

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

**Regular Meeting**

**Monday, February 24, 2020, 2:00 p.m.**

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

**AGENDA**

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**PUBLIC COMMENT**

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

Persons wishing to address VCMCC 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.

**CONSENT**

**1. Approval of Ventura County Medi-Cal Managed Care Regular Minutes of  
January 27, 2020.**

Staff: Maddie Gutierrez, CMC – Clerk of the Commission

**RECOMMENDATION:** Approve the minutes for January 27, 2020.

## **PRESENTATION**

### **2. Employee Survey Results**

Staff: Ted Bagley, Chief Diversity Officer

**RECOMMENDATION:** Receive and file the presentation.

## **FORMAL ACTION**

### **3. Additional Funding Request – Professional Services Statement of Work Approval for Medical Management System Integration with New Core Claims System**

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

**RECOMMENDATION:** Authorize the CEO to execute a statement of work with MHK Inc. in an amount not to exceed \$200,000 plus as a future contingency, execute any additional change orders up to an additional 10% of the total amount approved (includes prior approved amount and requested amount) for this project.

### **4. Additional Funding Approval – Service Order 01, Lourdes G. Campbell, Interpreting and Translating Services**

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

**RECOMMENDATION:** Staff recommends the addition of \$70,000 to the existing agreement (Service Order 01) with Lourdes G. Campbell Interpreting and Translating Services. There is no fiscal impact.

### **5. January 2020 Financial Report**

Staff: Kashina Bishop, Chief Financial Officer

**RECOMMENDATION:** Receive, approve and file the January 2020 financial report.

## **REPORTS**

### **6. Chief Executive Officer (CEO) Update**

Staff: Margaret Tatar & Patricia Tanquary, Interim Chief Executive Officers

**RECOMMENDATION:** Receive and file the update.

### **7. Chief Medical Officer (CMO) Update**

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

**RECOMMENDATION:** Receive and file the update.

### **8. Chief Diversity Officer (CDO) Update**

Staff: Ted Bagley, Chief Diversity Officer

**RECOMMENDATION:** Receive and file the update.

## **CLOSED SESSION**

### **9. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9 Number of cases: Unknown

### **10. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

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

The document referencing the threat of litigation will be made available pursuant to Gov't Code Section 54959.9(e)(5)

### **11. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION**

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

The document referencing the threat of litigation will be made available pursuant to Gov't Code 54959.9(e)(5).

### **12. PUBLIC EMPLOYEE EVALUATION**

Title: Interim Chief Executive Officer

## **COMMENTS FROM COMMISSIONERS**

## **ADJOURNMENT**

Unless otherwise determined by the Commission, the next regular meeting will be held at 6:00 P.M. on March 23, 2020 at the City of Oxnard Council Chambers located at 305 West 3<sup>rd</sup> Street, Oxnard, CA 93030 .

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**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, CMC - Clerk to the Commission  
**DATE:** February 24, 2020  
**SUBJECT:** Meeting Minutes of January 27, 2020 Regular Commission Meeting.

### **RECOMMENDATION:**

Approve the minutes.

### **ATTACHMENTS:**

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

**Ventura County Medi-Cal Managed Care Commission  
(VCOMMCC)**

**dba Gold Coast Health Plan (GCHP)**

**January 27, 2020 Regular Meeting Minutes**

**CALL TO ORDER**

Commissioner Antonio Alatorre called the meeting to order at 2:06 p.m., in the Community Room located at Gold Coast Health Plan, 711 E. Daily Drive, Camarillo, California.

**PLEDGE OF ALLEGIANCE**

Commissioner Alatorre led the Pledge of Allegiance.

**ROLL CALL**

Present: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Lanyard Dial, M.D., Laura Espinosa, Gagan Pawar, M.D., Dee Pupa, and Supervisor John Zaragoza.

Commissioner Jennifer Swenson was not present at Roll Call. Commissioner Swenson arrived at 2:25 p.m.

Absent: Commissioner Fred Ashworth

**PUBLIC COMMENT**

1. Eugenia Granados appeared on behalf of herself. Ms. Granados stated her concern is her medical health care. She is upset with lack of Medi-Cal services. She has asked repeatedly for help and has gotten none. She is upset that she must speak in a public forum to voice her concerns for herself and her son.

Commissioner Alatorre ask Chief Medical Officer, Nancy Wharfield, M.D., to follow up with this individual. Supervisor Zaragoza asked Ms. Granados to call his office and he will follow up as well.

2. Roberto Juarez, Clinicas del Camino Real (CDCR) Chief Executive Officer appeared on behalf of CDCR. He requested extra time for his comments. He wanted to voice concerns/complaints regarding his agency and staff being treated unfairly. AmericasHealth Plan (AHP) and CDCR have had allegations made against them. The Commission has allowed this to continue and CDCR has endured humiliating treatment. Contracts have been made public while no

other agency has had to do that. CDCR has highest scores in the County, while the County is one of the worst performing.

Legal Counsel has allowed Brown Act violations – items not listed on the agenda have been voted on. He stated there is collusion among Commissioners. He stated this is racism.

GCHP has lied about AHP submissions to the State. These actions will no longer be tolerated. He stated he is going to request GCHP be listed as a hate group. Mr. Juarez stated there have been corrupt and illegal actions by the Commission.

Commissioner Zaragoza stated there are two sides to every story. Mr. Juarez stated if a rebuttal is given to a comment you should expect one back. Commissioner Alatorre stated there needs to be no further rebuttals.

3. Arnolando Torres appeared on behalf of CDCR. Mr. Torres stated he wanted to congratulate GCHP for having Ms. Tatar as interim CEO for the organization. He stated she is very responsive.

### **Commissioner Jennifer Swenson arrived at 2:25 p.m.**

Mr. Torres stated that former CEO, Dale Villani, had reported to the Commission that GCHP was actively talking with the State regarding the AHP Pilot. It was discovered that none of these discussions had happened. For over one year, Mr. Torres has had discussions with CDO, Ted Bagley regarding Dale Villani as well as discussions with Supervisor Zaragoza. The Commission has allowed the GCHP staff to lie to the public. GCHP Staff kept reporting they had not heard back from the State on the AHP Pilot, yet no one asked what was taking so long. There is no trust that current staff and Commissioners are going to be fair. How can they explain that CEO Villani and Chief Compliance Officer, Brandy Armenta intentionally, purposefully and willfully lied? It is impossible that the Commission did not know. There is no justification for the behavior. He asked the Commissioners to do the right thing and not vote in anger so Plan to Plan can move forward. Ms. Tatar as been fair and honest.

Commission Chair Alatorre asked if there were comments from the Commission. Mr. Atin thanked everyone for their comments. He stated that over years Mr. Torres and Mr. Juarez have berated the Commission. It seems they are interested in working with GCHP on the Plan to Plan pilot program. He stated several Commissioners have sponsored the Pilot.

Several members of the Commission, based on the request made by CDCR, have pushed the measure, through a sole source, not an RFP for the pilot. Staff and Commission worked to craft a pilot proposal, concerns were brought to the Commission

by CDCR and the proposal was amended to move forward. Commissioner Atin would like to move forward in a partnership.

Supervisor Zaragoza stated Clinicas del Camino Real have done a good job. He believes in helping the constituency. There are two sides to every story.

Commissioner Alatorre stated this is not the only plan that has Plan-to-Plan contracts. There have been motions to move forward with the AHP Pilot. In the minutes, it has been documented that GCHP was just waiting for a response from the State. And the Plan to Plan has not been implemented.

4. Mr. Bill Foley appeared on behalf of the Ventura County Health Care Agency. He stated he has had good discussion with both Patricia Tanquary and Margaret Tatar. The County is in support of the AHP Pilot and would like to work together to serve the populations of the County. The focus for the County is currently on CalAIM and they have built an infrastructure for Whole Person Care.

Mr. Atin asked if it was permissible for a second speaker card to be submitted by the same individual. Legal Counsel, Scott Campbell, stated it can be done at the discretion of the Chair.

5. Mr. Arnaldo Torres, stating his frustration is justified. The Commission is not addressing that the staff has lied. Instead the focus is on the speaker not being happy. CDCR is not asking for special favors. He wants the Commission to look at what Dale Villani and Brandy Armenta did and hold them accountable. The Commission is ignoring the facts

Commissioner Atin stated the Commission cannot comment until a review has been done. Allegations cannot be addressed in a public meeting and therefore the public is not informed of the detail of the investigations.

## **CONSENT**

1. **Approval of Ventura County Medi-Cal Managed Care Commission Meeting Regular Minutes of January 27, 2020.**

Staff: Maddie Gutierrez, CMC, Clerk of the Commission.

**RECOMMENDATION:** Approve the minutes.



## 2. Optum Contract Amendments

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

**RECOMMENDATION:** Approve signing of the Pharmacy Benefits Manager (PBM) amendments to bring GCHP into compliance with regulatory requirements and enhance Delegation Oversight.

## 3. Approve recruitment firm agreement (“Agreement”) with Morgan Consulting Resources (“MCR”) for Chief Executive Officer Recruitment Services.

Staff: Scott Campbell, General Counsel

**RECOMMENDATION:** Staff recommends the Commission approve the Agreement with MCR and authorize the interim CEO to execute the Agreement.

Commissioner Dial motioned to approve Consent Agenda Items 1, 2 and 3. Commissioner Pupa seconded.

**AYES:** Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Lanyard Dial, M.D., Laura Espinosa, Gagan Pawar, M.D., Dee Pupa, Jennifer Swenson and Supervisor John Zaragoza.

**NOES:** None.

**ABSENT:** Commissioner Fred Ashworth.

Commissioner Alatorre declared the motions carried.

Commissioner Alatorre requested agenda item 8, AmericasHealth Plan (AHP) Plan to Plan approval be moved to agenda item 4.

**Commissioners Alatorre and Pawar recused themselves at 2:54 p.m.**

## **FROMAL ACTION**

## 8. AmericasHealth Plan (AHP) Plan to Plan Approval

Staff: Margaret Tatar & Patricia Tanquary, Interim CEO

**RECOMMENDATION:** Staff recommends the Commission approve revised parameters of the AHP Pilot.

Ms. Tatar stated she was able to update DHCS and pursue status of proposal. DHCS indicated the proposal needed to be resubmitted. The revised proposal will include:

- 1) GCHP responsible in contacting members
- 2) Member communication /all notices will go through GCHP
- 3) Members can opt-in or out at any time.

DHCS wants members/all enrollees to be able to participate in the pilot. The Pilot would be capped at enrollment numbers. GCHP has already begun to work with AHP.

Commissioner Swenson asked if we had submitted the proposal to DHCS. Ms. Tatar stated there seemed to be concern and it was clarified that she was presenting on behalf of GCHP. Ms. Tatar stated she visited with DHCS and found out status. The Department wants clarification and Ms. Tatar has focused on finding out what DHCS wanted.

Supervisor Zaragoza stated he supports this item. He presented the plan-to-plan proposal. All Commissioners here for the betterment of our community. He supports Clinicas staff.

General Counsel, Scott Campbell, stated for the record: the item brought back to the Commission, alleged Brown Act violation – was modifications done were for remedy of Clinicas concerns. It was on the agenda and noted.

The State has said the pilot program needs to be open to all, not just Clinicas members. This one item is to modify Supervisor Zaragoza's motion and expand to all.

Commissioner Cho stated the letter from DHCS was dated in August 2019 – she wants clarification that it was received by GCHP in August. Ms. Tatar stated it was submitted by the State in August and she is trying to find out the delay. The State said they were waiting for us (GCHP). Being transparent is where we are today.

Commissioner Espinosa stated this seems to be dragged out by staff. The Commission did not have a complete picture. She is a proponent of transparency. Prior to current management there was a lack of transparency and she acknowledged that current management has tried to turn this around. It is very troubling. If Ms. Tatar didn't dig into this issue, we would still be waiting for the State. Staff did lie to the Commission, that needs to be corrected.

Commissioner Dial asked if changes are made will those be the only two issues. Ms. Tatar stated other questions could emerge. Her focus has been on moving this forward as expeditiously and transparently as possible.

Supervisor Zaragoza motioned to approve Agenda Item 8. Commissioner Espinosa seconded.

AYES: Commissioners Shawn Atin, Theresa Cho, M.D., Lanyard Dial, M.D., Laura Espinosa, Dee Pupa, Jennifer Swenson and Supervisor John Zaragoza.

NOES: None.

ABSENT: Commissioners Antonio Alatorre, Fred Ashworth and Gagan Pawar, M.D.

Commissioner Swenson declared the motions carried.

**Commissioners Alatorre and Pawar returned to the meeting at 3:16 p.m.**

## **PRESENTATION**

### **4. Quest Laboratories Preferred Provider Contract**

Staff: Steve Peiser, Sr. Director of Network Management

RECOMMENDATION: Receive and file the presentation.

Mr. Peiser reviewed his PowerPoint presentation. This is beneficial to the Plan to move forward on value-based arrangements. We are changing to managed health care costs. In February, we will be entering into a capitated arrangement with Ques laboratories

We have seen a significant spend trend in labs. Our goal is to look at cost efficiencies and care management Quest has given the best option in cost reduction. There will be a major transformation in cost savings. Quest offers extended hours and weekend options. There are 21 labs throughout the county will provide services.

Mr. Peiser stated we want to control costs and insure better reporting. The current reporting is fragmented.

Commissioner Espinosa asked if Piru and Somis were included. Mr. Peiser stated there are not labs in that area but there are labs in Fillmore and Santa Paula areas. Commissioner Espinosa stated farm workers live in Piru and Some and they will need access to the lab as well.

Commissioner Cho stated analysis and cost savings is not the simple solution. She asked how this got approved – this wasn't a Commission decision. Mr. Peiser stated he previously presented 2 or 3 times at Commission meetings. He did not mention the entity.

Ms. Tatar stated we can compile and follow up. Commissioner Cho asked for a comparison.

Ms. Tanquary stated Quest provides services 6 days per week and after hours.

Commissioner Dial stated his concern was similar to pharmacy issue. Individual small pharmacies were impacted, and he is concerned small hospitals will lose business. He would like to see fiscal side. Mr. Peiser stated he understood the concern. We are trying to get control of Plan's finances. Commissioner Dial wants to understand the impact. This is the first time the Commission sees the program.

Commissioner Pawar asked if stat labs are not done at Quest. Mr. Peiser stated they can be done but at a Fee for Services basis.

Commissioner Alatorre asked if the contract was executed. Ms. Tanquary stated notice was given per direction of DHCS. Commissioner Pawar asked what the cost savings would be to the Plan. Mr. Peiser responded \$3 – 5 million per year.

Commissioner Alatorre stated the Commission needs to know the impact. Community Memorial Hospital has their own labs. Mr. Peiser stated GCHP has had numerous discussions with all hospitals. We are working with provider network. This will help with data completeness. Lab data has been missing and this will close data gap.

Commissioner Atin stated we must save money somewhere. He understands the concern for hospitals. It is a difficult choice to be made. Mr. Peiser stated we are trying to find balance. Along with improvement of HEDIS scores and data completeness.

## **FORMAL ACTION**

### **5. Immediate Procurement of 24/7 Nurse Advice Line Services**

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

**RECOMMENDATIONS:** The Plan recommends the Commission approve entering a two (2) year agreement for the provision of 24/7 Nurse Advice line services with a not-to-exceed amount of \$300,000.

Dr. Wharfield stated that currently GCHP is out of compliance and DHCS is asking for immediate resolution. We need to move forward per DHCS. This item was not put into the budget, but this will satisfy DHCS. In the future we may leverage other services. We are currently asking for a two-year contract for \$300,000.

Commissioner Swenson motioned to approve Agenda Item 5. Commissioner Dial seconded.

AYES: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Lanyard Dial, M.D., Laura Espinosa, Gagan Pawar M.D., Dee Pupa, Jennifer Swenson and Supervisor John Zaragoza.

NOES: None.

ABSENT: Commissioner Fred Ashworth.

Commissioner Alatorre declared the motions carried.

**6. Additional Funds Approval – Edrington Health Consulting (EHC), LLC, SOW 3**

Staff: Kashina Bishop, Chief Financial Officer

RECOMMENDATION: Approve the consolidation of EHC Statement of Worth's (SOW) 1 and 2 into SOW 3 and award SOW 3 to EHC for twenty-four (24) month period with a not-to-exceed amount of \$350,000.

CFO Bishop stated this is a rate development template. We want to consolidate two Statements of Worth into one broader Statement of Worth. This makes the template easier for the State to review our revenue.

Commissioner Atin motioned to approve Agenda Item 6. Commissioner Swenson seconded.

Commissioner Espinosa asked general counsel to advise on proper motion for reason to vote on sole source. Counsel stated the motion should be to meet the criteria of the Plan's sole source policy.

AYES: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Lanyard Dial, M.D., Laura Espinosa, Gagan Pawar M.D., Dee Pupa, Jennifer Swenson and Supervisor John Zaragoza.

NOES: None.

ABSENT: Commissioner Fred Ashworth.

Commissioner Alatorre declared the motions carried.

## 7. November and December 2019 Financials Report

Staff: Kashina Bishop, Chief Financial Officer

RECOMMENDATION: Receive, approve and file the November and December 2019 financials report.

CFO Bishop reviewed her financials PowerPoint. CFO Bishop stated there was an additional \$1.6 million loss for the year. The State re-couped \$1.4 million but we were able to absorb the \$1.4million without showing a significant loss. We have gotten a small cushion, but we are still doing clean up.

Mr. Peiser stated we have had good experience with our providers – they are working with us and assisting with savings. We may not see cost savings immediately, but it will be seen through the next several months. Ms. Tatar commended the team for working together.

Ms. Bishop went on to review the rest of her PowerPoint. We just received revised rates and there is no net impact. We are over budget 3% on Fee for Service. She reviewed membership and updated supplemental payments.

Commissioner Swenson stated this was a great improvement over the last year.

Commissioner Cho motioned to approve Agenda Item 7. Commissioner Swenson seconded.

AYES: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Lanyard Dial, M.D., Laura Espinosa, Gagan Pawar M.D., Dee Pupa, Jennifer Swenson and Supervisor John Zaragoza.

NOES: None.

ABSENT: Commissioner Fred Ashworth.

Commissioner Alatorre declared the motions carried.

## REPORTS

### 9. Chief Executive Officer (CEO) Update

Staff: Margaret Tatar and Patricia Tanquary, Interim Chief Executive Officer

RECOMMENDATION: Receive and file the update.

Ms. Tatar reviewed Governor Newsom's budget. There is a total State budget of \$222 billion. The rainy-day fund will grow to \$19.4 billion.

Significant Budget items:

- Homelessness – stabilizing housing
- Early Childhood – will do a better job on screening. There will be considerable funding for early pre-school
- K through 12 – local school funding

23% of the budget is on Healthcare. The total Medi-Cal budget is \$107 billion for this coming year. We anticipate the case load to remain steady with a slight increase. The Governor has his focus on Behavioral Health. We do anticipate Trailer Bills. Ms. Tatar will keep the Commission updated on State issues.

Commissioner Espinosa asked if members will be asked to pay more on co-pays. Ms. Tatar responded no. Commissioner Espinosa asked about Medi-Medi members. Ms. Tatar stated she will follow up to get information.

## **REPORTS**

### **10. Chief Medical Officer (CMO) Update**

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

**RECOMMENDATION:** Receive and file the update.

CMO Wharfield reviewed her information on lead exposure. Homes built prior to 1955 are being reviewed for lead paint. Any exposure to lead is detrimental at any level. More information to come on lead testing.

CMO Wharfield noted one case of Corona virus in the County.

Dr. Anne Freese reviewed the Pharmacy Carve-Out. There are technical work groups at State. After Care-Out goes live, GCHP might need PBM. More information will be presented to the Commission as the Plan receives it.

Dr. Freese stated the majority of pharmacy claims will be billed to the State. The Call Center will go to the State. Prior authorization will also go to the State. There will be consistency across all Plans in California. CMO Wharfield stated we are still responsible for care coordination. The challenge will be data. Dr. Freese will share information as she received it. Changes are coming.

### **11. Chief Diversity Officer (CDO) Update**

Staff: Ted Bagley, Chief Diversity Officer

**RECOMMENDATION:** Receive and file the update.

Mr. Bagley is currently doing double duty. He is also covering the Human Resource Department. He is filling key positions within the budget.

The employee survey has been left open. Participation rate is currently 29%. He has sent appeals to staff to respond to the survey. He is anticipating a 75% participation rate. Once results are received, he will put together a plan to share results with the Commission and with staff.

Commissioner Swenson motioned to approve Agenda Items 9, 10 and 11. Commissioner Atin seconded.

AYES: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Lanyard Dial, M.D., Laura Espinosa, Gagan Pawar M.D., Dee Pupa, Jennifer Swenson and Supervisor John Zaragoza.

NOES: None.

ABSENT: Commissioner Fred Ashworth.

Commissioner Alatorre declared the motions carried.

Break was given at 4:48 p.m.

The Commissioner reconvened for Closed Session at 4:55 p.m.

### **CLOSED SESSION**

#### **12. PUBLIC EMPLOYEEMENT**

Title: Deputy Chief Executive Officer, Operations Consultant and/or Management Consultant

Title: Chief Diversity Officer

#### **13. CONFERENCE WITH LABOR NEGOTIATORS**

Agency designated representatives: Gold Coast Health Plan Commissioners

Unrepresented employee: Deputy Chief Executive Officer, Operations Consultant and/or Management Consultant

#### **14. PUBLIC EMPLOYEE PERFORMANCE EVALUATIONS**

Title: Interim Chief Executive Officer

Title: Chief Diversity Officer

### **OPEN SESSION**

The regular meeting reconvened at 6:09 p.m.



General Counsel, Scott Campbell stated reportable action: unanimous vote to cancel the Chief Diversity Officer recruitment. A review of the CDO position will be done in January 2021.

**COMMENTS FROM COMMISSIONERS**

None.

**ADJOURNMENT**

Commissioner Alatorre adjourned the meeting at 6:13 p.m.

Approved:

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Maddie Gutierrez, CMC  
Clerk to the Commission



## **AGENDA ITEM NO. 2**

**TO:** Ventura County Medi-Cal Managed Care Commission  
**FROM:** Ted Bagley, Interim Chief Diversity Officer/HR  
**DATE:** February 24, 2020  
**SUBJECT:** Chief Diversity Officer /HR Update

### **Employee Survey**

GCHP conducted this survey of employees during December 2019 and January 2020. A total of 195 employees were invited to participate, and 147 responded, a satisfactory response rate of 75%.

In creating and administering a survey, it is important to have confidence that the survey is reliable. Reliable surveys are constructed and administered to minimize the effect of factors that renders the data ineffective.

In spite of some comments questioning the anonymity, the survey was conducted by a third - party Business Research Labs out of Houston, Texas.

### **Key Take-aways**

- Employees are equally as likely to stay with the company as findings in other surveyed groups. (43% against a norm of 42%)
- On four overall measures i.e., engagement, job satisfaction and willingness to recommend GCHP to a friend, GCHP's employee's ratings of these categories was somewhat but not significantly below the norm groups.
- On the five ratings for which there were norms, GCHP's Executive Team ratings are significantly below those norms.
- Department Leader's had higher ratings than the Executive Team.
- All but one of the Organizational Culture ratings were higher than 50%. (Holding people accountable for their actions)
- Organizational communication is one of the lowest rated areas with an average positive rating of 38% vs a norm of 65.2%).
- Employees' satisfaction with their roles is among the highest ratings in the survey (Accumulated percentage of 78% vs a norm of 58%)
- Employee rating of recognition and reward range from the mid-forties to the, mid-fifties which is consistent with the GCHP rating. (50.7 vs. a norm of 58.5%)

- Most employees (70%) agree that there is teamwork within their departments but only 54% believe that different groups work well together. Only 59% see a spirit of cooperation within the company as- a- whole.
- Working Conditions was one of the positive areas. (59% vs a norm of 52%)
- On the downside, fewer than half of the employees believe morale is good and their jobs are secure.
- Employees gave high marks to their immediate supervisor. (75.2% vs a norm of 79.3%)
- Employees rated training at 55.0% positive which is somewhat below norms of 62.5%)
- Benefits is one of the strong points. Near the norms. (84.0% vs a norm of 85.0%)

### **Areas of Strength**

- Opportunity to do my best work every day. (73% vs n/a))
- Have what I need to do my job. (75% vs he norm 77%)
- Personal issues are handled satisfactorily. (76% vs norm 82%)
- Work-related issued handled satisfactorily. (79% vs norm 76%)
- My manager treats me fairly. (81% vs norm 77%)
- I know what is expected of me at work. (89% vs norm 89%)
- Willing to work above and beyond. (91% vs n/a)
- My manager gives me feedback on my work. (73 vs norm 75%)

### **Areas of Improvement**

- Executive team do not say one thing and do another. (29% vs norm 43%)
- I have confidence in the Executive team. (32% vs norm 68%)
- The Exec. Team creates a positive upbeat working environment. (30% vs n/a)
- GCHP has a safe way for employees to voice their issues. (32% vs n/a)
- People are held accountable for their actions. (34% vs norm 53%)
- The executive Team leads by example. (23% vs norm 57%)
- I feel free to express my opinion. (30% vs n/a)
- The executives do not show favoritism. (23% vs norm 46%)
- There is adequate communication between departments. (21% vs norm 41%)

### **Plan of Action**

- Review Results with Commission (Feb. 24<sup>th</sup>)
- Review Results with Executive Staff (Feb. 25)
- Leadership Forum (Feb. 27<sup>th</sup>)
- Review results with All Staff (February 28)
- Develop action team to address improvement areas. Team will cover all levels and classifications.
- Report actions to All Staff as a report card until progress is realized.

### **AGENDA ITEM NO. 3**

**TO:** Ventura County Medi-Cal Managed Care Commission

**FROM:** Nancy Wharfield MD, Chief Medical Officer

**DATE:** February 24, 2020

**SUBJECT:** Additional Funding Request – Professional Services Statement of Work Approval for Medical Management System Integration with New Core Claims System

#### **SUMMARY:**

MHK, formerly MedHOK, is Gold Coast Health Plan's (GCHP) medical management system (MMS). The MMS is integrated with the Plan's current core claims administration solution, IKA. These integrations support the Plan's regulatory compliance and the delivery of member and provider services in the areas of provider authorization requests, grievances, medical appeals, health education, and care management. There are 22 batch-based integration files between MHK and our administrative services organization, Conduent.

GCHP is actively engaged in a large-scale enterprise transformation project (ETP), partnering with Conduent, to replace IKA with a new core claims system, Health Solutions Plus (HSP) with an estimated roll-out in November 2020. For GCHP to achieve our mission of provisioning high quality care and services to improve the health of our members, ETP must continue the business-critical data sharing between core claims and medical management.

Preliminary CY2017 ETP scope and budgetary planning guesstimates were based upon an assumption that interfaces would be replicated in HSP on a 'like-for-like' basis. Recent in-depth collaborative analysis and functional/technical assessment between Conduent, MHK, and GCHP presents an opportunity for the Plan to add significant long-term business value and lower costs with a business process improvement (BPI) approach rather than a 'like-for-like' approach. The BPI improvement approach enables GCHP to achieve the following outcomes:

- **Create efficiency and increase provider satisfaction through the timely delivery of authorized care** by replacing daily batch integrations with real-time provider authorization requests and decisions so that members receive the right care at the right time in the right place.
- **Mitigate risk of sanctions to the Plan from non-compliance of DHCS authorization turn-around-time standards** by improving efficiency with real-time authorization processing.

- **Reduce administrative burden** by eliminating the need for Health Services’ manual verification of every authorization request in two disparate systems, IKA and MHK. Health Services processed 65,534 authorizations in CY 2019.
- **Long term cost avoidance** by using MHK’s out of the box interface formats rather than current eight-year old GCHP customized legacy formats. Customizations are more difficult to maintain and to upgrade making for a more costly solution.
- **Correct provider data consistency to ensure accurate payment** by fixing a complex interface design flaw requiring Health Services’ rework and manual correction of requesting and servicing provider data.

In July 2019, the Commission approved the Plan’s enterprise project portfolio which includes the ETP project budget. The Plan recommends the Commission approve allocation of the below requested additional funds required to achieve the benefits outlined in the previous paragraph.

**FISCAL IMPACT:**

An additional \$200,000 for professional services plus, as a contingency, an additional 10% of the total amount approved for the integration is required for project completion. These additional amounts are not included in the FY19-20 ETP budget.

Add Cost differential language

MedHOK SOW	Dollars Requested	Budgeted
Prior Approved Integration Estimate	\$ 73,675	Yes
MHK Integration Estimate	\$200,000	No
10% Future Contingency	\$20,000	No

**RECOMMENDATION:**

It is the Plan’s recommendation to authorize the CEO to execute a statement of work with MHK Inc. in an amount not to exceed \$200,000 plus as a future contingency, execute any additional change orders up to an additional 10% of the total amount approved (includes prior approved amount and requested amount) for this project.

If the Commission desires to review this contract, it’s available at GCHP’s Finance Department.

**AGENDA ITEM NO. 4**

**TO:** Ventura County Medi-Cal Managed Care Commission

**FROM:** Nancy Wharfield, M.D., Chief Medical Officer  
Lupe González, Ph.D., M.P.H., Director of Health Education, Cultural and Linguistic Services

**DATE:** February 24, 2020

**SUBJECT:** Additional Funding Approval – Service Order 01, Lourdes G. Campbell, Interpreting and Translating Services

**SUMMARY:**

Lourdes G. Campbell Interpreting and Translating Services provides in-person interpretation and translation services to the Plan’s members and providers. The Plan has been using these services since 2012 and the current agreement commenced on November 10, 2015 and expires on October 31, 2020.

The current agreement is a non-requirements contract, which allows the Plan to use services ad-hoc at the rates specified. The agreement can be terminated for convenience at any time with fifteen (15) day written notice.

This request is to add additional funding to the existing agreement with Lourdes G. Campbell Interpreting and Translating Services for the remaining fiscal year. To ensure fair market value, the Plan will prepare and issue an RFP for these services in 2020.

**FISCAL IMPACT:**

There is no fiscal impact with this request. Staff is requesting that the budgeted dollar amount of \$70,000 be applied to the current purchase order funding the agreement.

	Amount	Period	Budgeted
Prior Commission approval (August 2018)	\$176,800	11/10/2015 – 10/31/2020	Y
Funds added in November 2019	\$48,000		Y
	\$70,000		Y
<b>Total Cumulative Spend (Years. 1-5)</b>	<b>\$294,800</b>		<b>Y</b>

**RECOMMENDATION:**

Staff recommends the addition of \$70,000 to the existing agreement (Service Order 01) with Lourdes G. Campbell Interpreting and Translating Services.

If the Commission desires to review this contract, it is available at Gold Coast Health Plan's Finance Department.





## **AGENDA ITEM NO. 5**

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

### **SUMMARY:**

Staff is presenting the attached January 2020 fiscal year-to-date (FYTD) financial statements of Gold Coast Health Plan ("Plan") for the Commission to accept and file.

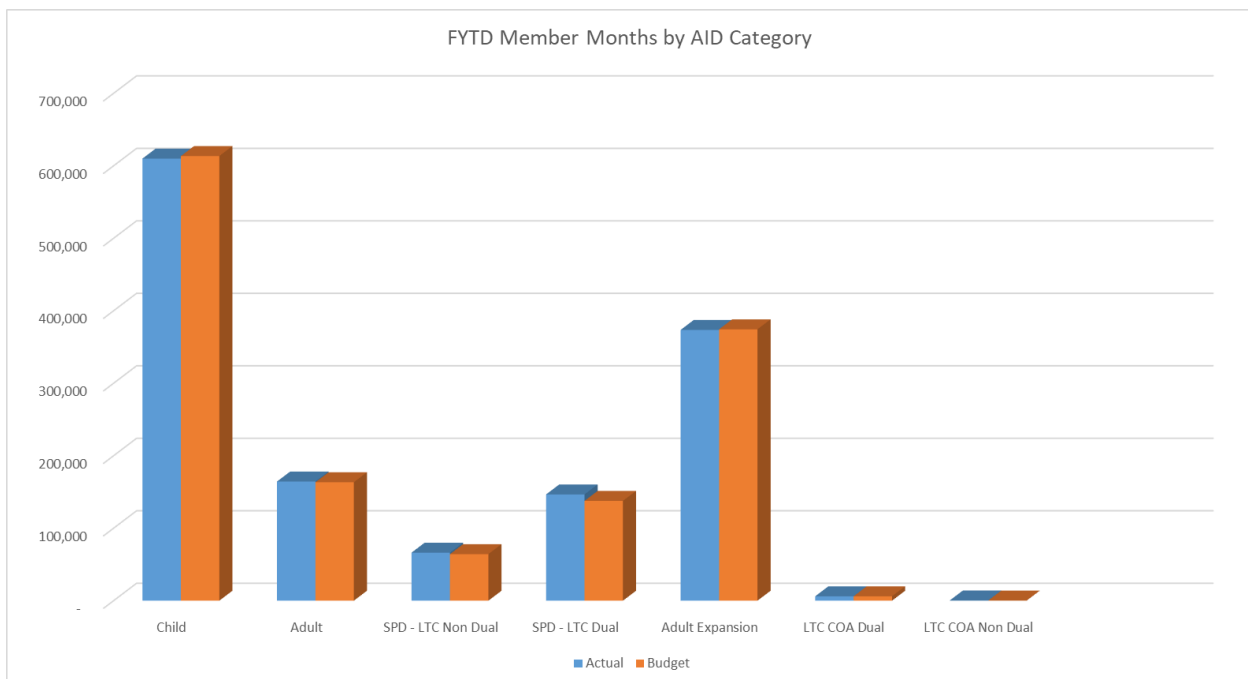
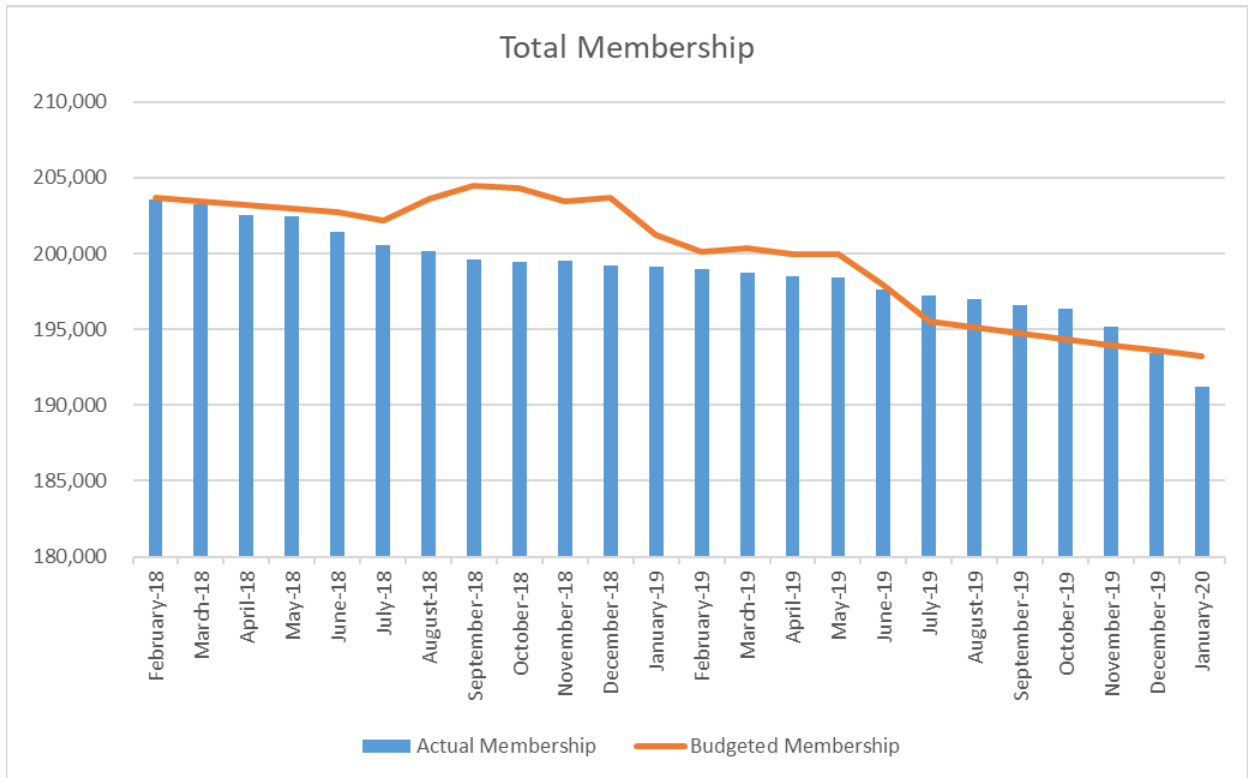
### **BACKGROUND/DISCUSSION:**

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

### **FISCAL IMPACT:**

#### **FYTD Financial Highlights**

- Net loss of \$3.5 million; a \$3.6 million budget variance.
- January FYTD net revenue is \$478.5 million, \$23.6 million higher than budget.
- FYTD Cost of health care is \$454.3 million, \$33.4 million higher than budget.
- The medical loss ratio is 94.9% of revenue, which is 2.4% higher than the budget.
- The administrative cost ratio is 6.1%, 1.5% lower than budget.
- Current membership for January is 191,189. Member months for the year are at 1,366,967 which .5% greater than budget.
- Tangible Net Equity is \$72.1 million which represents approximately 32 days of operating expenses in reserve and 217% of the required amount by the State.



## **Financial Report:**

In the month of January 2020 Gold Coast Health Plan is reporting a net loss of \$1.9 million. Overall revenue and expense in aggregate are consistent with the prior months, noting the following variance:

- The total cost of health care is \$1.2 million higher than the prior 6-month average. This is impacted by anticipated seasonal increases to utilization in January.
- General and administrative expenses were \$920,000 higher than the prior 6-month average. These costs were impacted by an additional cycle in January for both payroll and accounts payable. In addition, there is an overall increase in costs related to legal and consulting services.

## **Revenue**

Net Premium revenue is over budget by \$23.6 million and 5%. The budget variance is being driven by the following:

- The aggregate membership is over budget by .5%.
- Case mix is contributing to both higher revenue and expense; the Child AID category is under budget while the Seniors and Persons with Disability (SPD) AID categories are over budget.
- Due to increasing risk of the population, GCHP received revised draft capitation rates from the State which were 1.7% higher than budgeted.
- Due to increased utilization, supplemental payments for Behavioral Health services is \$4.8 million higher than budgeted.
- Capitation revenue attributable to Proposition 56 and Ground Emergency Transportation Payment (GEMT) are over budget by \$5.5 million due to updated rates for the additional programs explained below.

The Plan received updated capitation rates from the State which were inclusive of incremental rates related to the MCO tax and Proposition 56. In 2016, California voters approved Proposition 56 to increase the excise tax rate on cigarettes and tobacco products. A portion of this revenue is allocated to DHCS for use as the nonfederal share of health care expenditures. The initial Proposition 56 directed payment was implemented for dates of service in FY 2017-18 with additional amounts being paid to providers with encounter data related to certain CPT codes.

The program was expanded for dates of service beginning July 1, 2019 to include supplemental payments for specified family planning codes and a value-based payment program which requires additional payments for qualifying services related to prenatal/postpartum care, early childhood visits, chronic disease management, and behavioral health integration. The program was further expanded for dates of service beginning January 1, 2020 for developmental screening services and adverse childhood event screening services.

The Plan has continued to make payments under Proposition 56 related to the continued physician services; and will process payments for the new programs once the final All Plan Letters are issued and the Plan receives the appropriate funding.

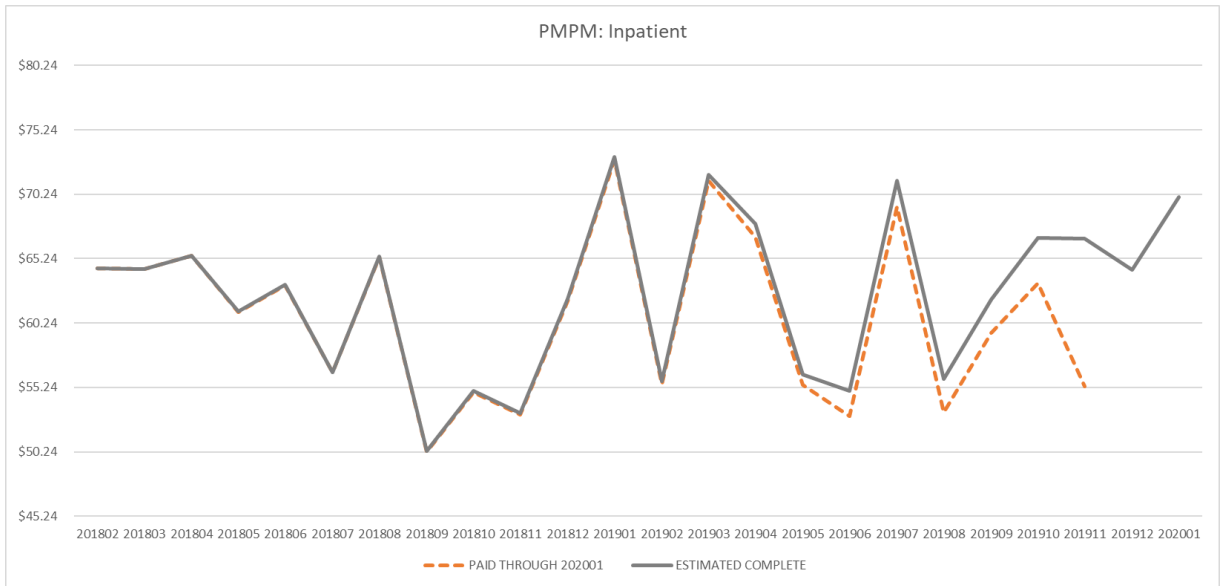
GEMT is a Quality Assurance Fee program which provides for an enhanced reimbursement rate for emergency medical transports by non-contracted providers.

### Health Care Costs

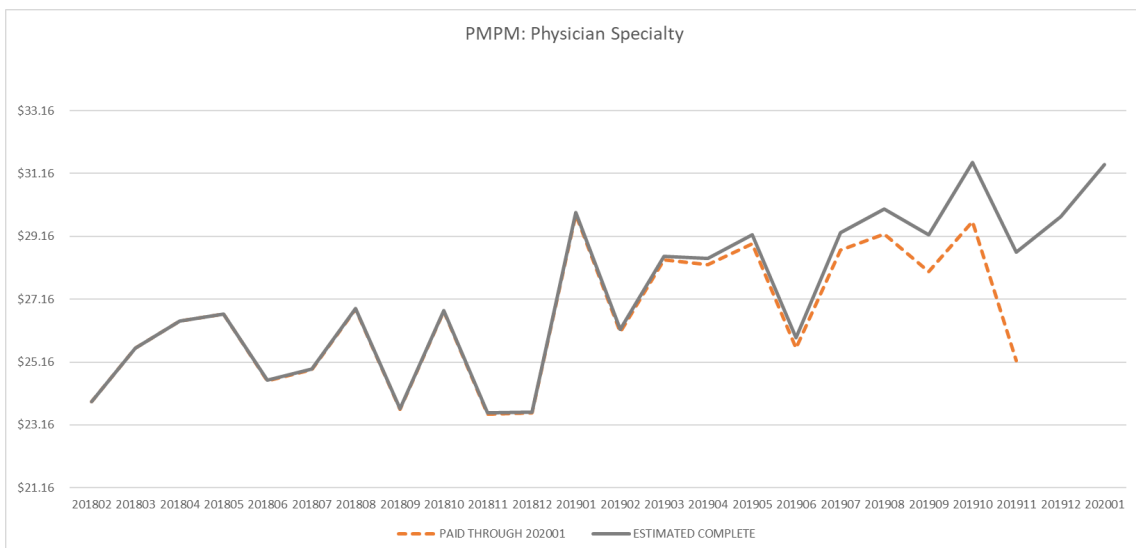
FYTD Health care costs are \$454.3; over budget by \$33.4 million and 8%.

Notable variances from the budget are as follows:

- Membership is over budget by .5% which will impact the anticipated medical expenses, this is offset by revenue.
- Case mix is contributing to both higher revenue and expense; the Child AID category is under budget while the Seniors and Persons with Disability (SPD) AID categories are over budget.
- The State validated the assertion that as the membership declines, it is the healthier population that are disenrolled, increasing the overall per member per month costs of the remaining membership. The State gave us an additional 1.7% in the capitation rates to offset this increased expense.
- Capitation is over budget by \$2.6 million. There is a provider contract for which a withholding arrangement was removed, so the provider reserve expense line item is under budget by \$1.3 million and capitation expense is over budget. The balance of the budget variance is related to correcting capitation payments related to prior periods.
- Directed payments (for Proposition 56) are over budget by \$7.3 million. GCHP is accruing a directed payment expense equal to 100% of the current year revenue attributable to Proposition 56. Approximately \$5.5 million of the variance is due to updated rates from the State. The additional variance is driven by prior year changes in estimate.
- Inpatient is over budget by \$6.7 million primarily due to high dollar cases increasing with dates of services in July and October of 2019, and an anticipated seasonal increase in January.

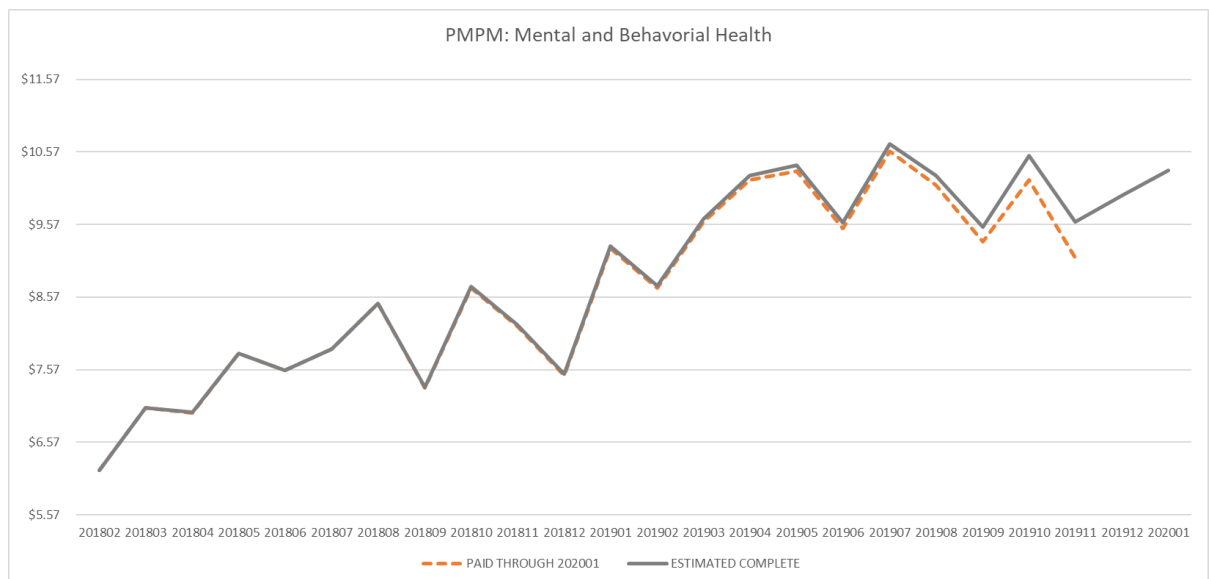


- **Physician Specialty** is over budget by \$7.3 million. The primary drivers continue to be dermatology, physical therapy, orthopedic surgery, and physical medicine and rehabilitation. As previously noted, dermatology is anticipated to decrease due to a provider termination in November. The assertion that the physical therapy is primarily related to services being provided to children has been confirmed. Staff continues to drill down into the root cause of the increase to orthopedic surgery and physical medicine and rehabilitation. The overall increase is multifaceted with increases to almost every provider type within this category.

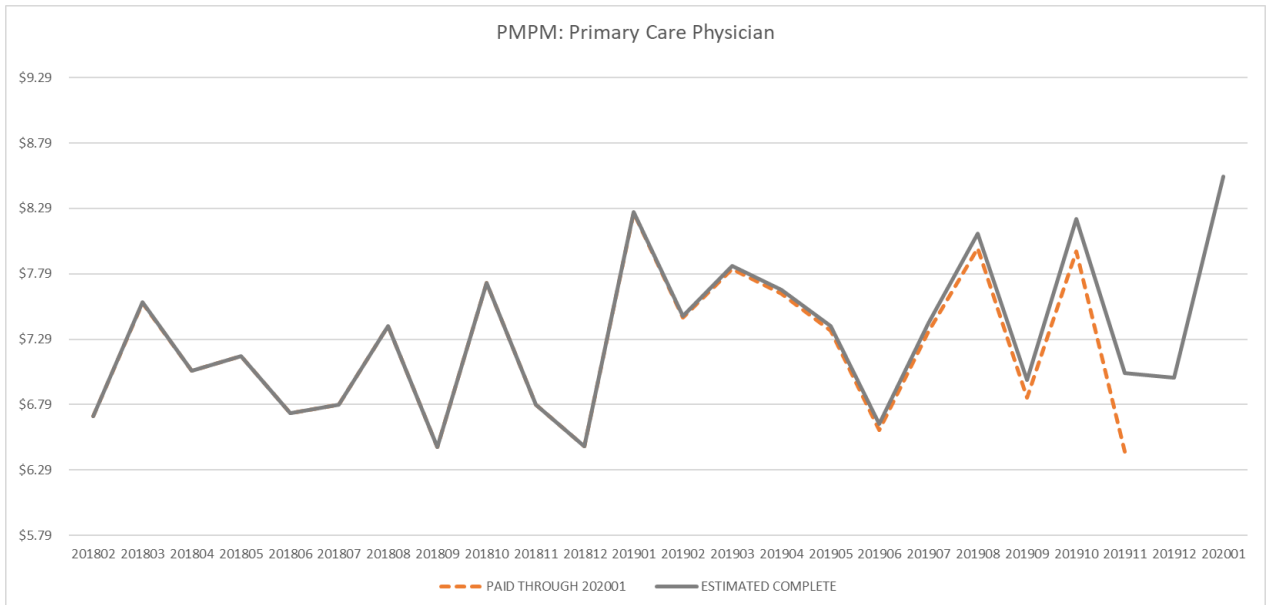


Provider Type	2018	2019	Dollar Change	Percent Change
Dermatology	\$ 1,626,344	\$ 2,721,700	\$ 1,095,356	25%
Physical therapist (independently practicing)	2,301,912	3,162,441	860,529	20%
Orthopedic surgery	935,301	1,398,204	462,903	11%
Physical medicine and rehabilitation	1,314,557	1,741,807	427,250	10%
Hematology/oncology	646,794	982,876	336,082	8%
Pathology	1,549,106	1,770,815	221,710	5%
Physician assistant	125,643	322,688	197,045	5%
Internal medicine	2,272,675	2,466,482	193,807	5%
Ophthalmology	2,068,660	2,259,015	190,355	4%
Pulmonary disease	376,401	566,243	189,842	4%

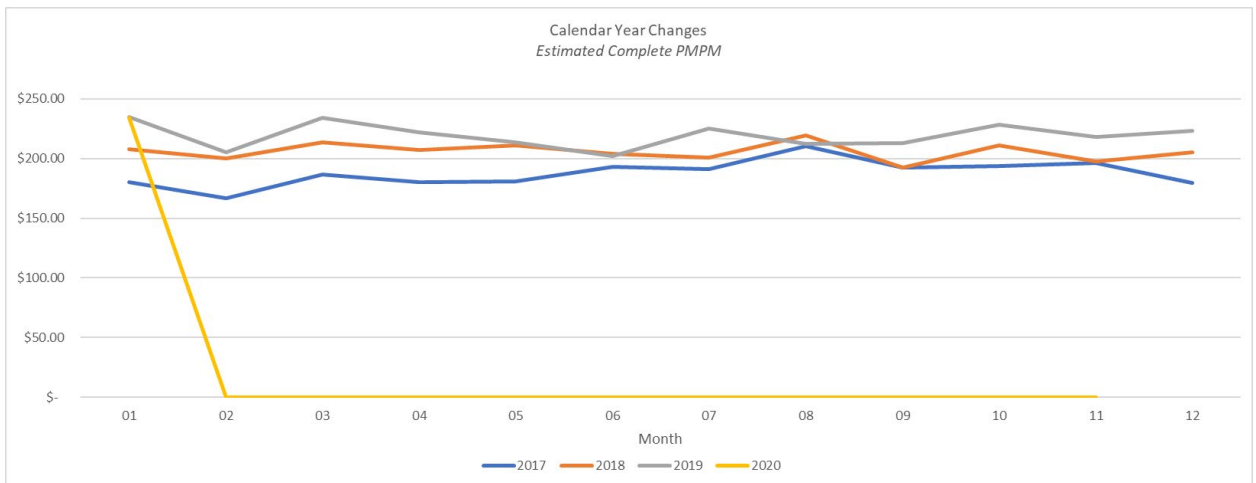
- Behavioral and mental health utilization has increased significantly in the most recent months which could indicate a need to revise per member per month cost expectations for the current fiscal year. The budget is \$8.16 per member per month and the average expense in the first quarter of FY 19-20 \$10.12 per member per month, an annualized increase of approximately \$4.5 million. The increased cost is offset by supplemental payments from the State for Behavioral Health treatment.

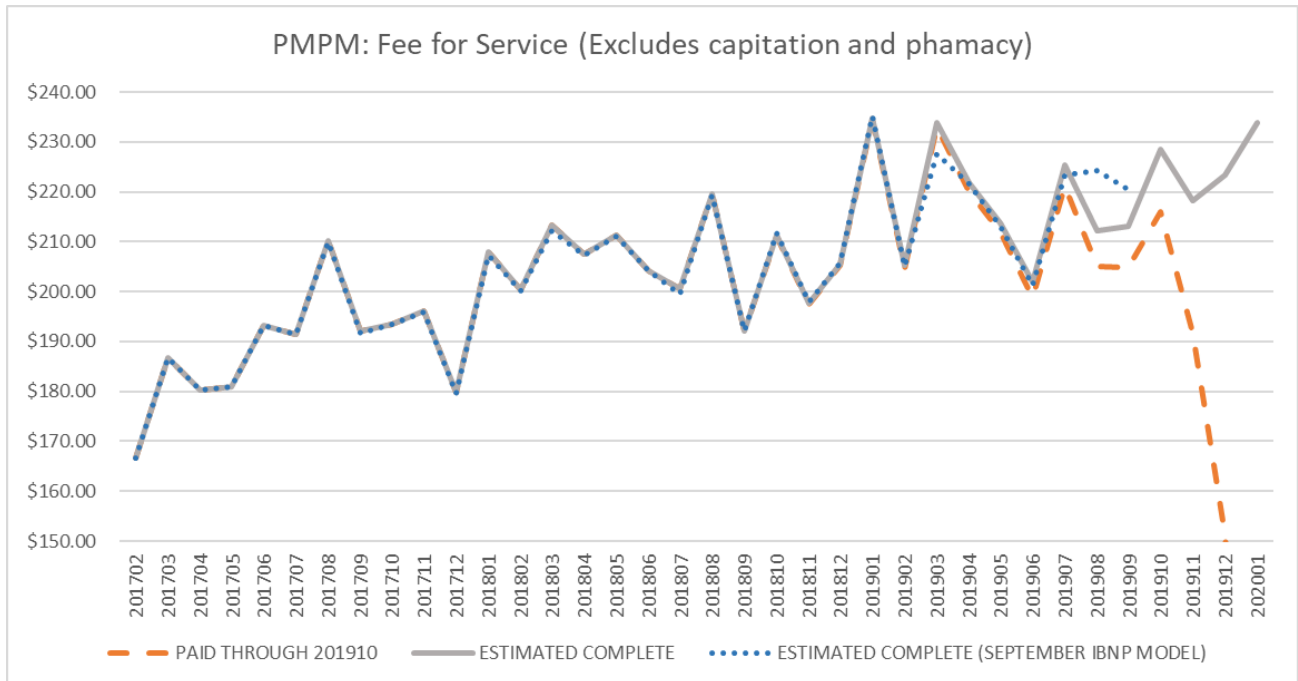


- Primary Care Physician is over budget by \$1.72 pmpm (30%). This is due to a classification issue with the non-pbm pharmacy expenses within the budget. Non-pbm pharmacy expense was budgeted under pharmacy but the expense is being reflected in the Primary Care Physician line item. As noted below, the actual expense has remained stable.



- Total fee for service health care costs, considering date of service, are over budget by \$8.78 pmpm (4%). As noted in the next graph, we typically see variances in overall medical expense on a month to month basis. The Incurred But Not Paid model is assuming that medical expenses increase slightly in July and October and anticipates a seasonal increase in January. The spikes in July and October dates of service are primarily driven by high dollar inpatient cases, with one claim of \$1.4 million related to a heart failure case.





**Note:** Medical expenses are considered a significant estimate due to the delay between the time the medical service is provided and when the claim is paid. This is calculated through a predictive model which 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 – For the fiscal year to date through January, administrative costs were \$28.2 million and \$5.5 million below budget. As a percentage of revenue, the administrative cost ratio (or ACR) was 6.1% versus 7.6% for budget.

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

Cash and Short-Term Investment Portfolio – At January 31<sup>st</sup>, the Plan had \$66.3 million in cash and short-term investments. The investment portfolio included Ventura County Investment Pool \$42.5 million; LAIF CA State \$200,000; the portfolio yielded a rate of 2.2%.

Medi-Cal Receivable – At January 31<sup>st</sup>, the Plan had \$178.0 million in Medi-Cal Receivables due from the DHCS.



**RECOMMENDATION:**

Staff requests that the Commission accept and file the January 2020 financial package.

**CONCURRENCE:**

N/A

**ATTACHMENT:**

January 2020 Financial Package



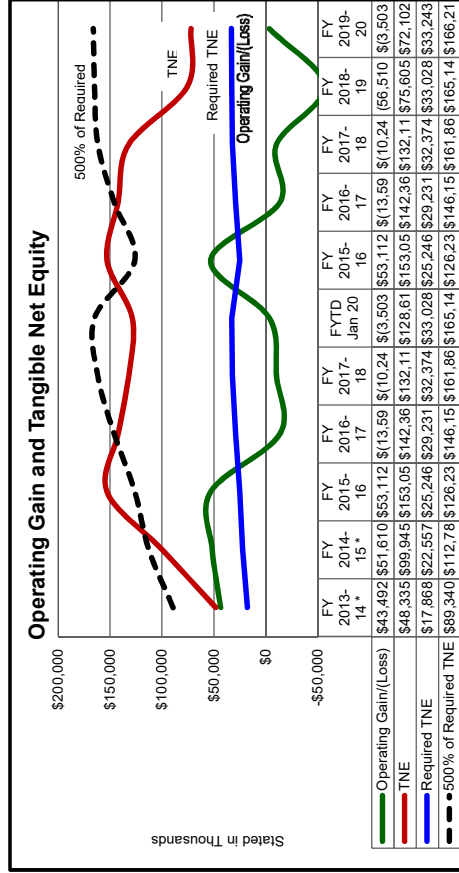
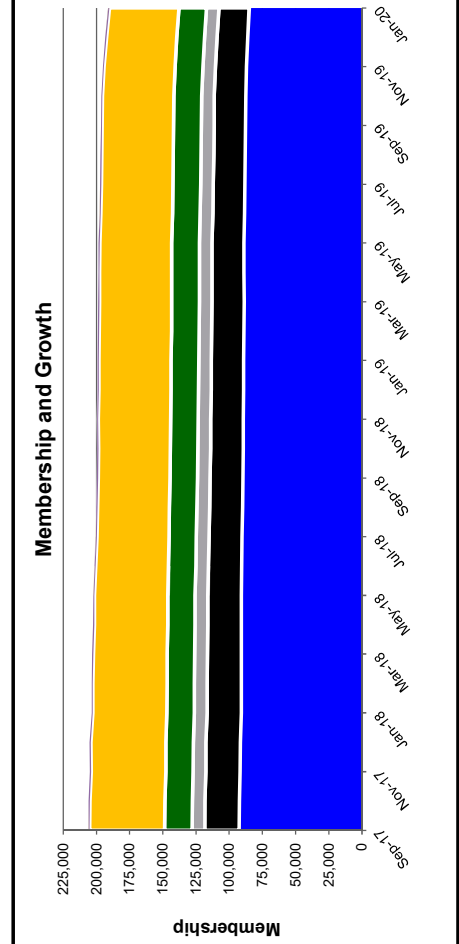
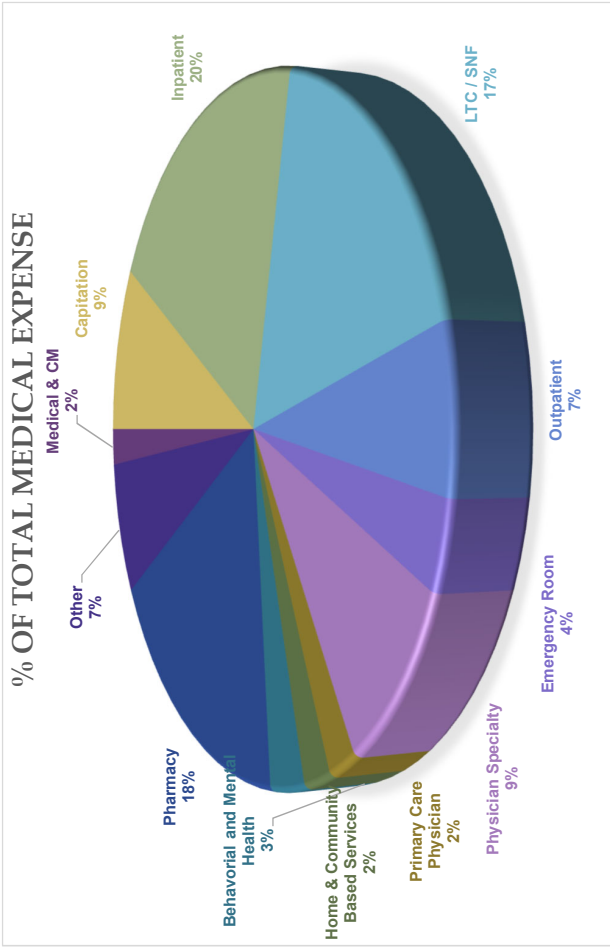
**FINANCIAL PACKAGE**  
For the month ended January 31, 2020

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- Executive Dashboard
- Statement of Financial Position
- Statement of Revenues, Expenses and Changes in Net Assets
- Statement of Cash Flows

**Gold Coast Health Plan**  
Executive Dashboard as of January 31, 2020

	FYTD 19/20 Budget	FYTD 19/20 Actual	FY 18/19 Actual	FY 17/18 Actual
Average Enrollment	194,365	195,281	198,140	202,748
Revenue	\$ 334.37	\$ 350.06	\$ 303.88	\$ 284.60
Capitation	\$ 26.53	\$ 28.31	\$ 25.14	\$ 13.90
Inpatient	\$ 61.63	\$ 66.24	\$ 62.09	\$ 58.98
LTC / SNF	\$ 57.13	\$ 57.92	\$ 56.06	\$ 51.30
Outpatient	\$ 25.69	\$ 22.36	\$ 25.88	\$ 25.74
Emergency Room	\$ 11.91	\$ 12.50	\$ 12.14	\$ 12.77
Physician Specialty	\$ 25.51	\$ 30.71	\$ 26.71	\$ 23.82
Primary Care Physician	\$ 5.85	\$ 7.57	\$ 7.36	\$ 6.78
Home & Community Based Services	\$ 8.05	\$ 7.73	\$ 8.14	\$ 6.88
Behavioral and Mental Health	\$ 8.15	\$ 10.55	\$ 8.69	\$ 6.37
Pharmacy	\$ 57.08	\$ 59.51	\$ 56.60	\$ 49.76
Other	\$ 14.85	\$ 22.73	\$ 13.33	\$ 9.48
Medical & CM	\$ 6.97	\$ 6.22	\$ 5.92	\$ 4.79
Total Per Member Per Month	\$ 309.36	\$ 332.36	\$ 308.05	\$ 270.57
% of Revenue	92.5%	94.9%	101.4%	95.1%
Total Administrative Expenses	\$ 34,518,189	\$ 29,053,113	\$ 46,655,880	\$ 49,015,352
% of Revenue	7.6%	6.1%	6.5%	7.1%
TNE	\$ 93,700,000	\$ 72,101,700	\$ 80,207,972	\$ 132,115,371
Required TNE	\$ 33,464,286	\$ 33,242,928	\$ 32,802,236	\$ 32,373,536
% of Required	280%	217%	245%	408%



**STATEMENT OF FINANCIAL POSITION**

	<u>01/31/20</u>	<u>12/31/19</u>	<u>11/30/19</u>
<b>ASSETS</b>			
<b>Current Assets:</b>			
<b>Total Cash and Cash Equivalents</b>	\$ 23,564,253	\$ 30,781,631	\$ 58,047,373
<b>Total Short-Term Investments</b>	42,711,621	47,551,780	47,421,651
Medi-Cal Receivable	177,981,340	159,541,028	144,289,232
Interest Receivable	350,024	411,817	446,896
Provider Receivable	368,005	568,996	574,765
Other Receivables	7,825,511	7,825,511	7,826,204
<b>Total Accounts Receivable</b>	<u>186,524,879</u>	<u>168,347,351</u>	<u>153,137,097</u>
Total Prepaid Accounts	2,220,558	1,689,915	1,638,839
Total Other Current Assets	237,891	237,891	153,789
<b>Total Current Assets</b>	<u>255,259,202</u>	<u>248,608,568</u>	<u>260,398,750</u>
<b>Total Fixed Assets</b>	1,714,571	1,745,134	1,772,501
<b>Total Assets</b>	<u>\$ 256,973,774</u>	<u>\$ 250,353,702</u>	<u>\$ 262,171,251</u>
<b>LIABILITIES &amp; NET ASSETS</b>			
<b>Current Liabilities:</b>			
Incurred But Not Reported	\$ 51,525,911	\$ 55,788,322	\$ 54,827,508
Claims Payable	13,008,329	6,223,563	8,575,964
Capitation Payable	26,299,794	26,303,504	26,264,879
Physician Payable	12,058,364	10,795,540	9,286,801
DHCS - Reserve for Capitation Recoup	5,471,224	5,503,491	18,148,939
Accounts Payable	630,128	438,717	322,349
Accrued ACS	1,520,143	1,520,143	6,490,717
Accrued Provider Reserve	21,776	-	1,700,000
Accrued Pharmacy	12,672,329	17,011,004	18,298,286
Accrued Expenses	753,789	476,377	851,071
Accrued Premium Tax	57,744,672	49,659,940	41,360,895
Accrued Payroll Expense	2,064,671	1,558,346	1,154,380
<b>Total Current Liabilities</b>	<u>183,771,130</u>	<u>175,278,946</u>	<u>187,281,791</u>
<b>Long-Term Liabilities:</b>			
Other Long-term Liability-Deferred Rent	1,100,945	1,103,831	1,106,718
<b>Total Long-Term Liabilities</b>	<u>1,100,945</u>	<u>1,103,831</u>	<u>1,106,718</u>
<b>Total Liabilities</b>	<u>184,872,075</u>	<u>176,382,777</u>	<u>188,388,509</u>
<b>Net Assets:</b>			
Beginning Net Assets	75,604,948	75,604,948	75,604,948
Total Increase / (Decrease in Unrestricted Net Assets)	<u>(3,503,248)</u>	<u>(1,634,023)</u>	<u>(1,822,205)</u>
<b>Total Net Assets</b>	72,101,700	73,970,925	73,782,743
<b>Total Liabilities &amp; Net Assets</b>	<u>\$ 256,973,774</u>	<u>\$ 250,353,702</u>	<u>\$ 262,171,251</u>

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

	Jan 2020		Jan 2020 Year-To-Date		Variance		Jan 2020 Year-To-Date		Variance	
	Actual	Budget	Actual	Budget	Fav / (Unfav)	%	Actual	Budget	Fav / (Unfav)	%
<b>Memberships</b>	191,183		1,366,967	1,360,557	6,410	0%				
<b>Revenue</b>										
Premium	\$ 76,711,854		\$ 535,729,805	\$ 454,934,824	\$ 80,794,981	18%	\$ 391.91	\$ 334.37	\$ 57.54	
Reserve for Cap Requirements	246,133		539,983	-	539,983	0%	0.40	-	0.40	
MCO Premium Tax	(8,084,732)		(57,744,672)	-	(57,744,672)	0%	(42.24)	-	(42.24)	
<b>Total Net Premium</b>	<b>68,873,255</b>		<b>478,525,116</b>	<b>454,934,824</b>	<b>23,590,292</b>	<b>5%</b>	<b>350.06</b>	<b>334.37</b>	<b>15.69</b>	
<b>Other Revenue:</b>										
Miscellaneous Income	-		10,589	-	10,589	0%	0.01	-	0.01	
<b>Total Other Revenue</b>	<b>-</b>		<b>10,589</b>	<b>-</b>	<b>10,589</b>	<b>0%</b>	<b>0.01</b>	<b>-</b>	<b>0.01</b>	
<b>Total Revenue</b>	<b>68,873,255</b>		<b>478,535,705</b>	<b>454,934,824</b>	<b>23,600,881</b>	<b>5%</b>	<b>350.06</b>	<b>334.37</b>	<b>15.70</b>	
<b>Medical Expenses:</b>										
Capitation (PCP, Specialty, Kaiser, NEMT & Vision)	5,429,398		38,703,571	36,094,372	(2,609,199)	-7%	28.31	26.53	(1.78)	
<b>FFS Claims Expenses:</b>										
Inpatient	14,150,306		90,544,547	83,856,409	(6,688,138)	-8%	66.24	61.63	(4.60)	
LTC / SNF	10,614,185		79,170,528	77,731,933	(1,438,594)	-2%	57.92	57.13	(0.78)	
Outpatient	4,424,604		30,567,317	34,946,369	4,379,052	13%	22.36	25.69	3.32	
Laboratory and Radiology	399,845		3,112,200	2,324,139	(788,062)	-34%	2.28	1.71	(0.57)	
Directed Payments - Provider	2,102,768		17,830,087	10,534,923	(7,295,164)	-69%	13.04	7.74	(5.30)	
Emergency Room	2,479,310		17,089,143	16,208,343	(880,799)	-5%	12.90	11.91	(0.99)	
Physician Specialty	6,043,372		41,977,853	34,702,565	(7,275,288)	-21%	30.71	25.51	(5.20)	
Primary Care Physician	1,751,939		10,341,495	7,958,187	(2,383,308)	-30%	7.57	5.85	(1.72)	
Home & Community Based Services	1,420,257		10,571,863	10,957,639	385,776	4%	7.73	8.05	0.32	
Applied Behavioral Analysis/Mental Health Services	1,938,579		14,428,155	11,094,545	(3,333,610)	-30%	10.55	8.15	(2.40)	
Pharmacy	12,359,730		81,347,007	77,666,687	(3,680,320)	-5%	59.51	57.08	(2.42)	
Provider Reserve	21,776		(273,905)	1,055,217	1,329,122	126%	(0.20)	0.78	0.98	
Other Medical Professional	249,767		2,421,240	2,221,904	(199,336)	-9%	1.77	1.63	(0.14)	
Other Medical Care	973,976		27,811	-	(27,811)	0%	0.02	-	(0.02)	
Other Fee For Service	148,485		6,196,204	5,440,894	(755,311)	-14%	4.53	4.00	(0.53)	
Transportation	59,078,898		1,031,845	987,487	(44,358)	-4%	0.75	0.73	(0.03)	
<b>Total Claims</b>	<b>1,334,103</b>		<b>406,383,389</b>	<b>377,687,241</b>	<b>(28,696,147)</b>	<b>-8%</b>	<b>297.29</b>	<b>277.60</b>	<b>(19.69)</b>	
Medical & Care Management Expense	43,929		8,508,151	9,482,695	974,544	10%	6.22	6.97	0.75	
Reinsurance	38,516		1,732,675	559,535	(1,173,140)	-210%	1.27	0.41	(0.86)	
Claims Recoveries/Budget Reduction	1,416,548		(1,009,040)	(2,916,667)	(1,907,627)	65%	(0.74)	(2.14)	(1.41)	
Sub-total			9,231,786	7,125,563	(2,106,223)	-30%	6.75	5.24	(1.52)	
<b>Total Cost of Health Care</b>	<b>65,924,843</b>		<b>454,318,746</b>	<b>420,907,177</b>	<b>(33,411,569)</b>	<b>-8%</b>	<b>332.36</b>	<b>309.36</b>	<b>(22.99)</b>	
<b>Contribution Margin</b>	<b>2,948,412</b>		<b>24,216,959</b>	<b>34,027,648</b>	<b>(9,810,688)</b>	<b>-29%</b>	<b>17.71</b>	<b>25.01</b>	<b>(7.30)</b>	
<b>General &amp; Administrative Expenses:</b>										
Salaries, Wages & Employee Benefits	2,469,444		15,322,631	16,073,242	750,611	5%	11.21	11.81	0.60	
Training, Conference & Travel	15,269		147,331	401,990	254,659	63%	0.11	0.30	0.19	
Outside Services	2,105,065		14,325,659	15,926,011	1,600,352	10%	10.48	11.71	1.23	
Professional Services	651,377		2,081,053	2,141,922	60,869	3%	1.52	1.57	0.05	
Occupancy, Supplies, Insurance & Others	854,116		4,784,532	5,324,167	539,635	10%	3.50	3.91	0.41	
Care Management Credit	(1,334,103)		(8,508,151)	(9,482,695)	(974,544)	-10%	(6.22)	(6.97)	(0.75)	
G&A Expenses	4,761,169		28,153,055	30,384,637	2,231,582	7%	20.60	22.33	1.74	
Project Portfolio	181,543		900,057	4,133,552	3,233,495	78%	0.66	3.04	2.38	
<b>Total G&amp;A Expenses</b>	<b>4,942,712</b>		<b>29,053,113</b>	<b>34,518,189</b>	<b>5,465,077</b>	<b>16%</b>	<b>21.25</b>	<b>25.37</b>	<b>4.12</b>	
<b>Total Operating Gain / (Loss)</b>	<b>(1,994,301)</b>		<b>(4,836,154)</b>	<b>(490,542)</b>	<b>(4,345,612)</b>	<b>86%</b>	<b>(3.55)</b>	<b>(0.36)</b>	<b>(3.19)</b>	
<b>Non Operating</b>										
Revenues - Interest	125,075		1,332,905	606,580	726,326	120%	0.98	0.45	0.53	
<b>Total Non-Operating</b>	<b>125,075</b>		<b>1,332,905</b>	<b>606,580</b>	<b>726,326</b>	<b>120%</b>	<b>0.98</b>	<b>0.45</b>	<b>0.53</b>	
<b>Total Increase / (Decrease) in Unrestricted Net Assets</b>	<b>\$ (1,869,225)</b>		<b>\$ (3,503,248)</b>	<b>\$ 116,038</b>	<b>\$ (3,619,286)</b>	<b>-3119%</b>	<b>\$ (2.57)</b>	<b>\$ 0.09</b>	<b>\$ (2.66)</b>	

**STATEMENT OF CASH FLOWS**

Jan 2020

**FYTD 19-20****Cash Flows Provided By Operating Activities**

Net Income (Loss) \$ (1,869,225) \$ (3,503,248)

**Adjustments to reconciled net income to net cash provided by operating activities**

Depreciation on fixed assets 40,872 251,059

Amortization of discounts and premium - -

**Changes in Operating Assets and Liabilities**

Accounts Receivable (18,177,528) (106,765,676)

Prepaid Expenses (530,642) (260,589)

Accounts Payable (3,376,904) (18,333,437)

Claims Payable 8,043,880 5,373,289

MCO Tax liability 8,084,732 34,118,426

IBNR (4,262,410) (232,001)

**Net Cash Provided by (Used in) Operating Activities** (12,047,226) (89,352,177)**Cash Flow Provided By Investing Activities**

Proceeds from Restricted Cash &amp; Other Assets

Proceeds from Investments 4,970,286 4,970,286

Proceeds for Sales of Property, Plant and Equipment -

Payments for Restricted Cash and Other Assets -

Purchase of Investments plus Interest reinvested (130,128) (720,308)

Purchase of Property and Equipment (10,309) (297,861)

**Net Cash (Used In) Provided by Investing Activities** 4,829,849 3,952,118**Increase/(Decrease) in Cash and Cash Equivalents** (7,217,377) (85,400,059)**Cash and Cash Equivalents, Beginning of Period** 30,781,630 108,964,313**Cash and Cash Equivalents, End of Period** 23,564,253 23,564,253

## **AGENDA ITEM NO. 6**

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Health Management Associates

DATE: February 24, 2020

SUBJECT: Chief Executive Officer Update

### **CEO SUMMARY: Verbal Update.**

#### **Government and Community Relations Update**

##### **Medi-Cal Healthier California for All Update**

##### **Managed Care Plan Convening**

Earlier this month, the Department of Health Care Services (DHCS) held a health plan convening primarily focusing on the Enhanced Care Management (ECM) and In Lieu of Services (ILOS) benefit.

Meeting highlights are the following:

- Counties who currently have a Whole Person Care (WPC) Pilot and/or a Health Homes Program will start implementing the benefit on January 1, 2021.
- DHCS is developing an ECM and ILOS toolkit for plans and counties to use when determining how to best transition the WPC Pilot to the ECM/ILOS benefit.
  - DHCS will convene regional meetings with health plans and counties.
  - DHCS will hold informational/technical webinars and assemble strike teams for further guidance.
- In the transition plan, health plans must conduct a crosswalk of services offered under WPC to those that will be offered through ECM/ILOS and status of communication with WPC lead entity.
  - Health plans must demonstrate how it will ensure continuity of care for members receiving WPC services at the point of transition prior to reassessment. Plans will need to use risk stratification to determine the appropriate tiers/levels of care for WPC transition to ECM.
  - Health plans must have a plan for continuing partnerships and data sharing and care management systems developed and implemented under WPC.
  - Health plans must demonstrate how they are going to communicate changes to beneficiaries and ensuring continuity of care.
  - Plans must identify and assess care needs for ECM target populations and implement ILOS that are not transitioning from WPC.
- Health plans will need to indicate which ILOS they will offer beneficiaries.

DHCS also held a high-level discussion regarding rate development for this benefit. At this time, rates will be developed with the preliminary assumption that this benefit will serve approximately one percent of managed care members. Funding for the ECM benefit will be included in the capitation rates. DHCS also acknowledged health plans may need to outreach to approximately two to three percent of members in order to fully engage the targeted one percent of health plan members.

The current anticipated rate approach would be to leverage the Health Homes Program rate development structure and then modify components, factors, and assumptions to fit the final ECM program design and parameters.

Finally, per the Governor's FY 2020-2021 proposed budget, an Incentive Program will be offered statewide to all plans for the service period of January 2021 to June 2023. The purpose of the Incentive Program is to reward plan investment in ECM and ILOS implementation since ILOS will not receive capitation payments. The Incentive Program will be designed to reward plans who meet defined milestone/metrics tied to ECM/ILOS and each individual proposal by health plans must be approved by DHCS.

More information will be provided as DHCS continues to hold meetings with health plans in the coming months.

### **Population Health Management Strategy Workgroup**

On February 11, DHCS held its final Population Health Management Strategy Workgroup meeting. Based on the stakeholder feedback provided, DHCS adopted the following recommendations:

- **A minimum set of electronically available data, including behavioral health, will be required for population assessment and individual risk stratification or segmentation for all Population Health Management.**
- **The implementation date for Population Health Management to go into effect is now January 1, 2022.**
- Managed Care Plans are encouraged to use of electronic health record and social determinants data when available.
- Managed Care Plans must create an approach to encourage providers to use ICD-10 codes to collect social determinants data, including housing stability.
- Managed Care Plans will apply existing Population Needs Assessment and NCQA Population Health Management requirements, which included assessing health disparities and engaging stakeholders.
- DHCS will create a standardized Individual Risk Assessment (IRA) survey tool with 10-15 validated questions related to health, functional status, social care needs, and self-assessment of health status. MCPs can add questions at their own discretion.
- MCPs are encouraged to use IRA results for risk stratifications/segmentation and to identify individual members needs for targeted services and programs.

The final draft proposal for the Population Health Management Strategy will be released in May 2020. Further information will be provided then.



### **Local Medi-Cal Healthier California for All Stakeholder and Planning Meetings**

In December 2019, at the Commission Strategic Planning Retreat, staff gave an overview of the Medi-Cal Healthier California for All proposals. Staff also presented the Commission its strategy for preparing to implement the Medi-Cal Healthier California for All proposals. The Commission agreed that staff should hold meetings with external stakeholders.

Thus, in January 2020, GCHP began holding stakeholder and planning meetings. The first meeting convened the Chief Executive Officers and key leadership from all the major health systems in Ventura County. At this meeting, a general overview of the Medi-Cal Healthier California for All proposal was given. The group agreed that GCHP should engage the appropriate personnel from each health system to further discuss the current population health management initiatives across the county and how they can play a role in shaping GCHP's population health management strategy under this proposal. GCHP committed to keeping the group informed of key updates and reconvening in May for final information. Hence, GCHP has sent a letter to this group that outlines proposal updates and will hold a further convening in May to present the final DHCS proposal that will be submitted to the Centers for Medicare and Medicaid Services (CMS).

GCHP staff also met with the Ventura County Health Care Agency (HCA) to discuss specifically how the current Whole Person Care Pilot is administered and how this pilot will transition into the ECM benefit under GCHP. The second meeting with leadership from the HCA was to discuss Targeted Case Management connections to the ECM benefit and Medi-Cal Healthier California for All proposal changes and how they will will impact the implementation of the ECM benefit. Updates regarding the ECM benefit and ILOS were discussed at this meeting.

### **Community Relations Update**

#### **Gold Coast Health Plan in the Community**

In the last month, GCHP awarded sponsorships to the following organization:

- **For the Troops:** A sponsorship was awarded for their annual fundraising event "Military Tribute Gala". Proceeds of the event will support deployed military troops with care packages.

#### **Community Relations Events:**

GCHP participated in the Ventura County Office of Education's Agency 101 annual interagency collaborative event. The event provides attendees with an opportunity to network with other agencies who serve children and youth needing intensive care services. GCHP staff partnered with Beacon Health Options to provide behavioral health information to attendees. Several agencies took member benefits information to distribute to their clients. GCHP staff received requests to participate in resource fairs and expressed continued interest to partner in upcoming events.



The Community Relations team participated in the Grand National Summit family conference hosted by E.O Green Jr. High School. The summit was an opportunity for parents and students to learn about available community programs and services. The team offered information on how members can access the transportation benefit and how to participate in the member rewards programs available to them.

The Community Relations team joined several community-based organizations at Crisalida Berry Farms for their annual health and resource fair. The goal of the event was to connect with employees and raise awareness of community services available to promote a healthier lifestyle. The team engaged over 100 participants. Members were encouraged to attend the next member benefits presentation to learn more about their benefits, such as, chiropractic and acupuncture services.



### **Collaborative Meetings with Community Based Organizations**

Over the past month, the Community Relations team has been meeting/collaborating with various community based organizations. For example, the team participated in the weekly Backpack Medicine outreach activity hosted by the Ventura County Health Care Agency. On

a weekly basis, a team of physicians, social service workers, and police officers visit homeless encampments in efforts to deliver medical care to some of the most vulnerable in the community. The team was able to provide information to several members regarding their benefits such as transportation. In addition, the team was able to coordinate ID card requests. Continuing efforts to further support our community, the team attended a collaborative meeting with Cabrillo Economic Development Corporation. The organization provides affordable housing throughout Ventura County to individuals and families lacking opportunity. The team met with a representative to discuss the barriers, needs, and opportunities their residents are lacking and how the two agencies can partner.

Finally, the team met with staff from Food Forward to discuss food insecurity in Ventura County. Food Forward is an organization fighting hunger and prevents food waste by utilizing fresh surplus of produce and connecting it with people in need. In 2019, GCHP surveyed members to assess their health care needs and social needs. A trend amongst our members was food insecurity. The team discussed strategies to further connect the abundance of produce to communities in need.

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## **Compliance Update**

### **DHCS Annual Medical Audit:**

Audits and Investigation (A&I) conducted the annual medical audit June 3, 2019 through June 7, 2019. Staff received the final report from A&I on September 13, 2019. The Plan submitted our CAP responses to DHCS on October 14, 2019 and the response is currently under review by DHCS. The Plan's goal is to resolve the findings timely. The Plan will continue to keep the commission apprised.

January 2020 – The CAP remains open and GCHP has not received an update from A&I.

**February 2020** – The CAP remains open and GCHP has not received an update from A&I.

### **JLAC Audit**

The Joint Legislative Audit released the final audit report on August 15, 2019. The Audit report has two recommendations:

- 1) To ensure that the public clearly understands the commission's decisions, the commission should report its' reasoning for awarding contracts or the legal basis, if any, for choosing not to do so.
- 2) To ensure that it addresses any significant performance issues by its' contractors in a timely manner, Gold Coast should establish a process to immediately require contractors to take necessary corrective action to resolve issues and ensure that they do not recur.

The Plan is required to respond in 60 days, 6 months and 1 year about the steps it took to implement the recommendations that are within statutory authority. Per the direction by JLAC the response included timelines and who or whom is the responsible party for implementing the recommendations. The Plan submitted the response to JLAC on October 14, 2019 with both items classified as partially implemented.

1. For item number one, a policy and procedure tailored towards the commission was approved at the October 28, 2019 Commission meeting.
2. For item number two, a policy and procedure specific to Pharmacy Benefit Manager oversight was submitted to JLAC for review. Concurrently the policy was also submitted to DHCS for review and approval as it encompasses elements of the Plans DHCS contract requirements. Once approved by DHCS, JLAC will consider it implemented. The Plan will continue to keep the commission apprised.

January 2020 – GCHP received approval of the submitted Pharmacy Benefit Manager Oversight Policy from DHCS on 12/30/2019 and is pending submission to JLAC for final consideration.

**February 2020** – GCHP has provided the 6-month response on February 14, 2020 and submitted both the policy and procedure approved at the October 28, 2019

Commission Meeting and the final DHCS approved policy PH-007 PBM Corrective Action Plan Policy. We will update the Commission as new information is available.

**DHCS Contract Amendments:**

The draft DHCS contract amendment has included multiple revisions based on CMS review. The contract amendment is still pending approval by CMS and the Plan is pending the final amendment for signature. GCHP has received additional requirements from the Mega Reg via All Plan Letters and has had multiple deliverables due to DHCS to ensure compliance. GCHP is operating under the requirements of the draft amendment as required by DHCS and GCHP is audited by DHCS to those standards.

January 2020 – On January 13, 2020, following the approval of the Commission, GCHP submitted the signed contract amendment to DHCS. GCHP is awaiting the final signed contract amendment from DHCS. The Plan will keep the commission apprised of the status.

**February 2020** – There is no new information to share at this time, we will keep the Commission apprised as new information is available.

**Delegation Oversight:**

<b>Delegate</b>	<b>Audit Year/Type</b>	<b>Audit Status</b>	<b>Date CAP Issued</b>	<b>Date CAP Closed</b>	<b>Notes</b>
Conduent	2017 Annual Claims Audit	Open	12/28/2017		Issue will not be resolved until new claims platform conversion
Kaiser	2018 Annual Claims Audit	Closed	9/23/2018	05/24/2019	
Conduent	2018 Annual Claims Audit	Open	6/20/2018	Under CAP	Pending ongoing monitoring
Beacon Health Options	2018 Annual Claims Audit	Closed	6/26/2018	11/14/2019	
Beacon Health Options	2018 6 month Claims (focused) Audit	Closed	11/21/2018	11/14/2019	
Clinicas del Camino Real, Inc.	2018 Annual Claims Audit	Closed	12/28/2018	02/18/2020	
Cedars	2019 Annual Credentialing	Closed	7/11/2019	11/27/2019	

Children's Hospital	2019 Annual Credentialing	Closed	7/16/2019	10/29/2019	
City of Hope	2019 Annual Credentialing	Closed	6/10/2019	10/29/2019	
Optum	2019 Annual Audit (C&L, FWA, HIPAA, UM, Credentialing)	Closed	3/4/2019	12/11/2019	
Kaiser	2019 Annual Claims Audit	Open	9/23/2019	Under CAP	
Beacon Health Options	2019 Annual Call Center Audit	Open	5/23/2019	Under CAP	
VTS	2019 Annual Call Center Audit	Open	4/26/2019	Under CAP	
CDCR	2019 Concurrent UM Quarterly Audit	Closed	8/29/2019	N/A (CAP not issued)	
Beacon Health Options	2019 Concurrent UM Quarterly Audit	Closed	10/11/2019	11/15/2019	
VSP	2019 Annual Claims Audit	Open	10/29/2019	Under CAP	
Conduent	2019 Call Center Audit	Open	1/14/2020	Under CAP	
Conduent	2019 Annual Claims Audit	Open	Pending	Pending	
VTS	2019 Annual Transportation Audit	Open	1/17/2020	Pending	

Gold Coast Health Plan (GCHP) is contractually required to perform oversight of all functions delegated through subcontracting arrangements. Oversight includes but is not limited to:

- Monitoring/reviewing routine submissions from subcontractors
- Conducting onsite audits
- Issuing a Corrective Action Plan (CAP) when deficiencies are identified

*\*Ongoing monitoring denotes delegate is not making progress on a CAP issued and/or audit results were unsatisfactory and GCHP is required to monitor the delegate closely as it is a risk to the Plan when delegates are unable to comply.*

Compliance will continue to monitor all CAP(s) issued. GCHP's goal is to ensure compliance is achieved and sustained by our delegates. It is a DHCS requirement for GCHP to hold all delegates accountable. The oversight activities conducted by GCHP is evaluated during the DHCS annual medical audit. DHCS auditors review GCHP's policies and procedures, audit tools, audit methodology, and review audits conducted and corrective plans issued by GCHP during the audit period. DHCS continues to emphasize the high level of responsibility Plans have in oversight of delegates.

### **Grievance and Appeals:**

#### **Grievance Monthly Member Totals Yearly Comparison:**

For the month of December, the Grievance and Appeals Team received 27 Member Grievances. This is a slight decrease from the previous year which was 32 Member Grievances. The trends we have for December are accessibility and quality of care.

#### **Grievance Monthly Provider Totals Yearly Comparison:**

For the month of December, the Grievance and Appeal Team received 699 Provider Grievances which is an increase compared to last year's totals of 146. This increase is based on one provider who is disputing their claim reimbursement payments. Grievance and Appeals has engaged with Network Operations and Claims to ensure they have line of sight into the issue and Network Operations is in discussion with the provider towards resolving this matter.

#### **Clinical Appeal Monthly Yearly Comparison:**

For the month of December, the Grievance and Appeals Team received 21 Clinical Appeals which is a decrease compared to last year's total of 37. Of the 21 Clinical Appeals, 13 Appeals were overturned, 6 Appeals were upheld, and 2 Appeals were withdrawn.

Grievance and Appeals is actively reviewing all Grievance and Appeals data to identify any trending issues to assist with improving the member experience as well as providing additional insight to develop process improvements and additional internal and external training opportunities.

## NETWORK OPERATIONS

### ➤ **Regulatory:**

#### **In Process:**

- Annual Network Certification (ANC) workup has continued. The Plan expects to deliver a timely submission, due in March, on time.
  - Pre-ANC Questionnaire is required to be submitted by the Plan to the DHCS. Due date is 2/27/2020. The Plan expects to deliver timely.
  - Subcontractor ANC provider fulfillment is a new requirement by the DHCS. Due date is 3/18/2020. The Plan expects to deliver timely.

### ➤ **Provider Contracting Update:**

- **Medical Cost Reduction Contract Strategy: Refer to CFO Report**

- **New Contracts:**

- Cochran Congregate Living, Inc
  - Congregate Living Facility in Simi Valley
- Infinity Adult Day Health Care
  - CBAS Center in Westlake
- Aspen Surgery Center
  - Surgery Center in Simi Valley
- Adventist Health Physicians Network (Specialist Agreement)
  - Two specialty clinics are being added to the network (Cardiology and General Surgery)

- **Amendments:**

Provider Contracting sent out a total of 25 Amendments for the month of January 2020. Amendments returned and completed include:

- Community Physicians of Ventura
  - Provider moved from Oxnard to Ventura. Address updated.
- James F. Mitchell, MD
  - Interim LOA termed as two physicians associated with Dr. Mitchell are no longer in his group.
- County of Ventura (Hospital, PCP and Specialty Agreements)
  - Extension of all three provider Agreements from 1/1/20-2/28/20
- County of Ventura LOA
  - Added new professionals and removed termed professionals from VCMC Interim LOA, who are now Medi-Cal enrolled and certified.
- Ventura Orthopedic Medical Group
  - Added one provider to the Interim LOA, while they await Medi-Cal enrollment and certification.
- 20 Amendments forwarded to GCHP Hospice Providers to amend their agreements to reflect the current Medi-Cal Hospice service rates.



- **Interim LOA**

- Braden Partners, LP dba Pacific Pulmonary Services
  - Interim LOA in place for provider to continue providing DME supplies to GCHP members while pending Medi-Cal enrollment. This entity recently acquired a previously contracted DME provider. This Interim LOAS was necessary to ensure continuity of care to over 200 GCHP members.

- **Member-Specific Letters of Agreement**

Provider Contracting has worked on 18 LOAs on during this time period. 5 are currently pending completion. Of those that are fully executed, we have the following:

- 10 Amigo Baby LOAs
- 3 Congregate Living Facility LOAs where members have either been out-of-area or difficult to place and required Skilled Nursing Care
- Burbank Congregate Living Center
- Granada Post-Acute
- MIH Project A, LLC

- **Better Doctors**

The Plan continues to meet weekly with Quest Analytics as a touch base to ensure that the process continues to move smoothly.

The Plan continues to verify the demographic information obtained from Better Doctors. The following reviews were performed:

- 252 providers were completed and updated in Provider Network Database (PNDB)
- 99 provider records were audited to ensure the providers were loaded accurately in PNDB and IKA (GCHP Claims system).
- 5 provider records were reviewed on the Better Doctor Report for potential termination

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

This major system initiative is to replace both Network Operations and Credentialing's legacy provider network data base, was kicked off in April 2019. Regularly scheduled bi-weekly meetings are being held to maximize data conversion and efficiency.

Project health is **YELLOW** due to the following reasons:

- Resource constraints as a result of competing production and project priorities.
- Validation of converted data is < 5%

PCCM Items Currently in Progress:

- Iteration 6 conversion testing- Completed test Case Scenarios-2,559 lines
- Reference Code review

- Review of Best Practice document
  - Legacy Provider Database Clean-Up
  - IT evaluation of testing validation tools
  - Taxonomy Clean-up: 2,216 provider records reviewed and updated.
- **Temporary Staff**– PNO has brought on 3 temporary employees who are currently assisting in the transition to the eVIPS implementation. Two employees have since left as a result to accepting full-time positions with other organizations. Screening for replacement staff is underway. There has been challenges in identifying experienced applicants.

➤ **Provider Additions:**

**January 2020 Provider Additions – 55 Total**

Provider Type	Additions
Specialists Out of County	47
Specialist In-County	8

Summary of Specialist In-County Additions:

- 1 Cardiologist
- 1 Critical Care Medicine
- 1 General Surgeon
- 1 Infectious Disease
- 1 Maternal Fetal Medicine
- 1 OB/GYN
- 2 Radiology

**January 2019 Provider Terminations – 29 Total**

Provider Type	Terms
Midlevel	1
Specialist Out of County	19
Specialist In-County	9

Summary of Mid-Level and Specialist In-County Terms:

- 1 Certified Nurse Midwife
- 1- Acupuncturist
- 1- Audiology
- 1- Diagnostic Radiology
- 1- Family Medicine
- 1- Internal Medicine
- 1- Nephrology
- 1- Physical Medicine & Rehab
- 1- Surgical Critical Care
- 1- Physical Therapy

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, fellows have finished with their clinical rotations.

➤ **Provider Satisfaction/Provider Access Survey In process**

The Plan has retained SPH analytics to perform provider satisfaction and access surveys.

- **Provider Access Survey:** SPH completed survey and submitted summary to the Plan. PNO is currently working on a summary presentation to be completed by 3/1/20
- **Provider Satisfaction Survey:** SPH completed survey and submitted summary to the Plan. PNO is currently working on a summary presentation to be completed by 3/1/20

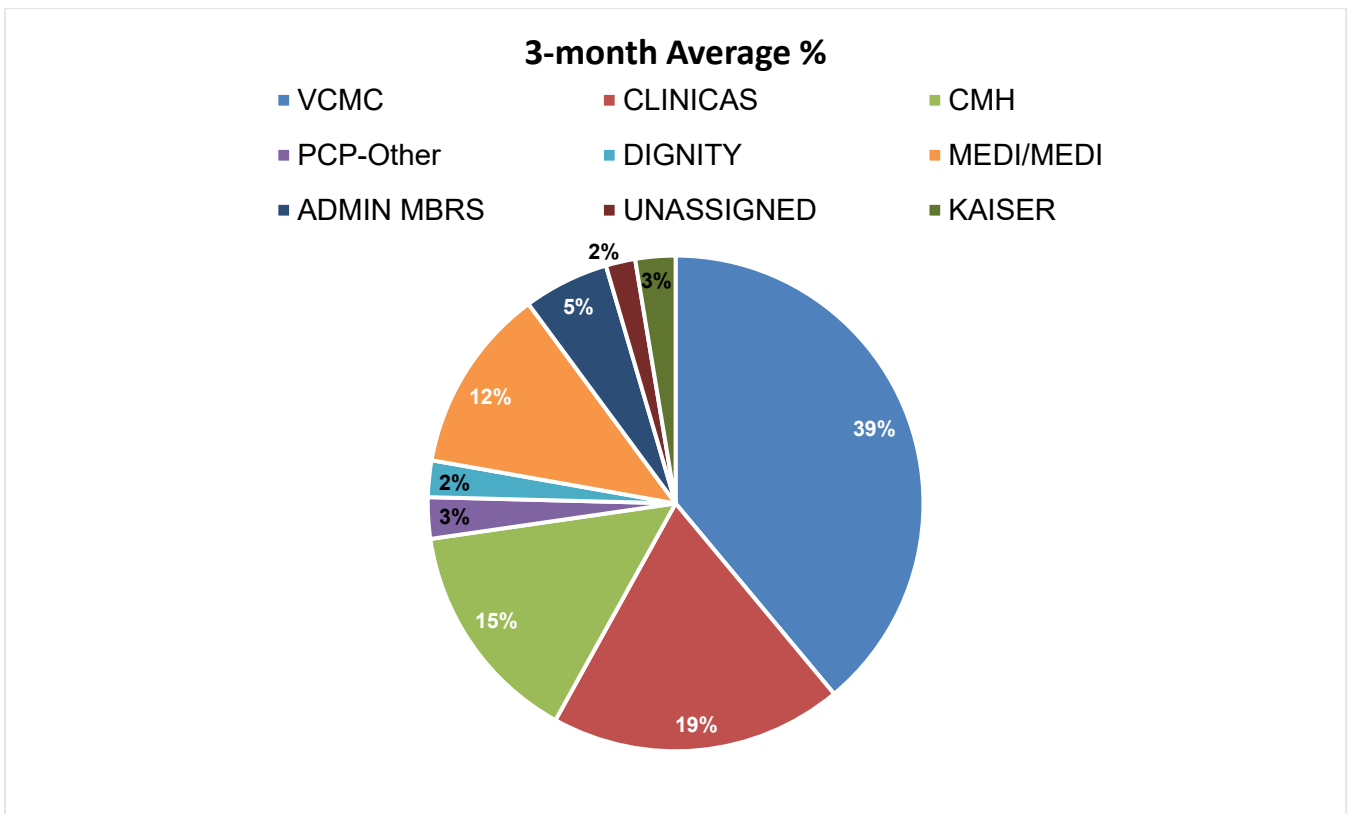
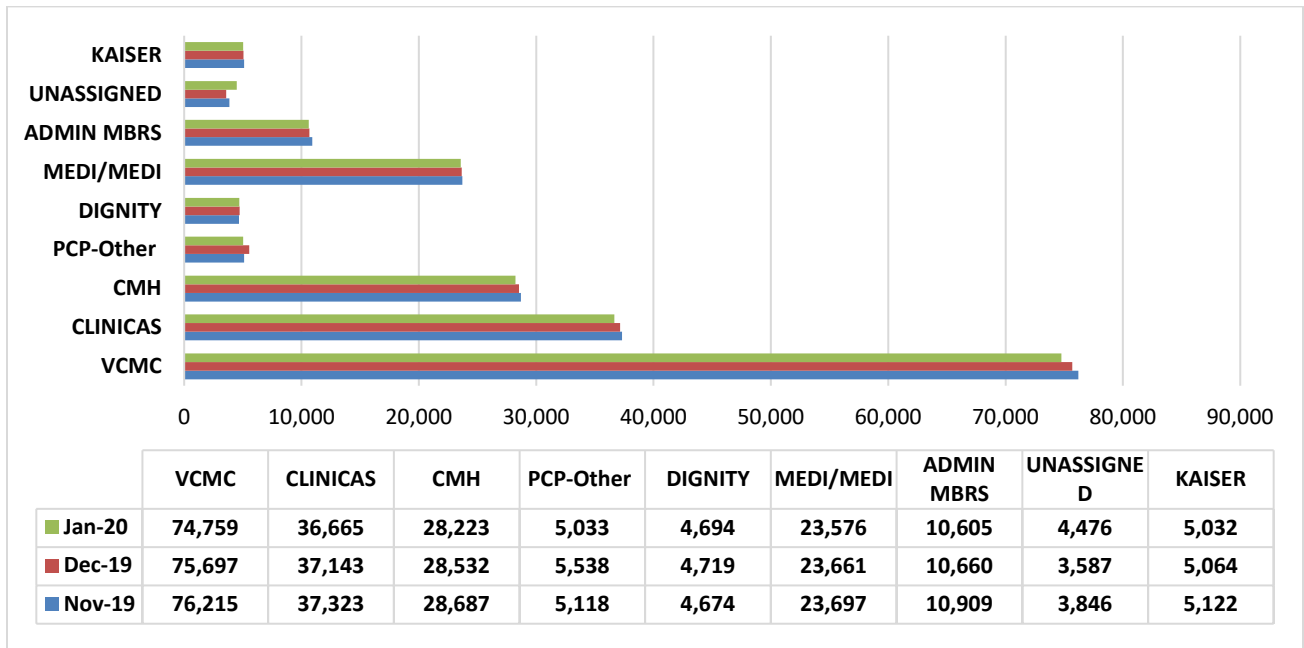
➤ **Provider Manual Update:**

Provider Network Operations (PNO) is leading the Provider Manual updating project which will be submitted to DHCS by April 1, 2020. DHCS will then review the manual and provide recommendations and/or approval to it. DHCS's review and approval usually takes approximately 90 days.

While the manual is being reviewed by DHCS, GCHP will forward the proposed changes to the provider network in early April. The changes will be effective upon approval by the DHCS.

Each operational department will submit its changes to PNO which will compile the changes into the document to be submitted to DHCS. PNO will also update the manual to organize some sections in order to provide better clarity for some processes. The timeline for the project is listed below:

## Member PCP Assignments



**RECOMMENDATION:**  
Accept and File

# *Enterprise Transformation Project (ETP)*

## *Conduent MediTrac Implementation*

February 24, 2020

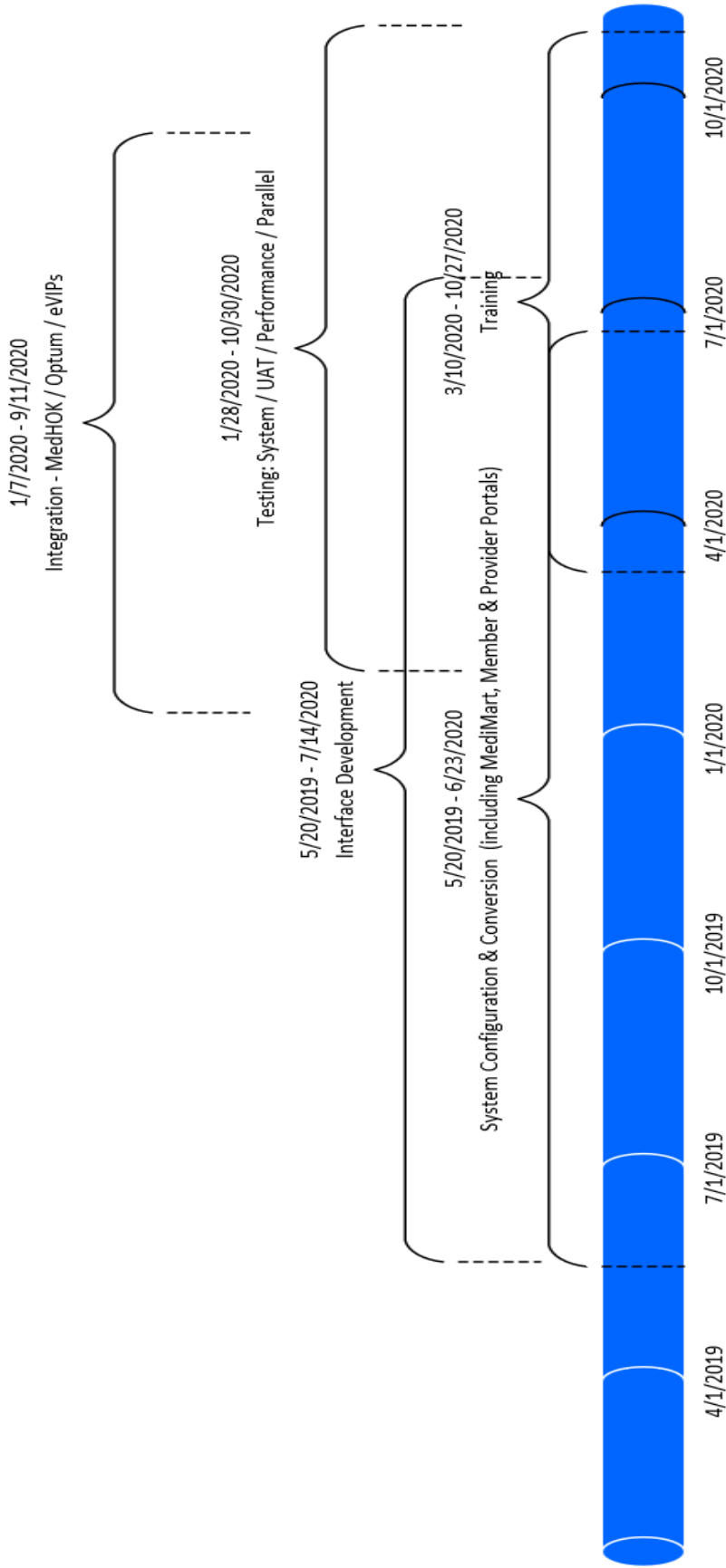


# Project Schedule – Milestone View



**ETP**

ENTERPRISE TRANSFORMATION PROJECT  
TRANSFORMING OUR FUTURE



Project Start  
4/18/2019

GO LIVE  
11/4/2020



# YTD Expenditures



ENTERPRISE TRANSFORMATION PROJECT  
TRANSFORMING OUR FUTURE

COMMISSION APPROVED PROJECT BUDGET		
Department Budget	Total Dollars	YTD Expenditures as of 12/31/19
IT	\$ 2,435,000	
Executive	-	242,881
Database Conversion	996,000	
Operations	1,333,000	187,242
Network Operations	355,000	
Health Services	240,000	
PMO	55,000	
Finance	35,000	
<b>Total Investment*</b>	<b>\$ 5,500,000</b>	<b>\$ 430,124</b>





## **AGENDA ITEM NO. 7**

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

### **Behavioral Health Integration**

The Department of Health Care Services (DHCS) is providing Proposition 56 funding to incentivize Medi-Cal Managed Care Health Plans (MCPs) to promote behavioral health integration (BHI) in their provider networks.

The objectives of the Behavioral Health Integration Incentive Program are:

- To incentivize MCPs to improve physical and behavioral health outcomes, care delivery efficiency, and patient experience by fully integrating care using culturally and linguistically appropriate teams with expertise in primary care, substance use disorder conditions, and mental health conditions who deliver coordinated comprehensive care for the whole patient.
- To increase MCP network integration for providers, focus on new target populations or health disparities, and improve provider's level of integration or impact.

Six project areas were identified:

- Basic Behavioral Health Integration
- Maternal Access to Mental Health and Substance Use Disorder Screening and Treatment
- Medication Management for Beneficiaries with Co-occurring Chronic Medical and Behavioral Diagnoses
- Diabetes Screening and Treatment for People with Serious Mental Illness
- Improving Follow-Up after Hospitalization for Mental Illness
- Improving Follow-Up after Emergency Department Visit for Behavioral Health Diagnosis

On January 21, 2020, GCHP received nine applications for programs in five of the six areas identified above. Applications were scored on narrative overview of the project and description of milestones and funding required for each of the three years of the project (2020-2022). Seven projects ranked above the required 70% minimum and these



applications will be forwarded to DHCS by February 26, 2020 for further review. DHCS will inform MCPs which programs will be funded by March 18, 2020. Programs are anticipated to start April 1, 2020.

## **Infectious Disease Update**

### COVID-19

Coronavirus disease 2019 (COVID-19) is a respiratory illness that can spread from person to person. The virus that causes COVID-19 is a novel coronavirus that was first identified during an investigation into an outbreak in Wuhan, China. COVID-19 has been reported in 29 countries. As of February 17, 2020, there were 15 confirmed cases of COVID-19 in the United States. Seven states are affected, including California. There are no positive cases identified in Ventura County.

The potential public health threat posed by COVID-19 is high, both globally and to the United States. The fact that this disease has caused illness, including illness resulting in death, and sustained person-to-person spread in China is concerning. These factors meet two of the criteria of a pandemic. It's unclear how the situation will unfold, but risk is dependent on exposure. At this time, some people will have an increased risk of infection, for example healthcare workers caring for patients with COVID-19 and other close contacts of patients with COVID-19. For the general American public, who are unlikely to be exposed to this virus, the immediate health risk from COVID-19 is considered low at this time.

The California Department of Public Health recommends the public take the following steps to prevent the spread of all respiratory viruses:

- Washing hands with soap and water.
- Avoiding touching eyes, nose or mouth with unwashed hands.
- Avoiding close contact with people who are sick are all ways to reduce the risk of infection with several different viruses.
- Staying away from work, school or other people if you become sick with respiratory symptoms like fever and cough.

### Influenza

While many are rightly concerned about COVID-19, the Centers for Disease Control (CDC) is reminding people not to forget to protect yourself from influenza by getting the vaccine and practicing the preventive steps described above. Influenza has caused at least 26 million illnesses, 250,000 hospitalizations, and 14,000 deaths so far this season. Influenza A is slightly more predominant than Influenza B in our region. There have been 328 deaths in California, including 12 pediatric deaths.

Almost all (>99%) of the influenza viruses tested this season are susceptible to the four FDA-approved influenza antiviral medications recommended for use in the U.S. this season.

## Pharmacy Hot Topic Items

### *Medi-Cal Rx*





The California Department of Health Care Services (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. DHCS will hold a few more stakeholder meetings but will not be holding any more technical workgroups at this point in time. Gold Coast Health Plan will continue to work with advocacy groups, other MCPs and DHCS in order to facilitate the implementation of the carve out and will continue to bring information as it becomes available to this group.



### *CA State Auditor: GCHP Audit Findings*

GCHP was audited by the CA State Auditor to assess GCHP's award of its PBM contract to OptumRx, Inc., and its subsequent monitoring of OptumRx. GCHP developed 2 policies to address the findings in the audit and responded to the auditor with draft versions of the policies in the required 60-day timeframe. GCHP submitted its 6-month response to the audit findings on February 14<sup>th</sup> stating that the draft policies have been formally adopted and approved by the VCMMCC and the California Department of Health Care Services.

## Pharmacy Benefit Cost Trends

Gold Coast Health Plan's (GCHP) pharmacy trend shows in overall price increase of 11.6% from December 2018 to December 2019. 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.

Factor	National Trend	GCHP Trend
Unit Cost	<ul style="list-style-type: none"> <li>Price inflation is a top contributor, outpacing utilization growth 4:1.</li> <li>Average price increase per drug was 10.5% in the first half of 2019.</li> </ul> 	<ul style="list-style-type: none"> <li>Unit cost increased 6% from Q2 2018 to Q2 2019.</li> </ul> 
Utilization	<ul style="list-style-type: none"> <li>The number of prescriptions increased 21% from 2014 to 2017.</li> </ul> 	<ul style="list-style-type: none"> <li>RxPMPM increased 4.35% from Jan 2019 to Jan 2020.</li> <li>29.1% of GCHP's members have 3 or more disease categories</li> </ul> 

Factor	National Trend	GCHP Trend
Drug Mix	<ul style="list-style-type: none"> <li>• 59 new drug approval in 2018 – new all-time record high, 28% increase from 2017.</li> <li>• Pharma TV ad spending increased to \$3.73B in 2018.</li> <li>• Specialty drugs are expected to be nearly 50% of total drug spend by 2022</li> </ul> 	<ul style="list-style-type: none"> <li>• Specialty drugs account for 40.7% of GCHP's total drug spend.</li> </ul> 

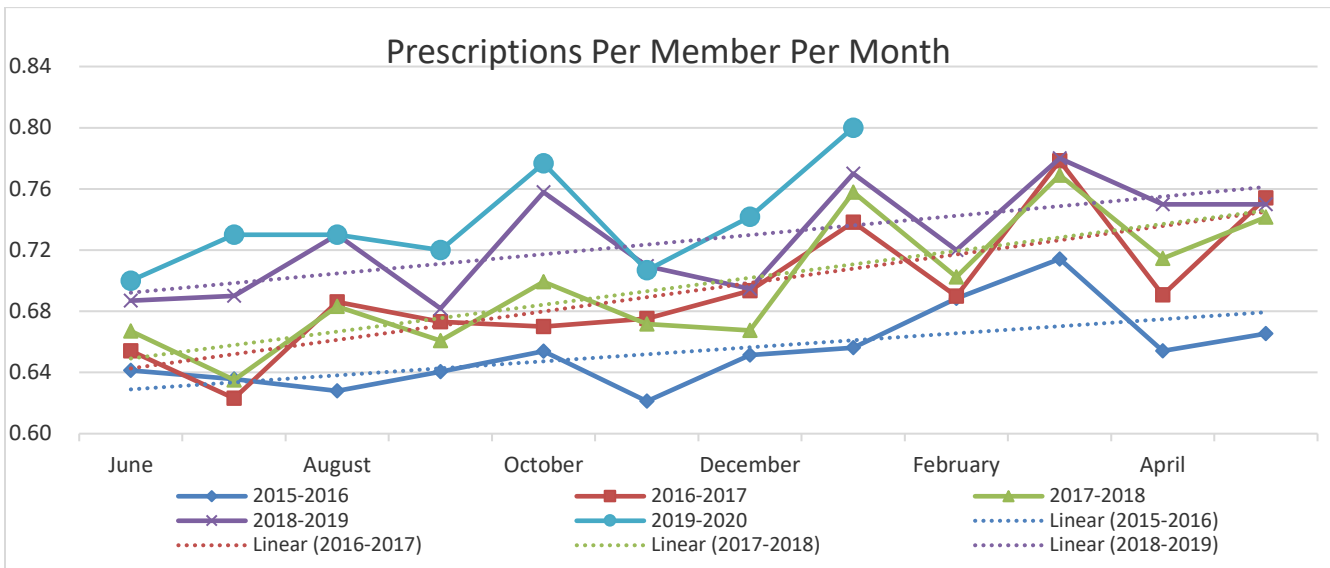
**GCHP Annual Trend Data**

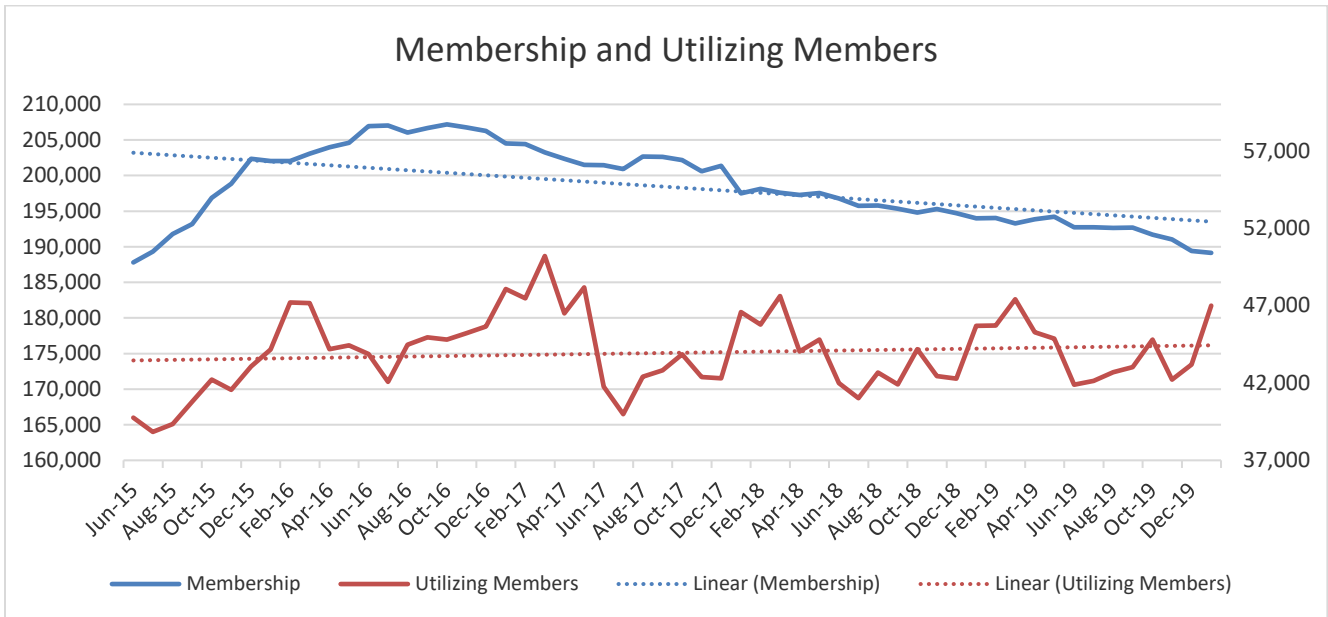
**Unit Cost Trends**

OptumRx reported that GCHP's unit cost trends from 2018Q2 to 2019Q2 was a 6.9% increase in unit cost.

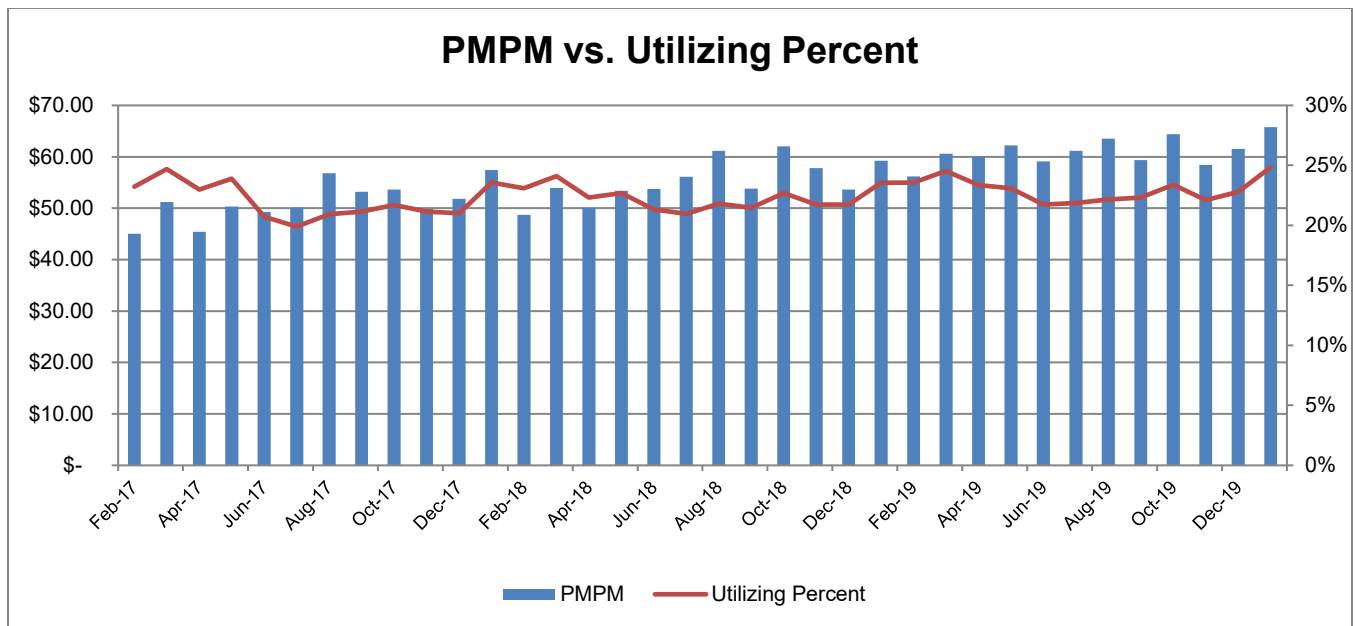
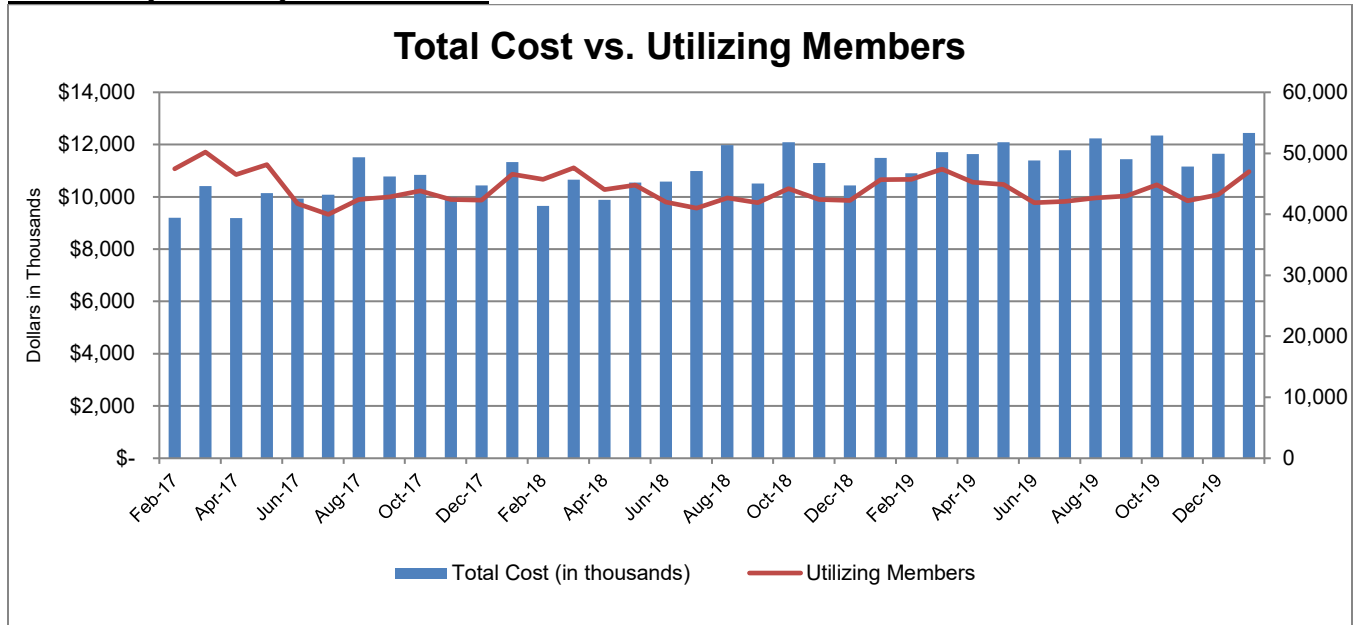
**Utilization Trends:**

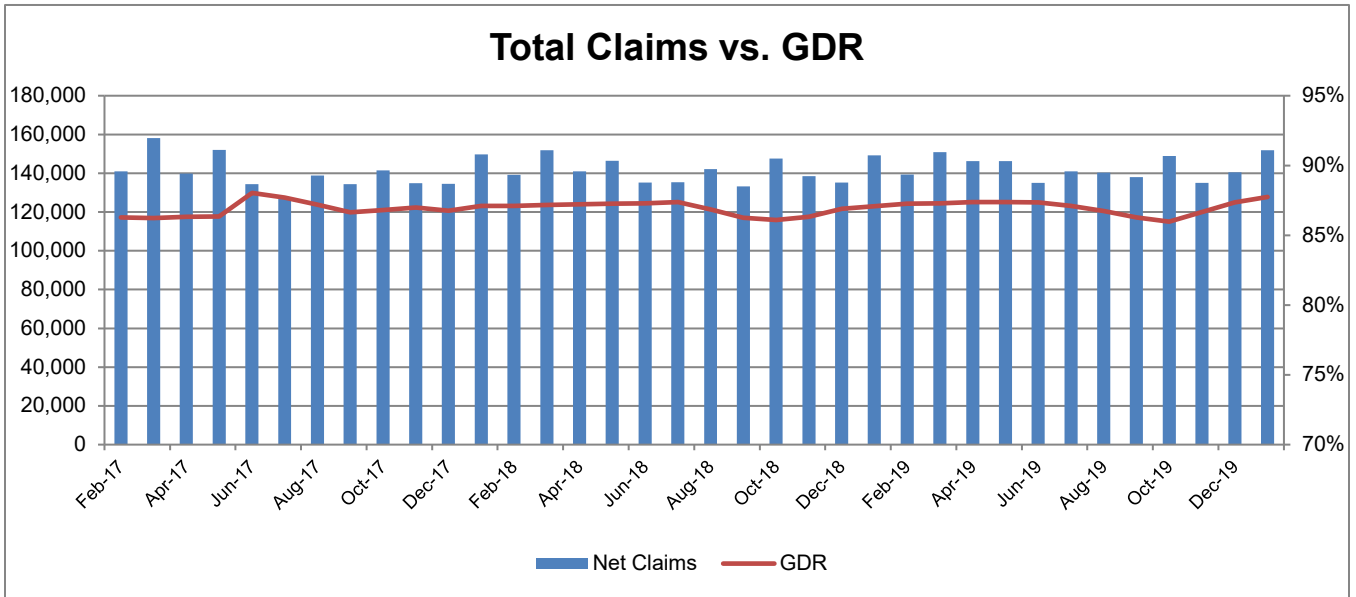
GCHP's utilization is increasing as demonstrated by the number of members using prescriptions and the number of prescriptions each member is using while GCHP's total membership continues to decline.



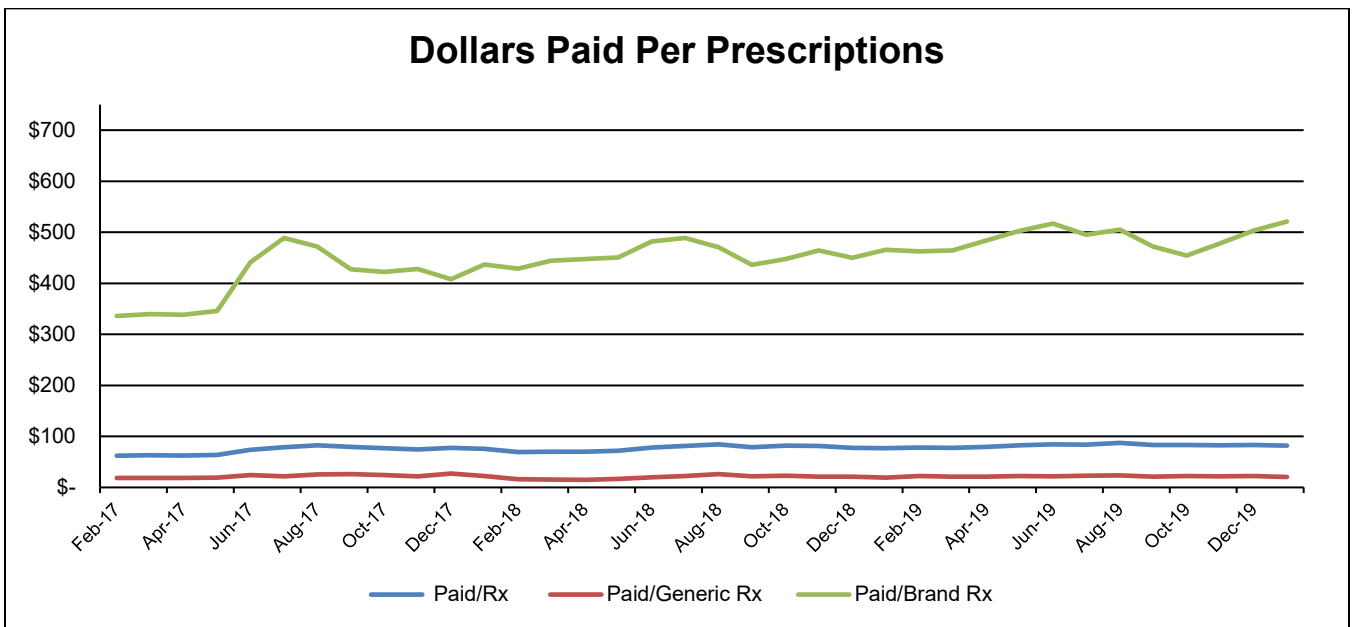


**Pharmacy Monthly Cost Trends:**





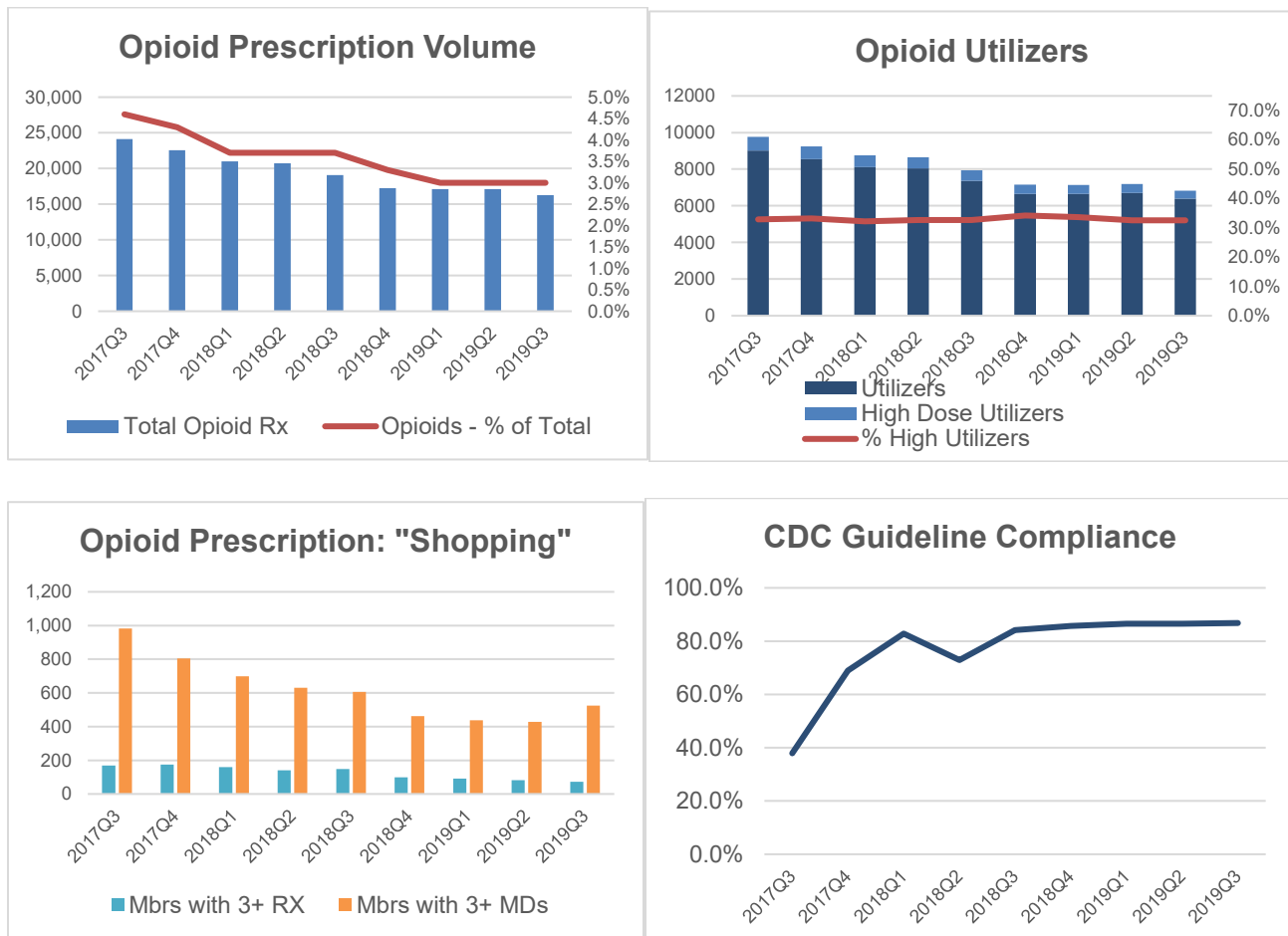
\*Claim totals prior to June 2017 are adjusted to reflect net claims.



## 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.

\*Please note that these graphs have not changed from the January 2020 meeting. The updated charts will be available next month showing data through the end of December 2019.



### 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 August 2019. Although minor changes may occur to the data going forward due to the potential of claim adjustments from audits and/or member reimbursement requests, the data is generally considered complete due to point of sale processing of pharmacy data.

**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](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: February 24, 2020  
SUBJECT: Chief Diversity Officer Update

### Monthly Actions:

#### Community Relations

- Attended Cultural Competency Training for Health Care Providers held on the Gold Coast Site.
- Employee Survey completed and results are being summarized (75% participation).
- Celebrating Black History month with articles in the newsletter as well as a Lunch and Learn series on “Least Known Facts about Black History” and Unconscious Bias.
- Attended African American Youth Leadership reception.

#### Case Investigations

- Completed one internal investigation related to improper use of company resources. Findings were negative but areas of improvement were identified.
- There was one new case during the month which has been sent to legal for review. There were no new grievances through the hotline. One old case still with the Insurance Lawyers.
- One old case of vacation eligibility was completed to the employee’s satisfaction.
- Met with two employee work groups to explain policy related to upward mobility and job opportunity.

#### Office Visit Activity

- One career discussion
- Five performance rating related concerns. (Managers)
- Zero mentor/mentee visit
- One job security concern
- One policy related concern
- One group meeting to discuss job progression

Assumed HR coverage responsibilities during the month of January:

- Posted nine positions during the month. The nine were Executive Director Human Resources, Accounting Manager, Sr. Director Population Health, (2) Care Management RNs, QIR RN, Senior HR Generalist, temp position for Provider Relations and IT Developer. All within budget.
- Starting to re-write significant policies related to Tele-commuting,
- Resignations: Three
- Retention rate currently is 98.4, 2019=88.71, 2018=90.8, 2017=91.40
- Completed the re-write of two policies (1) Alcohol and Drug Abuse and (2) Remote Work Assignments.

Survey Data available for review