declared the motion carried.

Commissioner Espinosa requested a meeting of the Bylaws and Delineation of Authority Subcommittee be scheduled as soon as possible.

6. Contract Approval – Manifest MedEx for Health Information Exchange (HIE) Software Solution.

Staff: Nancy Wharfield, M.D., Chief Medical Officer
Pauline Preciado, Sr. Director Population Health & Equity

RECOMMENDATION: Plan staff recommends awarding a two-year agreement with Manifest MedEx, for a health Information Exchange (HIE) software solution.

Chief Medical Officer, Nancy Wharfield, M.D., stated this exchange is an opportunity for Ventura County to share information.

Pauline Preciado, Sr. Director Population Health & Equity gave a brief summary of the HIE software solution. This would enable GCHP and local provider systems to share secured health history information and improve coordination of care. Commissioner Alatorre asked how the health systems will connect if everyone uses a different EMR. Ms. Preciado stated the exchange is a platform with multiple health care system

readers. Commissioner Alatorre asked how systems will benefit. Ms. Preciado stated data sharing is a challenge, but this will help prevent duplication of services and allow having current patient information which will improve patient care. Commissioner Pawar asked if there is an additional cost. Ms. Preciado responded that DHCS is waiving implementation and first year fees.

Commissioner Swenson stated it would be a benefit to see overall healthcare cost reduction by eliminating tests. CMO Wharfield stated there is an immediate effect and the HIE is the home/hub of information. We will know real time admit/transfer status of members and can add patient alerts.

Commissioner Alatorre asked if the entire network is participating. Ms. Preciado stated we are reaching out to various organizations; certain systems have signed on, but it is not confirmed if all systems.

Eileen Moscaritolo, HMA consultant, stated GCHP will help develop the landscape and help facilitate data exchange at different levels of participation. GCHP is asking to be a leader in the community to promote adoption. Commissioner Cho noted hybrid data is a universal struggle. Ms. Preciado stated we have looked at other HIE systems and are working with other systems to integrate. Ms. Moscaritolo stated this will give robust data exchange in the County.

Commissioner Swenson motioned to approve the purchase agreement with Manifest MedEx for HIE software solution. Commissioner Alatorre seconded.

Roll Call Vote:

AYES: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Laura Espinosa, Dr. Sevet Johnson, Gagan Pawar, M.D., Dee Pupa, Jennifer Swenson, and Scott Underwood, M.D.

NOES: None.

ABSENT: Commissioner Fred Ashworth and Supervisor John Zaragoza.

Commissioner Pupa declared the motion carried.

7. Contract Award Approval – All Languages Interpreting and Translating, Inc., HolaDoctor, Inc., and Pacific Interpreters, Inc.

Staff: Nancy Wharfield, M.D., Chief Medical Officer
Lupe Gonzalez, PhD., MPH, Director of Health Education, Cultural and Linguistic Services

RECOMMENDATION: GCHP Management recommends awarding three-year contract amendments to the top three scoring vendors to provide services in all three sub-categories of interpretation services, based on fair and open competition.

Dr. Lupe Gonzalez presented the scoring information as well as a correction on information for the current vendors.

Commissioner Espinosa motioned to approve the Contract Award Approval – All Languages Interpreting and Translating, Inc., HolaDoctor, Inc., and Pacific Interpreters, Inc. Commissioner Johnson seconded.

Roll Call Vote:

AYES: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Laura Espinosa, Dr. Sevet Johnson, Gagan Pawar, M.D., Dee Pupa, Jennifer Swenson, and Scott Underwood, M.D.

NOES: None.

ABSENT: Commissioner Fred Ashworth and Supervisor John Zaragoza.

Commissioner Pupa declared the motion carried.

8. Quality Improvement Committee – 2020 Second Quarter Report

Staff: Nancy Wharfield, M.D., Chief Medical Officer
Kim Timmerman, Director of Quality Improvement

RECOMMENDATION: Receive and file the presentation.

Kim Timmerman, Director of Quality Improvement reviewed her PowerPoint presentation which included quality improvement updates with COVID-19 impacts on QI activities, final MCA performance measures (2019), and measure changes/ impact on performance. Ms. Timmerman also reviewed notable MCAS improvements in prenatal care, postpartum care and cervical cancer screening.

Low performing measures in 2019 were also noted. HEDIS/MCAS MY 2019 next steps were reviewed. Performance Improvement projects for 2019-2021 were also presented and ELIZA member outreach updates were given.

Commissioner Espinosa motioned to approve the Quality Improvement 2020 second quarter report. Commissioner Swenson seconded.

Roll Call Vote:

AYES: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Laura Espinosa, Dr. Sevet Johnson, Gagan Pawar, M.D., Dee Pupa, Jennifer Swenson, and Scott Underwood, M.D.

NOES: None.

ABSENT: Commissioner Fred Ashworth and Supervisor John Zaragoza.

Commissioner Pupa declared the motion carried.

9. June 2020 Fiscal Year to date Financials

Staff: Kashina Bishop, Chief Financial Officer

RECOMMENDATION: Approved the June 2020 financial package as presented.

Chief Financial Officer, Kashina Bishop, reviewed her PowerPoint presentation on the FYTD Unaudited Financial Statements for June 2020. CFO Bishop gave a financial overview of the June net income of \$3.8 million. The fiscal year to date net gain is \$4.1 million. TNE is \$79.7 million and 230% of the minimum required. The current medical loss ratio is at 93.6% and the administrative ratio is 6.1%.

CFO Bishop reviewed the financial impacts of COVID-19. We have an increase in membership and a decrease in authorizations and claims volume.

CFO Bishop also gave an update on the Solvency Action Plan; there is a continued focus on interest expense reduction = \$500,000, reduction of Long Term Care facility rates to 100% of Medi-Cal rate = \$1.8 million and a notification was sent to providers regarding reduction of Adult Expansion PCP rates = \$4.5 million.

Net Premium revenue is over budget by \$52.5 million and 7%. CFO Bishop reviewed the significant changes impacting positive variance; which included membership/case mix, revised draft capitation rates, supplemental payments and directed payments.

Fiscal year to date health care costs are currently \$776.1 million which is equals to a \$57.8 million and 8% unfavorable budget variance. Medical loss ratio is 93.6%.

Commissioner Atin motioned to approve the June 2020 financials package Commissioner Underwood seconded.

Roll Call Vote:

AYES: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Laura Espinosa, Dr. Sevet Johnson, Gagan Pawar, M.D., Dee Pupa, Jennifer Swenson, and Scott Underwood, M.D.

NOES: None.

ABSENT: Commissioner Fred Ashworth and Supervisor John Zaragoza.

Commissioner Pupa declared the motion carried.

REPORTS

10. Chief Executive Officer (CEO) Report

Staff: Margaret Tatar, Interim Chief Executive Officer

RECOMMENDATION: Receive and file the report.

Interim Chief Executive Officer, Margaret Tatar introduced new Executive Director of Human Resources, Michael Murguia and thanked Ted Bagley for taking over H.R. duties for the last seven months.

Commissioner Pupa stated it was a critical time for the Plan, it is a young Plan, and therefore not as financially stable. She urged CEO Tatar to advocate aggressively with the State.

Commissioner Espinosa asked if GCHP was eligible for any relief funds through the CARE Act. CFO Bishop stated the Plan was not eligible for CARE but had applied to FEMA and was eligible, although the monies would be minimal.

Commission Alatorre stated he had questions on the PCP auto-assignment and what is the risk GCHP is taking. CEO Tatar stated she would look at the policy and present recommendations to the Commission. Commissioner Alatorre asked who the admin members are. CEO Tatar replied she did not know. Sr. Director of Network

Management, Steve Peiser, stated he will research and report back to the Commission.

11. Chief Medical Officer (CMO) Report

Staff: Nancy Wharfield, M.D., Chief Medical Officer

RECOMMENDATION: Receive and file the report.

Chief Medical Officer, Nancy Wharfield, M.D., stated GCHP has been doing COVID-19 tracking and sends a daily report to the State.

Currently there is a Preventative Care Outreach Campaign. Preventative care is a major concern, especially immunizations. Flu vaccines are also a major concern. Outreach is to vulnerable members continues. There is a new “MyStrength Program” which promotes a Beacon program. CMO Wharfield noted people are staying away from care due to COVID-19.

Dr. Anne Freese, Director of Pharmacy reviewed her Medi-Cal Rx PowerPoint. On January 1, 2021, all retail pharmacy claims will be billed to the State and not to GCHP. There will be a member communication, a transition benefit and provider education. Dr. Freese reviewed claim responsibilities, post transition responsibilities and the communication schedule for members and providers. Dr. Freese also reviewed the Medi-Cal Rx training schedule.

Commissioner Espinosa asked if there will be a smooth transition for members. Dr. Freese stated she was hopeful, the State has put some items into place, and the process allows providers that are enrolled with GCHP also be enrolled with the State. The State has developed a transition policy and will “grandfather in” all active GCHP members into the State system.

12. Chief Diversity Officer (CDO) Report

Staff: Ted Bagley, Interim Chief Diversity Officer/ Interim Human Resources Director

RECOMMENDATION: Receive and file the report.

CDO Ted Bagley stated the Commission had received a complaint letter from a former employee and after a thorough investigation, the allegations were found to not be true.

CDO Bagley noted employees are doing well currently working from home.

CDO Bagley reviewed the Chief Diversity Officer job description. Commissioner Espinosa noted that under recruitment in the job description “promotional practices” was not referenced. CDO Bagley noted promotions were fair and divers. He noted he will add the information to the job description.

Commissioner Atin thanked CDO Bagley for the good work and leadership. Commissioner Pupa thanks CDO Bagley for stepping in and filling in the gaps. She appreciated all his efforts.

Commissioner Atin motioned to approve Agenda items 10 - CEO Report, 11 – CMO Report, and 12 – CDO Report. Commissioner Espinosa seconded.

Roll Call Vote:

AYES: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Laura Espinosa, Dr. Sevet Johnson, Gagan Pawar, M.D., Dee Pupa, Jennifer Swenson, and Scott Underwood, M.D.

NOES: None.

ABSENT: Commissioner Fred Ashworth and Supervisor John Zaragoza.

Commissioner Pupa declared the motion carried.

The Commission moved to Closed Session at 4:42 p.m. to discuss agenda items 13 and 14.

CLOSED SESSION

13. PUBLIC EMPLOYMENT

Title: Chief Executive Officer

14. CONFERENCE WITH LABOR NEGOTIATORS

Agency authorized representatives: Gold Coast Health Plan Commissioners,
Morgan Consulting and General Counsel

Unrepresented employee: Chief Executive Officer

General Counsel, Scott Campbell stated there was no reportable action.

SECOND CALL TO ORDER

Commission Chair Dee Pupa called the meeting to order via teleconference at 5:07 p.m.

SECOND ROLL CALL

Present: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Laura Espinosa, Dr. Sevet Johnson, Gagan Pawar, M.D., and Dee Pupa.

Absent: Commissioners Fred Ashworth, Scott Underwood, M.D., and Supervisor John Zaragoza.

OPEN SESSION

- 15. Approval of Amendment No. 3 to Purchase Order to the Agreement (“Agreement”) with Health Management Associates (“HMA”) for the Continued Service of Margaret Tatar to serve as Chief Executive Officer (CEO) as well as other HMA services.**

Staff: Scott Campbell, General Counsel

RECOMMENDATION: Staff recommends the following:

1. To approve Amendment No. 3 extending the duration of HMA services and Margaret Tatar as CEO through January 31, 2022 based upon the Commission’s determination that HMA and Margaret Tatar can provide management and CEO services during this period.

General Counsel, Scott Campbell, noted there will be an extension of the HMA agreement. Margaret Tatar will be the Chief Executive Officer devoting one hundred percent of her time to serve Gold Coast Health Plan for a period of eighteen months.

Commissioner Swenson motioned to approve the extension of the HMA agreement. Commissioner Alatorre seconded.

Roll Call Vote:

AYES: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Laura Espinosa, Dr. Sevet Johnson, Gagan Pawar, M.D., Dee Pupa, and Jennifer Swenson.

NOES: None.

ABSENT: Commissioner Fred Ashworth, Scott Underwood, M.D., and Supervisor John Zaragoza.

Commissioner Pupa declared the motion carried.

COMMENTS FROM COMMISSIONERS

None.

ADJOURNMENT

Commissioner Pupa adjourned the meeting at 5:11 p.m.

Approved:

Maddie Gutierrez, MMC
Clerk to the Commission

AGENDA ITEM NO. 2

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Scott Campbell, General Counsel

DATE: August 24, 2020

SUBJECT: Adopt a Resolution to Renew Resolution No. 2020-004, to Extend the Duration of Authority Empowered in the CEO to issue Emergency Regulations and Take Action Related to the Outbreak of Coronavirus (“COVID-19”)

SUMMARY:

Adopt Resolution No. 2020-005 to:

1. Extend the duration of authority granted to the CEO to issue emergency regulations and take action related to the outbreak of COVID-19.

BACKGROUND/DISCUSSION:

COVID-19, which originated in Wuhan City, Hubei Province, China in December, 2019, has resulted in an outbreak of respiratory illness causing symptoms of fever, coughing, and shortness of breath. Reported cases of COVID-19 have ranged from very mild to severe, including illness resulting in death. Since that time, confirmed COVID-19 infections have continued to increase in California, the United States, and internationally. To combat the spread of the disease Governor Newsom declared a State of Emergency on March 4, 2020. The State of Emergency adopted pursuant to the California Emergency Services Act, put into place additional resources and made directives meant to supplement local action in dealing with the crisis.

In the short period of time following the Governor’s proclamation, COVID-19 has rapidly spread through California necessitating more stringent action. On March 19, 2020, Governor Newsom issued Executive Order N-33-20 (commonly known as “Safer at Home”) ordering all residents to stay at home to slow the spread of COVID-19, except as needed to maintain continuity of operation of the federal critical infrastructure sectors.

The following day, the Ventura County Health Officer issued a County-wide “Stay Well at Home”, order, requiring all County residents to stay in their places of residence subject to certain exemptions set forth in the order.

Prompted by the increase of reported cases and deaths associated with COVID-19, the Commission adopted Resolution No. 2020-001 declaring a local emergency and empowering the interim CEO with the authority to issue emergency rules and regulations to protect the health of Plan’s members, staff and providers. Specifically, section (2) of Resolution No. 2020-001 describes the emergency powers delegated to the CEO which include, but are not limited

to: entering into agreements on behalf of the Plan, making and implementing personnel or other decisions, to take all actions necessary to obtain Federal and State emergency assistance, and implement preventive measures to preserve Plan activities and protect the health of Plan's members, staff and providers.

Normally under Government Code Section 8630, the Commission must review the need for continuing the local emergency once every sixty (60) days until the local governing body terminates the local emergency. However, under Governor Newsom's March 4, 2020, State of Emergency proclamation, that 60 day time period in section 8630 is waived for the duration of the statewide emergency. Pursuant to Resolution No. 2020-001, the Plan's Local Emergency proclamation and emergency authority vested in the CEO expired on April 27, 2020.

On April 27, 2020, the Commission adopted Resolution No. 2020-002 to renew Resolution No. 2020-001 to: (1) reiterate and renew the Plan's declaration of a Local Emergency through the duration of the Governor's State of Emergency proclamation or when the Commission terminates its declaration of Local Emergency, whichever occurs last; and (2) to extend the duration of authority empowered in the CEO to issue emergency regulations and take action. Resolution No. 2020-002 expired on May 18, 2020.

On April 28, 2020, Governor Gavin Newsom alongside State Public Health Officer Dr. Sonia Angell, announced California's Roadmap to Pandemic Resilience, which discussed how the state is planning to modify its state-wide Safer at Home order to "reopen California".

On May 4, 2020, Governor Newsom issued Executive Order N-60-20, declaring that California is prepared to move into the early phase of "Stage 2" to permit the gradual reopening of lower risk businesses and open spaces commencing on Friday, May 8, 2020, with modifications. As the state moves forward with reopening of certain businesses and spaces, Executive Order N-60-20 directs the State Public Health Officer to establish criteria and procedures, as set forth in the order, to determine whether and how local jurisdictions may implement local measures that depart from statewide directives.

Following the Governor's order, the Ventura County Health Officer modified its County-wide Stay Well at Home order on May 7, 2020, to align itself with the State's reopening process announced on May 4, 2020. Under the County Health Officer's May 7th order, certain low risk businesses such as florists, clothing stores, book stores, and sporting goods stores are permitted to re-open with modifications.

On May 18, 2020, the Commission adopted Resolution No. 2020-003 to renew and reiterate the enumerated powers granted to the CEO in Resolution No. 2020-002 above, and to: (1) authorize the CEO, with the advice counsel, to implement a staggered return to work program for Plan personnel; and (2) extend the duration of authority empowered in the CEO to issue emergency regulations and take action. Resolution No. 2020-003 expired on June 22, 2020.

Following the Commission's adoption of Resolution No. 2020-003, the State has permitted new specified businesses and recreation areas to reopen subject to modifications designed to implement social distancing and prevent the further spread of the disease. To help guide businesses and outdoor recreation areas as they reopen, the State Public Health Officer issues individual reopening protocols for each industry that is permitted to reopen. The

individual protocols require these spaces to implement industry-specific safety measures to help combat COVID-19.

In line with the State's directives, the County Health Officer updated its May 7, 2020 order again on May 20, May 22, May 29, and June 11, 2020. As with the previous County Health Officer orders, the June 11th order permits specified new industries to re-open in line with the State's directives.

In recent weeks however, the State and County Health Department have reported a sharp increase in new confirmed COVID-19 cases and hospitalizations. Evidence demonstrates that the timing of these increases is in line with the reopening of "high risk" businesses where individuals may congregate with members who are not part of the same household and remove their face coverings to eat and drink. As of August 11, 2020, there are 8,740 confirmed cases and 93 reported COVID-19 deaths in the County. The uptick in cases prompted the County Health Officer to issue an order on July 2, 2020, ("July 2nd Order") to require the closure of bars, and the temporary closure of County beaches in anticipation of large crowds that were expected and did gather during the Fourth of July weekend.

On July 13, 2020, the State Public Health Officer issued a state-wide order to require the immediate closure of: (1) indoor and outdoor operations of bars, pubs, brewpubs and breweries; and (2) indoor operation of restaurant dining, movie theaters, zoos, museums, cardrooms, wineries and tasting rooms. The order also imposes more stringent requirements on specified counties, including Ventura County that have appeared on the State's monitoring list for three consecutive days to prohibit the indoor operations of: gyms and fitness centers, places of worship, protests, offices for non-critical infrastructure sectors, personal care services, hair salons, barbershops, and malls. Also on July 13, 2020, the County Health Officer issued an order, requiring the closure of indoor operations of the following establishments: gyms and fitness centers, worship services, protests, offices for non-essential sectors, personal care services (e.g., nail salons, body waxing, and tattoo parlors), hair salons and barbershops, and malls.

More recently, on July 16, 2020, the County Health Officer amended its July 2nd Order to permit bars that serve food, wineries, and wine tasting rooms to reopen provided that they operate outdoors and abide by applicable State orders and guidance, and additional local requirements set forth in the County order.

On July 27, 2020, the Commission adopted Resolution No. 2020-004 to renew and reiterate the enumerated powers granted to the CEO in Resolution No. 2020-003 through August 24, 2020. Unless renewed by the Commission, the delegation of authority empowered in the CEO, pursuant to Resolution No. 2020-004 shall expire today, August 24, 2020.

There is still no vaccine proven to combat the disease and recent evidence demonstrates how rapidly and dangerously the disease can spread through person-to-person contact and by those in close proximity.

This resolution will continue to empower the CEO with the authority to issue orders and regulations necessary to prevent the further spread of the disease and protect the health and safety of Plan members and staff. As mentioned above, pursuant to Resolution No. 2020-002, the Plan's Local Emergency proclamation shall remain effective through the duration of the

Governor's State of Emergency proclamation or when the Commission terminates its declaration of Local Emergency, whichever occurs last.

FISCAL IMPACT:

None.

RECOMMENDATION:

1. Adopt Resolution No. 2020-005 to extend the duration of authority empowered in the CEO through September 28, 2020.

ATTACHMENT:

1. Resolution No. 2020-005.

RESOLUTION NO.2020-005

A RESOLUTION OF THE VENTURA COUNTY MEDICAL MANAGED CARE COMMISSION, DOING BUSINESS AS THE GOLD COAST HEALTH PLAN ("PLAN"), TO RENEW AND RESTATE RESOLUTION NO. 2020-004 TO EXTEND THE DURATION OF AUTHORITY EMPOWERED IN THE INTERIM CHIEF EXECUTIVE OFFICER OR CHIEF EXECUTIVE OFFICER ("CEO") RELATED TO THE OUTBREAK OF CORONAVIRUS ("COVID-19")

WHEREAS, all recitals in the Commission's Resolution Nos. 2020-001, 2020-002 2020-03 and 2020-004_ remain in effect are incorporated herein by reference; and

WHEREAS, a severe acute respiratory illness caused by a novel (new) coronavirus, known as COVID-19, has spread globally and rapidly, resulting in severe illness and death around the world. The World Health Organization has described COVID-19 as a global pandemic; and

WHEREAS, on March 19, 2020, the Commission adopted Resolution No. 2020-001, proclaiming a local emergency pursuant to Government Code Sections 8630 and 8634, and empowered the CEO with the authority to issue rules and regulations to preserve Plan activities, protect the health and safety of its members staff and providers and prevent the further spread of COVID-19; and

WHEREAS, on April 27, 2020, the Commission adopted Resolution No. 2020-002 to: (1) renew and reiterate the declaration of a local emergency related to the outbreak of COVID-19 declared in Resolution No. 2020-001 to remain effective through the duration of the Governors' State of Emergency proclamation or when the Commission terminates its declaration of Local Emergency, whichever occurs last; and (2) to extend the duration of authority empowered in the CEO through Resolution No. 2020-001 to May 18, 2020; and

WHEREAS, on May 18, 2020, the Commission adopted Resolution No. 2020-003 to renew the authority first granted to the CEO in Resolution No. 2020-001 to June 22, 2020 and to authorize the CEO, with the advice counsel, to implement a staggered return to work program for Plan personnel; and

WHEREAS, in recent weeks the State and County Health Department have reported a sharp increase in new confirmed COVID-19 cases and hospitalizations and that evidence demonstrates that the timing of these increases is in line with the reopening of "high risk" businesses where individuals may congregate with members who are not part of the same household and remove their face coverings to eat and drink; and

WHEREAS, the uptick in cases prompted the County Health Officer to issue an order on July 2, 2020, ("July 2nd. Order") to require the closure of bars, and the

temporary closure of County beaches in anticipation of large crowds that were expected and did gather during the Fourth of July weekend; and

WHEREAS, on July 13 2020, the State Public Health Officer issued a state-wide order to require the immediate closure of: (1) indoor and outdoor operations of bars, pubs, brewpubs and breweries; and (2) indoor operation of restaurant dining, movie theaters, zoos, museums, cardrooms, wineries and tasting rooms. The order also imposes more stringent requirements on specified counties, including Ventura County that have appeared on the State's monitoring list for three consecutive days to prohibit the *indoor* operations of: gyms and fitness centers, places of worship, protests, offices for non-critical infrastructure sectors, personal care services, hair salons, barbershops, and malls; and

WHEREAS, also on July 13, 2020, the County Health Officer issued an order, requiring the closure of indoor operations of the following establishments: gyms and fitness centers, worship services, protests, offices for non-essential sectors, personal care services (e.g., nail salons, body waxing, and tattoo parlors), hair salons and barbershops, and malls; and

WHEREAS, more recently, on July 16, 2020, the County Health Officer amended its July 2nd Order to permit bars that serve food, wineries, and wine tasting rooms to reopen provided that they operate outdoors and abide by applicable State orders and guidance, and additional local requirements set forth in the County order; and

WHEREAS, on July 27, 2020, the Commission adopted Resolution No. 2020-004 to renew and reiterate the enumerated powers granted to the CEO in Resolution No. 2020-003 through August 24, 2020; and

WHEREAS, there is still no vaccine proven to combat the disease, and recent evidence demonstrates how rapidly the disease can spread through person-to-person contact and those in close proximity; and

WHEREAS, the imminent and proximate threat of introduction of COVID-19 in Commission staff workplaces continues to threaten the safety and health of Commission personnel; and

WHEREAS, under Article VIII of the Ventura County Medi-Cal Managed Care Commission aka Gold Coast Health Plan's (the "Plan's") bylaws, the CEO is responsible for coordinating day to day activities of the Ventura County Organized Health System, including implementing and enforcing all policies and procedures and assure compliance with all applicable federal and state laws, rules and regulations; and

WHEREAS, California Welfare and Institutions Code section 14087.53(b) provides that all rights, powers, duties, privileges, and immunities of the County of Ventura are vested in the Plan's Commission; and

WHEREAS, California Government Code section 8630 permits the Plan's Commissioners, acting with the County of Ventura's powers, to declare the existence of

a local emergency to protect and preserve the public welfare of Plan's members, staff and providers when they are affected or likely to be affected by a public calamity; and

WHEREAS, the Plan is a public entity pursuant to Welfare and Institutions Code section 14087.54 and as such, the Plan may empower the CEO with the authority under sections 8630 and 8634 to issue rules and regulations to prevent the spread of COVID-19 and preserve Plan activities and protect the health and safety of its members, staff and providers; and

NOW, THEREFORE, BE IT RESOLVED, by the Ventura County Medi-Cal Managed Care Commission as follows:

Section 1. Pursuant to California Government Code sections 8630 and 8634, the Commission adopted Resolution No. 2020-001 finding a local emergency exists caused by conditions or threatened conditions of COVID-19, which constitutes extreme peril to the health and safety of Plan's members, staff and providers.

Section 2. Resolution No. 2020-001 also empowered the CEO with the authority to furnish information, to promulgate orders and regulations necessary to provide for the protection of life and property pursuant to California Government Code sections 8630 and 8634, to enter into agreements, make and implement personnel or other decisions and to take all actions necessary to obtain Federal and State emergency assistance and to implement preventive measures and other actions necessary to preserve Plan activities and protect the health of Plan's members, staff and providers, including but not limited to the following:

- A. Arrange alternate "telework" accommodations to allow Plan staff to work from home or remotely, as deemed necessary by the CEO, to limit the transfer of the disease.
- B. Help alleviate hardship suffered by Plan staff related to emergency conditions associated with the continued spread of the disease such as acting on near-term policies relating to sick leave for Plan staff most vulnerable to a severe case of COVID-19.
- C. Address and implement expectations issued by the California Department of Health Care Services ("DHCS") and the Centers for Medicare & Medicaid Services ("CMS") regarding new obligations to combat the pandemic.
- D. Coordinate with Plan staff to realign job duties, priorities, and new or revised obligations issued by DHCS and CMS.
- E. Take such action as reasonable and necessary under the circumstances to ensure the continued provision of services to members while prioritizing the Plan's obligations pursuant to the agreement between DHCS and the Plan ("Medi-Cal Agreement").

F. Enter in to such agreements on behalf of the Plan as necessary or desirable, with advice of legal counsel, to carry out all actions authorized by the Commission in the Resolution.

G. Authorize the CEO to implement and take such action on behalf of the Plan as the CEO may determine to be necessary or desirable, with advice of legal counsel, to carry out all actions authorized by the Commission in this Resolution.

Section 3. In Resolution 2020-001, the Commission further ordered that:

A. The Commission approves and ratifies the actions of the CEO and the Plan's staff heretofore taken which are in conformity with the intent and purposes of these resolutions.

Section 4. Resolution No. 2020-001 expired on April 27, 2020.

Section 5. On April 27, 2020, the Commission adopted Resolution No. 2020-002 to:

A. Renew and reiterate the declaration of a local emergency related to the outbreak of COVID-19 to remain effective through the duration of the Governors' State of Emergency proclamation or when the Commission terminates its declaration of Local Emergency, whichever occurs last; and

B. To extend the duration of authority empowered in the CEO to issue emergency regulations related to the COVID-19 outbreak to May 18, 2020.

Section 6 The Commission adopted Resolution No. 2020-003 on May 18, 2020, to renew and reiterate the authority granted to the CEO approved in Resolution No. 2020-002 and to adopt the following additional emergency measures:

A. In addition to the authority granted to the CEO in Section 2, to authorize the CEO, with the advice counsel, to implement a staggered return to work program for Plan personnel; and

B. Extend the authority granted to the CEO through June 22, 2020.

Section 7. On May 4, 2020, California Governor, Gavin Newsom issued Executive order N-60-20, to modify its state-wide Safer at Home order and allow the state to move into Stage 2 of the reopening process to permit certain low risk businesses and open spaces to open with modifications. Executive Order N-60-20, also directs the State Public Health Officer to establish and criteria and procedures, as set forth in the order to determine how local jurisdictions may implement public health measures that depart from state-wide directives of the State Public Health Officer.

Section 8. The Commission adopted Resolution No. 2020-004 on July 27, 2020 to renew and reiterate the authority granted to the CEO approved in Resolution No. 2020-003 through August 24, 2020. Resolution No. 2020-004 shall expire on August 24, 2020.

Section 9. The Commission now seeks to renew and reiterate the authority granted to the CEO approved in Resolution No. 2020-004 through September 28, 2020.

Section 10. Unless renewed by the Commission, the delegation of authority empowered in the CEO, pursuant to this resolution shall expire on September 28, 2020.

PASSED, APPROVED AND ADOPTED by the Ventura County Medi-Cal Managed Care Commission at a regular meeting on the 24th day of August 2020, by the following vote:

AYE:

NAY:

ABSTAIN:

ABSENT:

Chair:

Attest:

Clerk of the Commission

AGENDA ITEM NO. 3

TO: Ventura County Medi-Cal Managed Care Commission
FROM: Nancy Wharfield, M.D., Chief Medical Officer
Anne Freese, PharmD, Director of Pharmacy
DATE: August 24, 2020
SUBJECT: Gold Coast Health Plan Fire Season Preparedness

SUMMARY:

Presentation by staff providing an update on fire season preparedness.

RECOMMENDATION:

Staff recommends that the Ventura County Medi-Cal Managed Care Commission accept and file the presentation.

ATTACHMENT:

- 1) Freese, A., (2020). Director of Pharmacy, Ventura County Medi-Cal Managed Care Commission, GCHP: Fire Season Preparedness, Presentation Slides.

GCHP: Fire Season Preparedness

August 24, 2020

Nancy Wharfield, M.D., Annie Freese, PharmD
Chief Medical Officer Director of Pharmacy

Integrity

Accountability

Collaboration

Trust

Respect

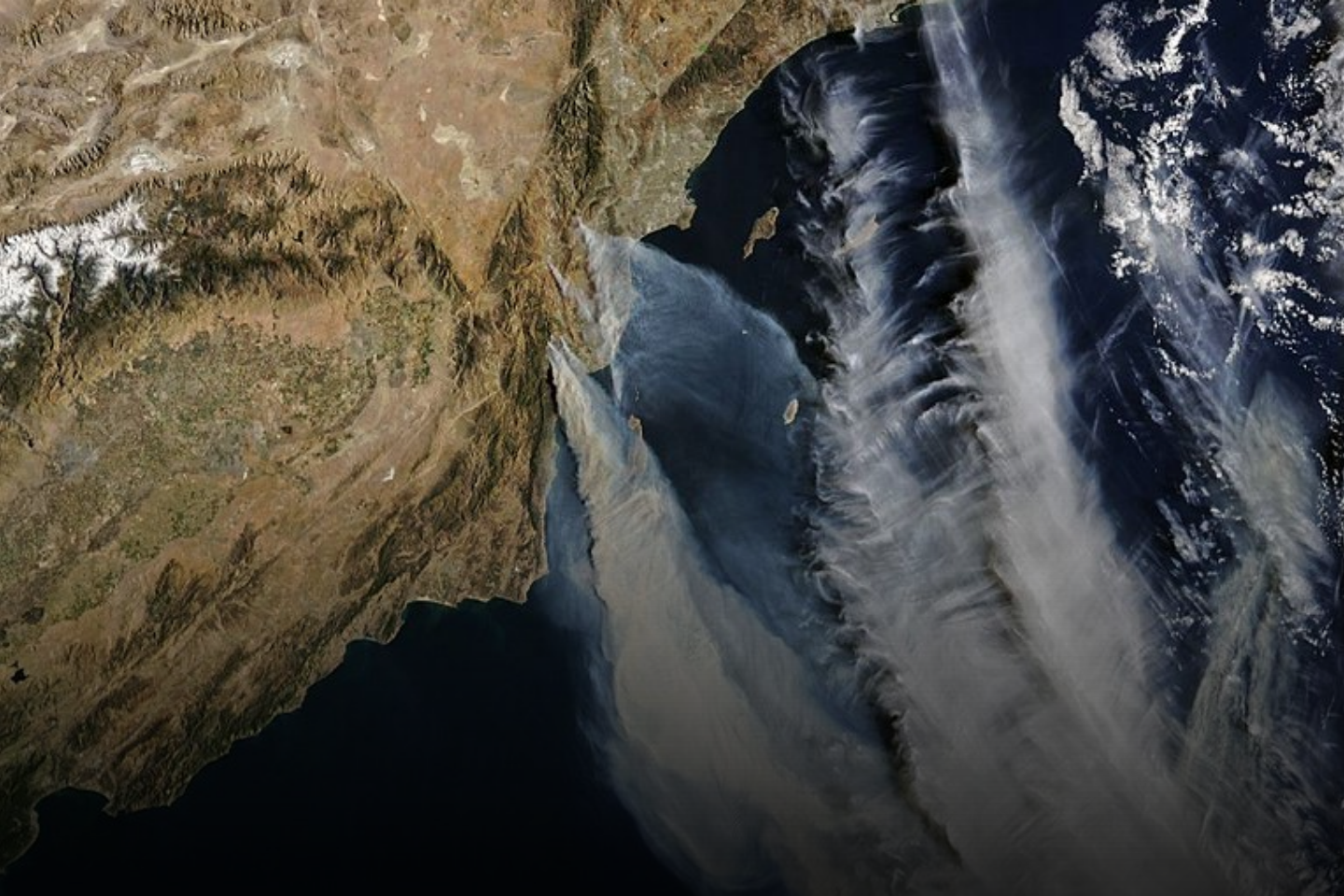
Agenda

- Background
- GCHP Responsibilities
 - Monitoring
 - Member Safety and Health Care
 - Delivery System Optimization
 - Stakeholder Reporting
 - Staff Safety
- Process Overview



Background: Ventura County Recent Fire History

- Dec. 2017: Thomas Fire
 - Santa Paula/Thomas Aquinas College
- Nov. 2018: Woolsey Fire
 - Santa Susana Mountains
- Oct. 2019: Maria Fire
 - Somis/Santa Paula



GCHP Responsibilities

- Monitoring
- Member Safety and Health Care
- Delivery System Optimization
- Stakeholder Reporting
- Staff Safety

GCHP Responsibilities: Monitoring

Types of Incidents

- Fires
- Power Safety Shut Offs
(PSPS)

Tools

- VC Emergency
- VC Scanner
- CAL FIRE
- SoCal Edison

GCHP Responsibilities: Member Safety and Health Care

- Ensure members have access to needed medical care including prescriptions and DME
 - Relaxation of authorization requirements
- Assist with the transition of members in the event of facility loss
- Inform members of the impact to the health care delivery system

GCHP Responsibilities: Delivery System Optimization

- Facilitate continuity of care
- Lift restrictions to facilitate access to care
 - Authorizations
 - Limitations
 - Early refills
- Publicize closure of facilities (hospital, clinic, pharmacy)

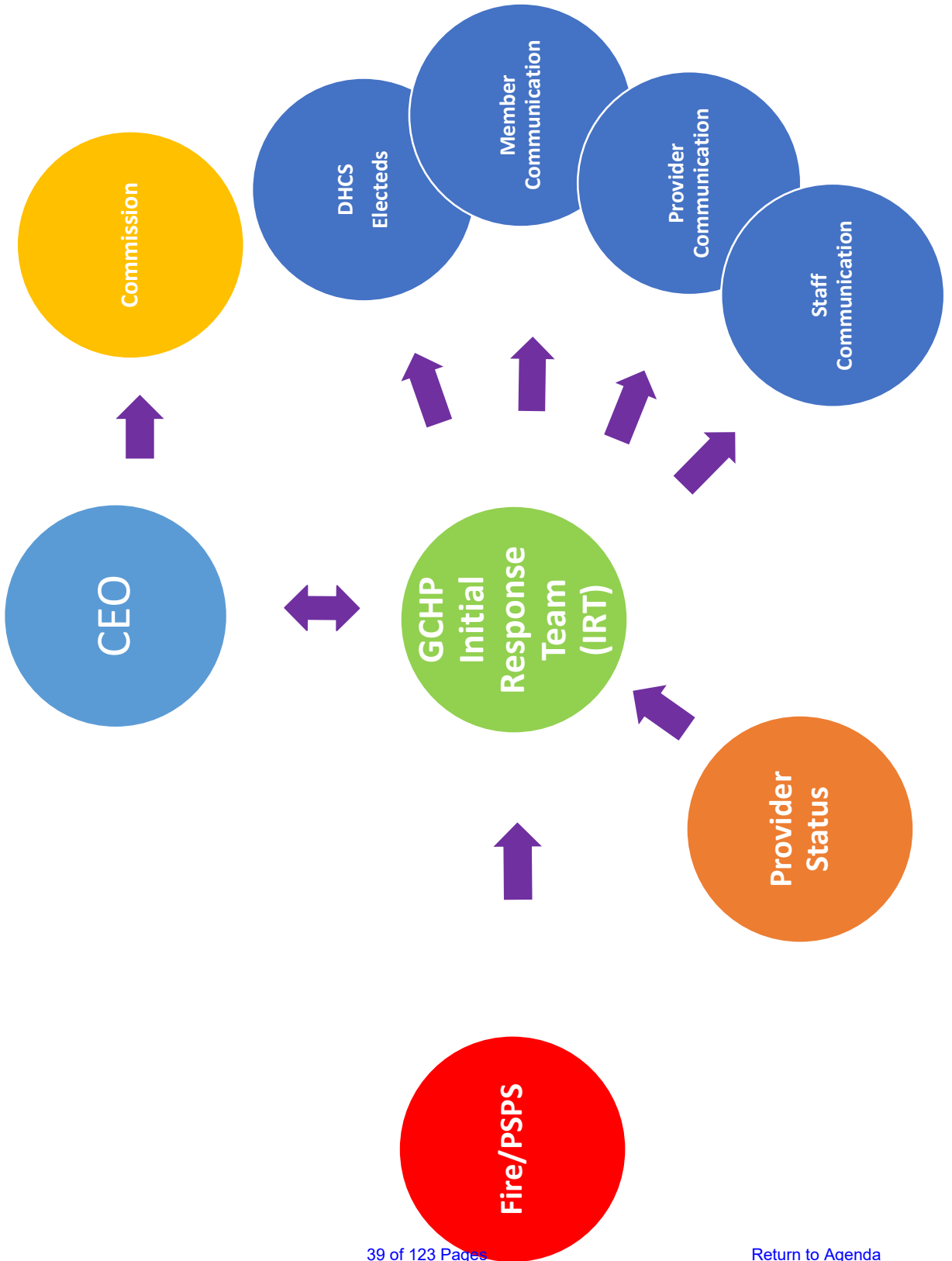
GCHP Responsibilities: Stakeholder Reporting

- **DHCS Reporting**
 - Minimum twice daily reporting
 - Delivery system impact
 - Member impact
- **Member**
- **Provider**
- **Commission**
- **Elected Officials/County Officials**

GCHP Responsibilities: Staff Safety

- Facility Status
- Remote Worker Status
- Onsite Worker Status
- Contractor/Vendor Status
- Send Word Now

Process Overview





AGENDA ITEM NO. 4

TO: Ventura County Medi-Cal Managed Care Commission
FROM: Kashina Bishop, Chief Financial Officer
DATE: August 24, 2020
SUBJECT: Revised June 2020 Fiscal Year to Date Financials

SUMMARY:

Staff is presenting the attached revised June 2020 fiscal year-to-date (“FYTD”) financial statements of Gold Coast Health Plan (“Plan”) for the Commission to review and approve.

BACKGROUND/DISCUSSION:

The staff has prepared the revised unaudited June 2020 FYTD financial package, including statements of financial position, statement of revenues and expenses, changes in net assets, and statement of cash flows. These reflect revisions to the financial statements associated with updated capitated rates from the Department of Health Care Services (DHCS) for the bridge period rates effective from July 1, 2019-December 31, 2020. In addition, the revisions include adjustments to medical expenses based on information obtained in the July 2020 close process which impacted estimated medical expenses for dates of services in FY 19-20.

The most significant financial impact is as a result of the revised capitation rates reflecting a reduction of 1.5% of the medical expense component of the capitation rates, implemented as a response to the State budget crisis. The revised capitation rates also reflect changes to the MCO tax component which have a minimal net impact to the financial statements.

Assembly Bill 115 (Chapter 348, Statutes 2019) authorizes DHCS to implement the MCO tax on specified health plans subject to approval by the federal Centers for Medicare and Medicaid Services (“CMS”). On April 3, 2020, CMS approved the DHCS waiver of the broad-based and uniformity provisions of Sections 1903(w)(3)(B) and (C) of the Social Security Act for the modified MCO tax model. The effective date range for this approval is January 1, 2020 through December 31, 2022. Due to the delayed effective date reflected in the federal approval, DHCS has revised the associated rates and tax liability to the Plan.

The adjustments were as follows:

Decrease in revenue due to 1.5% reduction	\$8,483,908
Decrease in Prop 56 revenue	\$306,614
Decrease to MCO tax component of revenue	<u>\$64,876,610</u>
Total decrease to revenue	\$73,667,131
Decrease to Prop 56 expense	\$297,038
Decrease to MCO tax expense	<u>\$64,968,137</u>
Total decrease to expense	\$65,265,176
Increase to medical expenses	\$2,258,847
Net reduction to Tangible Net Equity	\$10,660,803

Revised June 2020 FYTD Highlights:

1. The Plan has realized a net loss of \$6.6 million, a \$8.1 million unfavorable year-to-date budget variance.
2. FYTD net revenue is \$820.5 million, \$44.0 million higher than budget.
3. FYTD Cost of health care is \$778.0 million, \$59.8 million higher than budget.
4. The medical loss ratio is 94.9% of revenue, which is 2.4% higher than the budget.
5. FYTD administrative expenses are \$50.8 million, \$6.9 million lower than the budget.
6. The administrative cost ratio is 6.2%, 1.2% lower than budget.
7. Current membership for June is 200,651. Member months for the year are at 2,352,143 which is 1% greater than budget.
8. Tangible Net Equity is \$69.0 million which represents approximately 30 days of operating expenses in reserve and 198% of the required amount by the State.

The month of June 2020 will remain open until the end of the financial audit, and future adjustments will be made if there are material changes impacting the financial statements as of June 30, 2020. This may include, but is not limited to, the final determination from DHCS on the bridge period risk corridor and final analysis of the Incurred But Not Paid calculation for determining the medical expense liability. Staff will keep the Commission updated on all potential impacts.

RECOMMENDATION:

Staff recommends that the Commission approve the revised June 2020 financial package.

ATTACHMENT:

June 2020 Financial Package



FINANCIAL PACKAGE

For the month ended June 30, 2020

TABLE OF CONTENTS

- Executive Dashboard
- Statement of Financial Position
- Statement of Revenues, Expenses and Changes in Net Assets
- FYTD PMPM Budget to Actual Analysis - Fee for Service by AID Category
- Statement of Cash Flows

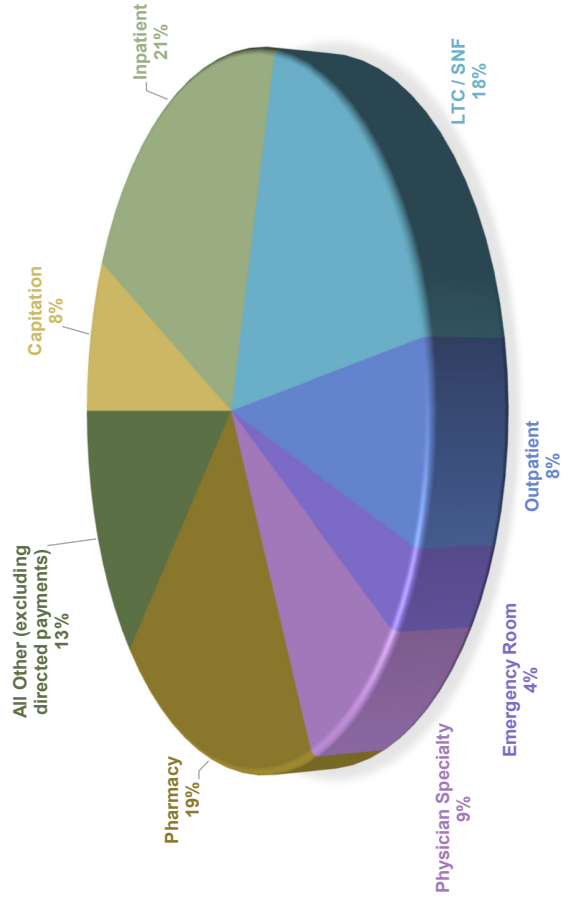
**Gold Coast Health Plan
Executive Dashboard as of June 30, 2020**

	FYTD 19/20 Budget	FYTD 19/20 Actual	FY 18/19 Actual	FY 17/18 Actual
Average Enrollment	193,409	196,012	198,140	202,748
PMPM Revenue	\$ 334.54	\$ 348.73	\$ 299.23	\$ 284.60
Medical Expenses				
Capitation	\$ 26.52	\$ 24.93	\$ 23.90	\$ 13.90
Inpatient	\$ 61.60	\$ 67.54	\$ 62.09	\$ 58.98
LTC / SNF	\$ 57.35	\$ 57.80	\$ 56.06	\$ 51.30
Outpatient	\$ 25.68	\$ 25.79	\$ 25.88	\$ 25.74
Emergency Room	\$ 11.91	\$ 11.75	\$ 12.14	\$ 12.77
Physician Specialty	\$ 25.49	\$ 27.41	\$ 26.71	\$ 23.82
Pharmacy	\$ 57.07	\$ 61.05	\$ 56.60	\$ 49.76
All Other (excluding directed payments)	\$ 36.13	\$ 42.17	\$ 38.20	\$ 32.93
Total Per Member Per Month	\$ 301.74	\$ 318.45	\$ 301.58	\$ 269.21
Medical Loss Ratio	92.5%	94.9%	102.0%	95.1%

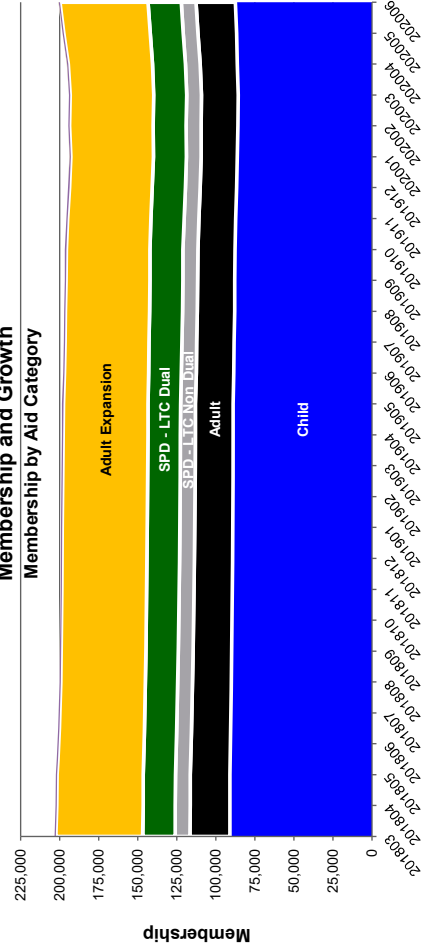
Total Administrative Expenses \$ 57,701,709 \$ 50,821,685 \$ 46,655,880 \$ 49,015,352
 % of Revenue 7.4% 6.2% 6.6% 7.1%

TNE \$ 93,700,000 \$ 69,013,294 \$ 75,604,948 \$ 132,115,371
 Required TNE \$ 33,464,286 \$ 34,770,196 \$ 32,382,791 \$ 32,373,536
 % of Required 280% 198% 233% 408%

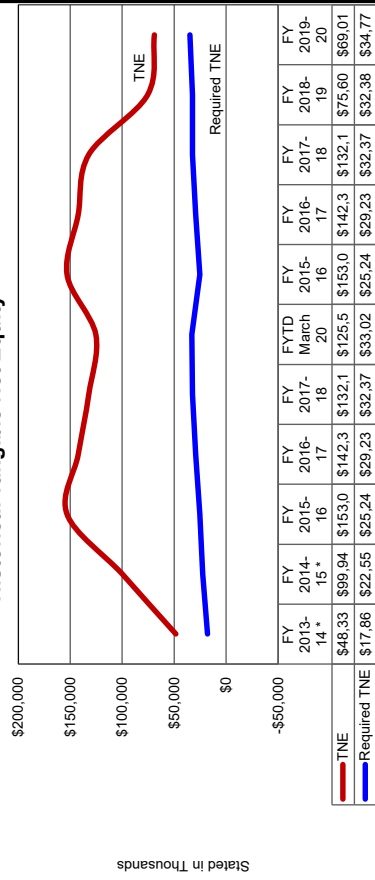
% OF TOTAL MEDICAL EXPENSE



Membership and Growth



Historical Tangible Net Equity



STATEMENT OF FINANCIAL POSITION

	<u>06/30/20</u>	<u>05/31/20</u>	<u>04/30/20</u>
ASSETS			
Current Assets:			
Total Cash and Cash Equivalents	80,327,619	90,620,525	85,204,213
Total Short-Term Investments	43,040,224	43,040,206	42,940,731
Medi-Cal Receivable	102,000,828	164,310,015	154,909,413
Interest Receivable	309,342	282,269	282,269
Provider Receivable	727,334	450,647	377,897
Other Receivables	6,832,616	7,829,253	8,857,684
Total Accounts Receivable	109,870,120	172,872,185	164,427,262
Total Prepaid Accounts	1,751,774	1,640,927	2,063,741
Total Other Current Assets	153,789	153,789	153,789
Total Current Assets	235,143,525	308,327,631	294,789,736
Total Fixed Assets	1,610,328	1,654,171	1,698,281
Total Assets	\$ 236,753,853	\$ 309,981,802	\$ 296,488,017
LIABILITIES & NET ASSETS			
Current Liabilities:			
Incurred But Not Reported	\$ 60,079,314	\$ 60,711,893	\$ 59,972,047
Claims Payable	5,597,372	9,598,303	8,175,554
Capitation Payable	17,035,206	19,619,530	19,712,855
Physician Payable	15,929,522	18,349,967	16,861,083
DHCS - Reserve for Capitation Recoup	5,257,358	5,257,358	5,257,358
Accounts Payable	2,363,635	2,401,503	706,718
Accrued ACS	1,692,422	1,676,786	3,346,682
Accrued Provider Reserve	1,182,056	1,022,221	1,209,266
Accrued Pharmacy	20,041,432	20,729,069	21,208,438
Accrued Expenses	782,470	821,526	1,030,181
Accrued Premium Tax	34,505,280	90,904,394	82,467,273
Accrued Payroll Expense	2,187,982	1,952,841	1,896,771
Total Current Liabilities	166,654,048	233,045,392	221,844,226
Long-Term Liabilities:			
Other Long-term Liability-Deferred Rent	1,086,511	1,089,398	1,092,284
Total Long-Term Liabilities	1,086,511	1,089,398	1,092,284
Total Liabilities	167,740,559	234,134,789	222,936,510
Net Assets:			
Beginning Net Assets	75,604,948	75,604,948	75,604,948
Total Increase / (Decrease in Unrestricted Net Assets)	(6,591,654)	242,066	(2,053,441)
Total Net Assets	69,013,294	75,847,014	73,551,507
Total Liabilities & Net Assets	\$ 236,753,853	\$ 309,981,802	\$ 296,488,017

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR MONTH ENDED June 30, 2020**

	June 2020		Year-To-Date		Variance Fav / (Unfav)	Variance %	June 2020		Variance Fav / (Unfav)	Variance %
	Actual	Budget	Actual	Budget			Actual	Budget		
Membership (includes retro members)	200,651	2,320,143	2,320,908	31,235		1%				
Revenue	\$ 6,297,700	\$ 776,443,373	\$ 77,795,579			10%				
Premium	-	539,983	-	539,983		0%				
Reserve for Cap Requirements	56,399,114	(34,505,280)	(34,505,280)			0%				
MCO Premium Tax	62,696,814	820,273,655	776,443,373	43,830,282		6%				
Total Net Premium	613	189,952	-	189,952		0%				
Miscellaneous Income	613	189,952	-	189,952		0%				
Total Other Revenue	62,697,427	820,463,607	776,443,373	44,020,234		6%				
Total Revenue	5,949,023	61,553,973	2,906,030			5%				
Medical Expenses:										
Capitation (PCP, Specialty, Kaiser, NEMT & Vision)	15,460,898	142,961,687	(15,901,584)			-11%				
FFS Claims Expenses:	11,745,871	133,103,111	(2,853,494)			-2%				
Inpatient	4,423,945	59,595,780	(1,070,717)			-2%				
LTC / SNF	456,949	3,960,487	(1,757,591)			-44%				
Laboratory and Radiology	994,728	17,964,014	(11,020,346)			-61%				
Directed Payments - Provider	1,462,843	27,634,235	(13,481)			0%				
Emergency Room	2,893,369	64,471,094	59,161,691	(5,309,403)		-9%				
Physician Specialty	1,685,113	17,488,578	13,567,643	(3,920,935)		-29%				
Primary Care Physician	2,089,308	18,698,441	18,742,123	43,682		0%				
Home & Community Based Services	1,980,580	24,589,157	18,938,042	(5,651,115)		-30%				
Applied Behavioral Analysis/Mental Health Services	13,214,083	143,601,339	132,446,524	(11,154,815)		-8%				
Pharmacy	159,835	886,375	910,860	51%		51%				
Provider Reserve	207,354	3,940,075	3,790,614	(149,462)		-4%				
Other Medical Professional	69,579	107,400	(107,400)			0%				
Other Medical Care	2,260,655	12,047,033	9,295,340	(2,751,692)		-30%				
Other Fee For Service	65,108	2,116,322	1,684,686	(431,636)		-26%				
Transportation	59,170,219	705,782,340	644,643,212	(61,139,129)		-9%				
Total Claims	1,174,600	14,499,096	16,129,192	1,630,097		10%				
Medical & Care Management Expense	(436,257)	2,005,799	949,564	(1,056,236)		-111%				
Reinsurance	(472,899)	(2,901,090)	(5,000,000)	(2,098,910)		42%				
Claims Recoveries/Budget Reduction	265,444	13,603,805	12,078,756	(1,525,049)		-13%				
Sub-total	65,384,686	778,034,088	718,275,941	(59,758,148)		-8%				
Total Cost of Health Care	(2,687,259)	42,429,519	58,167,433	(15,737,914)		-27%				
Contribution Margin	1,957,312	25,326,810	27,060,798	1,733,988		6%				
General & Administrative Expenses:	9,289	187,701	614,926	427,225		69%				
Salaries, Wages & Employee Benefits	2,194,776	25,372,171	26,738,175	1,366,004		5%				
Training, Conference & Travel	359,818	4,540,399	3,242,845	(1,297,554)		-40%				
Outside Services	689,283	8,137,335	9,095,929	958,594		11%				
Professional Services	(1,174,600)	(1,499,096)	(16,129,192)	(1,630,097)		10%				
Occupancy, Supplies, Insurance & Others	4,035,878	49,065,321	50,623,480	1,558,159		3%				
Care Management ReClass to Medical G&A Expenses	191,094	1,756,364	7,078,229	5,321,865		75%				
Project Portfolio	4,226,972	50,821,685	57,701,709	6,880,024		12%				
Total G&A Expenses	(6,914,231)	(6,392,166)	465,724	(8,857,890)		-1902%				
Total Operating Gain / (Loss)	80,512	1,800,513	1,035,258	765,255		74%				
Non Operating	80,512	1,800,513	1,035,258	765,255		74%				
Revenues - Interest										
Total Non-Operating										
Total Increase / (Decrease) in Unrestricted Net Assets	\$ (6,833,720)	\$ (6,591,654)	\$ 1,500,982	\$ (8,092,635)		-539%				

FYTD PMPM BUDGET TO ACTUAL ANALYSIS - FEE FOR SERVICE BY AID CATEGORY

	Adult			Child			Adult Expansion		
	Budget	Actual	Variance %	Budget	Actual	Variance %	Budget	Actual	Variance %
Inpatient	\$ 117.34	\$ 127.13	\$ 9.79 8%	\$ 7.60	\$ 6.27	\$ (1.33) -18%	\$ 97.75	\$ 115.31	\$ 17.56 18%
Outpatient	42.23	46.59	4.36 10%	4.69	4.05	(0.64) -14%	40.44	38.85	(1.59) -4%
ER	16.73	16.32	(0.41) -2%	9.46	9.61	0.15 2%	15.48	15.38	(0.10) -1%
LTC	4.36	13.50	9.14 210%	0.33	0.30	(0.03) -9%	20.99	23.13	2.14 10%
PCP	9.70	9.67	(0.03) 0%	5.95	5.00	(0.95) -16%	6.91	7.00	0.09 1%
Specialty	47.33	50.89	3.56 8%	6.07	6.08	0.01 0%	40.60	43.40	2.80 7%
Pharmacy	79.23	97.95	18.72 24%	12.94	11.71	(1.23) -10%	99.26	111.86	12.60 13%
Mental Health/ABA	5.06	5.80	0.74 15%	7.19	8.79	1.60 22%	4.97	5.71	0.74 15%
All Other	11.16	12.29	1.13 10%	1.94	2.08	0.14 7%	13.38	13.40	0.02 0%
Total	\$ 333.14	\$ 380.14	\$ 47.00 14%	\$ 56.17	\$ 53.89	\$ (2.28) -4%	\$ 339.78	\$ 374.04	\$ 34.26 10%
FYTD Member Months	276,980	286,318	9,338 3%	1,046,849	1,043,833	(3,016) 0%	638,776	645,754	6,978 1%

	Seniors and Persons with Disabilities (SPD)			SPD - Dual			Long Term Care (LTC)		
	Budget	Actual	Variance %	Budget	Actual	Variance %	Budget	Actual	Variance %
Inpatient	\$ 316.42	\$ 294.09	\$ (22.33) -7%	\$ 18.37	\$ 22.40	\$ 4.03 22%	\$ 627.90	\$ 1,726.44	\$ 1,098.54 175%
Outpatient	105.41	98.41	(7.00) -7%	19.78	20.87	1.09 6%	274.05	179.45	(94.60) -35%
ER	25.15	26.57	1.42 6%	1.74	1.69	(0.05) -3%	10.46	11.06	0.60 6%
LTC	162.64	143.18	(19.46) -12%	91.96	88.34	(3.62) -4%	7,432.23	8,887.21	1,454.98 20%
PCP	16.39	19.86	3.47 21%	4.58	4.35	(0.23) -5%	9.22	4.50	(4.72) -51%
Specialty	83.04	87.21	4.17 5%	17.24	19.35	2.11 12%	172.15	240.09	67.94 39%
Pharmacy	267.46	305.59	38.13 14%	6.06	7.00	0.94 16%	224.42	287.55	63.13 28%
Mental Health/ABA	59.90	72.71	12.81 21%	1.00	1.30	0.30 30%	0.68	2.35	1.67 246%
All Other	82.63	81.70	(0.93) -1%	56.16	60.28	4.12 7%	135.92	56.36	(79.56) -59%
Total	\$ 1,119.04	\$ 1,129.32	\$ 10.28 1%	\$ 216.89	\$ 225.58	\$ 8.69 4%	\$ 8,887.03	\$ 11,395.01	\$ 2,507.98 28%
FYTD Member Months	109,816	113,604	3,788 3%	235,708	253,732	18,024 8%	300	419	119 40%

	LTC - Dual		
	Budget	Actual	Variance %
Inpatient	\$ 46.38	\$ 46.65	\$ 0.27 1%
Outpatient	14.36	9.87	(4.49) -31%
ER	1.83	0.30	(1.53) -84%
LTC	7,314.95	7,368.77	53.82 1%
PCP	0.96	0.21	(0.75) -78%
Specialty	13.52	11.78	(1.74) -13%
Pharmacy	1.30	0.53	(0.77) -59%
Mental Health/ABA	0.25	0.63	0.38 152%
All Other	132.42	152.99	20.57 16%
Total	\$ 7,525.97	\$ 7,591.73	\$ 65.76 1%
FYTD Member Months	10,440	9,386	(1,054) -10%

FFS expenses budgeted based on CY 2018 PMPM data, with the following trend assumptions:

Inpatient - 1% annual trend and known contractual changes.
ER - 1.5% annual trend and known contractual changes.
LTC - 3% estimated fee schedule change
Specialty Physician - 1% estimated fee schedule change
Mental Health/ABA - 6% annual increase due to utilization.
Pharmacy - 3% overall annual increase.
Home and Community Based Services - 2% annualized increase due to utilization.

STATEMENT OF CASH FLOWS	June 2020	FYTD 19-20
Cash Flows Provided By Operating Activities		
Net Income (Loss)	\$ (6,833,720)	\$ (6,591,654)
Adjustments to reconciled net income to net cash provided by operating activities		
Depreciation on fixed assets	43,843	467,456
Amortization of discounts and premium	-	-
Changes in Operating Assets and Liabilities		
Accounts Receivable	63,002,065	(30,110,917)
Prepaid Expenses	(110,847)	292,297
Accrued Expense and Accounts Payable	(356,837)	(7,974,577)
Claims Payable	(9,005,700)	(7,431,098)
MCO Tax liability	(56,399,114)	10,879,034
IBNR	(632,579)	8,321,402
Net Cash Provided by (Used in) Operating Activities	<u>(10,292,888)</u>	<u>(32,148,057)</u>
Cash Flow Provided By Investing Activities		
Proceeds from Restricted Cash & Other Assets		
Proceeds from Investments	(18)	4,870,767
Purchase of Investments plus Interest reinvested	-	(949,391)
Purchase of Property and Equipment	-	(410,014)
Net Cash (Used In) Provided by Investing Activities	<u>(18)</u>	<u>3,511,363</u>
Increase/(Decrease) in Cash and Cash Equivalents	(10,292,906)	(28,636,694)
Cash and Cash Equivalents, Beginning of Period	90,620,524	108,964,313
Cash and Cash Equivalents, End of Period	<u>80,327,618.43</u>	<u>80,327,618</u>



Gold Coast Health Plan

FYTD Unaudited Financial Statements June 2020

Integrity

Accountability

Collaboration

Trust

Respect

Financial Statement Adjustments*:

The adjustments were as follows:

Decrease in revenue due to 1.5% reduction	\$8,483,908
Decrease in Prop 56 revenue	\$306,614
Decrease to MCO tax component of revenue	<u>\$64,876,610</u>
Total decrease to revenue	\$73,667,131
Decrease to Prop 56 expense	\$297,038
Decrease to MCO tax expense	<u>\$64,968,137</u>
Total decrease to expense	\$65,265,176
Net reduction to Tangible Net Equity	\$8,401,956

*** Approved by Executive Finance**

Financial Statement Adjustments*:

The adjustments were as follows:

Increase to medical expenses \$2,258,847

Net reduction to Tangible Net Equity \$2,258,847

Total Net reduction to Tangible Net Equity \$10,660,803

*** Not Reviewed/Approved by Executive Finance**

Revised Financial Overview:



JUNE NET LOSS

\$ 6.8 M



FYTD NET LOSS

\$6.6 M



TNE is \$69.0 M and 198% of the
minimum required



MEDICAL LOSS RATIO

94.9%



ADMINISTRATIVE RATIO

6.2%

Upcoming potential updates to FY 19-20 statements:

- Final determination of risk corridor calculation and internal analysis.
- Other audit adjustments.

Questions?

Staff recommends the Commission approve the unaudited financial statements for June 2020



AGENDA ITEM NO. 5

TO: Ventura County Medi-Cal Managed Care Commission
FROM: Kashina Bishop, Chief Financial Officer
DATE: August 24, 2020
SUBJECT: July 2020 Fiscal Year to Date Financials

SUMMARY:

Staff is presenting the attached July 2020 fiscal year-to-date (“FYTD”) financial statements of Gold Coast Health Plan (“Plan”) for the Commission to review and approve.

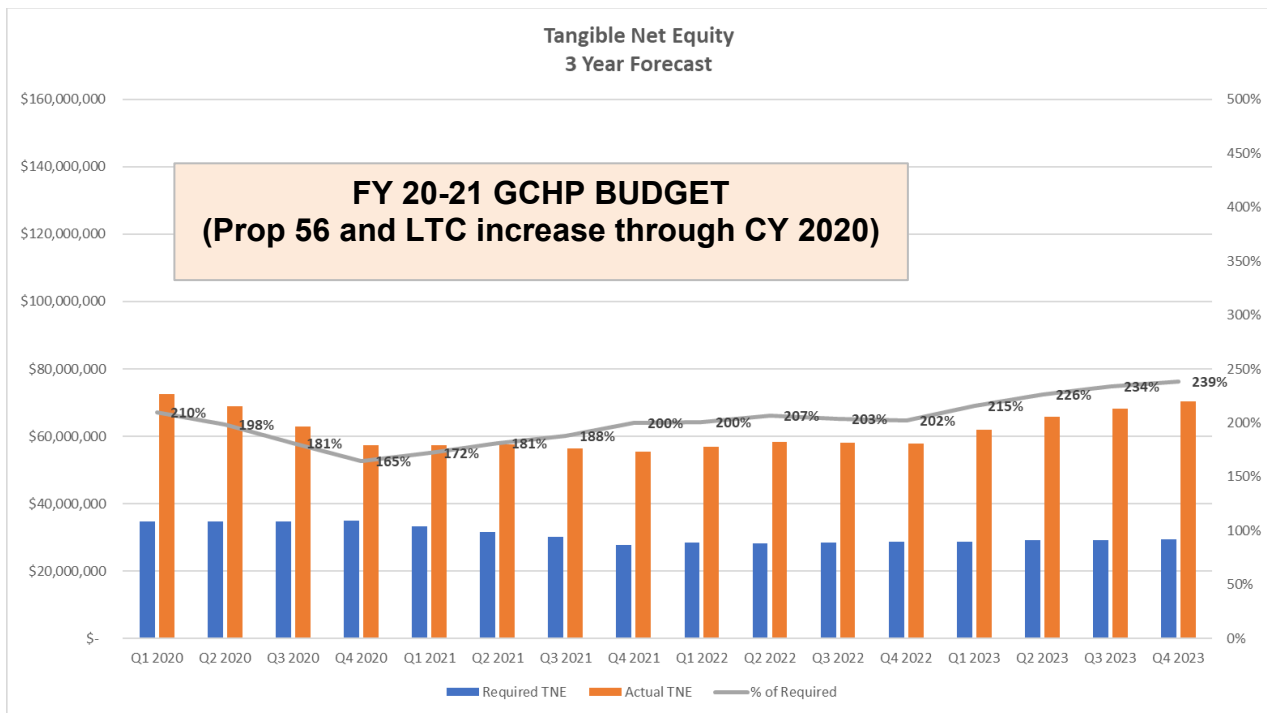
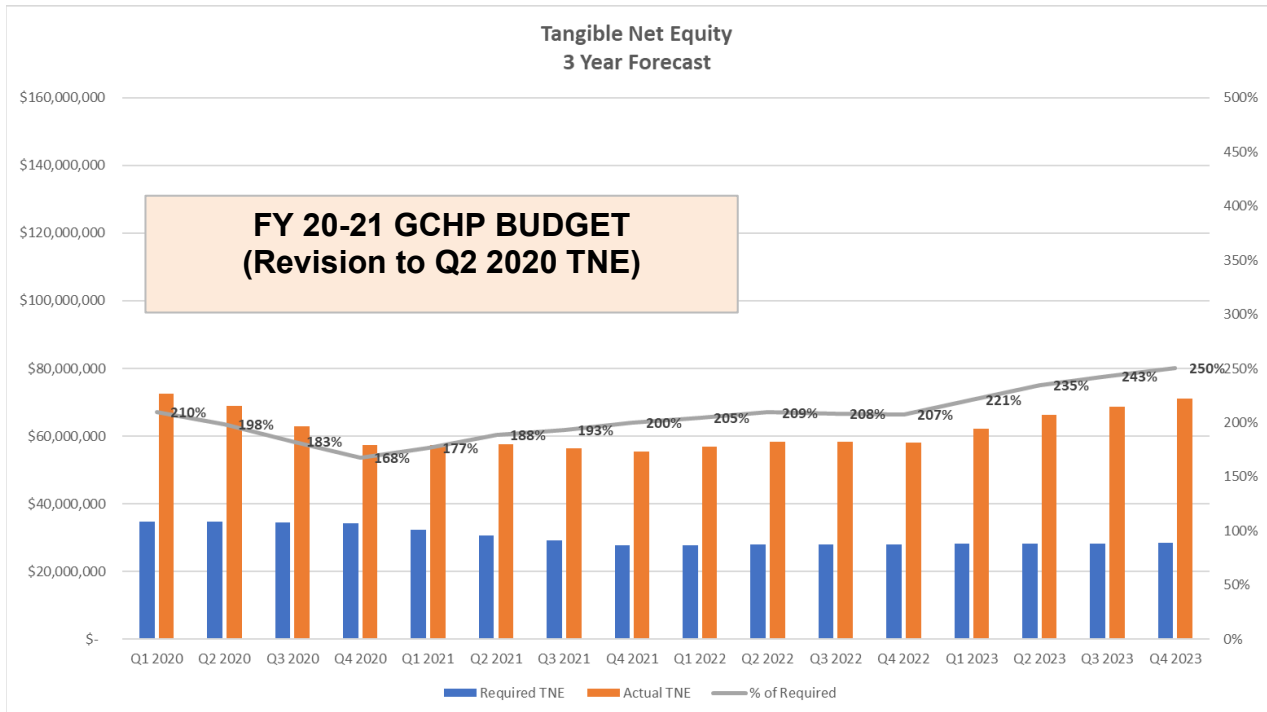
BACKGROUND/DISCUSSION:

The staff has prepared the unaudited July 2020 FYTD financial package, including statements of financial position, statement of revenues and expenses, changes in net assets, and statement of cash flows.

Financial Overview:

The Plan experienced a net loss in the month of July of \$ 741,696. This is slightly better than budget projections primarily due to timing of administrative expenses. While the Plan is better positioned at the start of the fiscal year, the State budget adopted in June will have financial consequences not contemplated in GCHP’s FY 20-21 budget. The two most significant changes resulting from the State budget are the 10% increase to Long Term Care facility rates through the emergency without corresponding funding to the Plan and the continuance of Proposition 56 funding to Providers. The Plan receives funding for Proposition 56 payments; however, the expense will increase the Plan’s required Tangible Net Equity.

Following are revised forecasts reflecting these changes:



Solvency Action Plan Update:

While the staff at GCHP remains committed to process improvement, strong internal controls, and fair and transparent contract negotiations with providers, we now also maintain a keen focus on the Solvency Action Plan driven by our highly limited reserves and the adverse impact of the economic downturn on the Medi-Cal program. Since the beginning of the fiscal year, GCHP management has made the following progress in connection with the Commission-approved Solvency Action Plan:

Actions	Annualized impact in savings
Continued focus on interest expense reduction	\$500,000
Reduction of LTC facility rates to 100% of Medi-Cal rate	\$1.8 million
Sent notification to providers regarding reduction of Adult Expansion PCP rates	\$4.5 million

The focus going forward will be on phase 2 of the Solvency Action Plan which involves the following initiatives:

Current Focus	Annualized impact in savings
Outlier contract rates	TBD
Improved contract language	TBD
Expansion of capitation arrangements	Required TNE and risk reductions

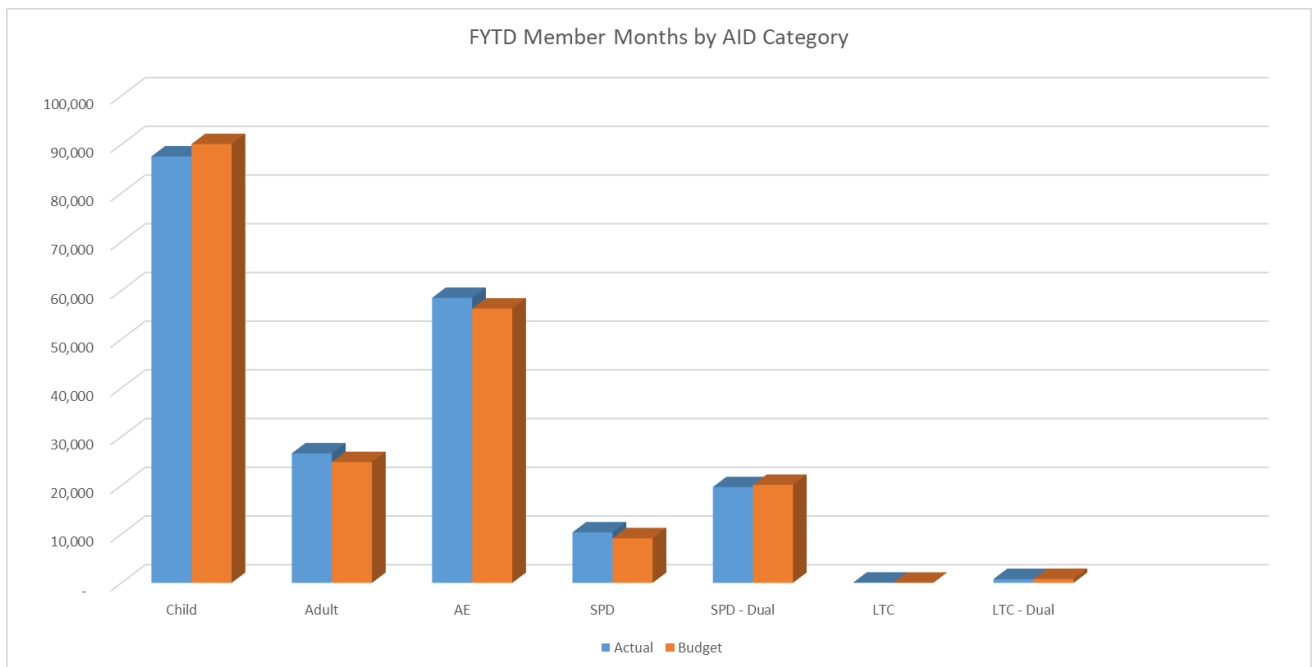
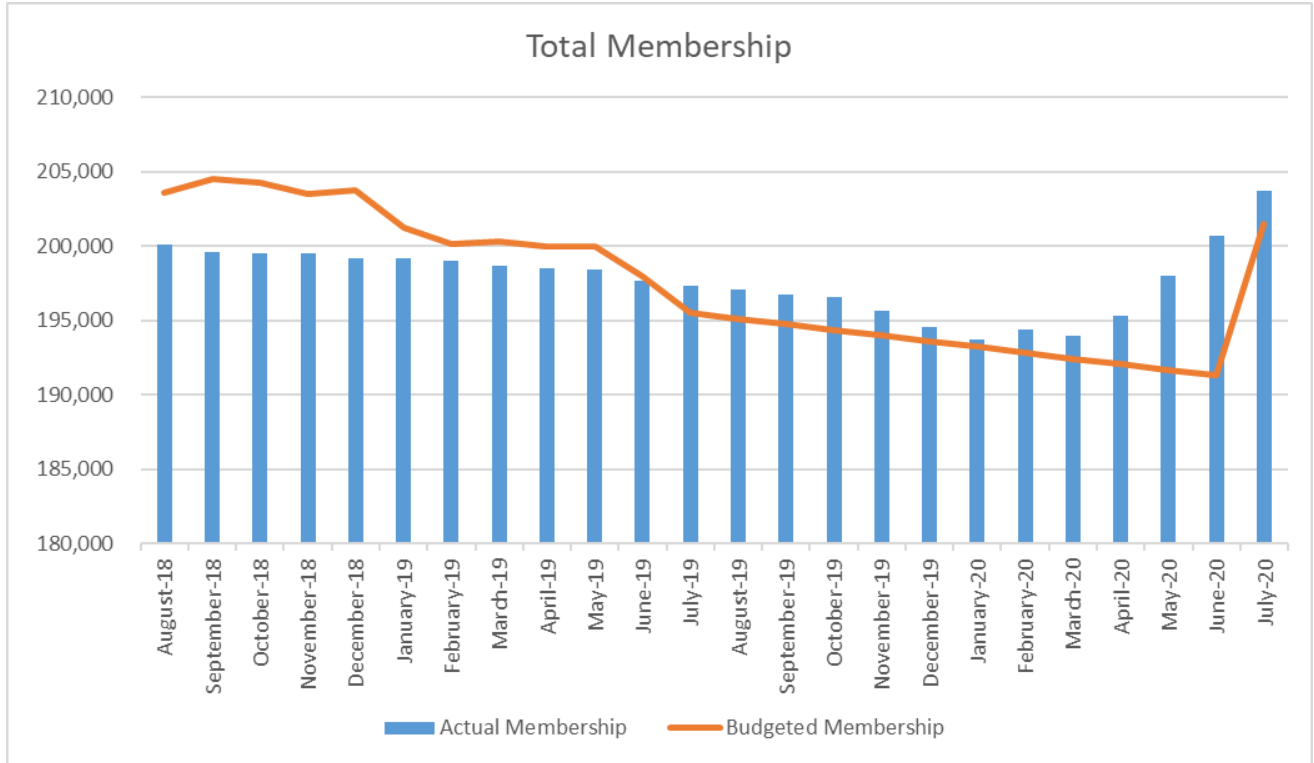
Financial Report:

For the month of July 2020, the Plan is reporting a net loss of \$742 thousand.

July 2020 FYTD Highlights:

1. The Plan has realized a net loss of \$742 thousand, a \$1.6 million favorable year-to-date budget variance.
2. FYTD net revenue is \$69.5 million, which is at budget.
3. FYTD Cost of health care is \$66.3 million, \$563 thousand less than budget.
4. The medical loss ratio is 95.4% of revenue, which is .8% less than the budget.
5. FYTD administrative expenses are \$4.1 million, \$1 million less than the budget.
6. The administrative cost ratio is 5.9%, 1.4% lower than budget.
7. Current membership for July is 203,720
8. Tangible Net Equity is \$68.3 million which represents approximately 30 days of operating expenses in reserve and 196% of the required amount by the State.

Note: To improve comparative analysis, the Plan is reporting the budget on a flexible basis which allows for updated revenue and medical expense budget figures consistent with membership trends.



Revenue

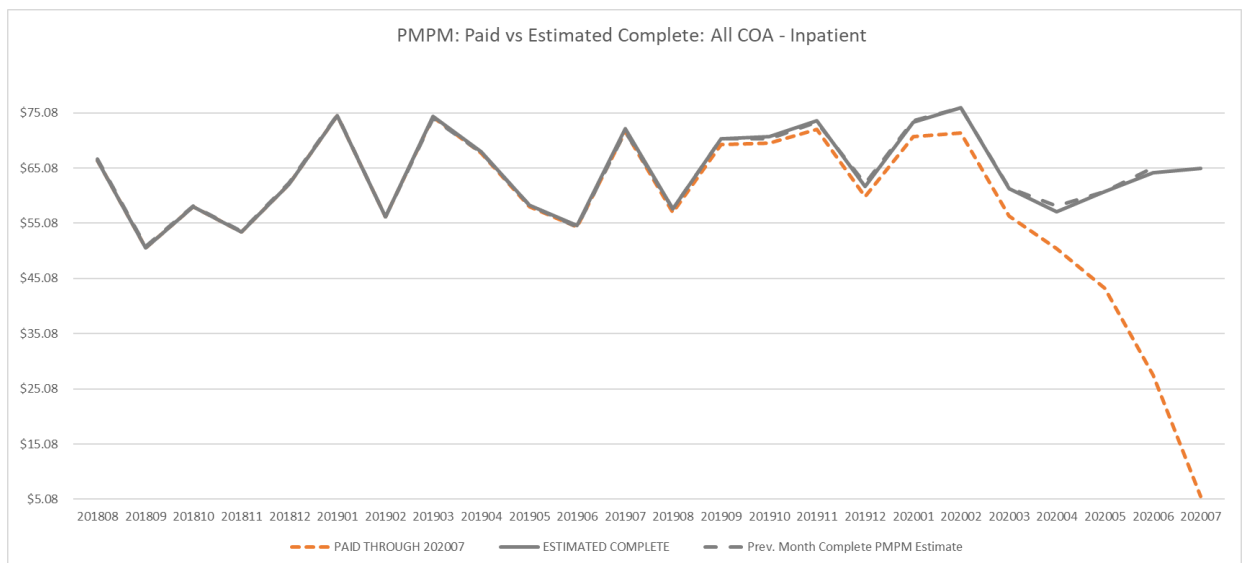
Net Premium revenue is in line with budget.

Health Care Costs

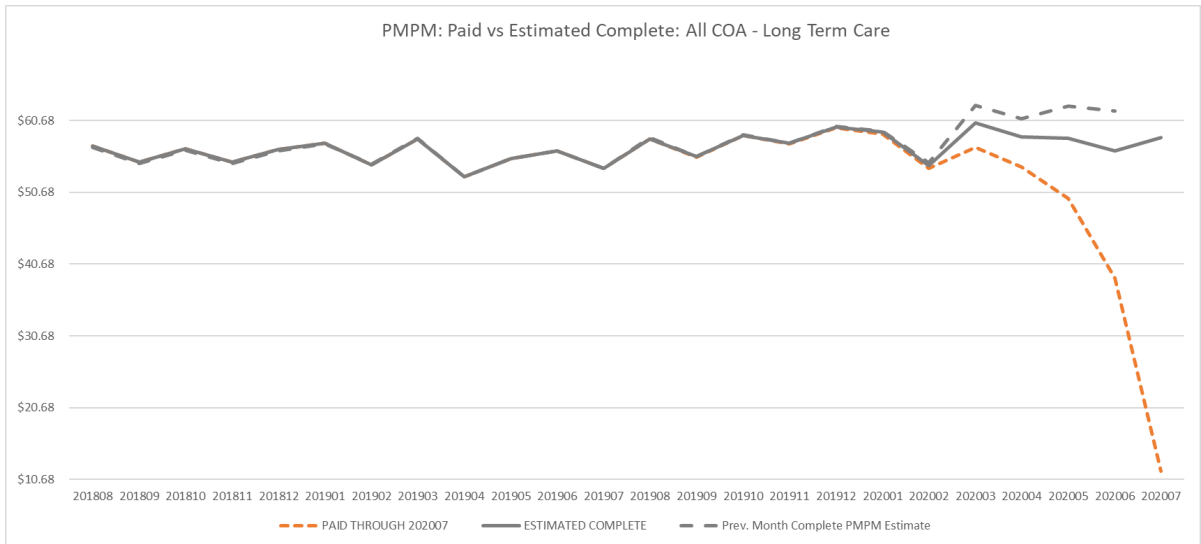
FYTD Health care costs are \$66.3 million; this equates to a \$563 thousand and 1% favorable budget variance.

Notable variances from the budget are as follows:

1. Directed payments (for Proposition 56) are over budget by \$1.1 million. GCHP did not budget for Proposition 56 expenses as the May revise of the State budget had removed funding for Proposition 56. The State budget in June ultimately included Proposition 56 funding. The Plan receives funding to offset the expense.
2. Inpatient hospital costs are under budget by \$1.6 million due to decreased utilization from COVID-19. Due to COVID-19, inpatient costs are estimated to be lower March through July. Staff was conservative in the estimates until the full extent of the impact is validated through claims data.

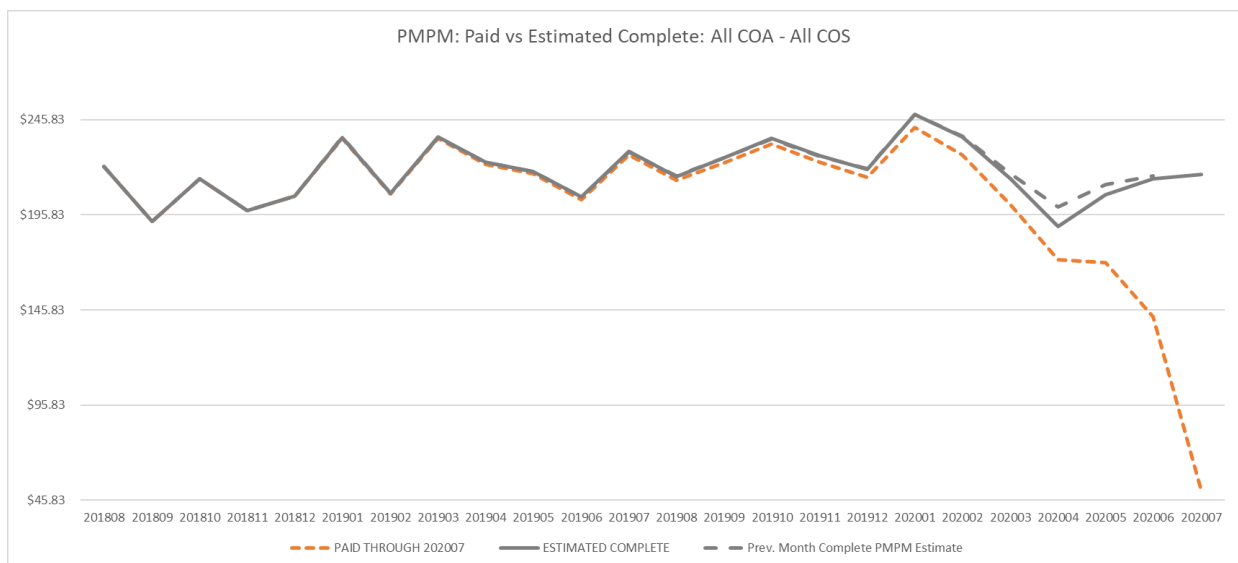


3. Long term care (LTC) expenses are over budget by \$800 thousand. The State increased facility rates by 10% effective March 1, 2020 through the emergency. The full impact was mitigated through the Solvency Action Plan and the reduction of LTC contractual rates to 100% of the Medi-Cal fee schedule.



4. Pharmacy expense is over budget by \$352,000 and 3% due to increases in both utilization and unit costs (9% excluding the non-pbm pharmacy portion). Pharmacy expense increased in July due to COVID-19 and the allowance of a 100-day supply of medications to be dispensed without a treatment authorization request. The peak was in April, but there is some delay in the financial statement recognition due to the timing of invoices from Optum. In addition, dermatology costs were significantly elevated from March through July. The Plan is awaiting approval of a policy submitted to DHCS that will minimize future costs.

5. Total fee for service health care costs excluding capitation and pharmacy, and considering date of service, are over budget by \$.17 PMPM (.1%).



Note: Medical expenses are calculated through a predictive model which examines the timing of claims receipt and claims payments. It is referred to as “Incurred But Not Paid” (IBNP) and is a liability on the balance sheet. On the balance sheet, this calculation is a combination of the Incurred But Not Reported and Claims Payable. The total liability is the difference between the estimated costs (the orange line above) and the paid amounts (in grey above).

Administrative Expenses

The administrative expenses are currently running within amounts allocated to administration in the capitation revenue from the State. In addition, the ratio is comparable to other local initiative health plans.

For the fiscal year to date through July, administrative costs were \$4.1 million and \$1 million below budget. As a percentage of revenue, the administrative cost ratio (or ACR) was 5.9% versus 7.4% for budget.

Cash and Short-Term Investment Portfolio

At July 31st, the Plan had \$126.9 million in cash and short-term investments. The investment portfolio included Ventura County Investment Pool \$43.1 million; LAIF CA State \$206,000; the portfolio yielded a rate of 2.5%.

Medi-Cal Receivable

At July 31st, the Plan had \$103.4 million in Medi-Cal Receivables due from the DHCS.

RECOMMENDATION:

Staff recommends that the Commission approve the July 2020 financial package.

ATTACHMENT:

July 2020 Financial Package



FINANCIAL PACKAGE

For the month ended July 31, 2020

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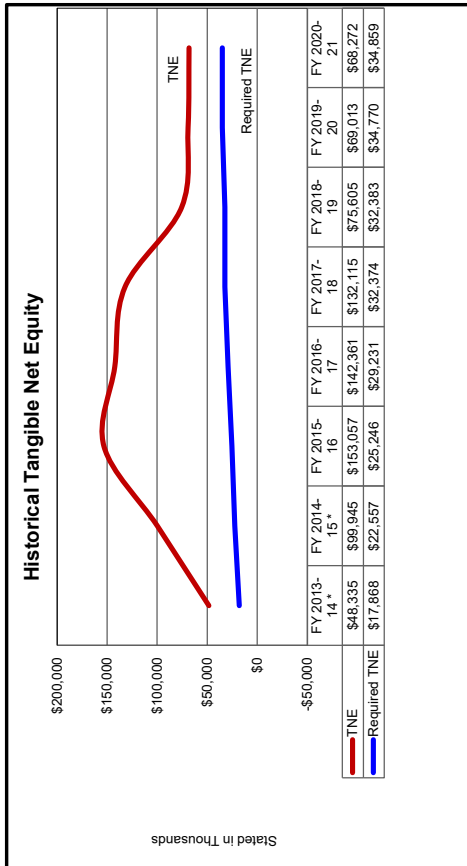
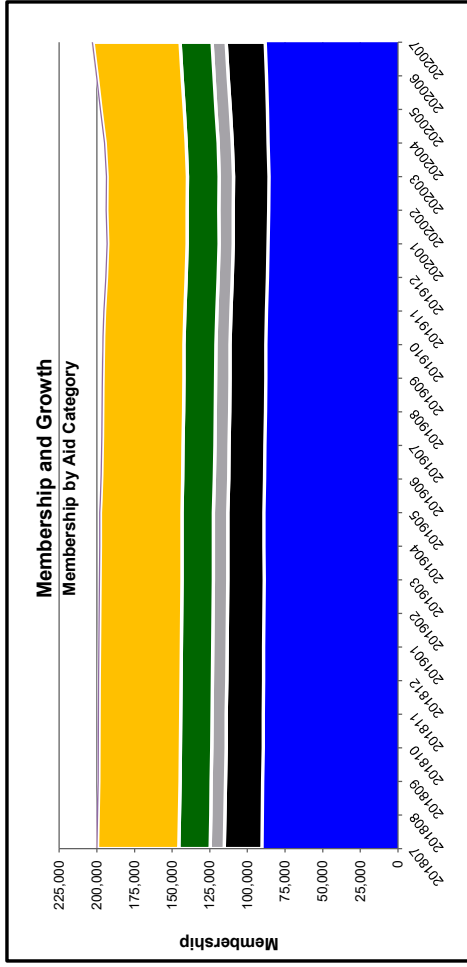
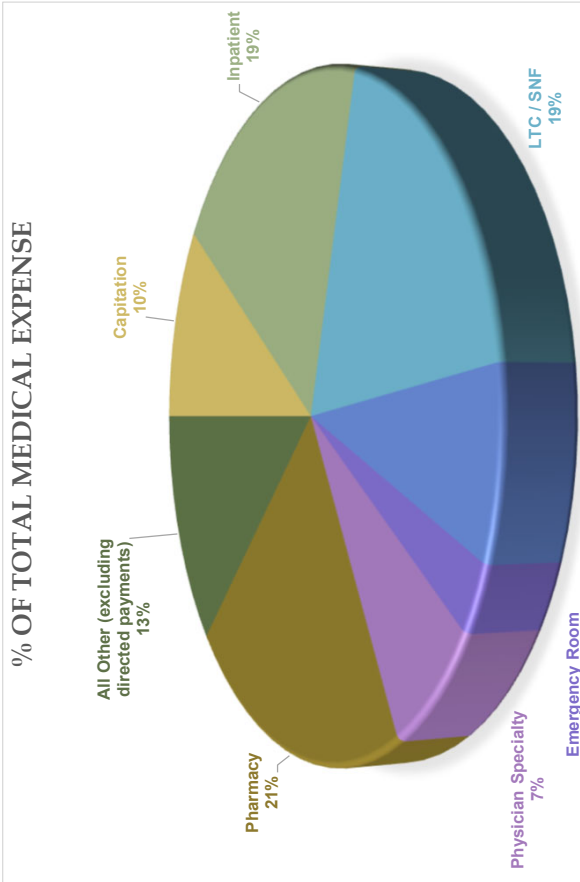
- Executive Dashboard
- Statement of Financial Position
- Statement of Revenues, Expenses and Changes in Net Assets
- FYTD PMPM Budget to Actual Analysis - Fee for Service by AID Category
- Statement of Cash Flows

Gold Coast Health Plan
Executive Dashboard as of July 31, 2020

	FYTD 20/21	FYTD 20/21	FYTD 20/21	FY 19/20	FY 18/19
	Budget*	Actual	Actual	Actual	Actual
Average Enrollment	201,518	203,720	196,012	198,140	198,140
PMPM Revenue	\$ 341.15	\$ 341.03	\$ 348.73	\$ 299.23	\$ 299.23
Medical Expenses					
Capitation	\$ 33.33	\$ 32.10	\$ 24.93	\$ 23.90	\$ 23.90
Inpatient	\$ 69.07	\$ 61.34	\$ 65.19	\$ 62.09	\$ 62.09
LTC / SNF	\$ 55.75	\$ 59.66	\$ 59.20	\$ 56.06	\$ 56.06
Outpatient	\$ 26.17	\$ 26.23	\$ 25.81	\$ 25.88	\$ 25.88
Emergency Room	\$ 13.01	\$ 10.40	\$ 11.97	\$ 12.14	\$ 12.14
Physician Specialty	\$ 25.99	\$ 23.67	\$ 27.63	\$ 26.71	\$ 26.71
Pharmacy	\$ 65.08	\$ 66.81	\$ 61.05	\$ 56.60	\$ 56.60
All Other (excluding directed payments)	\$ 32.26	\$ 39.69	\$ 41.07	\$ 38.20	\$ 38.20
Total Per Member Per Month	\$ 320.65	\$ 319.89	\$ 316.86	\$ 301.58	\$ 301.58
Medical Loss Ratio	96.2%	95.4%	94.6%	102.0%	102.0%

Total Administrative Expenses	\$ 5,113,850	\$ 4,114,019	\$ 50,821,685	\$ 46,655,880	\$ 46,655,880
% of Revenue	7.3%	5.9%	6.2%	6.6%	6.6%
TNE	\$ 50,232,476	\$ 68,271,598	\$ 71,272,142	\$ 75,604,948	\$ 75,604,948
Required TNE	\$ 27,745,713	\$ 34,858,969	\$ 34,685,521	\$ 32,382,791	\$ 32,382,791
% of Required	181%	196%	205%	233%	233%

* Flexible Budget (uses actual membership & member mix against budgeted rates)



STATEMENT OF FINANCIAL POSITION

	<u>07/31/20</u>	<u>06/30/20</u>	<u>05/31/20</u>
ASSETS			
Current Assets:			
Total Cash and Cash Equivalents	83,566,367	80,327,619	90,620,525
Total Short-Term Investments	43,299,622	43,040,224	43,040,206
Medi-Cal Receivable	103,385,754	102,000,828	164,310,015
Interest Receivable	232,554	309,342	282,269
Provider Receivable	618,291	727,334	450,647
Other Receivables	5,471,781	6,832,616	7,829,253
Total Accounts Receivable	109,708,380	109,870,120	172,872,185
Total Prepaid Accounts	3,157,127	1,751,774	1,640,927
Total Other Current Assets	153,789	153,789	153,789
Total Current Assets	239,885,284	235,143,525	308,327,631
Total Fixed Assets	1,568,069	1,610,328	1,654,171
Total Assets	\$ 241,453,354	\$ 236,753,853	\$ 309,981,802
LIABILITIES & NET ASSETS			
Current Liabilities:			
Incurring But Not Reported	\$ 63,404,053	\$ 60,079,314	\$ 60,711,893
Claims Payable	10,842,570	5,597,372	9,598,303
Capitation Payable	16,051,298	17,035,206	19,619,530
Physician Payable	14,584,624	15,929,522	18,349,967
DHCS - Reserve for Capitation Recoup	5,257,358	5,257,358	5,257,358
Accounts Payable	1,821,454	2,363,635	2,401,503
Accrued ACS	1,720,204	1,692,422	1,676,786
Accrued Provider Reserve	668,922	1,182,056	1,022,221
Accrued Pharmacy	13,764,427	20,041,432	20,729,069
Accrued Expenses	874,611	782,470	821,526
Accrued Premium Tax	40,491,437	34,505,280	90,904,394
Accrued Payroll Expense	2,630,403	2,187,982	1,952,841
Total Current Liabilities	172,111,360	166,654,048	233,045,392
Long-Term Liabilities:			
Other Long-term Liability-Deferred Rent	1,070,396	1,086,511	1,089,398
Total Long-Term Liabilities	1,070,396	1,086,511	1,089,398
Total Liabilities	173,181,756	167,740,559	234,134,799
Net Assets:			
Beginning Net Assets	69,013,294	75,604,948	75,604,948
Total Increase / (Decrease in Unrestricted Net Assets)	(741,696)	(6,591,654)	242,066
Total Net Assets	68,271,598	69,013,294	75,847,014
Total Liabilities & Net Assets	\$ 241,453,354	\$ 236,753,853	\$ 309,981,802

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR MONTH ENDED July 31, 2020**

	July 2020		Year-To-Date		Variance		July 2020 Year-To-Date		Variance	
	Actual	Budget	Actual	Budget	Fav / (Unfav)	%	Actual	Budget	Fav / (Unfav)	%
Membership (includes retro members)	203,720	201,518	2,202	1%						
Revenue										
Premium	\$ 75,459,972	\$ 69,499,562	\$ 5,960,409	9%			\$370.41	\$341.15	\$ 29.26	
Reserve for Cap Requirements	-	-	-	0%			-	-	-	
MCO Premium Tax	(5,986,157)	-	(5,986,157)	0%			(29.38)	-	(29.38)	
Total Net Premium	69,473,815	69,499,562	(25,748)	0%			341.03	341.15	(0.13)	
Other Revenue:										
Miscellaneous Income	468	-	468	0%			0.00	-	0.00	
Total Other Revenue	468	-	468	0%			0.00	-	0.00	
Total Revenue	69,474,283	69,499,562	(25,279)	0%			341.03	341.15	(0.12)	
Medical Expenses:										
Capitation (PCP, Specialty, Kaiser, NEMT & Vision)	6,539,614	6,789,619	250,005	4%			32.10	33.33	1.23	
FFS Claims Expenses:										
Inpatient	12,495,488	14,071,821	1,576,333	11%			61.34	69.07	7.74	
LTC / SNF	12,154,324	11,358,139	(796,185)	-7%			59.66	55.75	(3.91)	
Outpatient	5,342,707	5,330,400	(12,307)	0%			26.23	26.17	(0.06)	
Laboratory and Radiology	639,915	384,900	(255,015)	-66%			3.14	1.89	(1.25)	
Directed Payments - Provider	1,137,384	-	(1,137,384)	0%			5.58	-	(5.58)	
Emergency Room	2,118,820	2,650,160	531,340	20%			10.40	13.01	2.61	
Physician Specialty	4,822,133	5,293,968	471,834	9%			23.67	25.99	2.32	
Primary Care Physician	1,309,796	1,267,462	(42,335)	-3%			6.43	6.22	(0.21)	
Home & Community Based Services	1,611,955	1,601,959	(9,996)	-1%			7.91	7.86	(0.05)	
Applied Behavioral Analysis/Mental Health Service	2,060,522	2,076,859	16,337	1%			10.11	10.19	0.08	
Pharmacy	13,610,076	13,257,590	(352,487)	-3%			66.81	65.08	(1.73)	
Provider Reserve	160,616	-	(160,616)	0%			0.79	-	(0.79)	
Other Medical Professional	332,923	365,482	32,559	9%			1.63	1.79	0.16	
Other Medical Care	702,432	712,409	9,978	1%			3.45	3.50	0.05	
Other Fee For Service	171,106	161,983	(9,123)	-6%			0.84	0.80	(0.04)	
Transportation	58,670,198	58,533,131	(137,066)	0%			287.99	287.32	(0.67)	
Total Claims	1,180,525	1,313,571	133,046	10%			5.79	6.45	0.65	
Medical & Care Management Expense	5,147	232,753	227,606	98%			0.03	1.14	1.12	
Reinsurance	(89,847)	-	89,847	0%			(0.44)	-	0.44	
Claims Recoveries/Budget Reduction	1,095,825	1,546,324	450,499	29%			5.38	7.59	2.21	
Sub-total	66,305,637	66,869,074	563,438	1%			325.47	328.24	2.77	
Total Cost of Health Care	3,168,646	2,630,488	538,158	20%			15.55	12.91	2.64	
Contribution Margin										
General & Administrative Expenses:										
Salaries, Wages & Employee Benefits	2,088,494	2,216,040	127,546	6%			10.25	10.88	0.63	
Training, Conference & Travel	699	9,106	8,407	93%			0.00	0.05	0.04	
Outside Services	2,180,575	2,237,787	57,212	3%			10.70	10.98	0.28	
Professional Services	394,224	505,876	111,652	22%			1.94	2.48	0.55	
Occupancy, Supplies, Insurance & Others	504,582	424,701	(79,881)	-16%			2.48	4.56	2.08	
Care Management/Reclass to Medical	(1,180,525)	(1,313,571)	(133,046)	10%			(5.79)	(6.45)	(0.65)	
G&A Expenses	3,988,049	4,585,221	597,172	13%			19.58	22.51	2.93	
Project Portfolio	125,970	528,629	402,659	76%			0.62	2.59	1.98	
Total G&A Expenses	4,114,019	5,113,850	999,831	20%			20.19	25.10	4.91	
Total Operating Gain / (Loss)	(945,373)	(2,483,362)	1,537,989	-62%			(4.64)	(12.19)	7.55	
Non Operating										
Revenues - Interest	203,677	75,000	128,677	172%			1.00	0.37	0.63	
Total Non-Operating	203,677	75,000	128,677	172%			1.00	0.37	0.63	
Total Increase / (Decrease) in Unrestricted Net Assets	\$ (741,696)	\$ (2,408,362)	\$ 1,666,666	-69%			\$ (3.64)	\$ (11.82)	\$ 8.18	

FYTD PMPM BUDGET TO ACTUAL ANALYSIS - FEE FOR SERVICE BY AID CATEGORY

	Adult			Child			Adult Expansion		
	Budget	Actual	Variance %	Budget	Actual	Variance %	Budget	Actual	Variance %
Inpatient	\$ 127.55	\$ 118.80	\$ (8.75) -7%	\$ 5.88	\$ 5.38	\$ (0.50) -9%	\$ 115.70	\$ 107.99	\$ (7.71) -7%
Outpatient	45.30	50.38	5.08 11%	4.32	3.51	(0.81) -19%	38.32	38.37	0.05 0%
ER	17.34	15.76	(1.58) -9%	10.03	6.06	(3.97) -40%	16.70	15.00	(1.70) -10%
LTC	8.04	16.53	8.49 106%	0.31	0.25	(0.06) -18%	22.53	24.13	1.60 7%
PCP	6.55	8.55	2.00 31%	5.83	4.76	(1.07) -18%	5.75	6.60	0.85 15%
Specialty	45.22	48.65	3.43 8%	4.15	3.85	(0.30) -7%	41.38	36.63	(4.75) -11%
Pharmacy	91.12	108.52	17.40 19%	11.58	12.66	1.08 9%	110.05	119.94	9.89 9%
Mental Health/ABA	5.57	6.63	1.06 19%	8.91	9.21	0.30 3%	5.60	6.04	0.44 8%
All Other	10.64	12.71	2.07 20%	1.27	2.22	0.95 75%	12.60	13.86	1.26 10%
Total	\$ 357.32	\$ 386.53	\$ 29.21 8%	\$ 52.28	\$ 47.90	\$ (4.38) -8%	\$ 368.63	\$ 368.56	\$ (0.07) 0%
FYTD Member Months	24,807	25,921	1,114 4%	90,100	88,222	(1,878) -2%	56,325	57,695	1,370 2%

	Seniors and Persons with Disabilities (SPD)			SPD - Dual			Long Term Care (LTC)		
	Budget	Actual	Variance %	Budget	Actual	Variance %	Budget	Actual	Variance %
Inpatient	\$ 277.82	\$ 311.71	\$ 33.89 12%	\$ 20.38	\$ 22.05	\$ 1.67 8%	\$ 717.20	\$ -	\$ (717.20) -100%
Outpatient	99.41	103.15	3.74 4%	20.37	22.34	1.97 10%	240.62	207.52	(33.10) -14%
ER	28.18	25.32	(2.86) -10%	1.93	1.66	(0.27) -14%	16.66	-	(16.66) -100%
LTC	151.74	145.55	(6.19) -4%	96.90	90.97	(5.93) -6%	7,854.68	8,612.70	758.02 10%
PCP	14.89	22.67	7.78 52%	4.51	3.12	(1.39) -31%	11.21	30.71	19.50 174%
Specialty	79.40	80.33	0.93 1%	21.13	15.75	(5.38) -25%	236.35	541.33	304.98 129%
Pharmacy	308.07	347.79	39.72 13%	5.26	5.28	0.02 0%	341.77	258.05	(83.72) -24%
Mental Health/ABA	76.70	75.70	(1.00) -1%	1.19	1.42	0.23 20%	3.60	2.49	(1.11) -31%
All Other	77.33	84.48	7.15 9%	56.77	62.32	5.55 10%	586.12	46.74	(539.38) -92%
Total	\$ 1,113.56	\$ 1,196.70	\$ 83.14 7%	\$ 228.43	\$ 224.91	\$ (3.52) -2%	\$ 10,008.20	\$ 9,699.54	\$ (308.66) -3%
FYTD Member Months	9,167	9,338	171 2%	20,125	21,325	1,200 6%	34	34	- 0%

	LTC - Dual		
	Budget	Actual	Variance %
Inpatient	\$ 61.49	\$ 22.05	\$ (39.44) -64%
Outpatient	13.59	-	(13.59) -100%
ER	0.72	-	(0.72) -100%
LTC	7,382.67	7,300.26	(82.41) -1%
PCP	0.55	-	(0.55) -100%
Specialty	11.59	27.39	15.81 136%
Pharmacy	0.08	0.36	0.28 374%
Mental Health/ABA	0.64	-	(0.64) -100%
All Other	169.81	21.39	(148.42) -87%
Total	\$ 7,641.13	\$ 7,371.45	\$ (269.68) -4%
FYTD Member Months	818	817	(1) 0%

FFS expenses budgeted based on CY 2019 PMPM data, with the following trend assumptions:

- Inpatient - 1% annual trend and known contractual changes.
- ER - 1% annual trend and known contractual changes.
- LTC - 2.5% estimated fee schedule change
- Specialty Physician - 1% estimated fee schedule change
- Mental Health/ABA - 2% annual increase due to utilization.
- Pharmacy - 5% overall annual increase.
- Home and Community Based Services - 2% annualized increase due to utilization.

STATEMENT OF CASH FLOWS	July 2020	FYTD 20-21
Cash Flows Provided By Operating Activities		
Net Income (Loss)	\$ (741,696)	\$ (741,696)
Adjustments to reconciled net income to net cash provided by operating activities		
Depreciation on fixed assets	42,258	42,258
Amortization of discounts and premium	-	-
Changes in Operating Assets and Liabilities		
Accounts Receivable	161,740	161,740
Prepaid Expenses	(1,405,353)	(1,405,353)
Accrued Expense and Accounts Payable	(6,786,091)	(6,786,091)
Claims Payable	2,916,392	2,916,392
MCO Tax liability	5,986,157	5,986,157
IBNR	3,324,739	3,324,739
Net Cash Provided by (Used in) Operating Activities	<u>3,498,146</u>	<u>3,498,146</u>
Cash Flow Provided By Investing Activities		
Proceeds from Restricted Cash & Other Assets		
Proceeds from Investments	(259,398)	(259,398)
Purchase of Investments plus Interest reinvested	-	-
Purchase of Property and Equipment	-	-
Net Cash (Used In) Provided by Investing Activities	<u>(259,398)</u>	<u>(259,398)</u>
Increase/(Decrease) in Cash and Cash Equivalents	3,238,748	3,238,748
Cash and Cash Equivalents, Beginning of Period	80,327,618	80,327,618
Cash and Cash Equivalents, End of Period	<u><u>83,566,366.77</u></u>	<u><u>83,566,367</u></u>



Gold Coast Health Plan

FYTD Unaudited Financial Statements July 2020

Integrity

Accountability

Collaboration

Trust

Respect



JULY NET LOSS

\$ 742 K



FYTD NET LOSS

\$742 K



TNE is \$68.3 M and 196% of the minimum required



MEDICAL LOSS RATIO

95.4%



ADMINISTRATIVE RATIO

5.9%

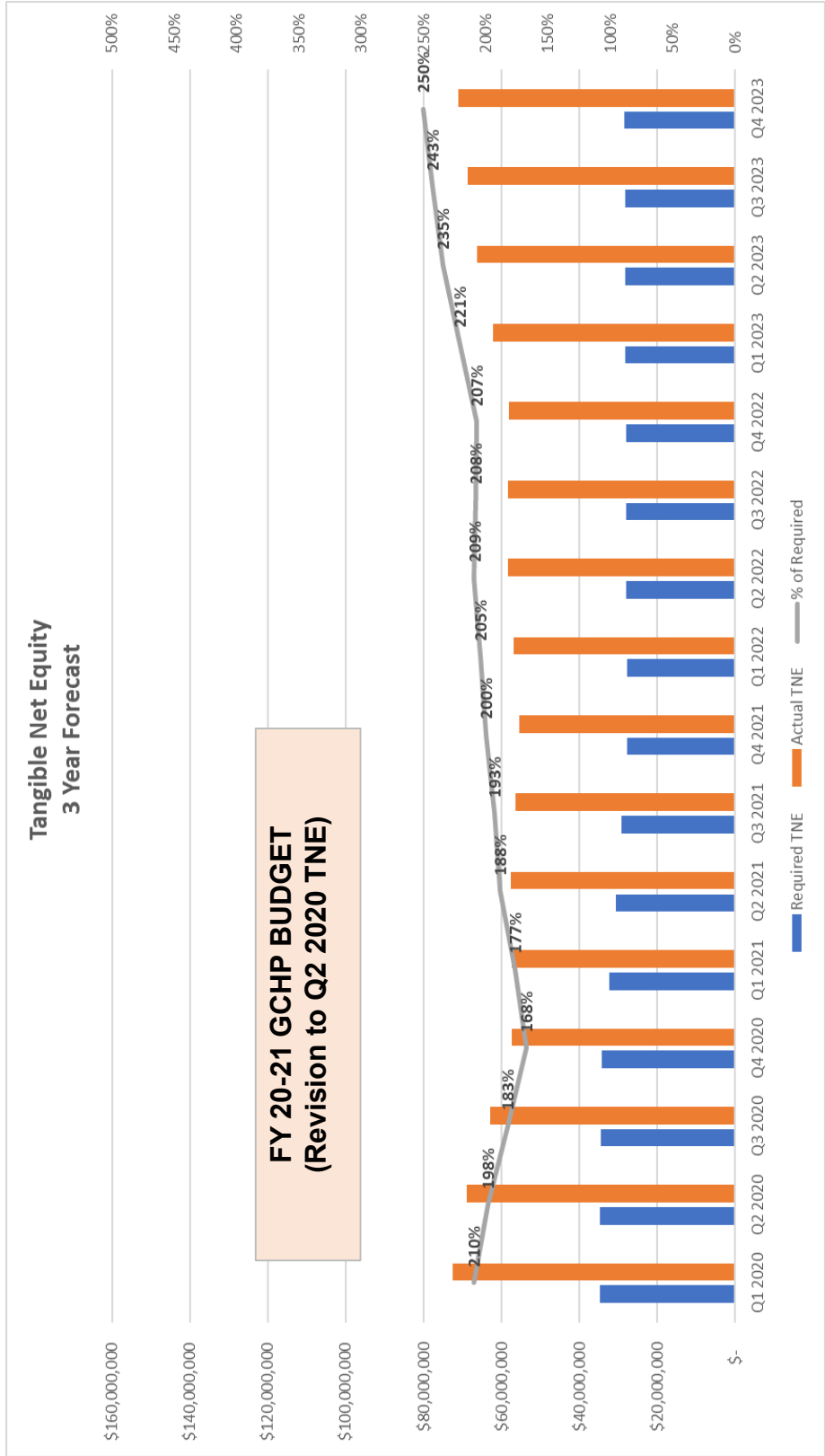
Financial Overview:

The Flexible Budget:

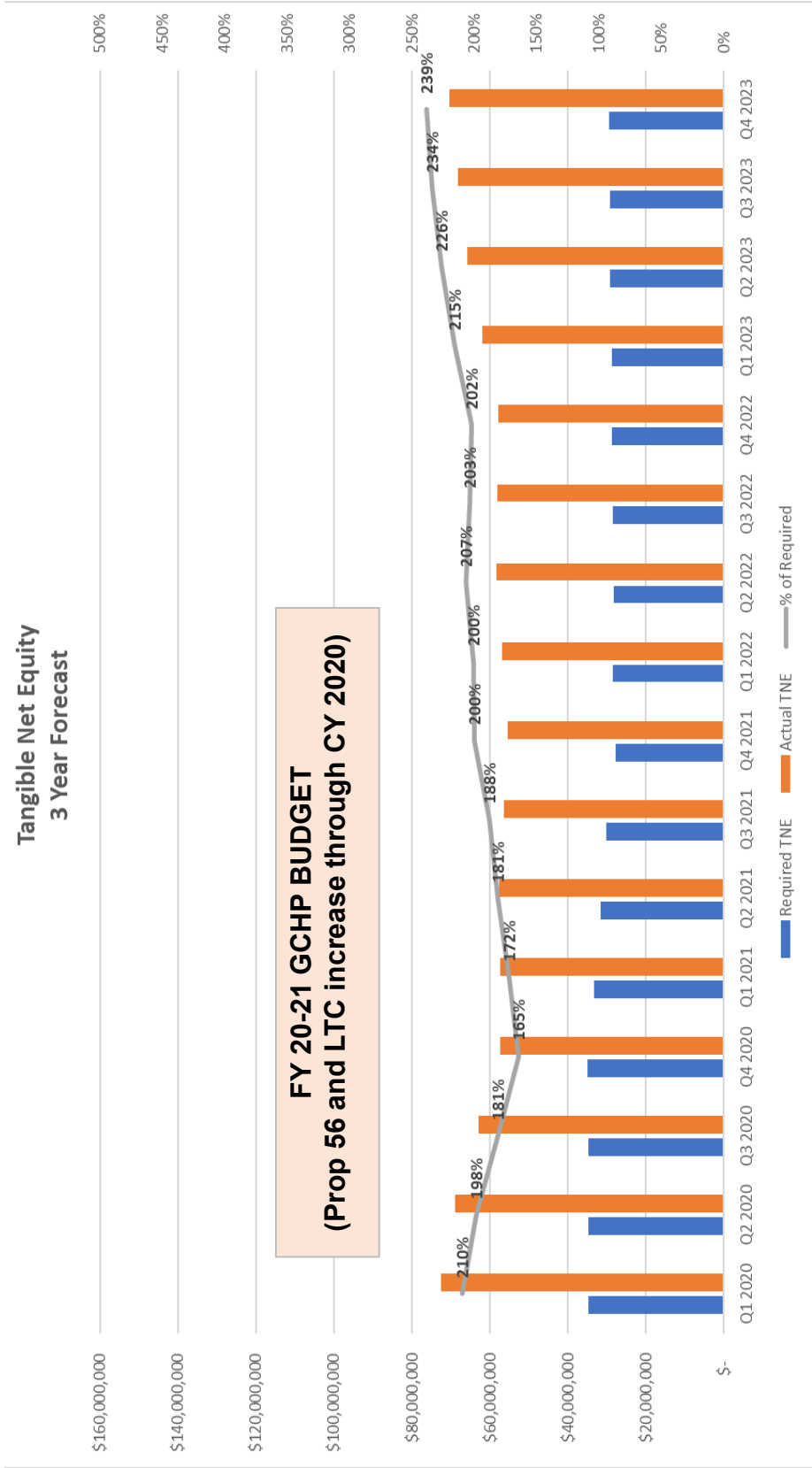
Over (Under) Budget Analysis

	Fixed		Flexible	
Revenue	\$ 2,913,495	4%	\$ (25,748)	0%
Medical Expenses	\$ 2,767,231	5%	\$ 137,066	0%

Updated Forecasts:



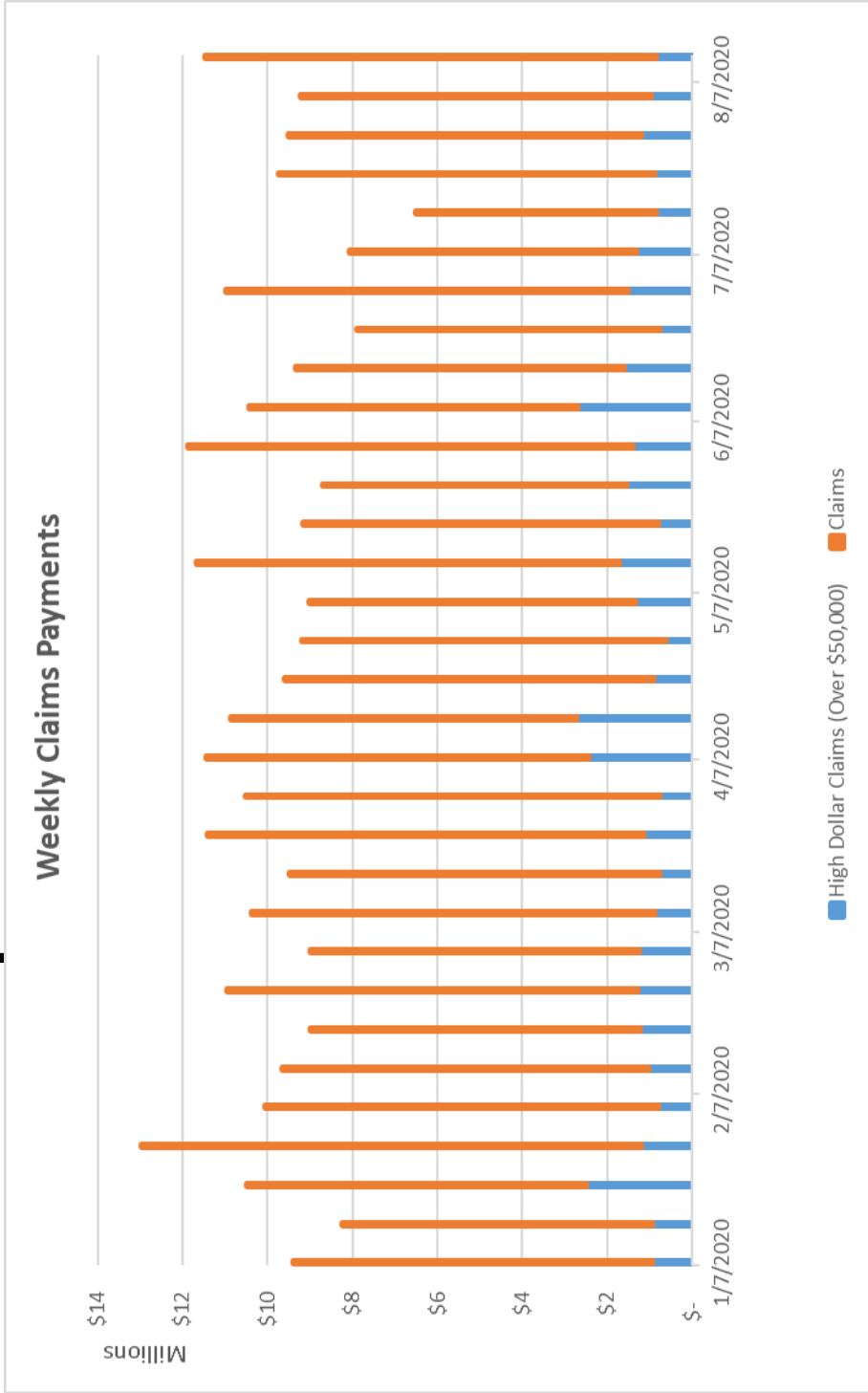
Updated Forecasts:



Financial Impacts of Covid-19:

- Increase in membership – redeterminations pending “through the emergency”.
- Unfunded 10% increase to LTC facility rates.
- Decrease in authorizations and claims volume – estimated in the IBNP but beginning to materialize in lower claims payments.

Financial Impacts of



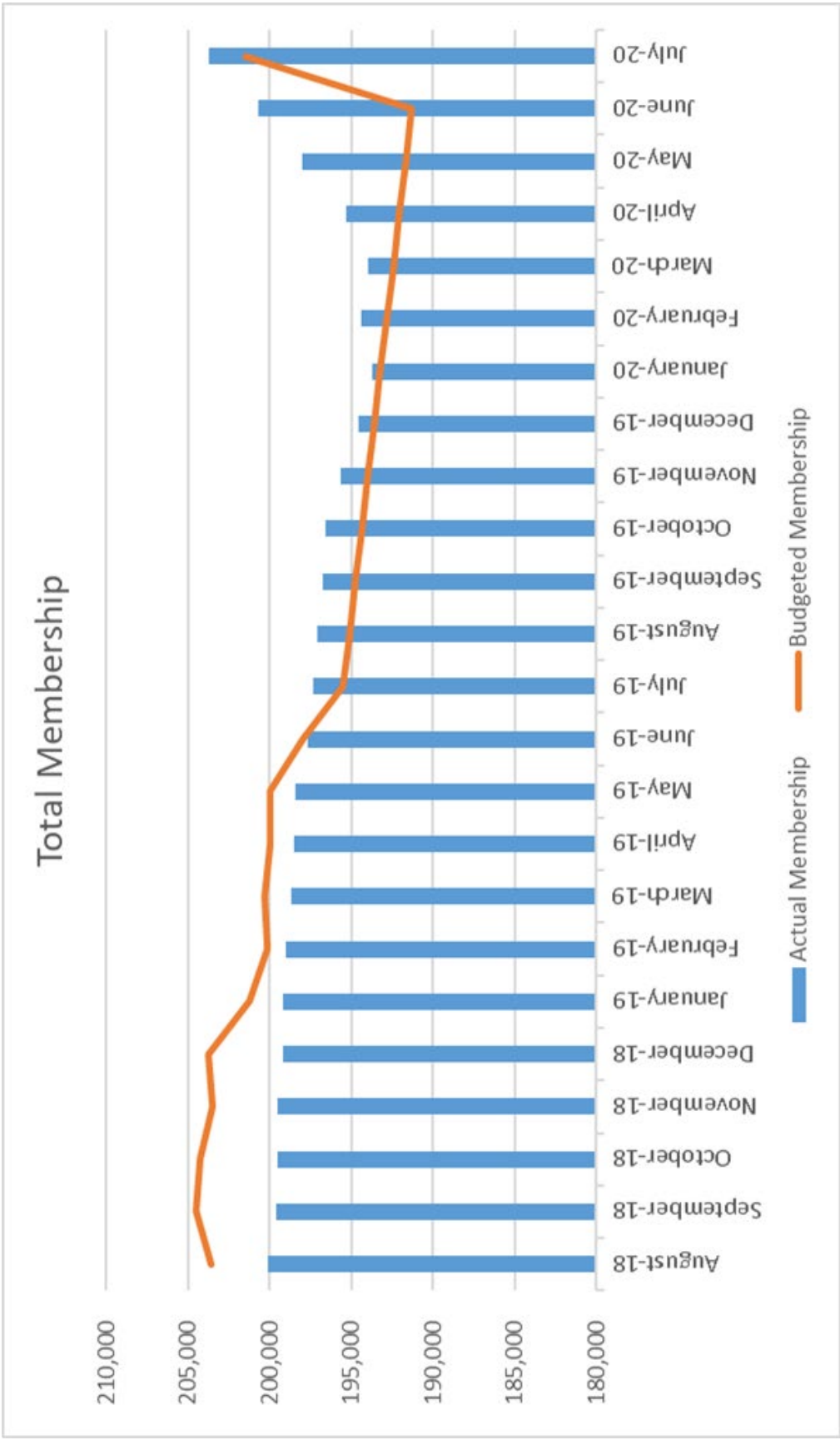
Update on the Solvency Action Plan:

Actions	Annualized impact in savings
Continued focus on interest expense reduction	\$500,000
Reduction of LTC facility rates to 100% of Medi-Cal rate	\$1.8 million
Sent notification to providers regarding reduction of Adult Expansion PCP rates	\$4.5 million

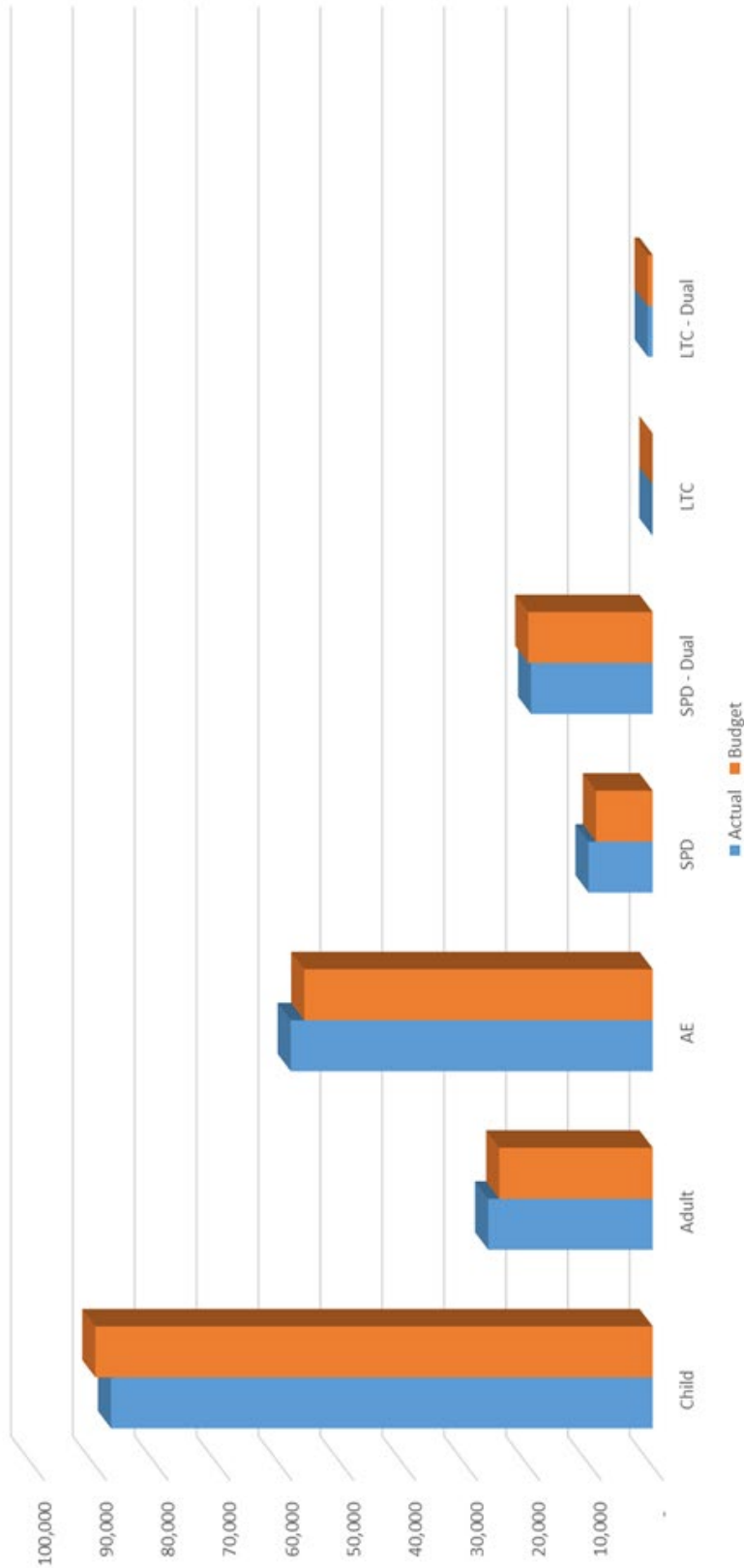
Current Focus	Annualized impact in savings
Outlier contract rates	TBD
Improved contract language	TBD
Expansion of capitation arrangements	Required TNE and risk reductions

Revenue

Net Premium revenue is \$69.5 million and in line with budget on a flexible basis.



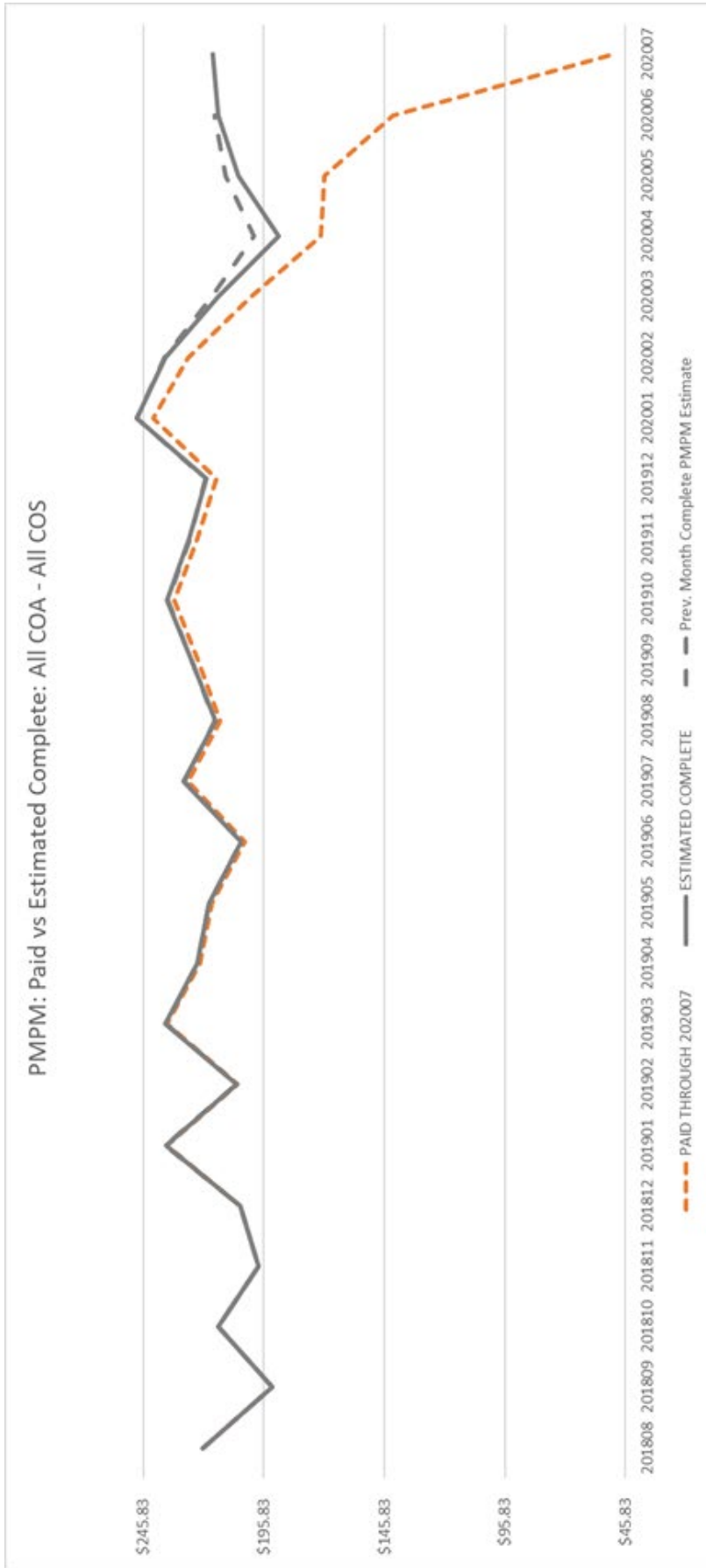
FYTD Member Months by AID Category



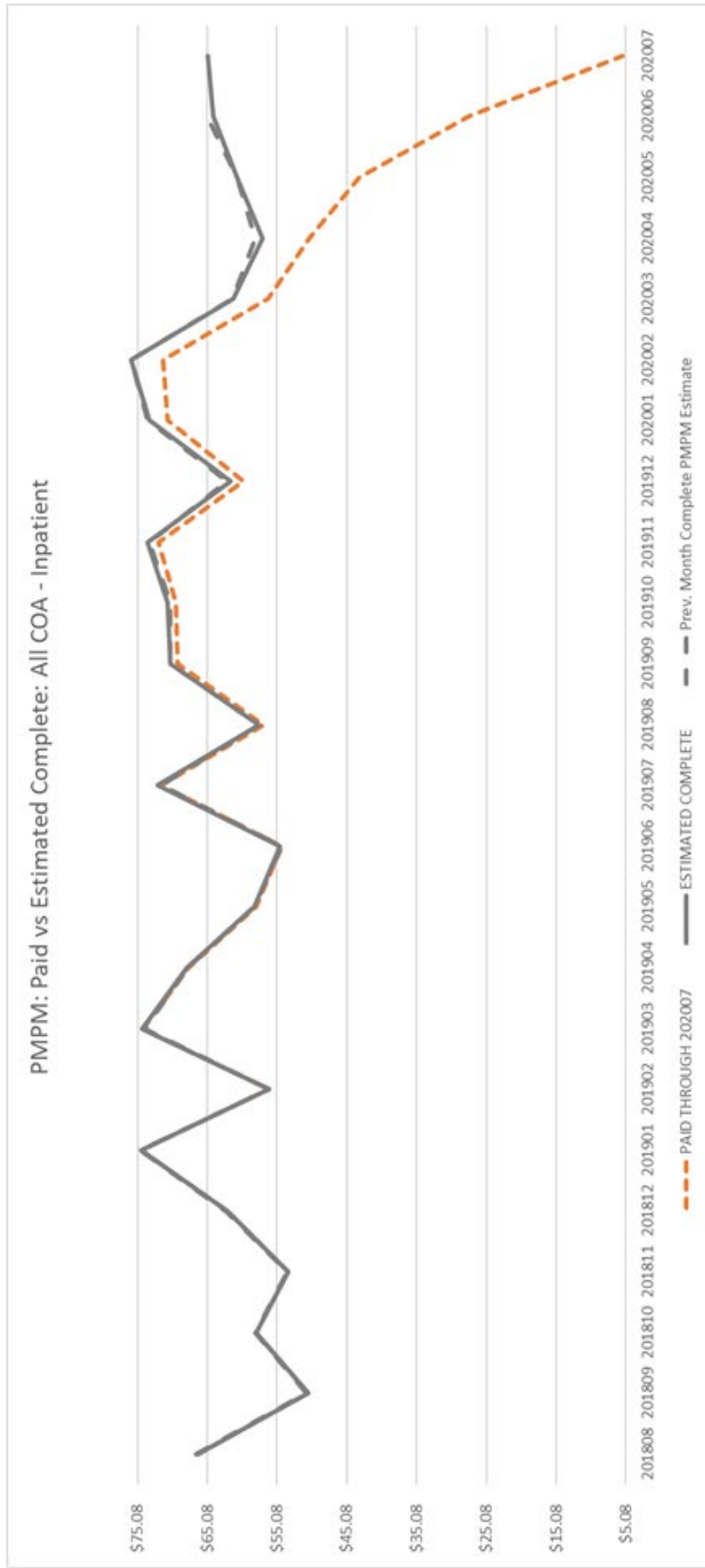
Medical Expense

FYTD Health care costs are \$66.3 million and in line with the budget. Medical loss ratio is 95.4%, a .8% budget variance.

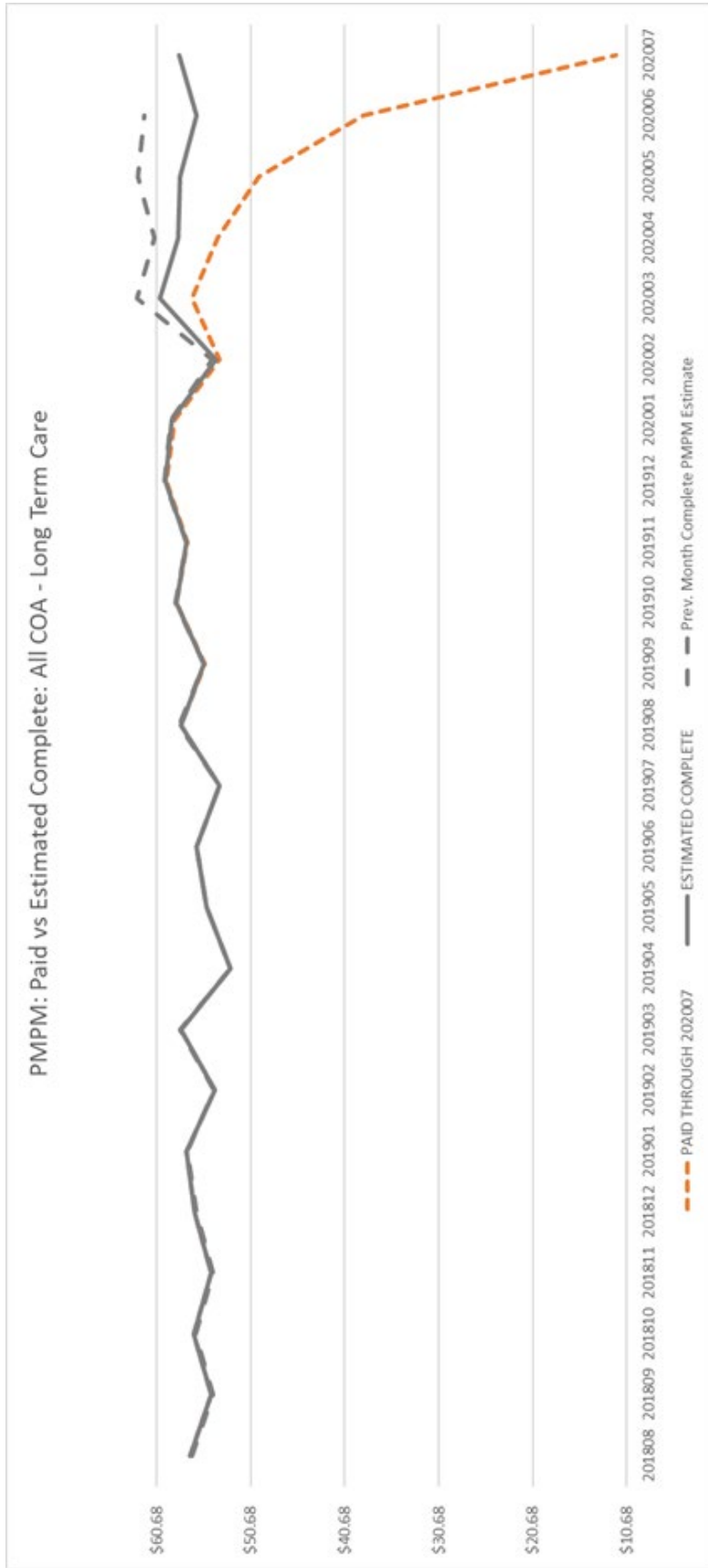
Total Fee For Service Medical Expenses



Inpatient Medical Expenses: Under Budget by \$1.5 Million (11%)



Long Term Care Expenses: Over budget by \$796,000 (7%)



Other Impacts to
Medical Expenses:

Directed Payments –
over budget by \$1.1
million

Financial Statement Summary

	July	FYTD	FYTD Budget	Budget Variance
Net Capitation Revenue	\$ 69,474,815	\$ 69,474,815	\$ 69,499,562	\$ (24,747)
Health Care Costs	66,305,637	66,305,637	66,869,074	(563,437)
Medical Loss Ratio		95.4%	96.2%	
Administrative Expenses	4,114,019	4,114,019	5,113,850	(999,831)
Administrative Ratio		5.9%	7.3%	
Non-Operating Revenue/(Expense)	204,144	204,144	75,000	129,144
Total Increase/(Decrease) in Net Assets	\$ (740,696)	\$ (740,696)	\$ (2,408,362)	\$ 1,667,665
Cash and Investments	\$ 126,865,989			
GCHP TNE	\$ 68,271,598			
Required TNE	\$ 34,858,969			
% of Required	196%			

Questions?

Staff recommends the Commission approve the unaudited financial statements for July 2020

AGENDA ITEM NO. 6

TO: Ventura County Medi-Cal Managed Care Commission
FROM: Margaret Tatar, Chief Executive Officer
DATE: August 24, 2020
SUBJECT: Chief Executive Officer Report

CEO SUMMARY: Verbal Update.

Government and Community Relations Update

Community Relations Update

Summary

Over the FY 2019-20, the Community Relations team participated in over 30 coalition/community meetings, held a booth at 59 events, engaged over 6,000 community members (over 2,000 of them were GCHP members). The team also assisted in coordinating the Sponsorship program, over \$50,000 were awarded in the community in collaboration with our Chief Diversity Officer. In the last quarter of the fiscal year, sponsorships were awarded to organizations that addressed key issues surfacing from the COVID-19 pandemic such as food insecurity.

2019-2020 Sponsorships

GCHP's Sponsorship Program assists organizations dedicated to serving vulnerable populations, such as our Medi-Cal members. Over the past year, sponsorships were awarded to various organizations such as, Turning Point, Food Share, Lucha, various Boys and Girls Clubs in Ventura County, Clinicas del Camino Real, Inc, NAACP Ventura County, to name a few.

Most recently, our efforts have been focused on food insecurity and supporting those organizations who are helping those affected by the COVID-19 pandemic. GCHP awarded over \$20,000 in sponsorships to frontline organizations that are supporting Ventura County residents during the pandemic. GCHP will continue to support sponsorships to help address the social determinants of health.



Santa Paula Latino Town Hall 2019

Sponsorships:

A. Aggregate Report:

Sponsorships	
Sponsorships Awarded	35
Total Amount Awarded	\$46,370 / \$51,370*

*Chief Diversity Office sponsored \$5,000

B. Detailed report by community/impact:

Sponsorship Type	Number of Sponsorships	Total Amount Awarded	Cities Targeted
Non-Profit Fundraising Events	22	\$23,620	Ventura County
COVID-19 Response	7	\$20,500	Ventura County
Health Walks	3	\$2,250	Ventura, Oxnard
Diversity Sponsored Events	3	\$5,000	Oxnard Camarillo Ventura

2019-2020 Community Engagement

This past fiscal year the community relations team attended several community engagement events, assisting over 6,000 community members in Ventura County. The events ranged from resource fairs, festivals, college expositions, conferences, summits, and back to school nights. For the first time, GCHP participated in three Oxnard traditions, the annual Salsa Festival, the Christmas Parade and Fiestas Patrias.



Fiesta Patrias & Oxnard Christmas Parade 2019

Community Engagement:

A. Aggregate Report:

Community Engagement Information	
Events Participation	59
Members engaged	2,283
Community members engaged	6,826
Most Distributed GCHP Materials	Member Services Brochure, Transportation Business Card, Member Orientation Flyer
Networking/Coalition Meetings	30

B. By Geography:

Cities	Total Events
Oxnard	46
El Rio	2
Santa Paula	3
Ventura	3
Camarillo	4
Moorpark	1

C. By focus area:

Focus Area	Total Events Attended	Members	Total Participants	Cities Targeted
Homeless Events *Backpack Medicine	4	84	107	Oxnard, Ventura
School Events (K-12)	22	901	2,231	Oxnard, Santa Paula, Camarillo, Ventura, El Rio
Community College Events	4	73	278	Oxnard, Ventura, Camarillo
General Conferences	10	313	888	Oxnard, Ventura, Camarillo, Moorpark
Festivals/Holiday Events	9	615	2,224	Oxnard
General Community Health and Resources Events	6	154	472	Oxnard, Santa Paula, El Rio
Agriculture Worker Events	4	143	626	Oxnard, Santa Paula

Future Community Engagement Efforts

The Community Relations team is working to identify ways to continue member and community engagement. The team is also identifying potential community partnerships to assist in bringing resources to our members and the community at large during this pandemic.

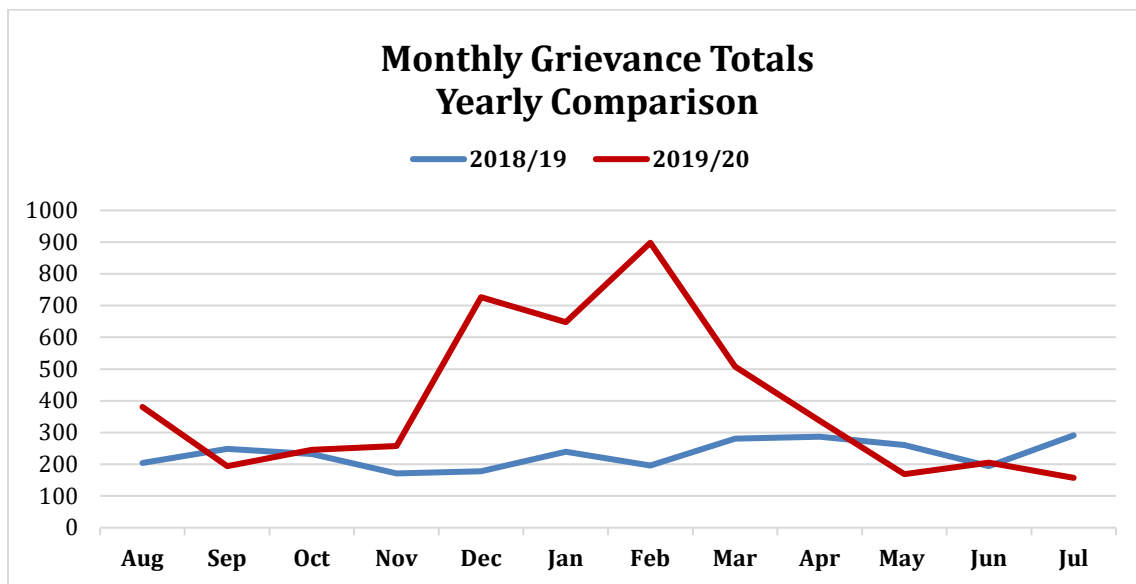
Furthermore, the team worked on the GCHP community newsletter, **Building Community**, to engage our community partners. This newsletter was shared with community-based organizations, elected officials, providers, and the Community and Provider Advisory Committee members. The information shared included information related to COVID-19, mental health resources, links to our updated member benefits videos, and information about our Advice Nurse Line. Our goal is for community partners to share this information, further expanding our reach within the community. More information will be shared in the coming months regarding forthcoming community engagement activities.

Compliance Update

Department of Health Care Services (DHCS) Pharmacy Benefit Management (PBM) Focused Audit

As previously reported, DHCS conducted a focused evaluation of the Plan and contracted Pharmacy Benefit Manager (PBM) only for dates of service January 1, 2019 – December 31, 2019. DHCS hosted an exit conference on July 21, 2020. On July 20, 2020, GCHP issued Notice of Deficiency to OptumRx based on the draft results of the DHCS PBM Focused Audit. On July 31, 2020 OptumRx submitted a Corrective Action Plan (CAP) to cure the deficiencies. GCHP Compliance is working with the GCHP Pharmacy Director and Legal to ensure the efficacy of the CAP.

Grievance and Appeals

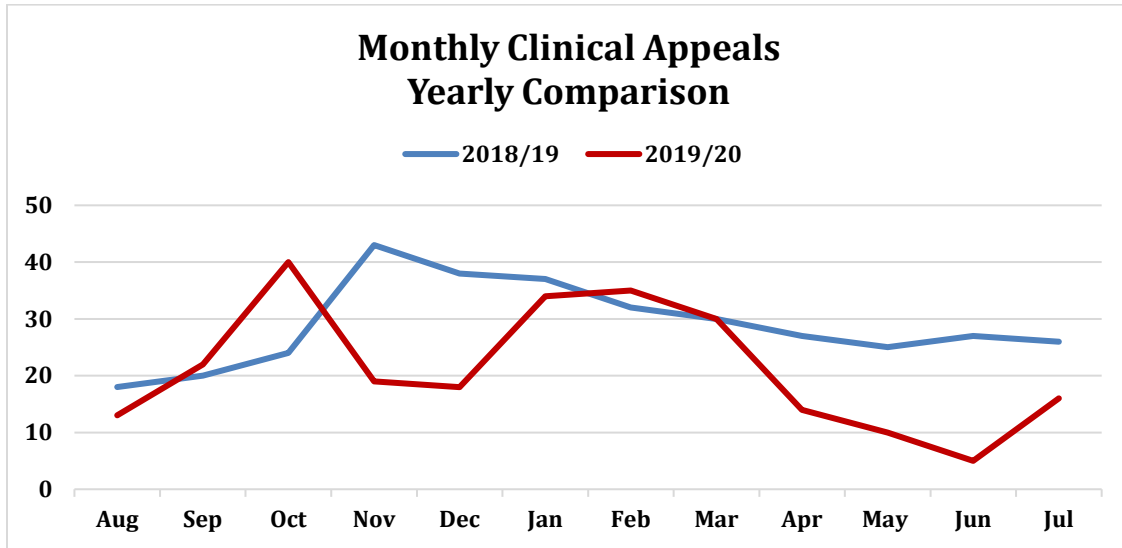


July 2020 Member Grievances received was 24 cases, which is a decrease in cases compared to the 38 Member Grievance cases received July 2019. The top category for July 2020 Member Grievances was Billing.

July 2020 Provider Grievances was 133 cases which is a slight decrease when compared to the July 2019 Provider Grievance cases of 253. The top categories for July 2020 Provider Grievances was Claims Appeal, Claims Payment and Claims Billing Dispute.

The graph displays a combined total of all the grievances received over the past year. In July 2020 the combined total is 157 and displays a decrease from July 2019 which the combined total was 291.

Clinical Appeal Totals:



July 2020 Clinical Appeals was 16 cases which is a considerable decrease when compared to the July 2019 Clinical Appeal cases of 26. Appeals are based on Adverse Benefit determinations from an authorization review. The lower number are reflective of the COVID-19 pandemic.

There has been an increase from the 5 cases reported in June 2020 to the total of number of cases reported for July 2020.

For the month of July 2020, 7 Appeals were upheld, 2 Appeals were overturned and 7 still being reviewed.

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AmericasHealth Plan (AHP)

The AHP Plan to Plan Agreement is in its final phase of review by the Department of Healthcare Services (DHCS) based on the latest call with DHCS on August 7, 2020.

GCHP continues to meet weekly with AHP leadership (Leadership Steering Committee) on the implementation process and operational issues. GCHP has completed the Readiness Checklist and has populated it with completion dates and identification of the proper business owners. GCHP has shared the document with AHP and they are in the process of reviewing it for final approval. Both parties are committed to ensuring this tool remains thoroughly updated, and the processes continuously reviewed and adjusted, to ensure a fully successful implementation.

Several key workgroups have been established to focus on operational implementation. Some of these workgroups have begun to meet. Workgroups will be reporting their progress to the GCHP-AHP Leadership Steering Committee on a weekly basis.

Network Operations

➤ **PCP- Member Assignment-** Refer to Attachment A

➤ **Regulatory:**

Completed:

- Provider Manual posted to Plan website 7/27/2020
- DHCS ETP & PCCM Implementation Plan deliverables 7/31/2020
 - 274 July Readiness Review (prior to extract) 7/31/2020
- Collaborative review with QI regarding HEDIS 7/30/2020
- Review of 274 Documentation for AHP 8/3/2020
- File and Use Provider Directory submitted timely 8/6/2020
 - Online Provider Directory refresh 8/6/2020

In Process:

- 274 Provider Data:
 - PACES Telehealth Indicator Update – MCPs expected to submit production 274 files using the new indicators in the September 2020 submission month.
 - Provider Network Database (PNDB) - provider data requirements for test initialization
 - Collaboration meeting with Subcontractor Kaiser 7/13/2020 to discuss plan of action and next steps
 - Provider Foreign Languages Spoken at the Site and by individual providers expansion

Pending:

- Overall results of Annual Network Certification (ANC)

➤ **COVID-19 Provider Reach-out and Communication**

The Network Operations team continues to focus on provider outreach due to the resurgence of COVID-19. Significant attention has been given in outreaching to our contracted Skilled Nursing Facilities (SNF) and Long Term Care (LTC) providers due to the COVID-19 outbreaks in these facilities. SNF/LTC updates have included the incidence of COVID-19 positive results among facility staff and patients, whether the facility is taking or closed to new admissions and if there is any excess capacity. Additional attention was given to ascertaining the SNF/LTC providers COVID-19 testing procedures, including frequency and testing turnaround times for staff and patients. Below is a summary of Network Operations outreach efforts and frequency:

- Provider Outreach 2 times a week by email and phone to determine closures or impact due to the Coronavirus:
 - SNF & LTC
 - Home Health
 - Hospice
 - Palliative Care
 - Congregate Living Facility
- Email and phone outreach to the following provider types:
 - Ambulatory Surgery Center
 - Urgent Care
 - PCP
 - Pharmacy Infusion
 - Lab
 - Radiology
 - Physical Therapy
 - Audiology & Hearing Aids
 - DME

➤ **Provider Contracting Update**

- **New Contracts:** None
- **Amendments:** Provider Contracting sent out a total of 3 Amendments for this time period.

Amendments returned and completed are:

- Ventura Orthopedic Medical Group: Addition of 4 therapist onto Interim LOA as they have recently applied for Medi-Cal enrollment.
- Karandeep Sigh, MD: Addition of servicing location.
- County of Monterey: This agreement allows Gold Coast members to seek treatment from the County of Monterey. This agreement is critical to our migrant farm worker membership. Agreement was also amended to an evergreen termination clause. Previously, agreement required an annual renewal.

- **Interim LOA:**
 - Candice Brady DO, PC: Interim LOA in place for orthopedic surgeon that works in Camarillo with hospital privileges at St John's Regional Medical Center. This provider was found to be a necessity for our member population.

➤ **Member-Specific Letters of Agreement**

Provider Contracting sent out a total of 28 member specific LOAs during this time period. LOAs returned and completed are:

- 23 Amigo Baby LOAs: This provider has achieved facility certification from California Department of Public Health and their Therapists have received Medi-Cal certification. We will be moving this provider to full contract status under the new contract template approved by DHCS.
- 2 Aspen Surgery Center LOAs
 - One Cataract Removal Surgery
 - One Arthroscopy Shoulder Surgery Department
- 1 Huntington Memorial Hospital
 - Mother undergoing fetal surgery at 27 weeks for baby with congenital defect
- 1 New Start CHLFs Independent Training Centers-Laramie House
 - LOA for parapalegic member who will soon be transferring to a waiver program and then on to an independent living home
- 1 Sherman Oaks Congregate
 - LOA extension for hard to place member that is combative and requires 24/7 babysitter. Member will be transferring to LA county within 90 days of being at Sherman Oaks Congregate
- **Better Doctors:**

Network Operations continues to meet weekly with Quest Analytics as a touch base to ensure that the process continues to move smoothly. We also continue to verify the demographic information obtained from Better Doctors. The following reviews were performed:

 - 3,030 provider lines reviewed
 - 882 provider records were audited to ensure the providers were loaded accurately in PNDB and IKA (GCHP Claims system).
- **Better Doctor Report – Contracting**

Fifteen (15) provider records were reviewed on the Better Doctor Report for potential terminations.

➤ **Provider Contracting and Credentialing Management System (PCCM)**

PCCM Project overall health is **YELLOW due to the following:**

- Resource constraints due to competing production priorities across the departments involved
- So far, we are remaining on target with go live date of 10/26/2020
- Development of data conversion metrics (dashboard) completed which allows greater visibility to data converted, converted and tested, future scope and out scope

➤ **PCCM Items Currently in Progress:**

- Network Team is currently preparing for Iteration 8 testing by reviewing mapping documents, confirming elements in the current provider database. Also, reviewing and analyzing multiple reports to ensure required data elements identified for conversion into the new PCCM database.
- Network Team completed 135 hours of training in eVIPs performing testing, creating test cases, identifying issues and questions for go-live. The Network Team used real life work scenarios to determine if system meets the needs of an everyday work environment.
- Two hours dedicated by Provider Network staff daily utilizing eVIPs test environment
- Transition of eVIPs Contract Rate Structures to MediTrac
- eVIPs UI Reference Types (drop-down selection descriptions)
- Interface and extract development
 - Printed Provider Directory
 - Online Provider Directory
 - Quest Better Doctor
 - Provider Rosters
- Mapping review and continued data clean up –iterations 1 thru 7

Provider Database Clean-up Project:

Network Team has attended bi-weekly meetings with internal GCHP staff and Symplir staff to discuss and make decisions required to support the eVIPs conversion and process configuration. This project includes the review and updating of the Provider Relations Shared Drive. It also includes the testing of the eVIPs system to ensure that information transferred from GCHP systems is accurate in the eVIPs system setup.

➤ **Provider Additions:**
July 2020 Provider Additions - 13 Total

10 In-Area Providers

Provider Type	Additions
Mid-level	1
Specialist	8
Specialist - Hospitalist	1

3 Out-of-Area Providers

Provider Type	Additions
Specialist - Hospitalist	2
Specialist	1

➤ **Provider Terminations:**
July 2020 Provider Terminations – 21 Total

11 In-Area Providers

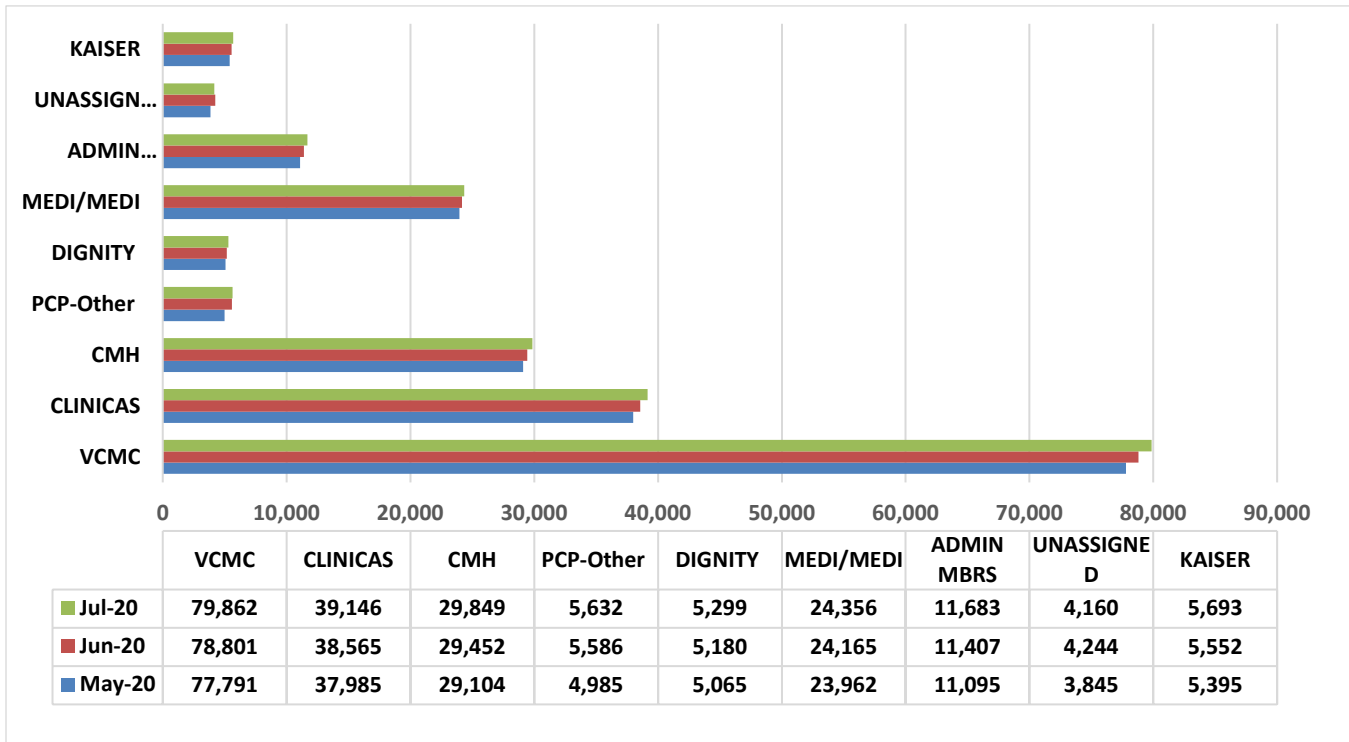
Provider Type	Terminated
Specialist	11

10 Out-of-Area Providers

Provider Type	Terminated
Midlevel	1
Specialist	9

These provider terminations have no impact on member access and availability. Of note the specialist terminations are primarily associated with tertiary adult and pediatric academic medical centers, where interns, residents, and fellows have finished with their clinical rotations.

ATTACHMENT A- PCP Assignments



Unassigned members are Newly Eligible/Enrolled

Administrative Member(s)

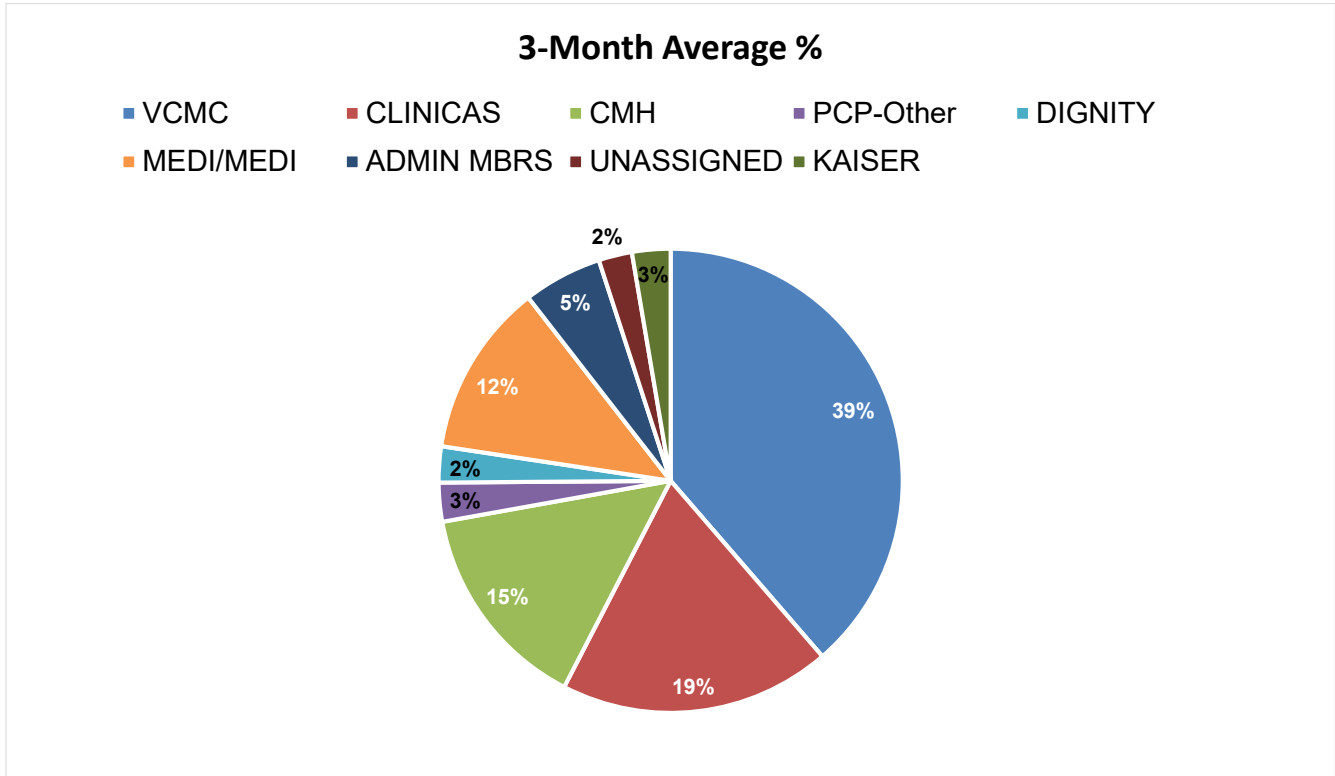
Share of Cost (SOC): a Member who has Medi-Cal with a Share of Cost requirement.

Long-Term Care (LTC): A Member who is residing in a skilled or intermediate-care nursing facility and has been assigned an LTC Aid Code.

Out of Area: A Member who resides outside GCHP's service area but whose Medi-Cal case remains in Ventura County.

Other Health Coverage: A Member who has other health insurance that is primary to their Medi-Cal coverage; this includes Members with both Medi-Cal and commercial insurance. Medi-Cal is the payer of last resort; therefore GCHP Members with other coverage must access care through their primary insurance.

PCP ASSIGNMENT cont- 3 Month Average % by Provider



RECOMMENDATION:
 Receive and file.

State Update

August 24, 2020

Margaret Tatar
Chief Executive Officer

Integrity

Accountability

Collaboration

Trust

Respect

Agenda

- Long Term Care at Home Proposed Benefit
- 1115 Waiver Renewal (Medi-Cal 2020)

Long Term Care at Home Proposed Benefit

LTC at Home Benefit

Benefit Highlights:

- Provide qualifying Medi-Cal beneficiaries and their families with more choices in living situations and long-term care settings
- The benefit will be provided through State-licensed agencies that will arrange for and/or directly provide skilled nursing care and related services in the home
- Allow qualifying Medi-Cal beneficiaries currently residing in SNFs to safely move from a facility to a home
- Allow qualifying Medi-Cal beneficiaries that may require SNF services in the future to avoid institutionalization
- Allow qualifying Medi-Cal beneficiaries to be discharged from a hospital to a home placement in lieu of a SNF stay
- Support efforts to decompress residency at SNFs
- Statewide Medi-Cal benefit for Fee-For-Service and Managed Care delivery systems

LTC at Home Benefit

- **Model of Care**
 - Individual, Person-Centered Assessment
 - Transition Services
 - Care Coordination
 - Medical and Home and Community Based Services
- **Financing and Cost**
 - Bundled per diem rate encompassing Long-Term Care at Home services
 - Some services may be billed and reimbursed outside of the per diem
 - Per diem rates may be tiered acuity rates
 - Clinically appropriate utilization controls will be established as benefit is intended to be cost effective option in lieu of institutional placement
- **Benefit Implementation Timeline**
 - June- August 2020 – Stakeholder engagement
 - Fall 2020 – Post 1915(i) State Plan Amendment for public comment and submit formal proposal to CMS
 - Winter 2020/Early 2021 – Stakeholder feedback on implementation
 - Sometime 2021 – New Long Term Care at Home Benefit goes live 2021 – Increase statewide LTC at Home agency provider network

1115 Waiver Renewal (Medi-Cal 2020)

1115 Waiver Renewal

- Prior to the COVID-19 public health emergency, DHCS planned to implement CalAIM in conjunction with the end of the waiver period
- COVID-19 has greatly impacted all aspects of California's health care delivery system, due to focus on surge planning, infection control, transition to telehealth/telework, and reprioritization of resources.
- While the state is still committed to CalAIM, a one-year extension of the Medi-Cal 2020 waiver is crucial to maintaining the current delivery system and services for beneficiaries.
- The final FY 2020-21 state budget reflected a delay in funding for CalAIM.

1115 Waiver Renewal

- Medi-Cal Managed Care
- Whole Person Care
- Global Payment Program
- Drug Medi-Cal Organized Delivery System
- Low-Income Pregnant Women
- Former Foster Care Youth
- Community-Based Adult Services
- Coordinated Care Initiative
- Dental Transformation Initiative & Designated State Health Programs (DSHP)
- Tribal Uncompensated Care
- Rady's California Children's Services Pilot

1115 Waiver Renewal

Financing

- **Whole Person Care:** Requesting an additional year (\$300 million) of federal funding equal to 2020 program (PY4) expenditures
- **GPP:** Continued FFP for value-based payments to participating Public Health Care Systems that incur costs for services to the remaining uninsured
- **Budget Neutrality:** Request to continue treatment of following expenditures to eliminate impact to calculation
 - DMC-ODS
 - CBAS
 - Health Homes
 - Out-of-State Former Foster Youth
 - Managed care payments for the ACA new adult expansion population
 - Hospital Quality Assurance Fee program related payments

Timeline

- The 30-day public comment period started on July 22, 2020
- Waiver extension request & all other documentation will be posted on the DHCS website
- Written comments must be submitted by on August 21, 2020
- **Public Hearings**
 - Friday, August 7, 2020 3:30 p.m. – 5:00 p.m.
 - Monday, August 10, 2020 2:00 p.m. – 3:30 p.m.

Questions?



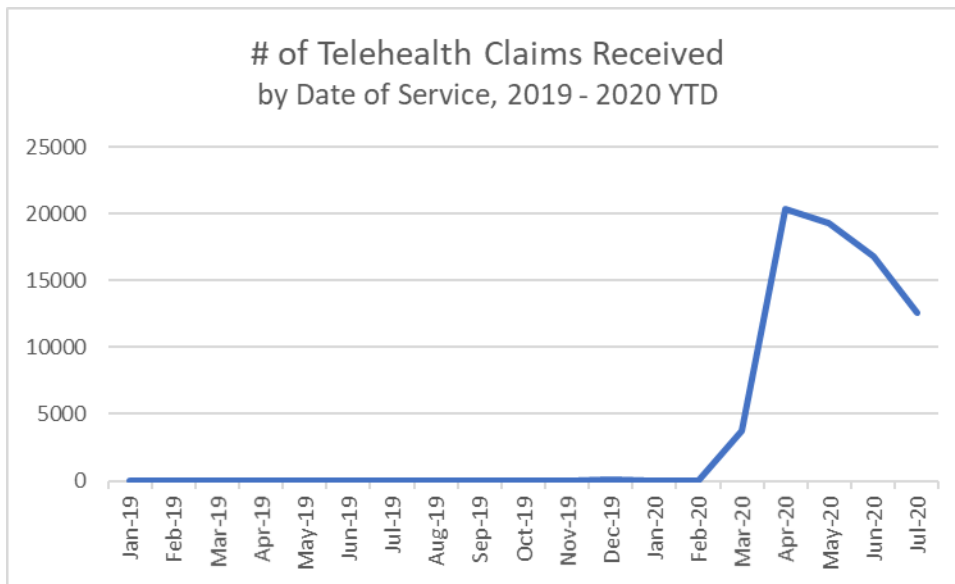
AGENDA ITEM NO. 7

TO: Ventura County Medi-Cal Managed Care Commission
 FROM: Nancy Wharfield, M.D., Chief Medical Officer
 DATE: August 24, 2020
 SUBJECT: Chief Medical Officer Report

Utilization Update

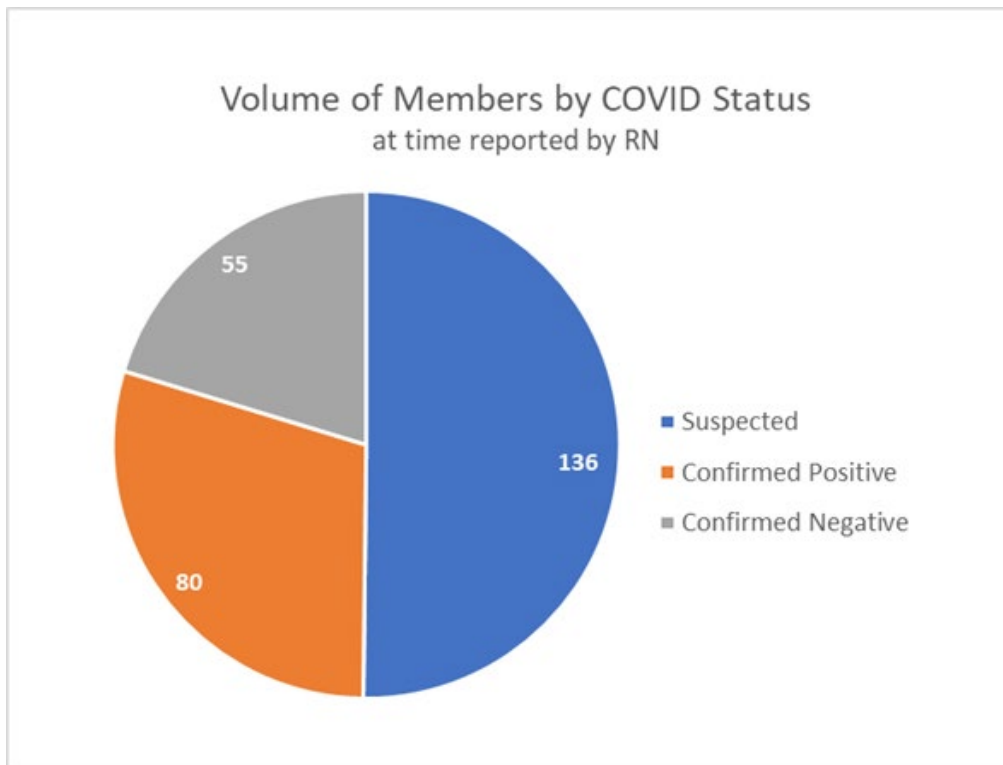
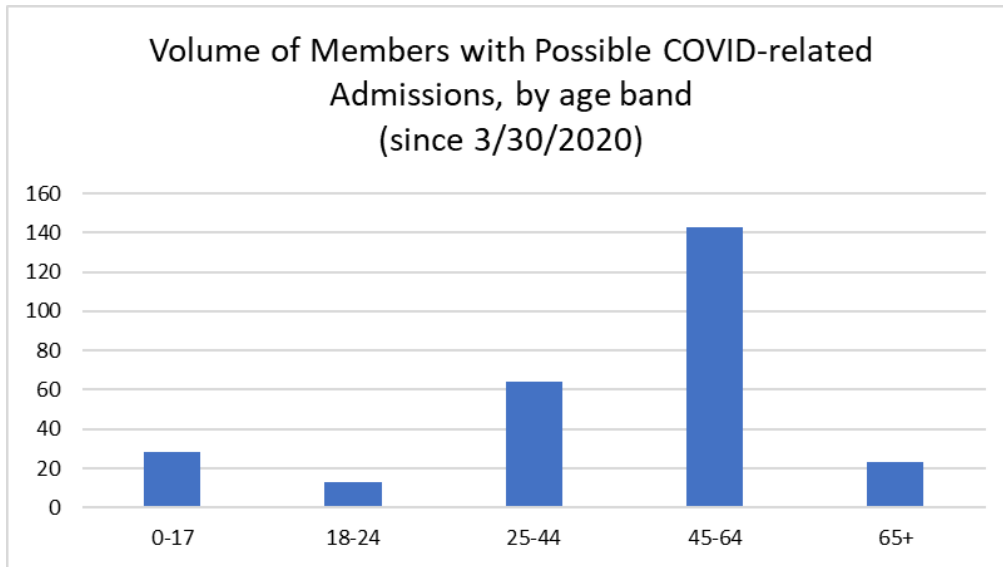
Telemedicine

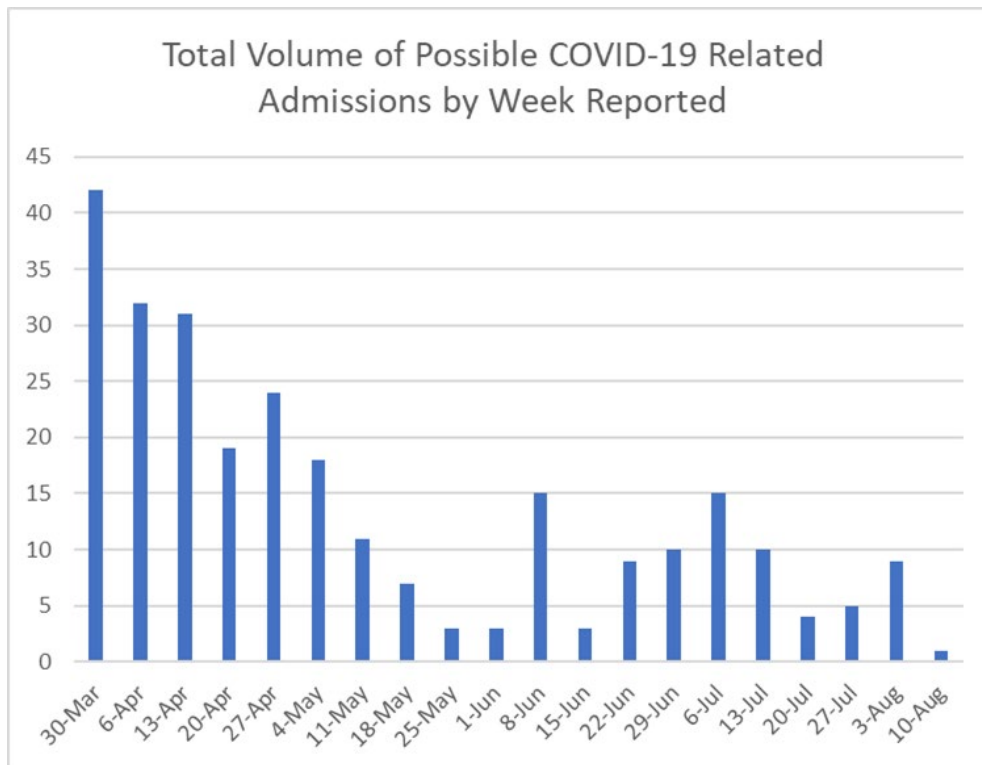
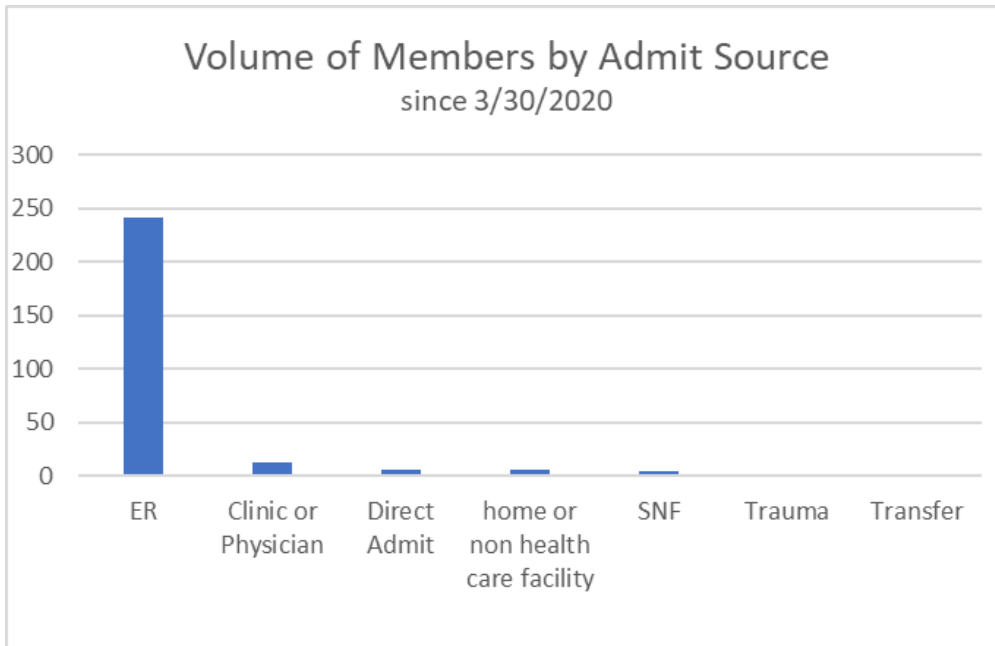
Telemedicine claims have fallen off from a peak in April of 2020 but continue to be significantly elevated compared to pre-pandemic utilization.



Covid-19 Related Admissions

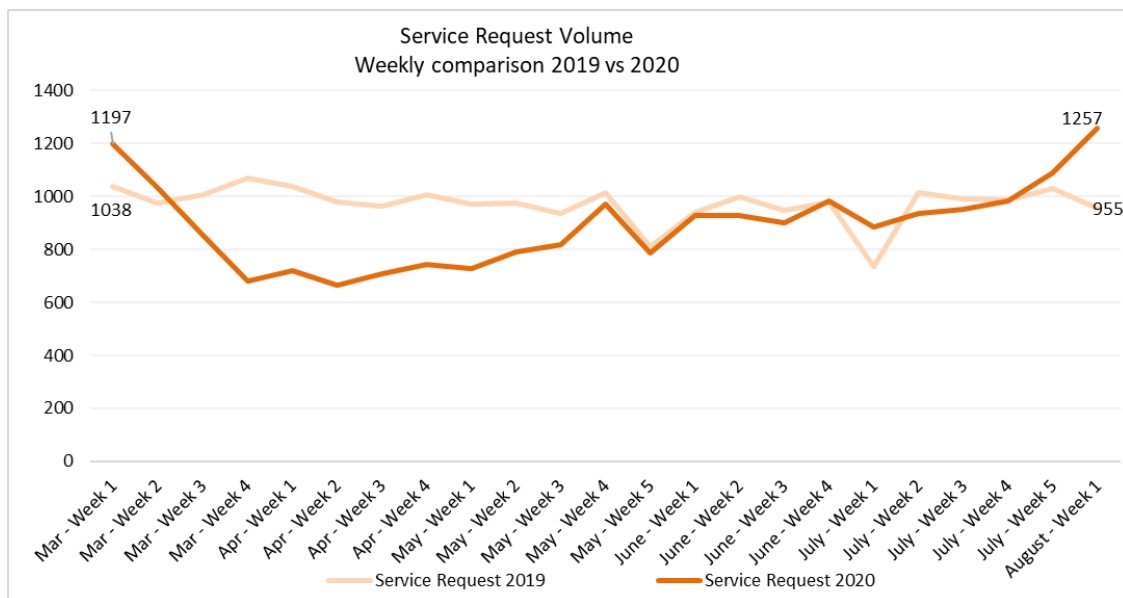
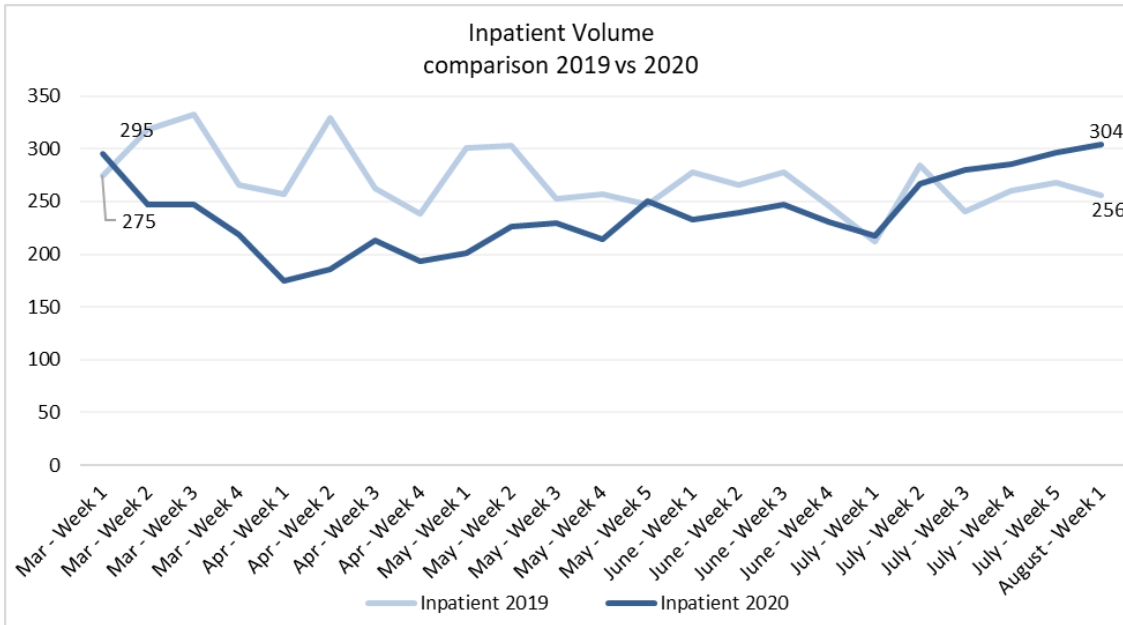
Gold Coast Health Plan (“GCHP”) staff have reported 271 COVID-19 related hospital admissions to the Department of Health Care Services (“DHCS”) as of 8/10/2020. Most admissions are for members in the 45-64 year age group. While final status of about half of admissions is pending, 80 admissions were confirmed positive for COVID-19 and 55 were confirmed negative. Most admissions come through the Emergency Department and volume of admissions has been variable since the peak at the end of March 2020.





Service Requests

Inpatient service requests were down by approximately 12% and 19% for CY Q1 and Q2 compared to prior year. Requests for outpatient service were also down by 1% CY Q1 and 13% in CY Q2. The graphs below suggest utilization for CY Q3 may show a year to year increase in requests for both inpatient and outpatient services.



Population Needs Assessment (“PNA”) Update

The Department of Health Care Services (“DHCS”) requires all Medi-Cal Managed Care Plans to conduct an annual Population Needs Assessment (“PNA”) to assess and identify characteristics and needs of member populations in order to promote high quality health care. The PNA reviews primary and secondary quantitative data to investigate social determinants of health, member health status and behaviors, health education and cultural and linguistic needs, health disparities, and gaps in care. The overall goal of the PNA is to inform strategies for improving member health outcomes by identifying health risks, health needs, and prioritizing organizational programs and resources.

We are pleased to announce that on July 22, 2020, DHCS approved the 2020 Gold Coast Health Plan (“GCHP”) PNA. The 2020 GCHP PNA provides insights into GCHP’s key community health issues, which include the following: diabetes and hypertension, women’s health and screening for sexually transmitted infections, and preventive care services for children. The PNA also identified health disparities for GCHP’s population showing a disproportionate number of Latinos diagnosed with diabetes in Santa Paula and the greater Ventura/Santa Clarita Valley, poor access to language assistance services and inadequate cultural diversity awareness among providers. The Department of HECL will be leading efforts and collaborating closely with the Quality Department to ensure the objectives of the PNA are met.

Pharmacy Update

Pharmacy Hot Topic Items

Medi-Cal Rx

DHCS will be carving out all prescription benefits from the Managed Care Plans (MCP) as of January 1, 2021 under a new program called Medi-Cal Rx. Upon implementation, all retail prescription claims will be submitted directly to the state via its PBM. Gold Coast Health Plan will continue to work with advocacy groups, other MCPs, DHCS and its PBM in order to facilitate the implementation of the carve out and will continue to bring information as it becomes available to this group.

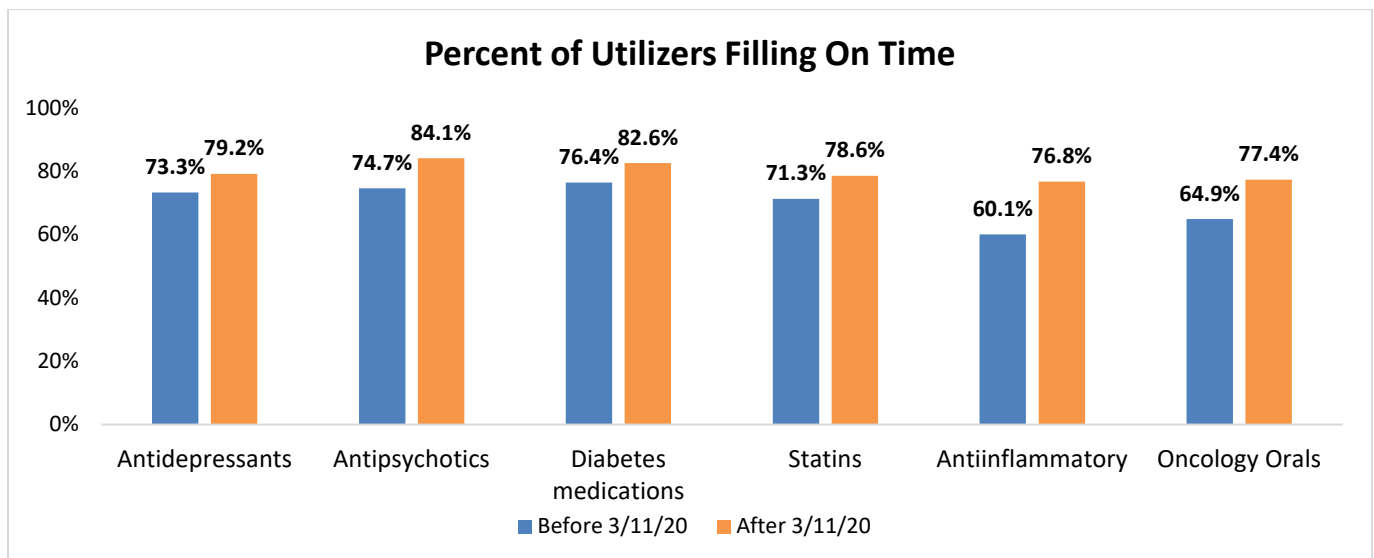
COVID-19

As part of its response to the COVID-19 pandemic, GCHP has made significant, temporary changes to the pharmacy benefit to ensure member access to pharmacy services while ensuring the principles of social distancing and shelter-in-place:

- Refill Too Soon Edit: GCHP temporarily lifted the refill too edit to allow pharmacies to fill chronic, maintenance medications early
 - From March through June, \$1,459,871 is attributed to medications filled earlier

- 90 Day Supply: Allow any chronic, maintenance medication to be filled for up to 90 days at a time
 - >20,000 prescriptions have been filled for 90-day supplies from March through June representing greater than \$2.5M in additional spend.
- Out of Network Pharmacies: Allow out of network pharmacies to fill medications for member if related to COVID-19 and being unable to access a network pharmacy
- Formulary Overrides: Allow overrides of up to 90 days for medications impacted by COVID-19

OptumRx has provided GCHP with specific reporting about drugs under investigation for COVID-19 treatment and how utilization of other medications has changed. Below is a chart showing increased “on time” fills of selected drug categories.



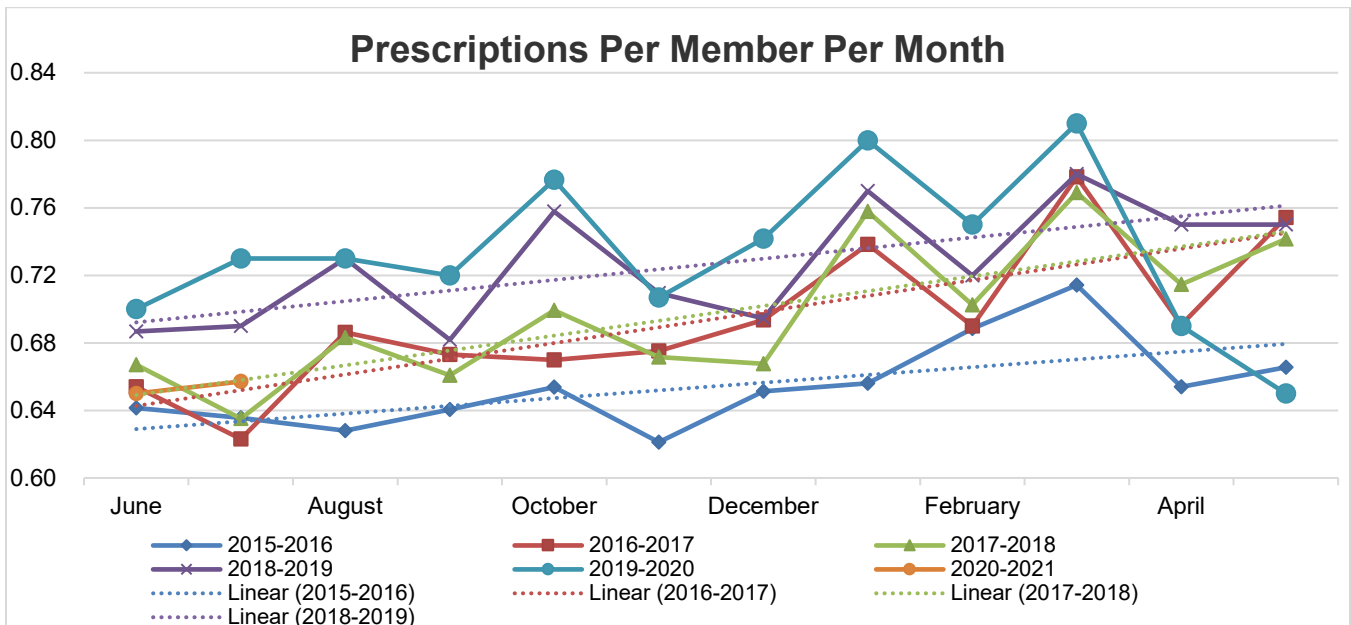
Pharmacy Benefit Cost Trends

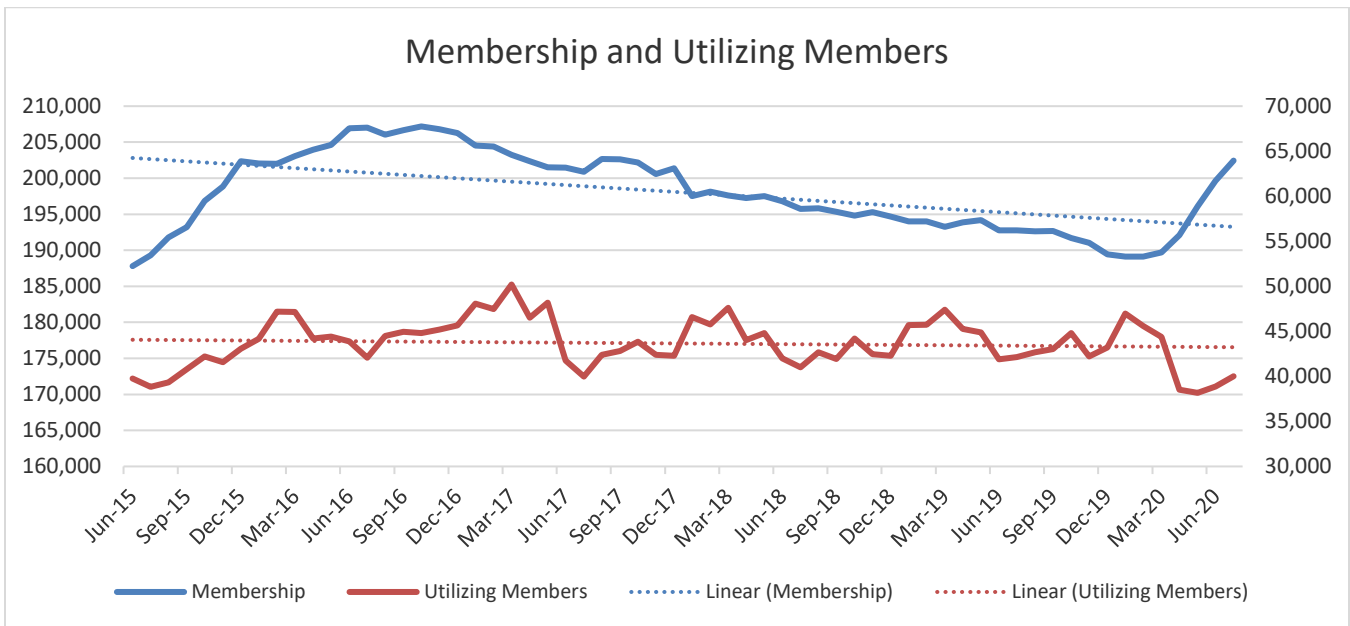
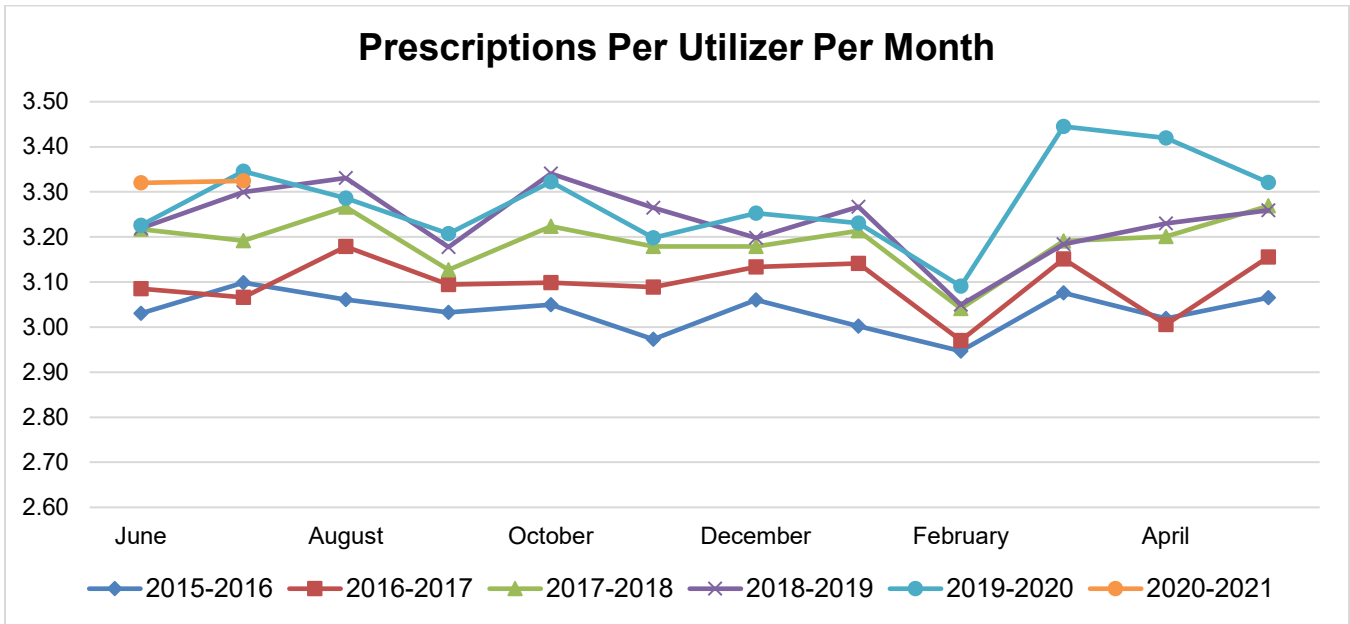
Gold Coast Health Plan’s (GCHP) pharmacy trend shows in overall price increase of 17.33% from July 2019 to July 2020. Pharmacy trend is impacted by unit cost increases, utilization, and the drug mix. Pharmacy costs are predicted to experience double digit increases (>10%) each year from now until 2025. GCHP’s trends are in-line with state and national data that is also experiencing significant increases in pharmacy costs. Impact from COVID-19 is expect to increased costs further.

GCHP Annual Trend Data

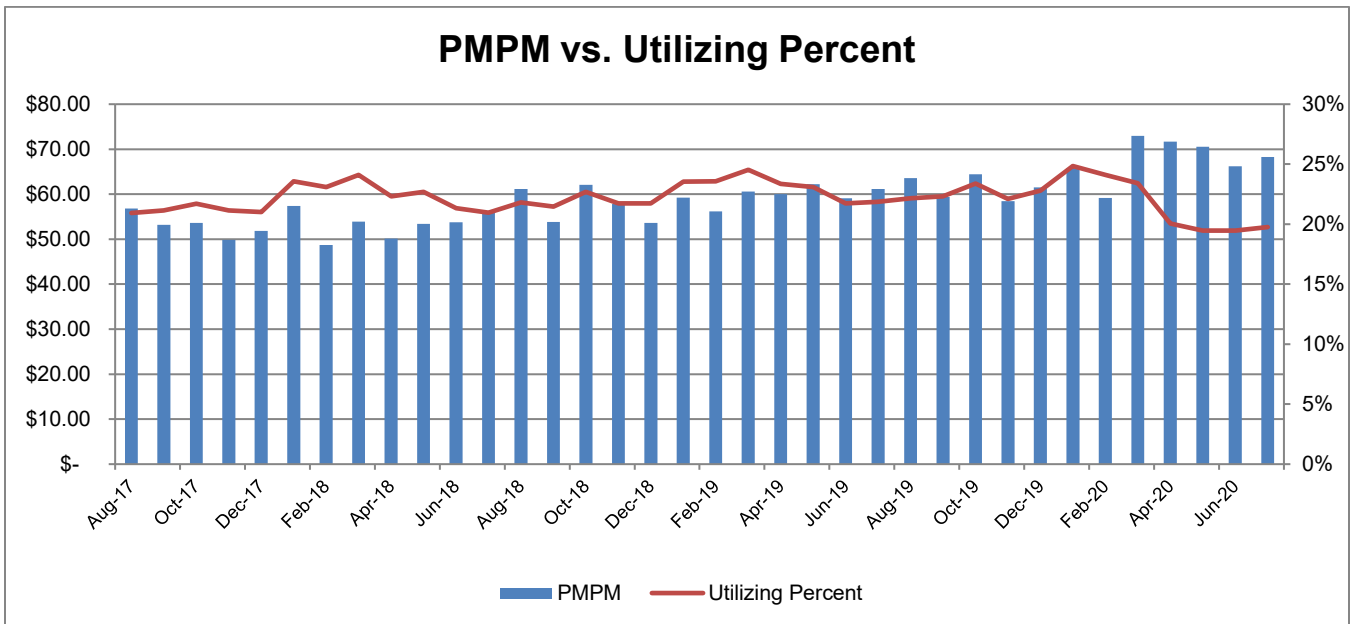
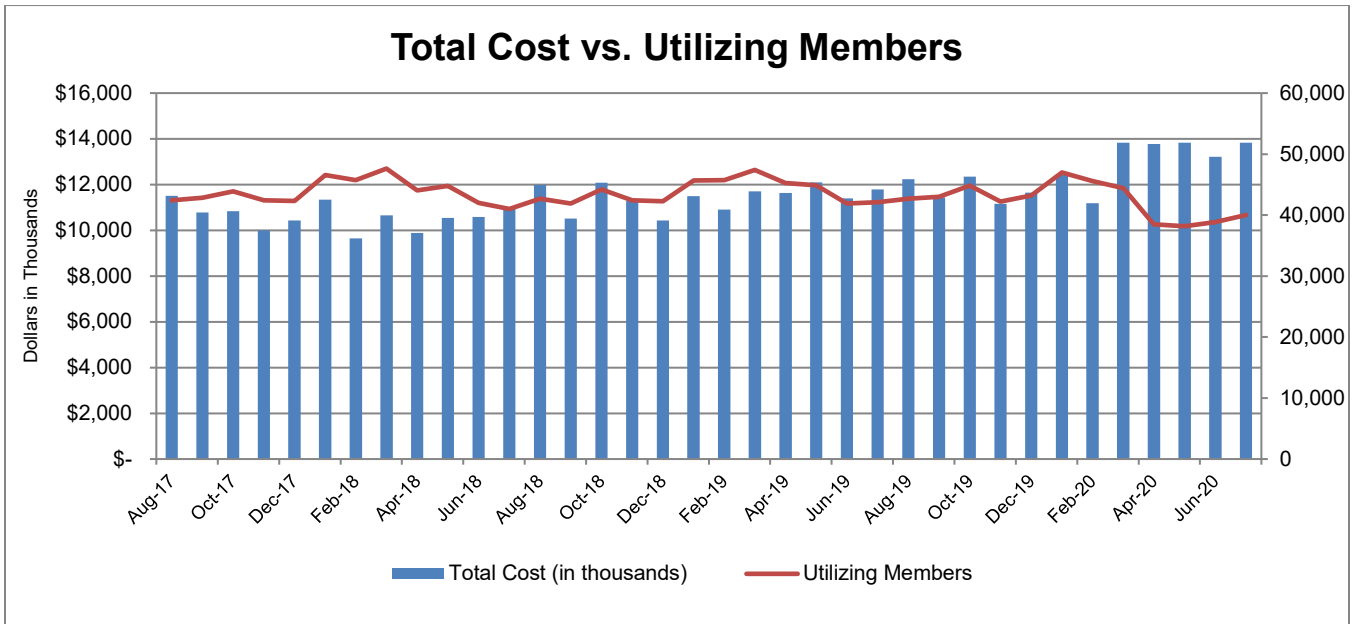
Utilization Trends:

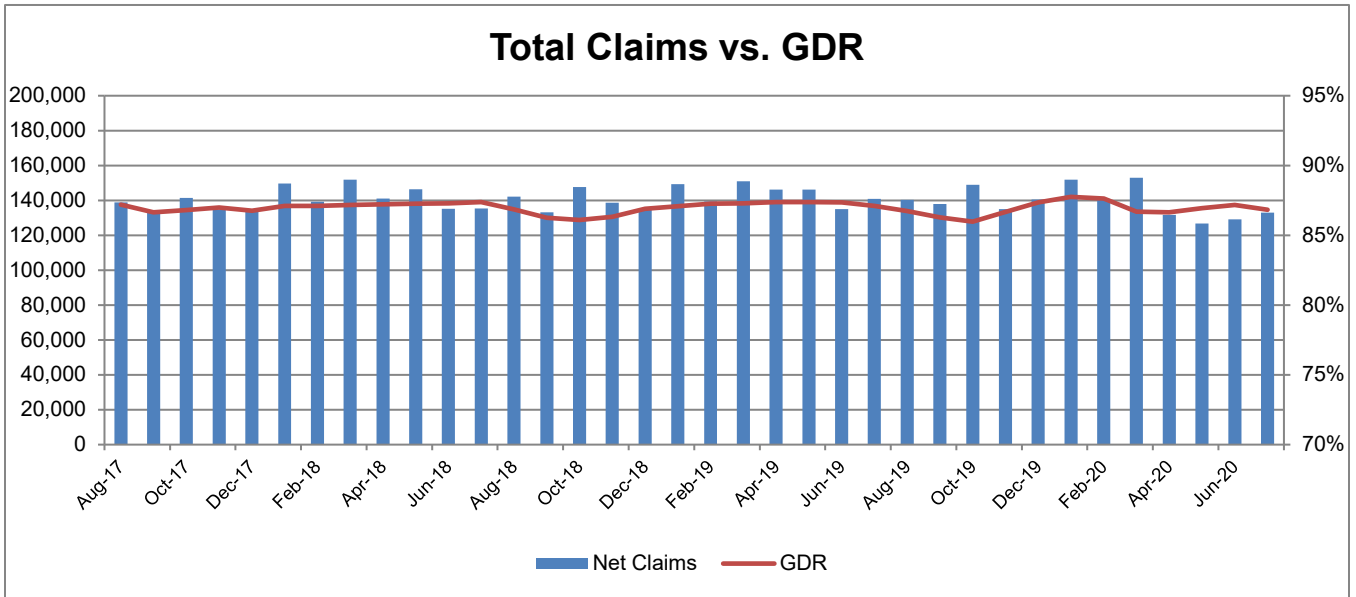
Through March 2020, GCHP’s utilization was increasing as demonstrated by the number of members using prescriptions and the number of prescriptions each member is using while GCHP’s total membership continued to decline. However, the impact of COVID-19 has caused an increase in membership and the utilization of extended day supplies which suppress the view of increased utilization. The new graph showing scripts per utilizer gives a new view of the increased utilization. GCHP will be continuously monitoring the impact of COVID-19 and the increased membership.



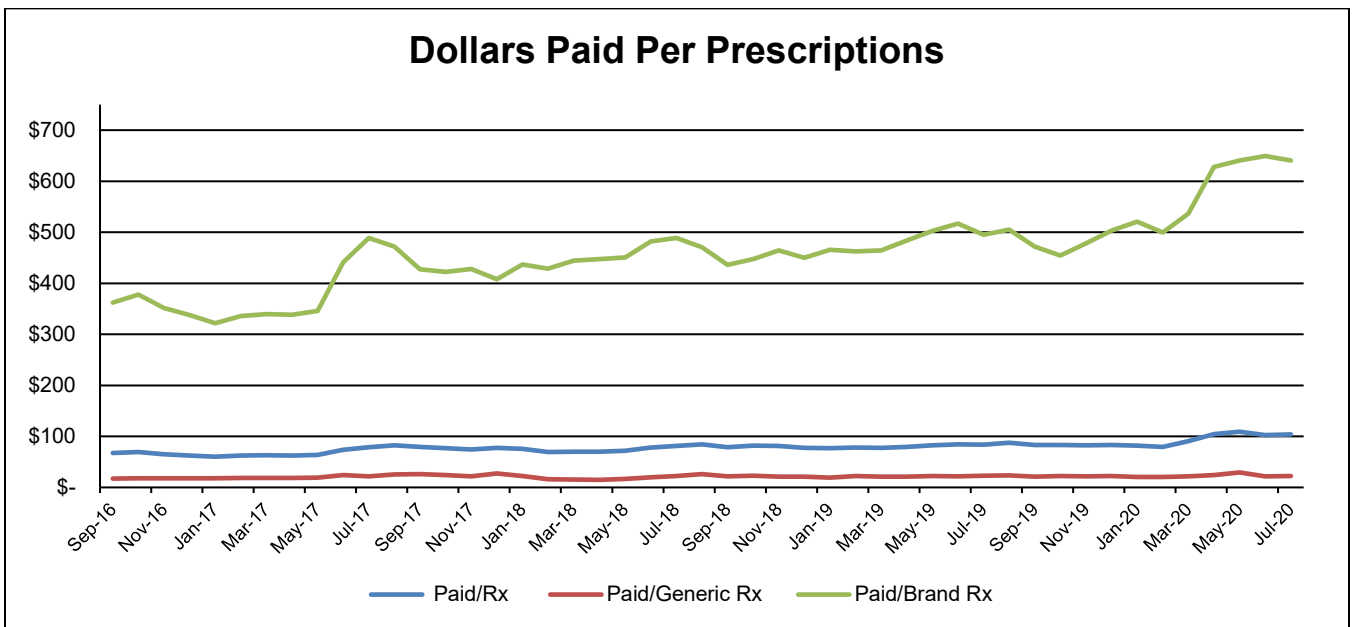


Pharmacy Monthly Cost Trends:



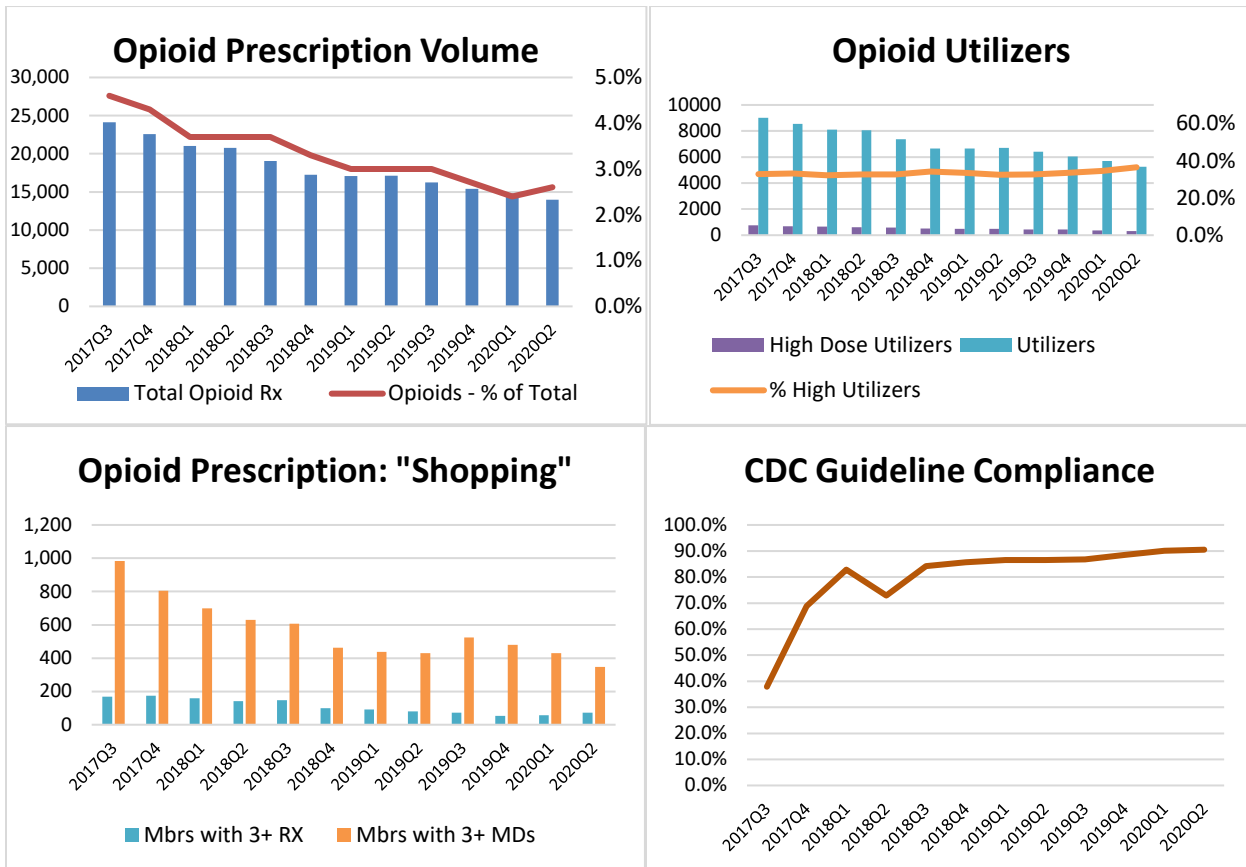


*Claim totals prior to June 2017 are adjusted to reflect net claims.



Pharmacy Opioid Utilization Statistics

GCHP continues to monitor the opioid utilization of its members and below are graphs showing some general stats that are often used to track and compare utilization. In general, GCHP continues to see a positive trend toward less prescriptions and lower doses of opioids for the membership.



Definitions and Notes:

- High Dose Utilizers: utilizers using greater than 90 mg MEDD
- High Utilizers: utilizers filling greater than 3 prescriptions in 120 days
- Prescribers are identified by unique NPIs and not office locations

Abbreviation Key:

PMPM: Per member per month

PUPM: Per utilizer per month

GDR: Generic dispensing rate

COHS: County Organized Health System

KPI: Key Performance indicators

RxPMPM: Prescriptions per member per month

Pharmacy utilization data is compiled from multiple sources including the pharmacy benefits manager (PBM) monthly reports, GCHP's ASO operational membership counts, and invoice data. The data shown is through the end of July 2020. The data has been pulled during the first two weeks of August which increases the likelihood of adjustments. Minor changes, of up to 10% of the script counts, may occur to the data going forward due to the potential of claim reversals, claim adjustments from audits, and/or member reimbursement requests.

References:

1. https://www.healthsystemtracker.org/chart-collection/recent-forecasted-trends-prescription-drug-spending/?_sf_s=drug+spending#item-contribution-to-growth-in-drug-spending-by-growth-driver_2017
2. <https://arstechnica.com/science/2019/07/big-pharma-raising-drug-prices-even-more-in-2019-3400-hikes-as-high-as-879/>
3. US Food and Drug Administration. "2018 New Drug Therapy Approvals."
4. <https://www.fiercepharma.com/marketing/another-record-year-for-pharma-tv-ads-spending-tops-3-7-billion-2018>
5. <https://www.kff.org/medicaid/issue-brief/utilization-and-spending-trends-in-medicaid-outpatient-prescription-drugs/>



AGENDA ITEM NO. 8

TO: Ventura County Medi-Cal Managed Care Commission
FROM: Ted Bagley, Interim Chief Diversity Officer
DATE: August 24, 2020
SUBJECT: Chief Diversity Officer / Human Resources Report

Monthly Actions:

Community Relations/Diversity

- Presented Proclamation from the NAACP to a young lady who organized the George Floyd March in Simi Valley.
- Keynote Speaker - second session (Zoom meeting) at California Lutheran University on "Race in America".
- Met with Police Chief/Mayor of Simi Valley concerning the hiring of more diverse police resources as well as training those resources in the art of de-escalation.

Case Investigations

- **No new Hot Line cases. No new internal cases.**

Office Visit Activity

- Team continues to meet on preparations for potential return to work when conditions allow. Concerns are:
 - School closures becoming a primary parental issue during the pandemic.
 - Controlling flow of employees who visit office for supplies, printing and other business-related activity.
 - **BBK to hold a Lunch N Learn on COVID-19 related activities and benefits associated with the pandemic.**
 - Equipment needs are being assessed as the length of work from home time grows.

HR Resource Activities

- Continue to backfill key positions only and after review with CEO and executive staff.
- Resignations: 1 Terminations: 0
- Continuing to on-board Executive Director HR.
- Preparing roll-out of yearly appraisals

- Leadership training on conducting an effective appraisal process.

Facilities

- Continue to prepare facility for the return of employees at the appropriate time. Air quality and temperature testing are focal points.

Effective Monday, August 3rd, I transitioned back to the two day per week CDO schedule. Overlap will continue with Michael Murquia until the initial 30-day onboarding is complete.

Accomplishments

Over the two-year period of having this position in place, our accomplishments are:

1. Diversity and Inclusion Council in place with representation from all major units, cultures and genders. White male(s) 1, White Females (3), Latino Females (3) Latino Males (1), Black Males (1). Team charter complete and put into action.

Diversity/Inclusion Council



Marlen Torres



Vicky
Connaughton



James Markas



Sarah Palomino



Marlin Wiley



Susan Enriquez



Shannon Robledo



Brittany Hyland



Chris Martinez

2. Diversity Council selection process developed.
3. Diversity Competency model developed and ready for roll out.
4. Manager resource manual developed and ready for roll out.
5. Completed Supplier Diversity Process as a joint accomplishment with Procurement.

6. Developed open communications with diverse groups in the community.
 - NAACP - National Association Advancement of Colored People
 - LULAC - League of United Latin American Citizens
 - GCVF - Gold Coast Veteran Foundation
 - Community Council of Simi Valley
7. Series of Lunch 'N Learn presentations
8. Partial Diversity Training for Medical Commission. To be completed.
9. Assessment of pay practices. Promotions and communications.
10. Increased diversity in senior level positions.



Accomplishments for CDO 2019-2020	Status
1. Added two diverse members to the Senior team	Complete
2. Developed a Diversity Council	Complete
3. Developed a Charter	Complete
4. Developed a Supplier Diversity Process	Complete
5. Competency Model for Managers(D&I)	Complete
6. Developed the CDO Position Description	Complete
7. Let's Talk Series for weekly communications	Complete
8. Lunch 'N Learn Series on Diversity & Inclusion	Complete
9. Honored special cultural holidays	Complete
10. Participated in Read Across America	Ongoing
11. Audit Pay Structure	Ongoing
12. Audit Communications Internal/External	Ongoing
13. D&I Best Practice Visits (Amgen)	Complete
Future Focus	
1. Adopt A School	In Process
2. Establish Employee Resource Groups	Planned
3. Community Speaker Series	Planned
4. Best Practice Visits	Ongoing

Diversity Council – Ted Bagley CDO Advisor

- Marlen Torres - Hispanic Female
- Susana Enriquez – Hispanic Female
- Christopher Martinez – Hispanic Male
- Brittany Hyland – White Female
- Shannon Robledo – White Female
- Marlen Wiley – Black Male
- James Markas – White Male
- Sarah Palomino – Hispanic Female
- Filipino – Male/Female Open
- Black – Male/Female Open