

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

Regular Meeting

Monday, June 24, 2019, 2:00 p.m.

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

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE

OATH OF OFFICE

ROLL CALL

PUBLIC COMMENT

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

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

CONSENT

- 1. Approval of Ventura County Medi-Cal Managed Care Commission Meeting Regular Minutes of May 20, 2019.**

Staff: Maddie Gutierrez, CMC, Clerk of the Commission

RECOMMENDATION: Approve the minutes.

2. Credentialing Committee Appointment

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

RECOMMENDATION: Approve Julian Becher, M.D., as an active member of the Credentials / Peer Committee.

3. Fiscal Year 2019/2020 Insurance and Reinsurance Renewals

Staff: Kashina Bishop, Chief Financial Officer

RECOMMENDATION: Approve and authorize binding insurance and reinsurance with the final recommended carriers.

REPORTS

4. Chief Executive Officer (CEO) Update

Staff: Dale Villani, Chief Executive Officer

RECOMMENDATION: Receive and file the report.

FORMAL ACTION

5. Contract Award Approval – Ventura Transit Systems

Staff: Ruth Watson, Chief Operating Officer

RECOMMENDATION: Award the two year Department of Health care Services approved agreement to Ventura Transit Systems based on competition.

6. April Financials Report

Staff: Kashina Bishop, Chief Financial Officer

RECOMMENDATION: Receive, approve, and file the April financials report.

7. Fiscal Year 2019/2020 Operating and Capital Budgets

Staff: Kashina Bishop, Chief Financial Officer

RECOMMENDATION: Receive, approve and file the 2019/2020 Operating and Capital Budgets as presented.

PRESENTATIONS

8. Request For Proposal (RFP) Process Review

Staff: Kashina Bishop, Chief Financial Officer
Bob Bushey, Procurement Officer

RECOMMENDATION: Receive and file the presentation.

9. Brown Act Review

Staff: Scott Campbell, General Counsel

RECOMMENDATION: Receive and file the presentation.

REPORTS

10. Chief Medical Officer (CMO) Update

Staff: Nancy Wharfield, Chief Medical Officer

RECOMMENDATION: Receive and file the update.

11. Chief Diversity Officer (CDO) Update

Staff: Ted Bagley, Chief Diversity Officer

RECOMMENDATION: Receive and file the update.

12. Chief Operating Officer (COO) Update

Staff: Ruth Watson, Chief Operating Officer

RECOMMENDATION: Receive and file the update.

CLOSED SESSION

13. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: Chief Executive Officer.

COMMENTS FROM COMMISSIONERS

ADJOURNMENT

Unless otherwise determined by the Commission, the next regular meeting will be held on July 22, 2019 at Gold Coast Health Plan at 711 E. Daily Drive, Suite 106, Community Room, Camarillo, CA 93010.

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

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 Board to make reasonable arrangements for accessibility to this meeting.

AGENDA ITEM NO. 1

TO: Ventura County Medi-Cal Managed Care Commission
FROM: Maddie Gutierrez, Clerk to the Commission
DATE: June 24, 2019
SUBJECT: Meeting Minutes of May 20, 2019 Regular Commission Meeting

RECOMMENDATION:

Approve the minutes.

ATTACHMENTS:

Copy of the May 20, 2019 Regular Commission Meeting minutes.

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

dba Gold Coast Health Plan (GCHP)

May 20, 2019 Regular Meeting Minutes

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

Commissioner Alatorre led the Pledge of Allegiance.

OATH OF OFFICE

The Oath of Office was administered to new Commissioner Fred Ashworth. Mr. Ashworth gave a brief history of his professional background.

ROLL CALL

Present: Commissioners Antonio Alatorre, Fred Ashworth, Shawn Atin, Theresa Cho, M.D., Gagan Pawar, M.D., Dee Pupa, Jennifer Swenson and Supervisor John Zaragoza.

Commissioner Laura Espinosa arrived at 2:16 p.m.

Absent: Commissioners Lanyard Dial, M.D., and Johnson Gill.

PUBLIC COMMENT

1. Christina Velasco, Chief Financial Officer, appeared on behalf of Clinicas del Camino Real (CDCR) regarding the provider roster for Optometry Services. Ms. Velasco requests to have CDCR optometrists added to the GCHP website. Ms. Velasco stated this has been her third visit to the Commission and she is still waiting to see the addition to the website. She asked Commission to direct staff to follow up on her request.
2. Phillip Cardona appeared on behalf of Change Health Care regarding Agenda Item #8 - Recommendation for Enterprise Transformation Project (ETP) Senior Executive Program Management Services. Mr. Cardona commented that Change Health Care was one of the firms who submitted a bid in the RFP process for the Enterprise Transformation Project (ETP) and stated that his candidate lives locally in Thousand

Oaks, CA, has 20+ years experience specifically on enterprise core system transformation and could be readily available during normal business hours, Monday through Friday. Mr. Cardona explained that his bid was based on an annualized cost of \$355,750 and that he had questions on the RFP results. Commissioners Alatorre and Swenson asked Mr. Cardona to address his questions at the time the agenda item is presented.

3. Dr. Henry Villanueva appeared to address the following issues:

- 1.) Security Guards – Dr. Villanueva stated it was disheartening to see that security guards are being used to protect the Commission and staff. Dr. Villanueva stated he believes the guards are present because there has been an increase in people of color attending the meetings and that staff feels intimidated. He asked Commission to re-consider the use of the guards and refrain from using them in the future.
- 2.) Bilingual Materials – Dr. Villanueva presented a document, Executive Order 13166, for the Commission to review on the requirements of providing access for persons with limited English proficiency. Dr. Villanueva stated this includes materials being provided bilingually and expressed his opinion that not providing these materials in such a form is a violation of the Civil Rights Act. Rich Egger, General Counsel, clarified that this executive order only applied to vital documents and commission materials are not considered vital documents.
- 3.) ADA Requirements – Dr. Villanueva stated that the space provided in the Community Room for Commission meetings does not meet ADA requirements.
- 4.) Roberts Rules of Order – Dr. Villanueva stated that the Commission is mandated to follow Roberts rules of order. The Commission did not follow their previous motions, he stated they need to follow the rules to be transparent.
- 5.) Commission Meeting Location and Start Times – Dr. Villanueva stated that a decision was made to hold two meetings (per year) outside of the regular meeting time and location. He expressed his concern that regular meetings are held at a time when working people cannot attend and that information is not provided in the language spoken in the home.

Supervisor Zaragoza asked Counsel whether agendas were required to be translated in written form. General Counsel Rich Egger responded no. Supervisor Zaragoza also asked staff to look into the costs that would be incurred if the entire packet was to be translated, as well as the ADA requirements for the room, commenting that Dr. Villanueva had a good point and we do not want to violate ADA requirements.

4. Commissioner Alatorre stated he had received a letter from Mr. Arnoldo Torres via email, as Mr. Torres was not able to attend the meeting. Commissioner Alatorre

asked the Commission if they wanted the letter read or if a copy sufficed. General Counsel, Rich Egger stated that copies of the letter were distributed to the Commission and staff and the letter was also available to the public.

5. Roberto Juarez, Chief Executive Officer of Clinicas del Camino Real spoke regarding the following:
 - 1.) Mr. Juarez stated at last month's meeting Ms. Lourdes Solorazano read a statement on behalf of Supervisor Zaragoza, a motion was made, voted upon, and passed. The item was not on the agenda.
 - 2.) Mr. Juarez stated the hysteria CEO Villani and his staff created by having security guards present was outrageous and a form of intimidation. He stated that racism continues and asked that CEO Villani re-evaluate his values and work with his staff.
6. Yoanna and Imelda appeared to discuss incontinence products (diapers). Interpreter, Lourdes Campbell, provided interpretation services for the speaker. The speaker stated that she was present to thank GCHP staff for their assistance in resolving the issue they were having with adult diapers. The products had been removed and now they were available. She also thanked Ms. Laurie Jordan for her assistance.

CONSENT

1. Approval of Ventura County Medi-Cal Managed Care Commission Meeting Regular Minutes of May 20, 2019.

RECOMMENDATION: Approve the minutes.

Commissioner Swenson moved to accept and file the May 20, 2019 Commission Regular meeting minutes as presented. Commissioner Atin seconded.

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

NOES: None.

ABSTAIN: Commissioner Fred Ashworth, Gagan Pawar and Supervisor Zaragoza.

ABSENT: Commissioners Lanyard Dial, M.D., and Johnson Gill.

Commissioner Alatorre declared the motion carried.

REPORTS

2. Chief Executive Officer (CEO) Update

RECOMMENDATION: Receive and file the report.

- Chief Executive Officer, Dale Villani welcomed Fred Ashworth, Chief Financial Officer for Los Robles Hospital/Medical Center. CEO Villani also clarified General Counsel, Scott Campbell was not present and Rich Egger was covering duties in his absence.
- Translation of Commission Materials – CEO Villani stated that GCHP wants to do anything needed to assist the community in translation or interpretation, and that staff would look into pricing for translation of packets. He added that a complaint was also submitted through the fraud, waste and abuse hotline, stating it was discriminatory to not translate the commission packet into Spanish. CEO Villani stated that interpreter services are offered at all commission meetings and that materials can be translated upon request. However, he was not aware of any past requests for materials translation.

Dr. Lupe Gonzalez, Director of Health Education and Cultural Linguistic Services, provided additional clarification around materials translation and interpreters services to the Commission. Dr. Gonzalez stated that GCHP has contracted with Lourdes Campbell since February of 2012, along with three (3) other vendors. She noted that all agendas have a statement specifying accommodations can be made upon request and that interpreter services are always provided with a simultaneous interpreting option.

CEO Villani added that Dr. Gonzalez and staff will present on the cultural and linguistic services that GCHP offers to the community at the next Commission meeting. He also stated he would follow up with Executive Director of Human Resources, Jean Halsell, to ensure the Plan is compliant with ADA requirements and to make sure wheelchair access and aisle spacing is adequate.

Supervisor Zaragoza asked who would the public contact to request Spanish translation. Dr. Gonzalez replied that there is a phone number on the website as well as a request for sign language interpreting. Commissioner Espinosa stated the presentation last month on diabetes was very good and suggested that it could have also been done in Spanish. She mentioned that the concern is not the packet, but the presentation is what raised the issue. Commissioner Atin asked how many languages are required for translation and whether if there is translation in Spanish, should there be translation in other languages? He also asked how would this be done administratively. Dr. Gonzalez responded that the Plan must translate in our threshold language. The threshold number is 3,000 in Ventura County and the threshold language is

Spanish. Chief Operating Officer, Ruth Watson, clarified that the threshold is 3,000 in a continuous zip code and that documents can be translated to other languages upon request. Director of Operations, Chris Hodina, stated there are five (5) languages in our county that are prominent, for example; English, Spanish, and Tagalog, which is becoming fast growing in the county. CEO Villani advised the Commission it is not a requirement in our contract with DHCS to translate the commission packets into Spanish, but we want to be culturally sensitive. Dr. Henry Villanueva left a copy of Executive Order 13166 with the clerk, which will be distributed to the Commission.

- Governor Newsom's May budget revision includes a date change for extended Med-Cal coverage of young adults, ages 19 to 25, regardless of immigration status. The date is now pushed to no sooner than January 1, 2020.
- GCHP Financial Status and Fiscal Year 2019/20 Budget – CEO Villani stated Chief Financial Officer, Kashina Bishop, would review the finances in more detail, noting that March did show losses and that losses were expected to continue through the end of the fiscal year due to medical expenses. He added that the Plan has sufficient reserves to cover the losses and that the Plan's rates from DHCS would increase in July 2019, which is the beginning of the next budget cycle. CEO Villani stressed that the Plan would need to break even to begin to replenish the reserves. He also mentioned that staff is considering a number of options to address medical expenses, including preferred networks for better pricing. He stated that more details will be available at the June Executive Finance Committee and June Commission meetings.
- AmericasHealth Plan Plan-to-Plan Pilot – CEO Villani updated the Commission on pilot activities, stating that staff received a membership proposal agreement from AHP, that followed the thirteen (13) point plan. He added that the five (5) outstanding points were agreed upon and this is moving forward to go to State and that DHCS had received the boilerplate for review. Supervisor Zaragoza thanked everyone for working on the tentative agreement. Commissioner Alatorre stated AHP now has a new Chief Executive Officer, Rohan Reid.
- Community Advisory Committee (CAC) – CEO Villani mentioned that members of the CAC were in attendance to presentation to the Commission and that this committee is closely connected with the community.

PRESENTATION

3. Community Advisory Committee (CAC) Presentation

Rita Duarte-Weaver, CAC Chair presented to the Commission. Ms. Duarte-Weaver shared that the CAC meets on a quarterly basis and represents the voice of GCHP members in the community. She reviewed the CAC/GCHP collaboration, which includes reviewing member materials, and addressing member issues, concerns, and

requests. Ms. Duarte-Weaver highlighted a few examples of CAC collaborations, such as the creation of a members "Rights and Responsibilities" resource document. Ms. Duarte-Weaver closed her presentation with a request that the Commission consider placing a CAC member on the Commission.

Commissioners Swenson and Espinosa thanked Ms. Duarte-Weaver for her presentation. They also asked if the Commission could consider adding a CAC member to the Commission. Commissioner Alatorre asked General Counsel to investigate what could be done to add an additional seat to the Commission. General Counsel, Rich Egger stated he would look into it, but his understanding was the make-up of the Commission was set by County Ordinance. Supervisor Zaragoza suggested that the CAC could provide quarterly reports to the Commission.

Commissioner Espinosa moved to receive and file the presentation. Supervisor Zaragoza seconded.

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

NOES: None.

ABSENT: Commissioners Lanyard Dial, M.D., and Johnson Gill.

Commissioner Alatorre declared the motion carried.

FORMAL ACTION

4. Quality Improvement Committee 2019 First Quarter Report

RECOMMENDATION: Approve the 2019 QI Program description and the 2019 QI Work Plan as presented. Receive and file the complete report as presented.

Kim Timmerman, Director of Quality Improvement, presented a PowerPoint of the 2019 QI program. Director Timmerman, stated that changes in 2019 QI Program are relatively minor. She then reviewed the Plan's HEDIS performance status as well as the 2020 HEDIS proposed measures. She stated that four (4) new measures were added, along with well child incentive evaluations. Benchmarks were reviewed along with final performance measures, which are reviewed annually. Ms. Timmerman reviewed key successes and next steps, adding that looking ahead, measures were changing. She then reviewed the proposed changes and the additional measures. OptumRx partners with GCHP to inform providers about inappropriate utilization and gaps in care. She added that staff will continually assess the 2019 work plan while waiting for DHCS finalization of quality measures for 2020. Ms. Timmerman shared information on the members who attend a post partum visit can receive diapers or a gift card, and noted significant increase in outcomes. She stated that the

postpartum incentive was highly effective in 2018. The goal was to increase postpartum exam rates, which was achieved. The Plan attained by a twelve (12) percent improvement on that measure. Member participation rates increased by sixty-three (63) percent. Well child exams increased by 6.5 percent. In the member outreach campaign, a vendor – Eliza - was used and assisted in closing gaps in care which is shown through the metrics. For 2019, during the months of June through December, the target is member outreach. For HEDIS measurement year 2018, GCHP received the DHCS Most Improved Award. In order to achieve this award the focus was on data and ensuring it was complete. Ms. Timmerman noted that GCHP had a very successful HEDIS compliance audit and that the medical record review validation process passed at 100%. For HEDIS 2020, measures are changing and the bar has been raised. Proposed measures for 2020 were reviewed.

Commissioner Alatorre asked if the Governor's proposal was included in this plan. Ms. Timmerman responded that the proposal was part of this plan. Dr. Wharfield stated in the current proposal, the reporting will be split between hybrid methodology to be done by the plan and administrative data measure that would be done by DHCS. Commissioner Espinosa commented on the great work on the postpartum measures.

Dr. Lupe Gonzalez then answered questions on the health navigators for new moms, stating that Gonzalez stated the Plan is following a model and that welcome packets are given to new moms with follow-up calls.

Commissioner Cho moved to receive, file and approve the 2019 QI Program description and QI Work Plan. Commissioner Atin seconded.

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

NOES: None.

ABSENT: Commissioners Lanyard Dial, M.D., and Johnson Gill.

Commissioner Alatorre declared the motion carried.

5. HEDIS Gap Closure Services – Vendor Agreement Required.

RECOMMENDATION: Approve entering into an agreement with a qualified vendor.

Chief Medical Officer, Nancy Wharfield, M.D., provided an overview of the action item. She stated that the RFP was complete, including scoring and the recommendation is for the Commission to approve entering into a contract with the top vendor. The vendor would assist with beginning outreach efforts via texting and telephone outreach. Commissioner Alatorre asked why the vendor names were not listed. Procurement Officer, Bob Bushey, replied that it was to maintain competition as the final agreement still needed to be negotiated. Commissioner Alatorre asked the

Commission if they needed more information adding that he would like the names of the top three (3) vendors and suggested to then meet in Closed Session in June.

Discussion occurred between staff and the Commission on the challenges and effectiveness of texting and telephone outreach for member engagement. Commissioner Pawar commented that phone numbers change and asked how texting work. CMO Wharfield responded that the population responds better to texting and that phone outreach was not as effective. Commissioner Alatorre agreed, stating that daily robo-calls get in the way. Commissioner Alatorre asked if the texting would include Spanish. CMO Wharfield responded yes.

Further discussion was held amongst the Commission and staff on the RFP process. Commissioner Atin asked why some vendors scored zero. Procurement Officer, Bob Bushey responded there was a formula that calculates scoring, and that if proposed pricing was twice the lowest bid amount, it was scored as a zero. Commissioner Espinosa stated that she understood the rationale for not listing the vendors in the staff report, yet there is concern on this RFP process. Commissioner Alatorre added that there needs to be transparency and he suggested a discussion in Closed Session. Procurement Officer, Bob Bushey stated the intent was to present the dollar amount for approval, then finalize the contract with one of the top three (3) vendors. CMO Wharfield stated that she understood the interest in the top three (3) vendors, but stressed the importance of implementing the services as soon as possible (to address care gaps) and that she did not want to lose the advantage of starting the outreach process early. Supervisor Zaragoza asked if this was a two (2) year contract. CMO Wharfield answered yes. Commissioner Espinosa stated there was no problem allocating up to a designated requested amount, but added that "perception is everything; business needs to be more transparent." Mr. Bushey responded that in the future there will be more transparency and that staff wanted to maintain negotiations in an accelerated timeline, to start outreach in June. Commissioner Atin commented that normally, in the past, the RFP process would be done, a final vendor selected, and then staff would ask for approval. He had not seen this format and therefore struggled with the lack of consistency in the process. Commissioner Atin asked if it is too late to come back to the Commission and present the final agreement with the designated vendor. Mr. Bushey replied that in a normal process, the selection is done, negotiated and then presented for approval. In this situation, final scoring on the RFP was done late last week, then work on prepping for this meeting began to get approval and finalize in the next couple of weeks. Commissioner Alatorre asked when the vendor would start. CMO Wharfield responded that she wanted them to start now (as soon as possible). Commissioner Atin asked the implication of a months' delay. Supervisor Zaragoza also asked if it was critical to approve today. Mr. Bushey replied yes, that staff would like to start negotiations and make an award as soon as possible. CMO Wharfield added that this is a counting exercise (in terms of visits) and time limited. Commissioner Swenson stated the presentation needs to be done earlier for the sake of transparency. CMO Wharfield stated she could present more information in Executive Finance meeting, which is scheduled for June 6, 2019. Supervisor

Zaragoza stated the Commission could approve today and give direction to staff for future process.

Supervisor Zaragoza motioned to approve the item as presented today, award to the highest scored vendor with direction to staff that they will present more information/detail in the future for transparency purposes. Commissioner Atin seconded.

Commissioner Ashworth requested a list of all vendors who participated in RFP, without their scores. Competitive advantage will not be lost, but there is more transparency in the process.

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

NOES: None.

ABSENT: Commissioners Lanyard Dial, M.D., and Johnson Gill.

Commissioner Alatorre declared the motion carried.

6. Setting Regular Off-Site Meetings to Foster Greater Public Participation.

RECOMMENDATION: Approved the 2019 revised calendar and 2020 calendar as presented.

General Counsel, Rich Egger, reviewed the proposed meeting dates for off-site meetings for the remainder of 2019 and all of 2020. On August 26, 2019, the regular Commission meeting will be held at the Ventura County Hall of Administration, starting at 6:00 p.m. In 2020, the off-site meetings will be held on March 23, 2020 and August 24, 2020. One will be held in Oxnard and the other will be in Santa Paula. Both meetings will begin at 6:00 p.m. Supervisor Zaragoza agreed it was good to go out to the public. Unfortunately, the dates will not work with his schedule and he will not be able to participate at the August meeting. Commissioner Swenson asked if the East County will be included as well. General Counsel stated that area will be included in the 2021 calendar.

Commissioner Espinosa motion to accept the calendar as presented. Commissioner Pupa seconded.

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

NOES: None.

ABSENT: Commissioners Lanyard Dial, M.D., and Johnson Gill.

Commissioner Alatorre declared the motion carried.

7. Appointment of Executive Finance Committee Member

RECOMMENDATION: Appointment of Commission member to the Executive Finance Committee.

General Counsel, Rich Egger, reviewed the members of the Committee. The current members are: Commissioner Antonio Alatorre, Commissioner Laura Espinosa, Commissioner Dee Pupa and Commissioner Jennifer Swenson.

The Commission must nominate and appoint a fifth member for the committee. Commissioner Pawar nominated Commissioner Fred Ashworth. Supervisor Zaragoza seconded the nomination. Commissioner Ashworth accepted the nomination.

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

NOES: None.

ABSENT: Commissioners Lanyard Dial, M.D., and Johnson Gill.

Commissioner Alatorre welcomed Commissioner Fred Ashworth as the fifth member of the Executive Finance Committee.

8. Recommendation for Enterprise Transformation Project (ETP) Senior Executive Program Management Services

RECOMMENDATION: Authorize the CEO to award and execute a contract with DR Management Services for ETP Senior Executive Program Management Services.

Chief Executive Officer, Dale Villani presented a PowerPoint on the ETP project and business requirements driving the need for senior executive program management services. He informed the Commission that there are changes at the Conduent project support level, as two (2) long time employees have left the organization. CEO Villani also reviewed current Plan workload and project priorities. He added that the skill-sets needed for this project are unique, and that the position would report to directly to him. CEO Villani stated the Commission approved budget for this project was \$5.5 million, highlighting that the expected offset to the costs of these services would come from a \$960k budget line item (proposal from Conduent to assist with data conversion). Chief Administrative Officer, Melissa Scrymgeour, provided additional information around the data conversion budget item, stating that this was a placeholder and a budget estimate from early in the project. As the project has progressed, staff decided not move forward with the Conduent proposal.

Executive Director of Human Resources, Jean Halsell, stated a job description was developed and posted on February 8, 2019 on the Plan's external website, Monster and Indeed. GCHP received nine (9) resumes and only one (1) met the requirements. The candidate lived in North Carolina and wanted a consultant position.

Chief Operating Officer, Ruth Watson reviewed the RFP process: 10 vendors were identified, eight (8) bids were received and results were reviewed and scored. The scoring team recommended to award the contract to DR Management Services.

Discussion was held amongst Commissioners and staff about the RFP process and project budget impacts. Commissioner Alatorre stated that the original approved budget included seven (7) line items, and asked what shifted. COO Watson replied that some work will be done internally by IT and the resulting savings would be used to fund this contract. Commissioner Alatorre asked about the timeline for the contract. COO Watson replied that Go-Live is scheduled for July of 2020. Commissioner Atin asked about the total cost of the whole system contract. COO Watson replied that GCHP agreed to long-term contract with Conduent. They, Conduent, are investing more than double, as this is a new system for them. Commissioner Atin asked what would be the consequence of error with this project. Commissioner Alatorre responded \$157 million. Commissioner Ashworth asked about carrying cost and if it has already been negotiated. COO Watson replied that has already been negotiated and it is a discount from current rates. Commissioner Alatorre asked about the PMPM Procurement Officer, Bob Bushey stated it is \$7.90 PMPM today and will be reduced by 7% at Go Live. Commissioner Alatorre asked if this contractor would commute from Colorado. COO Watson stated the contractor would work four days per week, sometimes five, arriving normally on Monday and leaving on Friday.

Commissioner Alatorre asked Mr. Phillip Cardona of Change Health Care to make his public comments at this time.

PUBLIC COMMENT

7. Mr. Phillip Cardona appeared on behalf of Change Health Care regarding agenda item #8. Mr. Cardona stated that his organization ranked second in the RFP process, adding that his candidate lives in Thousand Oaks, California, and is available. Monday through Friday, with no travel required. He stated that the candidate has product knowledge and experience and led a similar implementation at the County Plan located in the Inland Empire. Mr. Cardona stated in terms of cost, the RFP was annualized, and that Change Health Care's rate was \$185 for a total of \$335,000 for twelve (12) months. Mr. Cardona asked for the possibility of getting estimated hours that made up the \$646,000 then a comparison could be made. Commissioner Alatorre stated the Commission also needed that information. Procurement Officer, Bob Bushey stated the RFP asked for program resources and pricing based on skillset and the estimated number of hours based on certain phases of the project. Mr. Cardona commented that it was asked to be annualized. Mr. Bushey explained that

the RFP did not ask for annualized pricing, and the cost analysis used a blended rate based on the proposed number of hours. Commissioner Alatorre asked for a review of the quantitative results and criteria. Mr. Bushey stated it is the skill set times their projected hours, times their hourly rate based on the different project phases: design, build, testing, change management. Mr. Cardona stated that he was not there to delay the project, but felt compelled to state his case in an open forum.

CEO Villani stated that due to project timing, it was necessary to move forward with a decision at this point. Supervisor Zaragoza commented that it was difficult to negotiate in open session, which is not appropriate. Commissioner Atin added that he wants more detail on the RFP process in the future, and that this was a big project that cannot wait. However, the RFP [process] is causing issues for the Commission.

Commissioner Atin motioned to award the ETP contract to DR Management. Supervisor Zaragoza seconded.

Commissioner Swenson offered advice to staff. In previous RFP's there were presentations done by the three (3) vendors. Those presentations provided the Commission with good data and should be used as a guide going forward.

Commissioner Alatorre asked if the decision could be delayed one (1) or two (2) months. He commented that he could not see paying double for one person, adding that this was a sole-source contract that was presented in February. He stated his concerns around the contract in that the consultant had been hired in December and was working when the contract was brought to the Commission in February. Originally, the project was going to be run by Chief Operating Officer, Ruth Watson and her team, who has the expertise in house. Commissioner Alatorre stated that believed the project could be delayed one month to provide the Commission more information.

Commissioner Cho requested clarification on the responsibility of the Commission. CEO Villani stated the Commission delegates to staff to make key decisions and staff's recommendations are presented to Commission. The Commission then judges the information presented and do they trust the information provided. In the past, staff has made recommendations and the Commission has gone in a different direction, which had consequences.

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

NOES: Commissioners Antonio Alatorre and Laura Espinosa.

ABSENT: Commissioners Lanyard Dial, M.D., and Johnson Gill. Commissioner Pawar was not present at time of vote.

Commissioner Alatorre declared the motion carried.

Commissioner Ashworth asked for the RFP process to be reviewed at the next Commission meeting.

9. Secure Additional Medi-Cal Funds through an Intergovernmental Transfer

RECOMMENDATION: Authorize and direct the Chief Executive Officer to provide DHCS with a proposal to the State of California. Authorize and direct the Chief Executive Officer to execute the Health Plan Provider Agreement between Gold Coast Health Plan and the County of Ventura to secure additional FY 2017-18 and FY 2018-19 IGT funding.

Chief Financial Officer, Kashina Bishop, stated she was not aware that this required Commission approval as it was not required at her previous Plan [also a COHS]. She stated the process had already been started and that she was bringing this forward now for Commission approval. She explained that there is no financial impact to the Plan but included a small revenue that would be received.

Commissioner Ashworth asked if this was waiver dependent. CEO Villani stated what gets renewed is less reliant on federal funding. Commissioner Ashworth stated we have this year and next year to optimize.

Commissioner Swenson motioned to approve authorization. Commissioner Ashworth seconded.

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

NOES: None.

ABSENT: Commissioners Lanyard Dial, M.D., and Johnson Gill.

Commissioner Alatorre declared the motion carried.

10. Signature Authority Policy Revisions

RECOMMENDATION: Approve the revisions associated with this new Signature Authority Policy.

Chief Financial Officer, Kashina Bishop, provided background on the signature authority policy revisions. She explained that most contracts exceed \$100,000 when presented to Commission and that the revision would provide a detailed schedule of contracts coming up for renewal including the description, type of contract, terms, estimated annual cost, cumulative cost, budget impact and expiration. CFO Bishop stated this revision will improve the process to provide transparency. In summary, rather than bring these contracts individually to the Commission as they renew each

year, staff would bring them in the detailed report during the fiscal year budget process.

Discussion occurred between the Commission and staff around the policy. Supervisor Zaragoza asked if there was a cap above \$100,000 for contracts. Procurement Officer, Bob Bushey responded there was no cap. Supervisor Zaragoza asked if there was a not to exceed amount. Mr. Bushey stated the new cumulative amount and new term will be given. Commissioner Espinosa commented that this was the second time a similar item had been presented to the Commission. She asked if this gives the CEO permission to approve over the \$100,000 threshold. CFO Bishop stated the change would provide the Commission the same level of detail on the contracts but streamline the process. Commissioner Espinosa stated there needs to be more checks and balances rather than streamlining. Commissioner Alatorre commented that in December, the contract with Debbie Rieger was never presented prior to her start. The contract was then approved for \$200,000 in February, as she was already working. He asked what happens if something similar was to happen. CEO Villani responded that Ms. Rieger's contract was presented to the Commissioner because it was going over the \$100,000 threshold and that staff was not requesting a change to signature authority. Commissioner Alatorre stated this specific signature authority relating to the ETP project was already voted upon and Commissioner voted no. He stated his concern that contracts are being snuck through, instead this will give more transparency. CFO Bishop stated this is not changing the process or information provided to the Commission, it is just getting approval in the budgeting process. CFO Bishop clarified that if the updated policy was in effect, the ETP project manager would have still required Commission approval as it was not specifically budgeted. Commissioner Atin asked if this process could be piloted for one (1) cycle with the option to change back if Commission is not satisfied.

Commissioner Atin motioned to approve policy for one (1) fiscal year as a pilot with the option to return to prior process if not acceptable to the Commission. Supervisor Zaragoza seconded.

AYES: Commissioners Fred Ashworth, Shawn Atin, Theresa Cho, M.D., Dee Pupa, Jennifer Swenson and Supervisor Zaragoza.

NOES: Commissioners Antonio Alatorre, Laura Espinosa and Gagan Pawar, M.D.

ABSENT: Commissioners Lanyard Dial, M.D., and Johnson Gill.

Commissioner Alatorre declared the motion carried.

Commissioner Espinosa stated she will expect more explanation at the Executive Finance Committee meeting.

11. March 2019 Financials Report

RECOMMENDATION: Receive and file the March 2019 Financials Report.

Chief Financial Officer Kashina Bishop, reviewed the PowerPoint presentation. There was a significant loss of \$13.6 million for the month of March. There were two (2) major adjustments that occurred. One was related to Proposition 56 funds, which were reviewed. The second was the estimate of medical expenses for which a service has been performed but the claim has not been received. It is a significant estimate and CFO Bishop stated she had engaged a consultant to review and improve how it was calculated. Commissioner Swenson stated it is a change in methodology. CFO Bishop stated that was correct. CFO Bishop reviewed the medical expenses, the historical per member per month average and the budget variances by service line. On a per member per month basis, medical expenses were stable in calendar year 2018 with a spike in the first quarter of 2019 mostly related to high dollar claims. Commissioner Pupa stated it would be helpful to include re-insurance offset, it is important. CFO Bishop stated re-insurance is \$4.5 million over budget. Commissioner Ashworth asked CFO Bishop to segregate out the impact of change in estimate by service line. Commissioner Swenson asked if there was a plan around administrative service days. COO Watson stated we are trying to figure this out but the challenge is often these patients have no place to go. Chief Medical Officer, Nancy Wharfield, M.D., stated the day to day approach has not changed. There is a big disconnect between service and housing. Commissioner Swenson stated homelessness is on the rise. Commissioner Ashworth asked if this might be a CAC opportunity to help identify other resources which will help these patients. COO Watson stated she will bring this issue up with CAC.

CFO Bishop reviewed the financial statement summary. The year-end projection is estimated at a \$39 million loss for the year. CFO Bishop explained that staff was currently working on the FY 19-20 budget, and reviewed the next steps. A call with DHCS is pending. CEO Villani stated membership is declining. Commissioner Atin stated we need to see trending projection over the next year to year and a half. He asked why we are losing more money than other plans. CFO Bishop stated there was a decision to make significant contracting changes, which were effective July 1, 2017. CEO Villani stated we do not have the TNE to cover continued losses. When TNE policy was changed, it was agreed we would pay more to draw down the TNE. This is not driven by volume, it is done by rates. COO Watson stated the plan is still young and we don't have many years of accumulated reserves we were also the only plan to pay fee for service rates. Commissioner Atin stated he would like more information at the next meeting. CEO Villani stated the Executive Finance Committee will review and there will be a presentation to the Commission.

REPORTS

12. Chief Medical Officer (CMO) Report

RECOMMENDATION: Receive and file the report

Chief Medical Officer, Nancy Wharfield, M.D., discussed population health, the study cost of homelessness and also Whole Person Care, which is funded with federal monies. She informed the Commission that measles continues to be an issue, but has not hit Ventura County yet. It is a very infectious disease.

Five (5) nursing students from California State University Channel Islands worked collaboratively with GCHP on internal processes, which included population health and public health perspectives.

In the regular pharmacy costs and trends report, the prescription volume chart finally was in line with the projected model.

Supervisor Zaragoza asked if Dr. Wharfield knew if the CSUCI students have secured employment. CMO Wharfield stated the program is filled with first generation graduates, and it is a really impressive program.

13. Chief Diversity Officer (CDO) Report

RECOMMENDATION: Receive and file the report.

Chief Diversity Officer, Ted Bagley, stated the homeless veteran population has increased and is affecting GCHP numbers. He informed the Commission that he did not receive any hotline calls this month. There were also no investigations. There is progress in the organization.

There is a scheduled Diversity Training, but due to Commissioner schedules, it has been difficult to have the majority present. The training will need to be rescheduled.

CDO Bagley wanted to note that as a group, all need to be more respectful of one another, both in the audience and at the table. Issues need to be attacked, not people. There are high emotions due to the subject matter, but there needs to be more control. The issues are emotional, not cultural. There needs to be protection for all and not wait until something happens. It is not abnormal to have security at meetings. Supervisor Zaragoza stated he belongs to various agencies and he received a refresher on Brown Act guidelines. He suggested a review of the Brown Act and Roberts Rules of Order. Public speakers need to address the Commission and not staff. He suggested a workshop to understand the protocol. If a person is out of order, they should be asked to leave. CEO Villani stated he will have General Counsel, Scott Campbell, conduct a Brown Act 101 overview.

14. Chief Operating Officer (COO) Report

RECOMMENDATION: Receive and file the report.

Chief Operating Officer, Ruth Watson, addressed the VSP issue with Clinicas del Camino Real (CDCR). CDCR optometrists are not on the website because they have different participation criteria for credentialing. The way it is listed now, they do not qualify, according to VSP, on a number of issues. CDCR is a gap provider for VSP. We are waiting for a final list of Optometrists from Clinicas. Ms. Velasco, CFO for CDCR, has been contacted on three different occasions requesting this list. Rearrangement of the website is a bigger challenge than it appears. COO Watson stated the biggest challenge is to streamline the process. Commissioner Alatorre asked if there is different technology for Medi-Cal recipients used by VSP. COO Watson responded when Medi-Cal recipients go on-line, they need to enter Medi-Cal as the product. Executive Director of Network Operations, Steve Peiser, stated the system is the same for all providers.

COO Watson reviewed the dashboard graph and call center metrics noting that membership in May increased slightly. Medicaid membership trends nationwide are down by 4%. When unemployment rates are low, Medi-Cal membership also drops. The most notable trend for the Plan is that grievances have increased by 300% due to a change in how they are captured by the Call Center. At the next meeting, COO Watson will present detailed information on the impact on our system of care, and auto-assignment policy impact.

Commissioner Ashworth asked about overlay TNE percentage from the financial report against the enrollment report for comparison.

Commissioner Alatorre motioned to receive and file all reports (Agenda Items 2, 11, 12, 13 and 14). Commissioner Pupa seconded.

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

NOES: None.

ABSENT: Commissioners Lanyard Dial, M.D., and Johnson Gill.

Commissioner Alatorre declared the motion carried.

COMMENTS FROM COMMISSIONERS

Commissioner Laura Espinosa announced there will be a Senior Festival in Santa Paula, where health screenings will be provided.

ADJOURNMENT

Commissioner Alatorre adjourned the meeting.

The regular meeting ended at 5:55 p.m.

Approved:

Maddie Gutierrez, CMC
Clerk to the Commission

AGENDA ITEM NO. 2

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Nancy Wharfield, Chief Medical Officer

DATE: June 24, 2019

SUBJECT: Approval of Credentials / Peer Review Committee Member

Summary:

As directed in the Gold Coast Health Plan Provider Credentialing Policy, the Ventura County Medi-Cal Managed Care Commission is required to approve changes to the Credentials / Peer Review Committee membership.

Julian Becher, M.D., board certified Family Practice doctor at Clinicas del Camino Real, Inc., has been nominated to replace Daniel Lu, M.D., as an active member of the Credentials / Peer Review Committee.

Recommendation:

Approve Julian Becher, M.D., as an active member of the Credentials / Peer Review Committee.

AGENDA ITEM NO. 3

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Kashina Bishop, Chief Financial Officer

DATE: June 24, 2019

SUBJECT: FY 2019-20 Insurance and Reinsurance Renewals

SUMMARY:

The annual insurance policies (Management Liability, Cyber, Package, Auto, and Umbrella) and reinsurance policy for high cost claims coverage are due for renewal. The current policies expire on June 30, 2019.

BACKGROUND/DISCUSSION:

Risk Strategies Inc., the Plan's insurance broker, has taken the policies to market and are in the process of finalizing the quotes and recommendations. Initial quotes, which are subject to change until the coverage is bound, indicate minimal change to premiums as noted in the below comparison.

Coverage	Carrier	Expiring Premium	Renewal Premium	% Change
D&O / EPL	RSUI	\$127,960	\$127,960	0.0%
Excess D&O #1	Argo	\$50,200	\$50,200	0.0%
Excess D&O #2	AIG	\$75,000	\$75,000	0.0%
Excess D&O #3 (Side A Only)	Liberty	\$30,000	\$30,000	0.0%
Fiduciary	AIG	\$4,050	\$4,200*	3.7%
Crime	AIG	\$6,889	\$6,579	-4.5%
MC E&O	AIG	\$76,702	\$83,400	8.7%
Cyber	Lloyds-Aspen	\$109,000	\$109,000*	0.0%
Package	Chubb	\$2,418	\$2,418*	0.0%
Auto	Chubb	\$193	\$193*	0.0%
Umbrella	Chubb	\$515	\$515*	0.0%
TOTALS:		\$482,927	\$489,465	1.4%

Notes:

1. Premiums do not include applicable taxes and fees
2. *Estimates

For reinsurance, Risk Strategies took the policies to market and the recommended coverage and rate structure remains consistent with the current fiscal year. The Plan is in final review and negotiations with the top two carriers, Starline and Sequoia Re. The most competitive quote is from Sequoia Re, with a pay rate of \$1.40 per member per month, an increase of \$.10 from the current pay rate with Starline of \$1.30 per member per month.

	StarLine	Sequoia
Policy Period	7/1/2019-7/1/2020	7/1/2019-7/1/2020
Members Covered	Medi-Cal	Medi-Cal
Claims Basis	12/18/20	12/19/20
Valuation	Lesser of Amount Paid, billed charges or the contracted amount	Lesser of Amount Paid, billed charges or the contracted amount
Coinsurance	90%	90%
Retention	\$650K	\$650K
Limit	\$2M	\$2M
Carry Forward	Granted	Granted
Alternative Funding	ASD	ASD
Services Covered	All Services at Risk	All Services at Risk
Minimum Premium	None	75% of the first month's premium X annual enrollment
Experience Refund	None Offered	Only with Traditional rates, 65% of premium, less claims, times 35%. Minimum premium \$500K
Exclusions	<p>California Children's Services</p> <p>Non-Emergency Medical Transportation</p> <p>Transplant Travel Expense</p> <p>Retail Pharmacy</p> <p>Physician Services: Except POS 81 and services included as part of Transplant when part of global transplant rate.</p>	<p>California Children's Services</p> <p>Non-Emergency Medical Transportation</p> <p>Transplant Travel Expense</p> <p>Retail Pharmacy</p> <p>Physician Services: Except POS 81 and services included as part of Transplant when part of global transplant rate.</p>

FISCAL IMPACT:

The total insurance premiums are approximately \$500,000 and included in the FY 2019-20 budget. Sequoia Re ASD renewal quote received was \$1.40 per member per month, an estimated total premium of \$3,300,000 which represents a 7.7% increase from the current fiscal year. The amount is included in the FY 2019-20 budget.

RECOMMENDATION:

Staff is recommending the Commission approve and authorize binding insurance and reinsurance with the final recommended carriers.

AGENDA ITEM NO. 4

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Dale Villani, Chief Executive Officer

DATE: June 24, 2019

SUBJECT: Chief Executive Officer Update

CEO HIGHLIGHTS

GCHP Senior Corporate Counsel

I am pleased to announce that Kelly Ryan has joined GCHP as our senior corporate counsel.

Kelly worked previously with us for a number of years as outside counsel. She has more than 20 years of legal experience, which includes assisting health plans and provider organizations with health care licensing, regulatory compliance and audits, and contracting. Kelly has expertise in Medi-Cal and government programs from her work in private practice, as in-house counsel for Molina Healthcare, and as senior licensing counsel for the state Department of Managed Health Care. Kelly, who works remotely from Sacramento, is responsible for supporting in-house legal needs of the Plan, in particular contract and procurement processes for Gold Coast Health Plan (GCHP).

GOVERNMENT AFFAIRS AND COMMUNITY RELATIONS UPDATE

GCHP in the Community

In the fourth quarter of 2019, GCHP awarded sponsorships to the following organizations:

- **Kids & Families Together:** A sponsorship was awarded to the “A Home for the Holidays” event.
- **Future Leaders of America:** A sponsorship was awarded to the Youth Leadership Conference being held in July and August 2019.

GCHP staff attended the Ventura County Housing Trust Fund’s annual event to support development of new affordable housing in Ventura County. This year’s event highlighted the need to develop housing to provide a reliable local workforce, thereby boosting the region’s economy and business outlook. Fiona Ma, California’s State Treasurer was the keynote speaker. GCHP staff also attended the City of Oxnard’s State of the City Address organized by the Oxnard Chamber of Commerce.

On June 19, GCHP's member services manager, Luis Aguilar, was interviewed on La Mexicana radio station (KOXR 910 AM) during "El Mercadito," the station's on-air marketplace. Luis gave a brief overview of the Plan and informed listeners of their rights as members – including how to go about changing their doctor or clinic and encouraging them to reach out to the Plan when they encounter problems so that we have an opportunity to resolve them. It was a great opportunity to connect with our community and we look forward to doing more interviews in the coming months.

Finally, the Community Relations team participated in the Sembrando Salud 5K and Wellness Resource Fair hosted by the Reiter Affiliated Companies. The event is intended to inform farmworkers of illnesses that disproportionately affect their communities, such as obesity and diabetes while encouraging the adoption of healthy habits amongst all employees. This event was held at Oxnard College.

Legislative Advocacy in Washington, D.C.

On June 18, GCHP's Chief Administrative Officer (CEO) and the Director of Government and Community Relations participated in the Association for Community Affiliated Plans (ACAP's) Legislative Advocacy "Fly-In". This event is held tri-annually to allow ACAP member plans to meet with members of Congress and their staff to discuss federal legislation and policies that may affect the Medicaid/Medi-Cal program. GCHP staff met with Congresswoman Katie Hill along with staff from Congress Representatives Julia Brownley and Salud Carbajal.

California FY 2019-20 Budget Update

On June 14, the Legislature voted on a \$214 billion spending plan. One of the major policy issues included in the final budget was the expansion of full-scope Medi-Cal for young adults, 19 to 25 years old, regardless of immigration status. Coverage would begin no sooner than January 1, 2020. It is estimated that 90,000 young adults will have health coverage.

The Legislature also adopted language to authorize a new Medicaid Managed Care tax, the current tax will sunset at the end of the fiscal year. It is important to note that the Governor's proposed budget did not include language on renewing the MCO Tax, which is used to draw down substantial federal funds. The Department of Health Care Services (DHCS) informed legislators that it is unlikely that the federal government would approve a new MCO tax.

Additionally, the budget, voted on by the Legislature, includes new and on-going allocations for Proposition 56 funds, including \$4 million in ongoing funding for pediatric subacute facilities, \$13.7 million for community-based adult services, \$5.6 million for non-emergency medical transportation providers, and \$2 million for pediatric hospital-based physician services.

Finally, the Legislature approved restoring several optical Medi-Cal benefits that were eliminated during the recession. A total of \$17.4 million was added to the budget for restoration of audiology services, incontinence creams/washes, optical services, podiatry

care, and speech therapy.

Governor Newsom now has the ability to line-item veto spending elements of the budget and will approve the budget before the start of the fiscal year on July 1.

COMPLIANCE UPDATE

DHCS Annual Medical Audit:

Audits and Investigation (A&I) conducted the annual medical audit June 3, 2019 through June 7, 2019. The week of June 10, 2019 through June 14, 2019 A&I was in ongoing communication with GCHP staff regarding follow up documentation requests and or outstanding questions. GCHP will keep the commission apprised of the audit status.

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.

Delegation Oversight:

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

Delegate	Audit Year and Type	Audit Status	Date CAP Issued	Date CAP Closed	Ongoing Monitoring
Conduent	2017 Claims	Open	12/28/2017	Under CAP	Open item system configuration change will be modified in new system
Kaiser	2018 Annual Claims	Open	9/23/2018	Under CAP Pending Closure	N/A
Conduent	2018 Annual Claims	*Open	6/20/2018	Under CAP	Ongoing monitoring imposed
Beacon Health Options	2018 Annual Claims	*Open	6/26/2018	Under CAP & Under Financial Sanctions	Ongoing monitoring imposed
Beacon Health Options	2018 6 month Claims (focused) audit	*Open	11/21/2018	Under CAP & Under Financial Sanctions	Ongoing monitoring imposed
Clinicas del Camino Real, Inc.	2018 Annual Claims Audit	*Open	12/28/2018	Under CAP	Ongoing monitoring imposed
USC Keck	2019 Annual Credentialing	Closed	March 4, 2019	April 12, 2019	
Optum	2019 Annual Audit (C&L, FWA, HIPAA, UM, Credentialing)	Open	March 4, 2019	Under CAP	
CDCR	Concurrent UM Quarterly Audit	Closed	May 9, 2019	N/A (CAP not issued)	
Beacon Health Options	Concurrent UM Quarterly Audit	Closed	April 11, 2019	N/A (CAP not issued)	
Beacon Health Options	Call Center	Open	May 23, 2019	Under CAP	
VTS	Call Center	Open	April 26, 2019	Under CAP	

**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 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.

RECOMMENDATION:

Receive and file the CEO Update.

AGENDA ITEM NO. 5

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Ruth Watson, Chief Operations Officer

DATE: June 24, 2019

SUBJECT: Contract Award Approval – Ventura Transit Systems

SUMMARY:

GCHP staff seek approval to enter into a contract with a Ventura Transit Systems (VTS) for the provision of Non-Medical Emergency (NEMT) and Non-Medical Transportation (NMT) services designed to improve member access, build a new transportation model and improve our members overall transportation experience.

BACKGROUND/DISCUSSION:

GCHP staff engaged in the development and implementation of a Request For Proposal (RFP) for NEMT and NMT services in mid-August of 2018. Currently, Gold Coast Health Plan delegates its transportation operations to one broker/manager, who subcontracts with a number of transport providers throughout Ventura County to offer NMT and NEMT services to Gold Coast Health Plan members. The broker/manager will be responsible for ensuring non-emergent transport services across the county and will handle most business functions, with the exception of Utilization Review (UR) authorization functions, and handling of complaints and grievances, which will be handled by Gold Coast Health Plan

Through this RFP process, it was the goal of Gold Coast Health Plan to partner with an NEMT/NMT transport company to further develop innovative ways that will allow us to best meet the transportation needs of our diverse membership and improve their overall transportation experience. This RFP presented an opportunity for Gold Coast Health Plan to re-shape how we transport our members to their appointments and back home in a safe, reliable, timely and cost-effective manner.

On August 17, 2018, the Plan publically posted and issued Request For Proposal, (“RFP”) #GCHP072718 to the following thirteen, (13) vendors requesting a proposal due date of October 1, 2018.

Logisiticare
MTM
Ventura Transit System
Conejo Valley Transit

American Logistics
Ventura County Public Transport
Call the Car
Coordinated Transportation Solutions, Inc.
Veyo
Transport Assist
Mendez Transport, LLC
Sycamore Transport
Ride N Care

The Plan received proposals from the following six vendors.

Logisiticare
MTM
Ventura Transit Systems
Secure Transportation
Veyo
Capital Transit

After review of the security risk assessment, Secure Transit Systems, Veyo and Capital Transit were eliminated based on not meeting the Plan's PHI security requirements. Using predetermined weighted evaluation criteria, a cross functional team scored each of the remaining three, (3) proposals against the RFP's qualitative and quantitative requirements. The results are as follows:

Qualitative Scores:

Logisiticare	MTM	Ventura Transit Systems
75.29	73.32	73.82

Quantitative Scores

Logisiticare	MTM	Ventura Transit Systems
7.25	7.02	10

Overall Scores (High to Low):

Vendor	Score
Ventura Transit Systems	83.82
Logisiticare	82.54
MTM	80.34

FISCAL IMPACT:

The projected dollar amount for this two year engagement should not exceed \$14,000,000.00. The annual amount is in the approved FY 19/20 budget plan.

RECOMMENDATION:

It is the Plan's recommendation to award this two year Department of Health Care Services approved agreement to Ventura Transit Systems based on fair and open competition.

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

AGENDA ITEM NO. 6

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Kashina Bishop, Chief Financial Officer

DATE: June 24, 2019

SUBJECT: April 2019 Fiscal Year to Date Financials

SUMMARY:

Staff is presenting the attached April 2019 fiscal year-to-date (FYTD) financial statements of Gold Coast Health Plan for the Commission to accept and file. The Executive / Finance Committee has reviewed these financials and has recommended approval.

BACKGROUND/DISCUSSION:

The staff has prepared the April 2019 FYTD financial package, including statements of financial position, statement of revenues, expenses and changes in net assets, and statement of cash flows.

FISCAL IMPACT:

Financial Highlights

- There was a decrease in net assets of \$4.9 million for the month of April.
- For the fiscal year ended April 30, 2019, the Plan's performance is a decrease in net assets of \$35.8 million, which is an unfavorable budget variance of \$26 million.
- April FYTD net revenue was \$604.4 million, \$19.1 million higher than budget.
- Cost of health care was \$604.8 million, \$54.1 million higher than budget.
- The medical loss ratio was 100.1% of revenue, which is 6.0% higher than the budget.
- The administrative cost ratio was 6.4%, 1.3% lower than budget.
- April membership of 198,443 which is 2,741 below the budgeted average.
- Tangible Net Equity was \$96.3 million which represents one and a half months of operating expenses in reserve and 292% of the required amount by the State.

Revenue

Base revenue is in line with budget expectations. The budget variance is being driven by Proposition 56 funding which was not included in budget as it was projected to be neutral to the bottom line. The Direct Payments line item under medical expenses in the amount

of \$10.5 million is the associated expense for the additional Proposition 56 payments to providers.

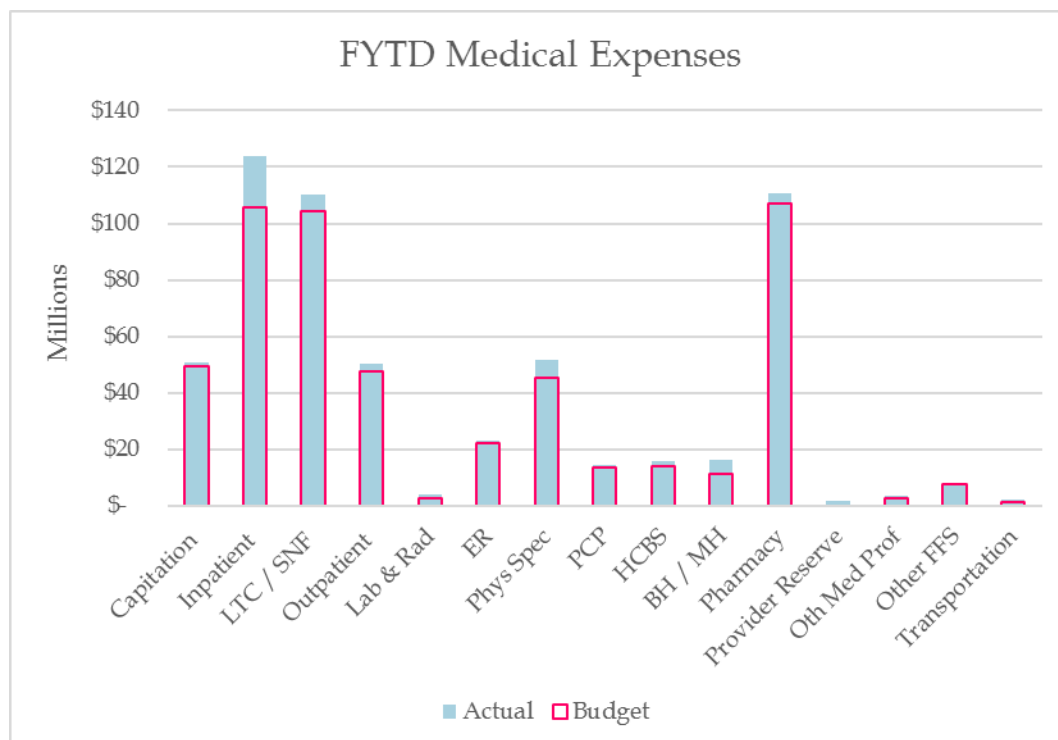
Note: Proposition 56 increased the excise tax rate on cigarettes and tobacco products for purposes of funding specified expenditures, including specified services in managed care effective July 1, 2017.

MCO Tax

MCO tax is a pre-determined liability in accordance with Senate Bill X2-2, passed in October 2016. The Plan's MCO tax liability for FY 2019 is \$94.5 million, accrued at a rate of approximately \$7.9 million per month and paid on a quarterly basis.

Health Care Costs

April FYTD health care costs were \$604.8 million, which was \$54.1 million higher than budget. The medical loss ratio (MLR) was 100.1% versus 94.1% for budget. While we are noting some significant variances from budget, at a high level, medical expenses on a per member per month basis have stabilized with an increase in the first quarter of calendar year 2019 due to an increase in high dollar cases.



As displayed in the above graph, medical expenses are over budget in several service categories. The cause of the significant variances are as follows:

- **Inpatient exceeded budget by \$17.8 million (16.8%).**
The inpatient costs for the month of April increased significantly from prior months due to a number of high dollar cases (over \$100K) paid in the first quarter of 2019. There have been a number high dollar cases – most related to sepsis, cancer, transplants and heart surgery. The expense is offset by reinsurance claims; the reinsurance line item is a positive budget variance of \$4.5 million.
- **Physician Specialty exceeded budget by \$6.4 million (14%).**
The two highest specialties with significant increases to utilization are physical therapy and Dermatology. In a 6 month period, physical therapy increased by over \$600,000. New authorization requirements were implemented on December 1, 2018 which may reduce costs. Dermatology increased almost \$500,000 in a 6 month period and this is attributed to a single practitioner that is currently being monitored. We anticipate that these expenses will start to decrease.
- **Home & Community Based Services exceeded budget by \$1.6 million (11.4%).**
The increase is in part is related to hospice services that have steadily increased as a result of the Palliative Care benefit mandated by DHCS effective January 2018.
- **Applied Behavior Analysis and Mental Health were \$2.7 million (45.3%) and \$1.8 million (34.3%) over budget, respectively.**
There has been a steady increase in utilization which seems to be stabilizing.
- **Pharmacy exceeded budget by \$3.3 million (3.1%).**
The primary drug class driving the budget variance is dermatologicals. Recent actions by the Pharmacy and Therapeutics Committee to remove high cost dermatological generics and non-FDA approved drugs are proving effective in reducing the costs.
- **Provider reserve in the amount of \$1.9 million was not budgeted.**
This is accrued amounts based on the potential for a provider to earn back all or a portion of withheld capitation under an incentive program.

Administrative Expenses – For the fiscal year to date through April, administrative costs were \$38.9 million and \$6.3 million below budget. As a percentage of revenue, the administrative cost ratio (or ACR) was 6.4% versus 7.7% for budget.

Cash and Short Term Investment Portfolio – At April 30th, the Plan had \$148.3 million in cash and short-term investments. The investment portfolio included Ventura County Investment Pool \$41.6 million; LAIF CA State 5.1 million; the portfolio yielded a rate of 2.5%.

Medi-Cal Receivable – At April 30th, the Plan had \$85.0 million in Medi-Cal Receivables due from the DHCS.

RECOMMENDATION:

Approve the April 2019 Fiscal Year to Date Financials.

ATTACHMENT:

April 2019 Financial Package



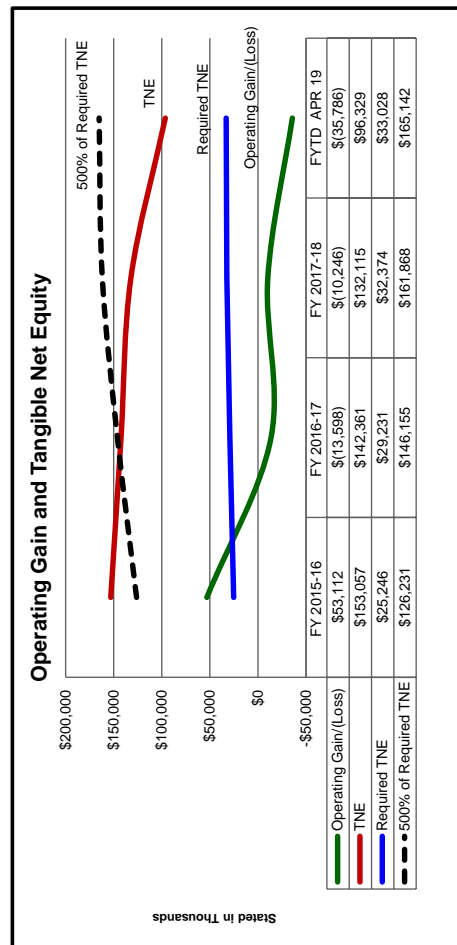
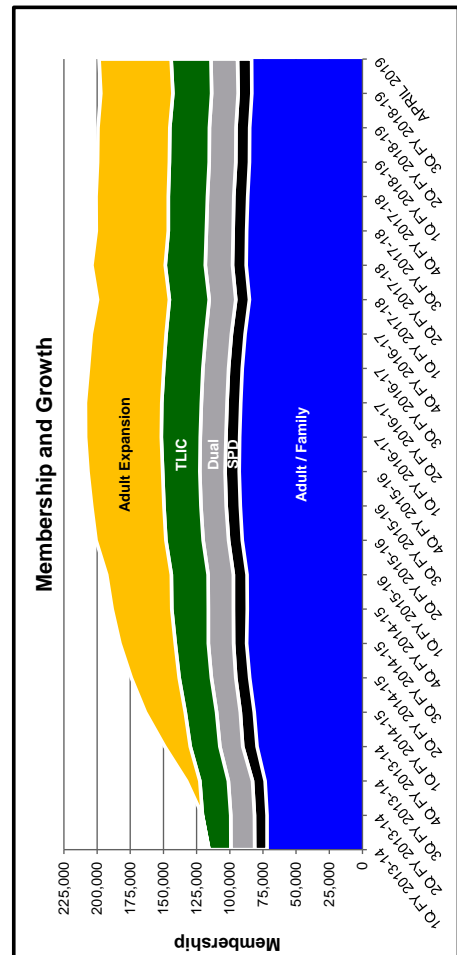
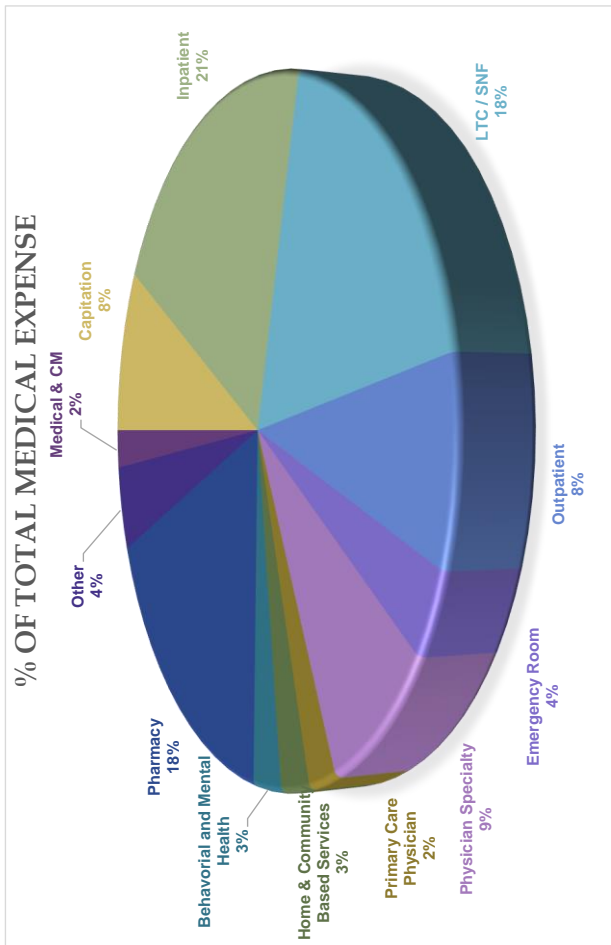
FINANCIAL PACKAGE
For the month ended April 2019

TABLE OF CONTENTS

- 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 April 30, 2019

	FYTD 18/19 Budget	FYTD 18/19 Actual	FY 17/18 Actual	FY 16/17 Actual
Average Enrollment	202,343	198,299	202,748	207,100
Revenue	\$ 289,24	\$ 304.44	\$ 284.60	\$ 273.72
Capitation	\$ 24.34	\$ 25.69	\$ 13.90	\$ 26.22
Inpatient	\$ 52.31	\$ 62.34	\$ 58.98	\$ 53.44
LTC / SNF	\$ 51.52	\$ 55.51	\$ 51.30	\$ 47.86
Outpatient	\$ 23.44	\$ 25.38	\$ 25.74	\$ 23.17
Emergency Room	\$ 11.00	\$ 11.61	\$ 12.77	\$ 9.07
Physician Specialty	\$ 22.48	\$ 26.16	\$ 23.82	\$ 22.55
Primary Care Physician	\$ 6.63	\$ 7.22	\$ 6.78	\$ 6.45
Home & Community Based Services	\$ 7.01	\$ 7.97	\$ 6.88	\$ 7.33
Behavioral and Mental Health	\$ 5.66	\$ 8.10	\$ 6.37	\$ 4.57
Pharmacy	\$ 53.01	\$ 55.77	\$ 49.76	\$ 47.76
Other	\$ 8.55	\$ 13.22	\$ 9.48	\$ 6.57
Medical & CM	\$ 6.18	\$ 6.01	\$ 4.79	\$ 4.92
Total Per Member Per Month	\$ 272.13	\$ 304.98	\$ 270.57	\$ 259.91
% of Revenue	94.1%	100.2%	95.1%	95.0%
Total Administrative Expenses	\$ 45,158,437	\$ 38,907,842	\$ 49,015,352	\$ 51,176,317
% of Revenue	7.7%	6.4%	7.1%	7.5%
TNE	\$ 119,110,334	\$ 96,329,365	\$ 132,115,371	\$ 142,360,951
Required TNE	\$ 29,981,572	\$ 32,995,492	\$ 32,373,536	\$ 29,231,052
% of Required	397%	292%	408%	487%



STATEMENT OF FINANCIAL POSITION

	<u>04/30/19</u>	<u>03/31/19</u>	<u>02/28/19</u>
ASSETS			
Current Assets:			
Total Cash and Cash Equivalents	\$ 101,647,151	\$ 186,238,369	\$ 96,950,115
Total Short-Term Investments	46,692,826	46,661,093	46,520,731
Medi-Cal Receivable	85,081,420	85,033,618	105,452,919
Interest Receivable	490,638	386,826	440,728
Provider Receivable	327,370	295,133	384,421
Other Receivables	6,780,216	6,780,916	6,781,626
Total Accounts Receivable	92,679,644	92,496,494	113,059,694
Total Prepaid Accounts	1,714,314	1,709,046	1,726,030
Total Other Current Assets	153,789	168,060	170,560
Total Current Assets	242,887,724	327,273,062	258,427,130
Total Fixed Assets	1,674,470	1,698,061	1,725,626
Total Assets	\$ 244,562,194	\$ 328,971,122	\$ 260,152,756
LIABILITIES & NET ASSETS			
Current Liabilities:			
Incurred But Not Reported	\$ 56,947,245	\$ 53,636,086	\$ 45,755,782
Claims Payable	24,316,267	39,518,458	35,941,444
Capitation Payable	28,852,654	28,800,886	28,681,916
Physician Payable	3,495,375	3,495,375	5,199,782
DHCS - Reserve for Capitation Recoup	3,337,147	2,721,112	0
Accounts Payable	9,048,552	719,178	217,748
Accrued ACS	3,319,764	3,335,302	3,224,668
Accrued Provider Reserve	1,842,677	1,689,926	1,536,819
Accrued Expenses	8,314,632	69,444,453	8,396,265
Accrued Premium Tax	5,811,650	21,562,481	13,687,065
Accrued Payroll Expense	1,817,759	1,704,001	1,528,455
Total Current Liabilities	147,103,723	226,627,257	144,169,945
Long-Term Liabilities:			
Other Long-term Liability-Deferred Rent	1,129,106	1,129,812	1,129,483
Total Long-Term Liabilities	1,129,106	1,129,812	1,129,483
Total Liabilities	148,232,829	227,757,069	145,299,428
Net Assets:			
Beginning Net Assets	132,115,371	132,115,371	132,115,371
Total Increase / (Decrease in Unrestricted Net Assets)	(35,786,006)	(30,901,318)	(17,262,043)
Total Net Assets	96,329,365	101,214,053	114,853,328
Total Liabilities & Net Assets	\$ 244,562,194	\$ 328,971,122	\$ 260,152,756

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR TEN MONTHS ENDED APRIL 30, 2019**

	April 2019	April 2019 Year-To-Date		April 2019 Year-To-Date		Variance
	Actual	Budget	Actual	Budget	Fav / (Unfav)	Variance
	PMPM - FYTD					
Membership (includes retro members)	198,443		2,023,425	(40,439)	-2.00%	
Revenue						
Premium	72,021,317	685,789,052	662,152,997	23,636,055	3.57%	18.59
Reserve for Cap Requirements	(616,035)	(3,337,147)	-	(3,337,147)	0.00%	(1.68)
MCO Premium Tax	(7,875,415)	(78,754,153)	(76,890,211)	(1,863,941)	2.42%	(39.71)
Total Net Premium	63,529,866	603,697,753	585,262,786	18,434,967	3.15%	15.20
Other Revenue:						
Miscellaneous Income	686,625	686,625	-	686,625	0.00%	0.35
Total Other Revenue	686,625	686,625	-	686,625	0.00%	0.35
Total Revenue	64,216,491	604,384,378	585,262,786	19,121,592	3.27%	15.54
Medical Expenses:						
Capitation (PCP, Specialty, Kaiser, NEMT & Vision)	5,152,427	50,940,241	49,243,790	(1,696,450)	-3.45%	25.69
FFS Claims Expenses:						
Inpatient	15,114,568	123,627,347	105,846,947	(17,780,400)	-16.80%	62.34
LTC / SNF	11,883,159	110,077,281	104,244,051	(5,833,230)	-5.60%	55.51
Outpatient	6,159,208	50,335,886	47,428,390	(2,907,496)	-6.13%	25.38
Laboratory and Radiology	460,690	3,622,371	2,866,712	(755,659)	-26.36%	1.83
Directed Payments - Provider	779,719	10,501,437	-	(10,501,437)	0.00%	5.30
Emergency Room	2,339,489	23,015,440	22,256,949	(758,491)	-3.41%	11.61
Physician Specialty	5,780,195	51,865,856	45,495,992	(6,369,864)	-14.00%	26.16
Primary Care Physician	1,538,266	14,322,214	13,421,688	(900,527)	-7.11%	7.22
Home & Community Based Services	1,341,562	15,796,623	14,183,079	(1,613,545)	-11.38%	7.97
Applied Behavior Analysis Services	970,818	8,905,745	6,130,328	(2,775,418)	-45.27%	4.49
Mental Health Services	380,622	7,153,768	5,326,010	(1,827,757)	-34.32%	3.61
Pharmacy	10,843,789	110,598,221	107,262,630	(3,335,591)	-3.11%	55.77
Provider Reserve	152,751	1,942,677	-	(1,942,677)	0.00%	0.98
Other Medical Professional	461,621	3,494,239	2,803,634	(690,605)	-24.63%	1.76
Other Medical Care	3,250	28,748	-	(28,748)	0.00%	0.01
Other Fee For Service	966,057	7,778,534	7,600,152	(178,382)	-2.35%	3.92
Transportation	186,065	2,053,325	1,455,026	(598,299)	-41.12%	1.04
Total Claims	59,361,828	545,119,712	486,321,586	(58,798,126)	-12.09%	274.90
Medical & Care Management Expense	1,234,224	11,915,665	12,494,813	579,148	4.64%	6.01
Reinsurance	245,235	(1,907,102)	2,569,006	4,476,108	174.24%	(0.96)
Claims Recoveries	(312,165)	(1,299,217)	-	1,299,217	0.00%	(0.66)
Sub-total	1,167,294	8,709,346	15,063,819	6,354,474	42.18%	4.39
Total Cost of Health Care	65,681,549	604,769,298	550,629,195	(54,140,103)	-9.83%	304.98
Contribution Margin	(1,465,058)	(384,920)	34,633,591	(35,018,511)	-101.11%	(0.54)
General & Administrative Expenses:						
Salaries, Wages & Employee Benefits	1,986,683	20,468,223	20,694,995	226,772	1.10%	10.32
Training, Conference & Travel	31,159	231,080	499,785	268,705	53.76%	0.12
Outside Services	2,137,860	20,811,119	22,336,006	1,524,887	6.83%	10.49
Professional Services	202,288	2,340,092	2,720,966	380,874	14.00%	1.18
Occupancy, Supplies, Insurance & Others	637,235	6,067,057	7,225,638	1,158,581	16.03%	3.06
Care Management Credit	(1,234,224)	(11,915,665)	(12,494,813)	(579,148)	4.64%	(6.01)
G&A Expenses	3,761,000	38,001,906	40,982,577	2,980,671	7.27%	19.16
Project Portfolio	86,868	905,937	4,175,860	3,269,924	78.31%	0.46
Total G&A Expenses	3,847,869	38,907,842	45,158,437	6,250,595	13.84%	19.62
Total Operating Gain / (Loss)	(5,312,926)	(39,292,763)	(10,524,846)	(28,767,916)	273.33%	(20.16)
Non Operating						
Revenues - Interest	428,239	3,506,757	780,350	2,726,407	349.38%	1.77
Total Non-Operating	428,239	3,506,757	780,350	2,726,407	349.38%	1.77
Total Increase / (Decrease) in Unrestricted Net Assets	(4,884,687)	(35,786,006)	(9,744,496)	(26,041,509)	267.24%	(18.39)

**INCOME STATEMENT BY CATEGORY OF AID
FOR TEN MONTHS ENDED APRIL 30, 2019**

	MARCH 2019 Year-To-Date			
	<u>AE</u>	<u>SPD</u>	<u>Classic</u>	<u>Total</u>
Membership (includes retro members)	541,822	293,181	1,147,983	1,982,986
Revenue				
Premium	235,526,733	171,319,107	278,943,212	685,789,052
Reserve for Cap Requirements	(1,027,089)	(351,968)	(1,958,090)	(3,337,147)
MCO Premium Tax	(21,604,142)	(11,516,874)	(45,633,137)	(78,754,153)
Total Net Premium	212,895,502	159,450,266	231,351,985	603,697,753
Other Revenue:				
Miscellaneous Income	-	-	686,625	686,625
Total Other Revenue	212,895,502	159,450,266	232,038,610	604,384,378
Total Revenue	24,038,983	3,749,233	23,152,024	50,940,241
Medical Expenses:				
<u>Capitation (PCP, Specialty, Kaiser, NEMT & Vision)</u>				
FFS Claims Expenses:				
Inpatient	58,037,288	33,787,860	31,802,199	123,627,347
LTC / SNF	11,820,015	31,253,603	67,003,662	110,077,281
Outpatient	21,923,803	12,665,222	15,746,861	50,335,886
Laboratory and Radiology	1,673,446	448,401	1,500,523	3,622,371
Directed Payments - Provider	3,232,656	1,158,861	6,109,920	10,501,437
Emergency Room	8,435,718	2,604,829	11,974,894	23,015,440
Physician Specialty	22,925,902	11,285,400	17,654,554	51,865,856
Primary Care Physician	4,099,371	2,335,863	7,886,981	14,322,214
Home & Community Based Services	1,854,309	12,756,000	1,186,314	15,796,623
Applied Behavior Analysis Services	-	3,868,253	5,037,492	8,905,745
Mental Health Services	2,639,838	1,412,090	3,101,839	7,153,768
Pharmacy	54,651,688	24,800,332	31,146,203	110,598,222
Adult Expansion Reserve	966,687	102,213	873,778	1,942,677
Provider Reserve	1,690,398	848,182	955,659	3,494,239
Other Medical Professional	-	(2,931)	31,679	28,748
Other Fee For Service	1,554,608	4,167,584	2,056,342	7,778,534
Transportation	839,165	671,376	542,783	2,053,325
Total Claims	196,344,892	144,163,138	204,611,683	545,119,712
Medical & Care Management Expense	4,284,771	3,138,794	4,492,100	11,915,665
Reinsurance	707,768	361,382	(2,976,253)	(1,907,102)
Claims Recoveries	-	-	(1,299,217)	(1,299,217)
Sub-total	4,992,539	3,500,177	216,630	8,709,346
Total Cost of Health Care	225,376,414	151,412,548	227,980,337	604,769,299
Contribution Margin	(12,480,912)	8,037,718	4,058,274	(384,921)

STATEMENT OF CASH FLOWS**April 2019****FYTD 18-19****Cash Flows Provided By Operating Activities**

Net Income (Loss)	(4,884,687)	(35,786,006)
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Adjustments to reconciled net income to net cash provided by operating activities

Depreciation on fixed assets	44,966	452,422
Amortization of discounts and premium	-	(105,364)

Changes in Operating Assets and Liabilities

Accounts Receivable	(183,151)	(10,772,018)
Prepaid Expenses	9,003	(1,354)
Accounts Payable	(51,934,146)	(146,545,852)
Claims Payable	(15,150,423)	(102,730)
MCO Tax liability	(15,750,831)	(14,460,607)
IBNR	3,311,159	7,727,602

Net Cash Provided by (Used in) Operating Activities

	(84,538,110)	(199,593,908)
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Cash Flow Provided By Investing Activities

Proceeds from Restricted Cash & Other Assets		
Proceeds from Investments	-	172,056,288
Proceeds for Sales of Property, Plant and Equipment		-
Payments for Restricted Cash and Other Assets		-
Purchase of Investments plus Interest reinvested	(31,733)	(21,961,603)
Purchase of Property and Equipment	(21,375)	(156,158)

Net Cash (Used In) Provided by Investing Activities

	(53,108)	149,938,528
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Increase/(Decrease) in Cash and Cash Equivalents

	(84,591,218)	(49,655,380)
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Cash and Cash Equivalents, Beginning of Period

	186,238,369	151,302,531
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Cash and Cash Equivalents, End of Period

	101,647,151	101,647,151
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AGENDA ITEM NO. 7

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Kashina Bishop, Chief Financial Officer

DATE: June 24, 2019

SUBJECT: Fiscal Year 2019-20 Operating and Capital Budgets

SUMMARY:

Staff is presenting the Fiscal Year 2019-20 Operating and Capital Budgets of Gold Coast Health Plan to the Commission. Staff presented the budgets to the Executive/Finance Committee on June 6, 2017, and they recommended approval.

RECOMMENDATION:

The Plan requests that the Ventura County Medi-Cal Managed Care Commission approve of the FY 2019-20 Operating and Capital Budgets.

ATTACHMENTS:

FY 2019-20 Operating and Capital Budgets



**Gold Coast
Health Plan**SM
A Public Entity

FY 2019-20 OPERATING AND CAPITAL BUDGETS

Executive Budget Summary

Overview

In looking forward to fiscal year 2019-20, Gold Coast Health Plan projects to operate at a slight surplus, but will need to continually monitor and assess the financial condition and forecasted medical expenses.

In any budget year a number of variables can impact the actual plan's performance including:

- Changes in State policy which impacts forecasted revenue.
- Membership trends.
- Medical expenses can fluctuate based on the medical needs of the membership and unknown environmental factors such as fires or disease outbreaks.

GCHP continues to be in a challenging position in which the tangible net equity has declined to level below that of the Commission approved policy, but is at a critical point in which investing in significant projects will hedge against future risks and allow the plan to meet evolving demands and requirements.

GCHP staff continues to explore ways to reduce medical expenses while minimizing the impact to the provider community which cares for our members. GCHP was notified by the State that capitation rates will remain level for an 18 month period through December 31, 2020 so this will be an important and ongoing focus.

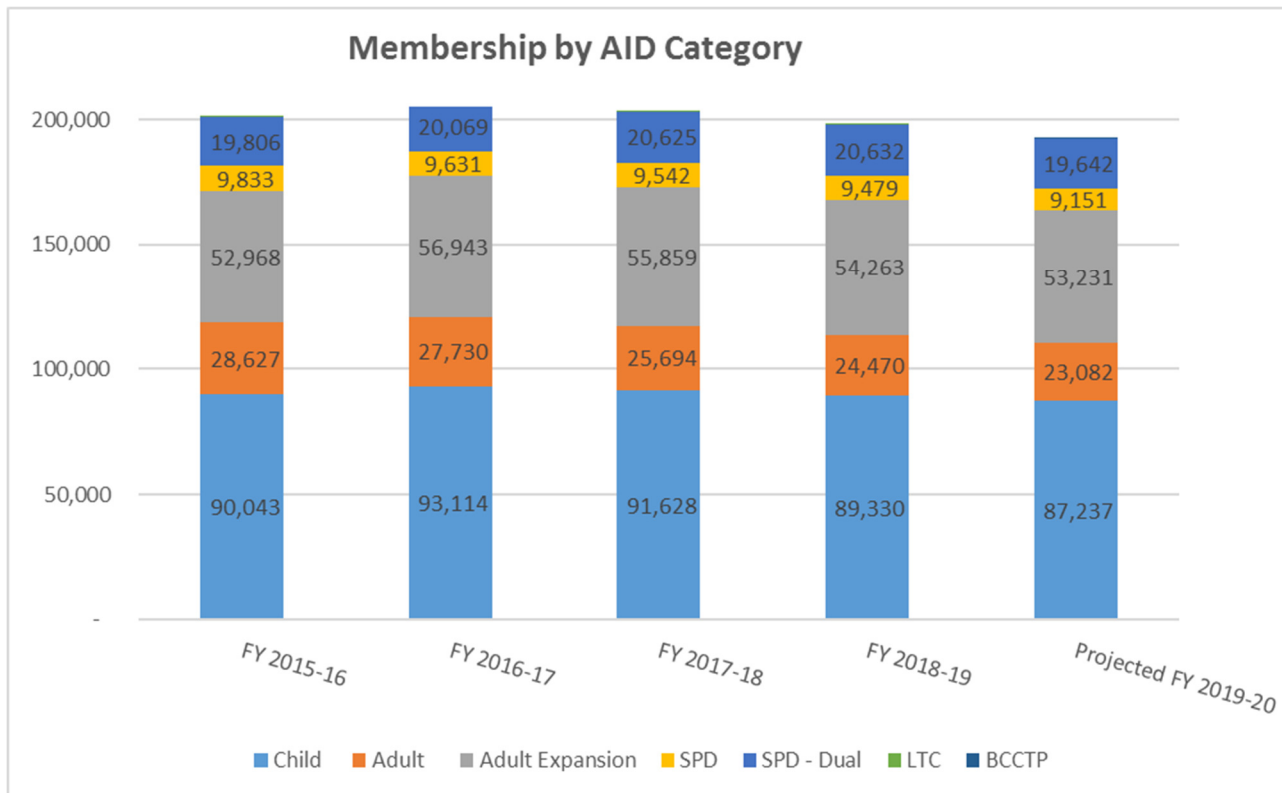
This document outlines the fiscal year 2019-20 operating and capital budgets and major associated assumptions.

Key Budget Highlights

- 12% increase in revenue
- 2% increase in medical expenses
- 92.5% medical loss ratio
- 7.4% administrative cost ratio (6.5% without projects)
- 204 FTEs
- Net surplus \$1.5 million
- Year end TNE 280% of required

Membership

Membership is projected at an average of 193,409, which represents a 2% decrease. This is consistent with the decline experienced in FY 18/19 and the Governor's budget which estimates continued decreases due to lower unemployment rates and the impact of the minimum wage increase.

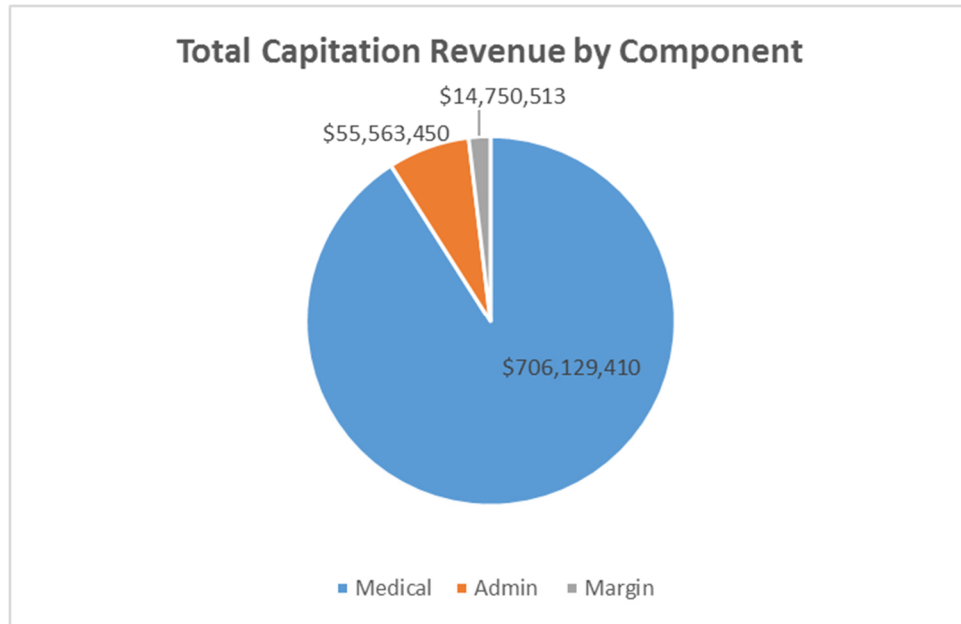


Revenue

Total revenue in the budget is projected at \$776.4 million (\$334.54 pmpm) based on draft capitation rates received from the State. On a pmpm basis, this is an approximate 12% increase in the base capitation rates from FY 2018-19.

Base Capitation	\$ 742,950,139
Hep C Supplemental	\$ 3,815,898
BHT Supplemental	\$ 11,713,322
Proposition 56	\$ 17,964,014
	<u>\$ 776,443,373</u>

The capitation rates from the State were established based on medical expenditures in calendar year 2017, with applied trend factors, credibility adjustments and program changes. Components were then applied for administrative expenses and an operating margin.



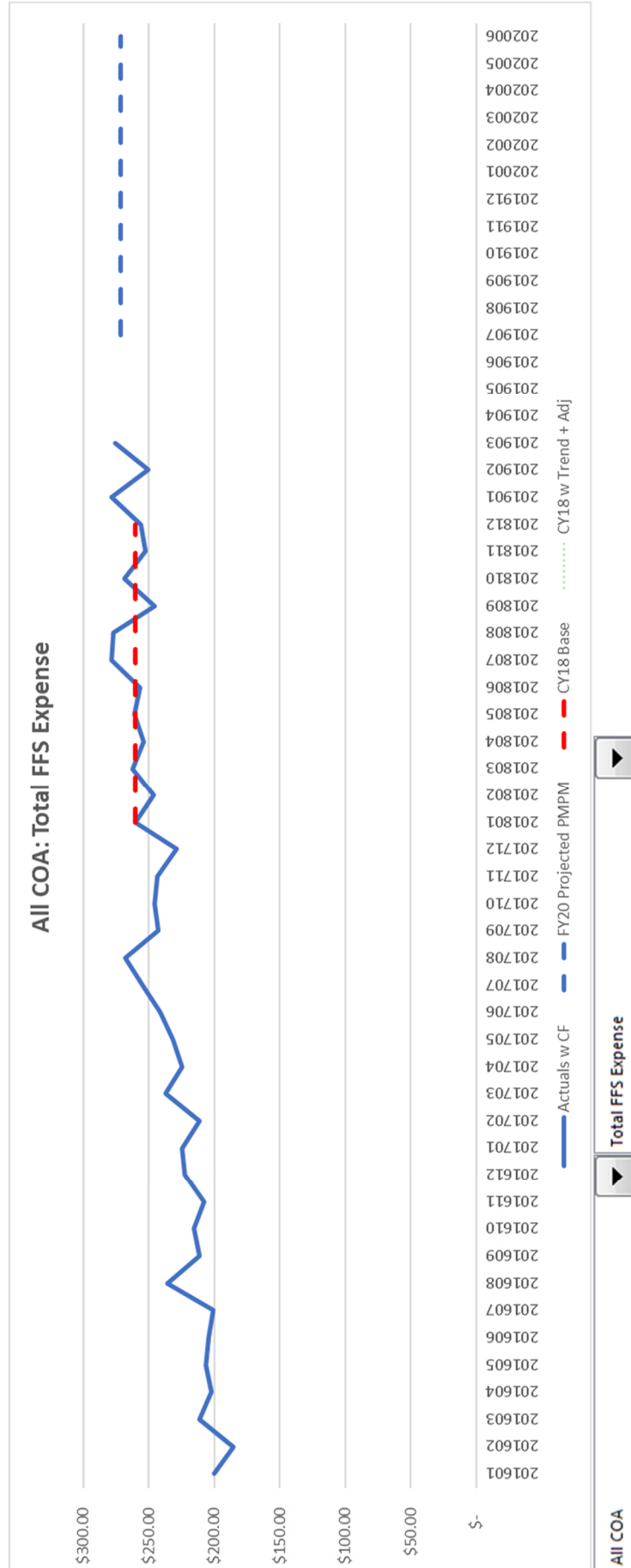
Medical Expenses

The medical expense budget is \$718,275,941 and is developed by calculating pmpm costs for CY 2018 by aid category and provider type, and then incorporating anticipated changes as a result of utilization patterns, market trends and changes in provider reimbursement rates forecasted to occur during the budget year. Total medical expense are projected to remain stable through the year as is reflected in the chart (see page 4).

The major assumptions impacting the projected medical expenses are as follows:

- Change to the transportation capitation arrangement which increased costs and carved in services previously paid on a fee for service basis.
- Contracting changes effective during fiscal year 2018-19 increasing the estimated inpatient and outpatient costs.
- Contracting changes effective during fiscal year 2018-19 increasing the estimated emergency room costs.
- An assumed increase of 3% for LTC/SNF expenses associated with annual increases based on State established facility rates.
- A projected increase of 3% in pharmacy expenses associated with drug unit cost trends and utilization factors.
- An annual increase of 1% for Specialty Physician costs which are based on the Medi-Cal fee schedule.
- Trended the Mental and Behavioral Health and the Home and Community Based Services costs based on more recent data due to increased utilization.

Note: Care management expenses are outlined in the General and Administrative budget.



FY 2019-20 MEDICAL EXPENSE BUDGET					
	FY 2018-19 as of March 2019 PMPM	Projected FY 2019-20 PMPM	Percent Change	Projected FY 2019-20 Total Dollar	
Capitation - PCP Expense	\$ 25.66	\$ 26.52	3%	\$ 61,553,973	
<u>Fee For Service</u>					
Inpatient FFS Expense	\$ 60.81	\$ 61.60	1%	\$ 142,961,687	
Outpatient FFS Expense	24.76	25.68	4%	59,595,780	
LTC/SNF Expense	55.02	57.35	4%	133,103,111	
ER Facility Services FFS	11.59	11.91	3%	27,634,235	
Physician Specialty Services FFS	25.82	25.49	-1%	59,161,691	
Transportation FFS	1.05	0.73	-31%	1,684,686	
Other Fee For Service Expense	3.82	4.01	5%	9,295,340	
Primary Care Physician FFS	7.16	5.85	-18%	13,567,643	
Mental and Behavioral Health	8.25	8.16	-1%	18,938,042	
Pharmacy Expense FFS	55.90	57.07	2%	132,446,524	
Other Medical Professional	1.70	1.63	-4%	3,790,614	
Home & Community Based Svcs	8.10	8.08	0%	18,742,123	
Laboratory and Radiology Expense	1.77	1.71	-4%	3,960,487	
Other Medical Care Expenses	0.01	-	-100%	-	
Directed Payments	5.45	7.74	42%	17,964,014	
Provider Reserve	1.00	0.77	-23%	1,797,236	
Budget Reduction	-	(2.15)		(5,000,000) *	
Sub-total	\$ 272.21	\$ 275.60	1%	\$ 639,643,212	
Reinsurance-Net	\$ (1.21)	\$ 0.84	-169%	\$ 1,949,564	
Refunds & Recoveries	\$ (0.55)	\$ (0.43)	-22%	\$ (1,000,000)	
Care Management	\$ 5.99	\$ 6.95	16%	\$ 16,129,193	
Total Medical Expenses	\$ 302.10	\$ 309.48	2%	\$ 718,275,941	
MLR	99.8%	92.5%		92.5%	

* In order to protect the Plan from further losses, staff has developed several strategies to reduce medical expenditures in FY 2019-20. These include, but are not limited to:

- Contract rate changes
- Enhanced services for claims audit and recoveries
- Preferred Provider/Vendor Networks

General and Administrative Expenses

The 2019-20 general and administrative budget is \$50,623,480, excluding those expenses associated with major projects. This is 6.5% of estimated revenue and within the amount allocated in the capitation rates for administrative expenses which is a total of \$55,563,450. Including the Enterprise Project Portfolio, the total general and administrative budget is \$57,701,709 and 7.4% of revenue.

The budget was developed at a department level and is based on a review of FY 2018-19 actual expenditures with changes based on certain assumptions and expectations for FY 2019-20.

The major assumptions and changes in the general and administrative budget are as follows:

Salary Expense

Salary expense includes a merit pool equal to 3% of total salaries, and a 6% vacancy factor. Also impacting the salary expense are the addition of new positions, promotions, and re-purposing of positions at a higher salary. The table on the following page represents budgeted positions by department in comparison with the FY 2018-19 budget.

Budgeted Positions				
Department	FY 2018-19	FY 2019-20	Change	
Diversity	1.0	-	(1.0)	
Executive	9.0	11.0	2.0	*
Human Resources	6.0	6.0	-	
Compliance	11.0	10.0	(1.0)	*
Operations	2.0	2.0	-	
Appeals & Grievance	5.0	5.0	-	
Operations Support Services	5.0	5.0	-	
Member Services	7.0	7.0	-	
Claims	7.0	6.0	(1.0)	*
Facilities	3.0	3.0	-	
Network Operations	10.0	11.0	1.0	*
Communications	2.0	2.0	-	
Accounting and Finance	8.0	6.0	(2.0)	*
Procurement	3.0	3.0	-	
Decision Support Services	6.0	7.0	1.0	*
Project Management Office	4.0	2.0	(2.0)	*
Information Technology	2.0	3.0	1.0	*
Infrastructure	5.0	5.0	-	
Solution Services	9.0	10.0	1.0	
Government and Community Relations	1.0	3.0	2.0	*
Quality	10.0	10.0	-	
Pharmacy	2.0	2.5	0.5	
Health Services/Health Education	84.0	85.0	1.0	
	<u>202.0</u>	<u>204.5</u>	<u>2.5</u>	

* Indicates there was not a net change to FTE's but the change is due to a department transfer or re-purposing of a position.

The new positions, net of transfers and re-purposing, are as follows:

Senior IT Business Analyst (Solution Services) – this is a contractor that is converting to a FTE with cost offset in consulting expense.

PT Pharmacy Tech (Pharmacy) – this position was added during fiscal year 2018-19 to allow staff more time to perform provider outreach.

RN, Utilization Management (Health Services) – this is a contractor that is converting to a FTE with cost offset in temp labor expense.

Community Relations Specialist (Government and Community Relations) – this position is needed to fulfill the strategic objective to be a collaborative community partner by increasing community participation and engagement through outreach activities and other initiatives.

Note: Although the budget reflects new positions, management is continuing to operate with a soft hiring freeze, and assessing the functional needs of the organization as positions are vacated.

Temp Labor

The reduction is related to the hiring of staff positions where the work has been deemed to be ongoing and a net savings for the work can be achieved.

Taxes and Benefits

The costs are primarily driven by salary expense which increased due to the items noted above. In addition, there was an assumed increase to employee related insurances of 5%.

Training, Conference, and Travel

The total budget is consistent with the prior year, but significantly higher than the FY 2018-19 projected actual expenditures. The budget was increased to enhance participation in community events and hold additional meetings within the community.

Outside Services – PBM fees

The budget is consistent with the prior year but significantly more than the FY 2018-19 projected actual expenses. The administrative fees were lower this fiscal year due to receipt of a credit that is not anticipated in FY 2019-20.

Outside Services – Other

Increase in cost due to engagement with a vendor to assist GCHP with the HEDIS Gap closure which will improve member health outcomes and HEDIS scores.

Consulting

Diversity officer role was budgeted at a full year in consulting, and had previously been budgeted as a staff position for a portion of the year.

Software Licenses

The most significant change is the increase in software subscription fees for Inovalon which is budgeted for \$1.0 million, an increase from the prior year budget of over \$500,000. Inovalon, a certified HEDIS software vendor, provides critical requirements of the annual HEDIS data collection project, including measure calculation and reporting, as well as medical record pursuit and abstraction.

The following table outlines general and administrative budget and includes a comparison to the initial budget (adopted in June 2018) for 2018-19, as well as a projection on the actual expenditures to be incurred during the current fiscal year 2018-19.

FY 2019-20 GENERAL AND ADMINISTRATIVE EXPENSES					
	FY 2018-19 Projected Actual	FY 2018-19 Budget	FY 2019-20 Budget	Change Budget to Budget	Percent Change
Salary Expense	\$ 18,011,194	\$ 18,310,154	\$ 19,683,560	\$ 1,373,406	8%
Temp Labor	1,065,125	745,788	561,579	(184,209)	-25%
Taxes and Benefits	5,565,735	5,832,110	6,815,660	983,550	17%
Training, Conference, and Travel	266,562	585,341	614,926	29,585	5%
Outside Services - Conduent	19,948,562	19,728,000	19,217,127	(510,873)	-3%
Outside Services - PBM Admin	1,392,136	2,950,044	3,052,936	102,892	3%
Outside Services - Other	3,556,980	4,111,519	4,468,112	356,593	9%
Accounting & Actuarial Services	206,969	204,072	166,000	(38,072)	-19%
Legal	1,398,336	1,500,000	1,500,000	-	0%
Consulting Services	980,581	1,101,846	1,238,045	136,199	12%
Translation Services	162,656	163,456	220,000	56,544	35%
Committee/Advisory	7,333	21,450	18,800	(2,650)	-12%
Employee Recruitment	94,531	218,422	100,000	(118,422)	-54%
Lease	1,459,901	1,440,136	1,475,532	35,396	2%
Depreciation & Amortization	543,275	495,691	560,403	64,712	13%
Non-Capital - Furniture & Equipment	67,720	181,451	156,006	(25,445)	-14%
Office & Operating Supplies	131,014	166,828	150,166	(16,662)	-10%
Shipping & Postage	174,165	218,363	176,990	(41,373)	-19%
Printing	245,386	275,828	342,300	66,472	24%
Software Licenses	2,697,617	3,518,361	4,193,023	674,662	19%
Repairs & Maintenance	104,205	94,841	150,823	55,982	59%
Telephone/Internet	146,380	174,672	247,914	73,242	42%
Advertising and promotion	119,300	296,357	206,550	(89,807)	-30%
Insurance	502,333	600,000	525,000	(75,000)	-13%
Interest	723,426	540,000	540,000	-	0%
Professional dues, fees, and licenses	280,089	311,984	315,111	3,127	1%
Subscriptions and publications	32,883	26,397	32,221	5,824	22%
Bank Service Fees	12,067	23,891	23,891	-	0%
Care Management	(14,241,921)	(15,010,927)	(16,129,192)	(1,118,265)	7%
Total General and Administrative	\$ 45,654,541	\$ 48,826,075	\$ 50,623,480	\$ 1,797,405	4%
% Admin to Revenue	6.3%	7.0%	6.5%		
Enterprise Project Portfolio	\$ 1,092,091	\$ 5,045,262	\$ 7,078,229	\$ 2,032,967	40%
Total G&A (including Projects)	\$ 46,746,631	\$ 53,871,337	\$ 57,701,709	\$ 3,830,372	7%
% to Revenue	6.5%	7.7%	7.4%		

FY 2019-20 Enterprise Project Portfolio (EPP)

The FY2019-20 Enterprise Project Portfolio comprises the projects identified through our project steering committee process as the highest priorities for GCHP in supporting our strategic objectives around ensuring access to and availability of quality care, investing in quality data, streamlining the experience of our business partners, building a culture of compliance, ensuring fiscal discipline and long-term fiscal solvency, enhancing our work environment, and positioning the organization to meet the future demands of providing health care to our members.

The FY2019-20 EPP includes nine (9) carryover projects from the previous fiscal year, eight of which are currently in planning or active status. Staff identified and prioritized five (5) additional EPP initiatives for FY2019-20 based on the following business drivers:

- KTLO & Information Security - Initiatives to maintain current and ongoing business operations, optimize the organization's information and cybersecurity posture, and ensure business continuity in case of an emergency or disaster.
- Strategic Technology Investments - Initiatives and technology investments critical to improving business efficiencies and the organization's ability to address expanded State and Federal regulatory requirements around access and quality, as well as data exchange. These initiatives also mitigate the risk of a financial penalty that could be assessed for non-compliance.
- Regulatory – New and/or modified regulatory requirements, including unplanned mandates.

The total enterprise portfolio budget is valued at \$7.8 million. The total budgeted amount in the income statement is \$7.1 million as that excludes capital amounts and those related to care management. Individual project budgets include estimates for technology investments (software subscriptions, licensing fees, hardware, cloud storage, etc.), professional implementation services, temporary labor for staff augmentation, print and communication costs (if applicable), and contingency. The Enterprise Transformation Project (ETP) and Provider Credentialing, Contracting and Data Management (PCCM) project comprise 64% of the total FY19-20 enterprise project budget.

GCHP FY19/20 Enterprise Project Portfolio					
FY18-19 Carryover					
Project	Description	FY19/20 Budget	Capital	Expense	
MedHOK 3.5 Upgrade	Lights-on initiative to ensure GCHP is current on vendor supported MedHOK application version. MedHOK is the organization's medical management system, used for mission critical utilization management, case management, health education and grievance and appeals functions.	\$ 49,613	\$ -	\$ -	*
AHP Plan-to-Plan Pilot	Implement a Plan-to-Plan pilot program with AmericasHealth Plan.	\$ -	\$ -	\$ -	
Enterprise Transformation Project (ETP)	Initiative to convert to a new core administrative platform - Health Solutions Plus (HSP) for claims processing, eligibility, membership, and benefits maintenance, along with implementation of new customer service system solution to optimize call center efficiencies services.	\$ 4,138,508	\$ 50,000	\$ 4,088,508	
IT Infrastructure Business Continuity (BC) Implementation	Additional infrastructure hardware investments and installations to add business continuity capabilities.	\$ 187,000	\$ 156,000	\$ 31,000	
Windows 10 Migration	Lights-on initiative to migrate all GCHP workstations, laptops and servers to Windows 10 operating system to ensure ongoing Microsoft support and enhance end point information security.	\$ 372,600	\$ -	\$ 372,600	
Internet Access Security Enhancements	Implementation of tools and software to enhance GCHP's management of internet based applications; part of cybersecurity risk mitigation strategies.	\$ 80,000	\$ -	\$ 80,000	
Provider Credentialing, Contracting & Data Mgmt	Implementation of an integrated system for the management of provider credentialing, contracting and data. Mission critical initiative to ensure GCHP continues to meet ongoing and increasing regulatory requirements around provider data accuracy, support contracting efforts, and optimize business processes.	\$ 853,650	\$ 219,450	\$ 634,200	
GCHP Website Refresh	Initiative to ensure GCHP's external website continues to function and meets current website design and accessibility standards.	\$ 54,792	\$ -	\$ 54,792	
RDT Re-design & Optimization	Business process improvement initiative to optimize and improve our DHCS rate development template submission process.	\$ 175,000	\$ -	\$ 175,000	
FY19-20 New Initiatives					
AB 1114 - Pharmacists as Medi-Cal Providers	Implementation of legislation to reimburse Medi-Cal certified pharmacists for a defined set of medical services to Medi-Cal patients.	\$ -	\$ -	\$ -	
Knox-Keene Licensing	Initiative to obtain Knox-Keene license as part of organization's strategic objectives of ensuring long-term fiscal solvency and positioning the Plan to meet the future demands of providing health care to our members.	\$ -	\$ -	\$ -	
Enterprise Data Warehouse (Phase I)	Strategic technology investment in data warehouse architecture, tools and resources to effectively support the provision, management, proliferation, and use of data for improved decision making, business process improvement, and faster response to changing regulatory conditions. Phase I Scope: Select and procure EDW tool(s) and implementation services to stand up platform and implement one data dimension.	\$ 650,000	\$ -	\$ 650,000	
MultiView Cloud Implementation	Leveraging GCHP's technology investment in Multi-View financial application. Moving from on-premise to cloud based software as a service platform for improved functionality.	\$ 73,500	\$ -	\$ 73,500	
Inovalon Upgrade and New Modules	Leveraging GCHP's technology investment in Inovalon quality platform. Initiative includes upgrade of existing platform and the purchase and implementation of additional Inovalon modules to improve our ability to analyze, monitor, inform, and take action on HEDIS quality performance.	\$ 279,418		\$ -	*
Staff Augmentation	Temporary staffing to support Enterprise Project Portfolio (except for ETP and EDW).	\$ 867,600		\$ 867,600	
TOTAL		\$ 7,781,681	\$ 425,450	\$ 7,027,200	

* included in care management credit.

Interest Income

Total interest income is budgeted at \$1,035,258. This amount is significantly less than the FY 2018-19 actual amount which is \$3.1 million through March 2019. In November 2018, cash and investments were reduced due to the payment of amounts due to the State for the adult expansion 85% MLR requirement. In addition, the tangible net equity has declined throughout the fiscal year impacting available cash and investments. Of the remaining cash and investments, it was assumed that more amounts would be in cash and money markets with lower yields.

Capital Budget

The total budget for capital expenditures, including those included in the project portfolio, are \$1.3 million. Of that amount, \$425,450 is related to the Enterprise Project Portfolio.

GOLD COAST HEALTH PLAN FY 2019-20 OPERATING BUDGET		
Program Revenue	\$	776,443,373
Medical Expenses	\$	718,275,941
	MLR	92.5%
Gross Margin	\$	58,167,432
General & Administrative Expenses	\$	50,623,480
	Admin %	6.5%
Project Portfolio	\$	7,078,229
Interest Income	\$	1,035,258
Net Surplus	\$	1,500,981

GOLD COAST HEALTH PLAN FY 2019-20 CAPITAL BUDGET		
<u>Asset Category</u>	<u>Description</u>	<u>Amount (\$)</u>
Leasehold Improvements	Office, cubicle and conference room repairs	\$ 103,000
Leasehold Improvements	Granicas Video - Community Room	55,000
Leasehold Improvements	Data and fiber	24,575
Leasehold Improvements	Security equipment	40,999
Computer Systems & Software	Firewalls	135,550
Computer Systems & Software	Fiber and switches	155,525
Computer Systems & Software	Electrical engineer	15,000
Computer Systems & Software	Computer and monitor refresh	240,375
Computer Systems & Software	UPS refresh	62,500
Computer Systems & Software	ETP - Project	50,000
Computer Systems & Software	IT infrastructure and business continuity - Project	156,000
Computer Systems & Software	PCCM - Project	219,450
		<u>\$ 1,257,974</u>

Projected Tangible Net Equity (TNE)

The TNE is projected to be at \$93.7 million or 280% of the State required amount.

APPENDIX – CONTRACT RENEWALS IN FY 2019-20

Vendor	Description	Contract Type	Contract Term Start Date	Contract Expiration Date	Estimated Actual Cost 3/31/19	Estimated Remaining Cost Until Expiration	Estimated Annual Cost	Expiration Strategy	Renewal Projected Cost	Projected Cumulative Cost (As of 3/31/19)	Renewal End Date
3M Heal-A2A26th Information Systems	Grouper Software & Pricer Tables	Software License	11/1/2018	10/31/2019	\$57,391.00	\$0.00	\$60,000.00	Renew with current vendor for 1 year	\$60,000.00	\$117,391.00	10/31/2020
CIO Solutions	Subscription Infrastructure Maintenance and support	PSA/Service Order	8/6/2013	10/31/2019	\$192,286.00	\$44,660.00	\$76,560.00	Renew with current vendor for 1 year	\$76,560.00	\$313,486.00	10/31/2020
CIO Solutions	Enterprise ShoreTel Annual Support	PSA/Service Order	3/5/2016	3/5/2020	\$149,220.00	\$44,000.00	\$44,000.00	Renew with current vendor for 1 year	\$44,000.00	\$237,220.00	3/5/2021
CIO Solutions	Firmware Updates	PSA/Service Order	8/6/2013	10/31/2019	\$85,904.00	\$7,011.67	\$12,020.00	Renew with current vendor for 1 year	\$12,020.00	\$104,935.67	10/31/2020
Colley Communications - Fulfillment	SO11 - Print Member Fulfillment Direct-Mailing Services	PSA/Service Order	1/1/2017	12/31/2019	\$83,943.00	\$73,500.00	\$98,000.00	Renew with current vendor for 1 year	\$98,000.00	\$255,443.00	12/31/2020
Colley Communications - Newsletters	SO 8 - Member Newsletter Services	PSA/Service Order	1/1/2017	12/31/2019	\$277,023.00	\$119,500.50	\$159,334.00	Renew with current vendor for 1 year	\$159,334.00	\$555,857.50	12/31/2020
Colley Communications - Website Hosting	SO10 - net Returns Modules	PSA/Service Order	1/1/2018	12/31/2019	\$30,135.00	\$28,200.00	\$37,600.00	Renew with current vendor for 3 years	\$112,800.00	\$171,135.00	12/31/2022
Emagined	SO7 - Security Operations Center	PSA/Service Order	12/5/2018	12/4/2019	\$86,140.00	\$87,537.00	\$116,716.00	Renew with current vendor for 1 year	\$116,716.00	\$290,393.00	12/4/2020
Emagined	SO6 - T&M Security Risk Assessment's	PSA/Service Order	10/18/2018	6/30/2019	\$65,000.00	\$58,333.33	\$100,000.00	Renew for 6 months (Annual estimate is \$200,000)	\$100,000.00	\$223,333.33	12/31/2019
EverBank and DocuSystems	Lease Zea Upgraded Ricoh copiers	Lease Agreement	7/1/2018	6/30/2020	\$58,000.00	\$90,000.00	\$72,000.00	Refresh with new 24 month lease. (US Communities GPA)	\$150,000.00	\$298,000.00	6/30/2022
Gartner	Executive Programs Leadership - Website research access	Subscription Agreement	12/1/2018	4/30/2020	\$165,500.00	\$0.00	\$179,000.00	Renew with current vendor for 2 years	\$358,000.00	\$523,500.00	4/30/2022
Jason Kim	Supports - IT data base administration work.	CSA	8/19/2013	12/31/2019	\$368,380.00	\$48,750.00	\$65,000.00	Renew with current vendor for up to 6 months	\$32,500.00	\$449,830.00	6/30/2020
Lisa & Associates	Promotional Services	PSA/Service Order	11/17/2016	10/31/2019	\$58,132.00	\$7,000.00	\$12,000.00	Renew with current vendor for 3 years	\$36,000.00	\$101,132.00	10/31/2022
Quest Analytics	Data Verification and Attestation Accuracy Services	Software License Agreement	12/17/2018	12/16/2019	\$80,000.00	\$0.00	\$80,000.00	Renew with current vendor for 1 year	\$80,000.00	\$160,000.00	12/16/2020
The JVP Group	Website design and content management	PSA/Service Order	12/2/2014	9/30/2019	\$208,038.00	\$25,000.00	\$50,000.00	Renew with current vendor for 3 years	\$150,000.00	\$383,038.00	9/30/2022

Vendor	Description	Contract Type	Contract Term Start Date	Contract Expiration Date	Estimated Actual Cost 3/31/19	Estimated Remaining Cost Until Expiration	Estimated Annual Cost	Expiration Strategy	Renewal Projected Cost	Projected Cumulative Cost (As of 3/31/19)	Renewal End Date
Xpedite Systems (Easylink)	Fax-Messaging services/solutions	Customer Service Agreement	6/1/2015	5/31/2019	\$113,818.00	\$6,500.00	\$39,000.00	Renew with current vendor for 1 year	\$39,000.00	\$159,318.00	5/31/2020
Karen Escalante	SO 2-Grantmaking Services-activities and initiatives	PSA/Service Order	7/1/2018	6/30/2019	\$89,025.00	\$15,000.00	\$60,000.00	Renew with current vendor for 1 year	\$60,000.00	\$164,025.00	6/30/2020
LinkedIn [formally Lynda.com] Company	Training Resources	Subscription Agreement	12/1/2017	11/30/2019	\$43,401.00	\$19,333.33	\$29,000.00	Renew with current vendor for 3 years	\$87,000.00	\$149,734.33	11/30/2022
Moss Adams	SO 5 Financial Audit Services Fiscal 2017-2019	PSA/Service Order	4/7/2017	10/31/2019	\$277,640.00	\$87,500.00	\$150,000.00	Renew with current vendor for 2 years	\$300,000.00	\$665,140.00	10/31/2021
Adaptive Insights	Budgeting Software.	SaaS Agreement	10/1/2016	9/30/2019	\$89,680.00	\$0.00	\$32,000.00	Renew with current vendor for 2 years	\$64,000.00	\$153,680.00	9/30/2021
Inovalon	HEDIS Hybrid Medical Record Abstraction-Medical Data Processing	MSA/SOW	4/1/2016	6/30/2019	\$1,209,795.00	\$250,000.00	\$1,000,000.00	Renew with current vendor for 3 years	\$3,000,000.00	\$4,459,795.00	6/30/2022
Mahdavi Gutta, MD	Medical Reviews	CSA	10/1/2015	9/30/2019	\$169,260.00	\$35,000.00	\$70,000.00	Renew with current vendor for 5 years	\$350,000.00	\$554,260.00	9/30/2024
Carol Hsu	SOW 1 - 3rd Party Medical Reviews	CSA	6/1/2015	10/31/2019	\$180,649.00	\$37,916.67	\$65,000.00	Renew with current vendor for 5 years	\$325,000.00	\$543,565.67	10/31/2024
Clarence Albert Reeves Jr. M.D.	Medical Reviews	CSA	10/1/2017	9/30/2019	\$78,469.00	\$50,000.00	\$100,000.00	Renew with current vendor for 5 years	\$500,000.00	\$628,469.00	9/30/2025
Gemini Diversified Services	Credentiaing Verification Services	Credentiaing Services Delegation Agreement	7/1/2015	9/30/2019	\$128,912.00	\$30,000.00	\$60,000.00	Renew with current vendor for 3 years	\$180,000.00	\$338,912.00	9/30/2022
DME Consulting Group, Inc.	Credentiaing Services	PSA/Service Order	2/1/2015	12/31/2019	\$132,200.00	\$45,000.00	\$60,000.00	Renew with current vendor for 3 years	\$180,000.00	\$357,200.00	12/31/2022
Solera Health, Inc.	Diabetes Prevention Program (DPP), includes Weight Loss	MSA/SOW	1/1/2019	12/31/2019	\$40,000.00	\$75,000.00	\$100,000.00	Renew with current vendor for 1 year	\$100,000.00	\$215,000.00	12/31/2020
Shred-it	Document Storage, Collection, Mass Destruction Service	Customer Service Agreement	12/1/2017	11/30/2019	\$72,667.00	\$20,000.00	\$30,000.00	Renew with current vendor for 3 years (US Communities GPA)	\$90,000.00	\$182,667.00	11/30/2021
Thousand Oaks Industrial Development	Lease-Warehouse Storage	Multi-Tenant Lease Agreement	1/1/2017	12/31/2019	\$39,926.00	\$15,489.00	\$20,652.00	Renew with current vendor for 3 years	\$61,956.00	\$117,371.00	12/31/2022

AGENDA ITEM NO. 8

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Bob Bushey, Procurement Officer

DATE: June 24, 2019

SUBJECT: Procurement Overview – The Sourcing Process

SUMMARY:

The Plan is presenting an overview of the sourcing process.

RECOMMENDATION:

Plan is recommending the Ventura County Medi-Cal Managed Care Commission receive and file this presentation.

GCHP Sourcing Process

VCMMCC Meeting
June 24, 2019

Integrity

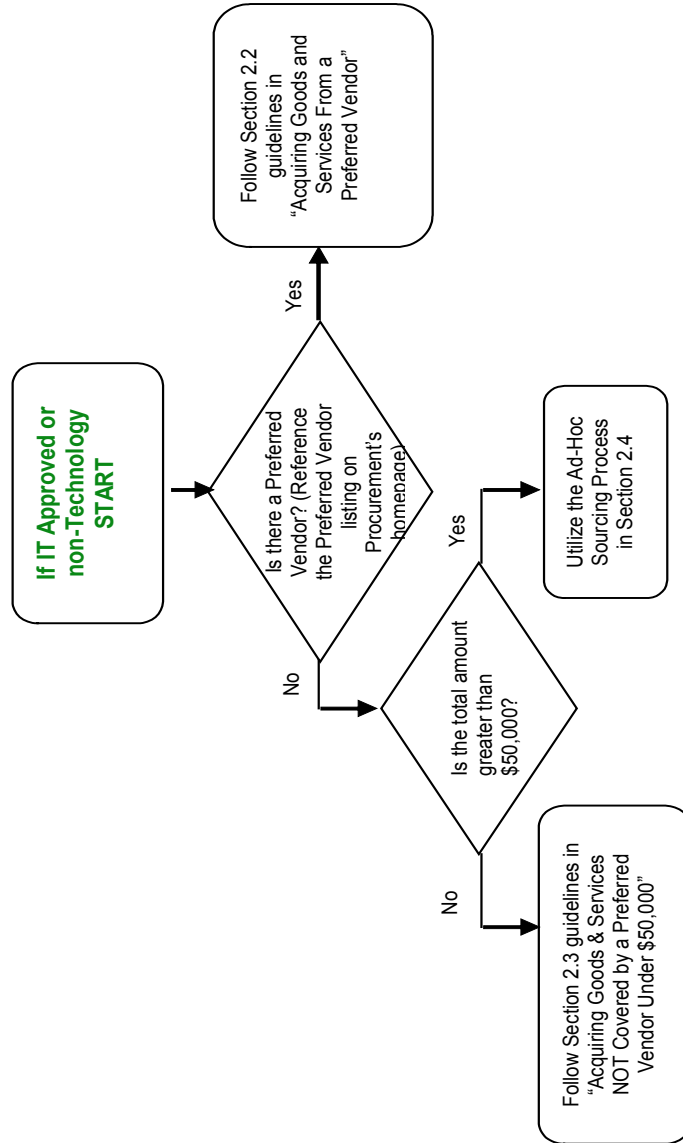
Accountability

Collaboration

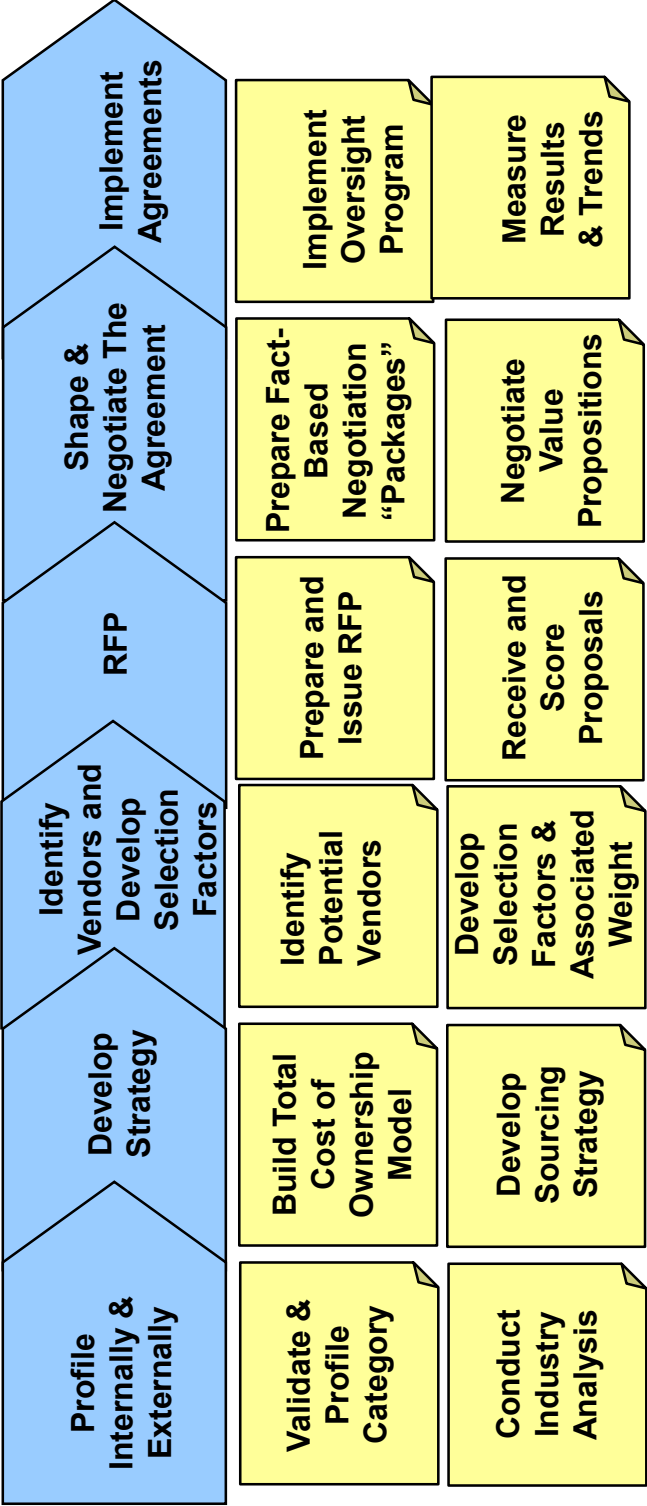
Trust

Respect

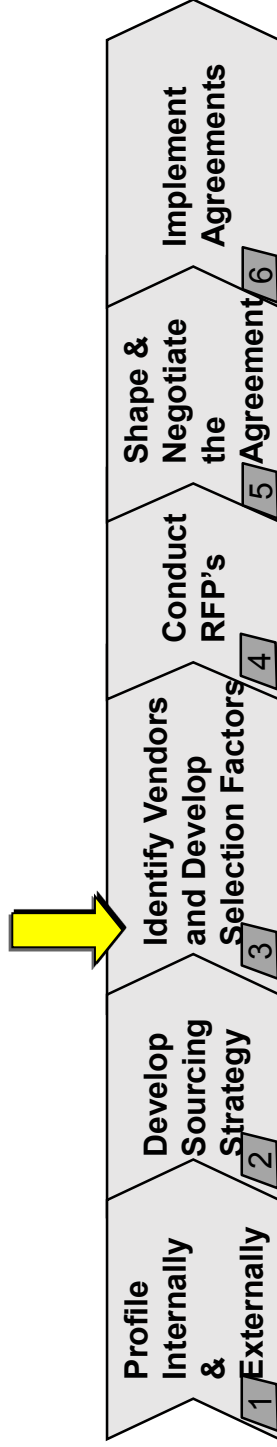
Figure 1: Bidding Determination Process



The sourcing process used by GCHP is a fact based approach that uses qualitative and quantitative factors to select vendors.



GCHP Sourcing Process – Identify Vendors & Develop Selection Factors

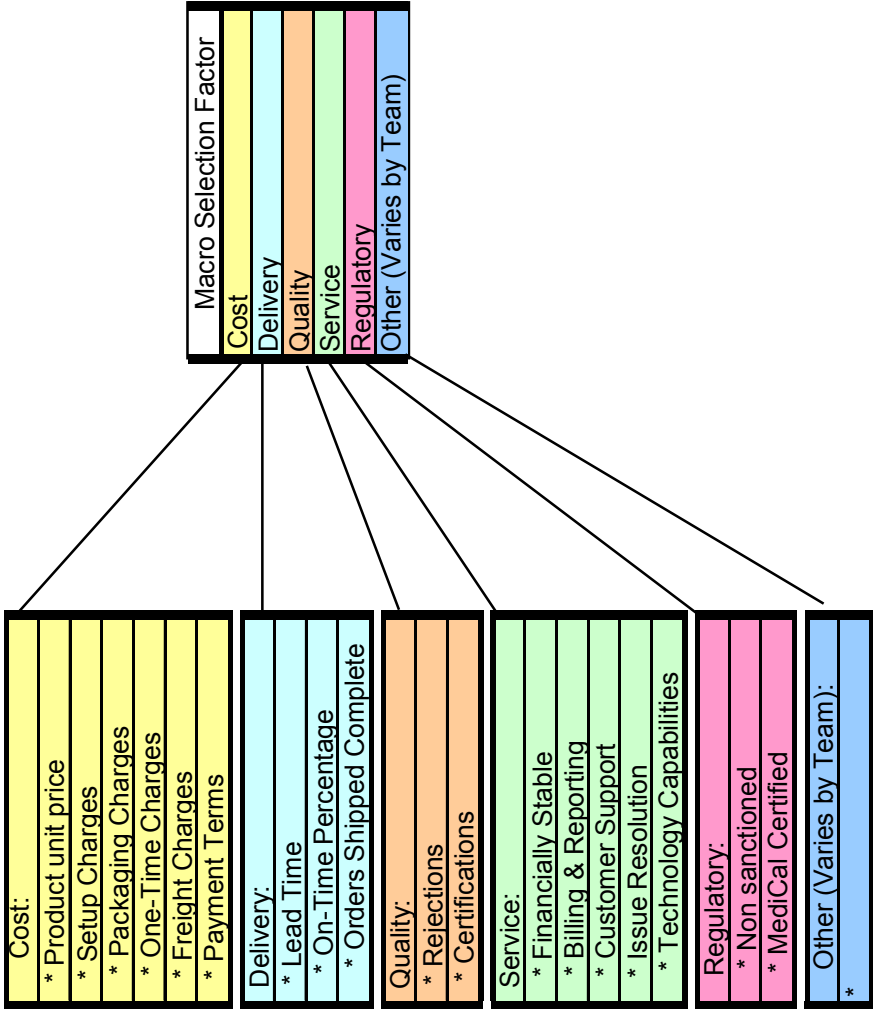


What are selection factors?

How are the selection factors weighted?

Developing Selection/Decision Factors

Selection factors are established from a team brainstorming session where each team member list idea's on "what is important". Everyone has a voice and every idea is listed. Procurement as the facilitator, then groups the ideas into headings or Macro's's.



What are the selection factors?

How are the factors weighted?

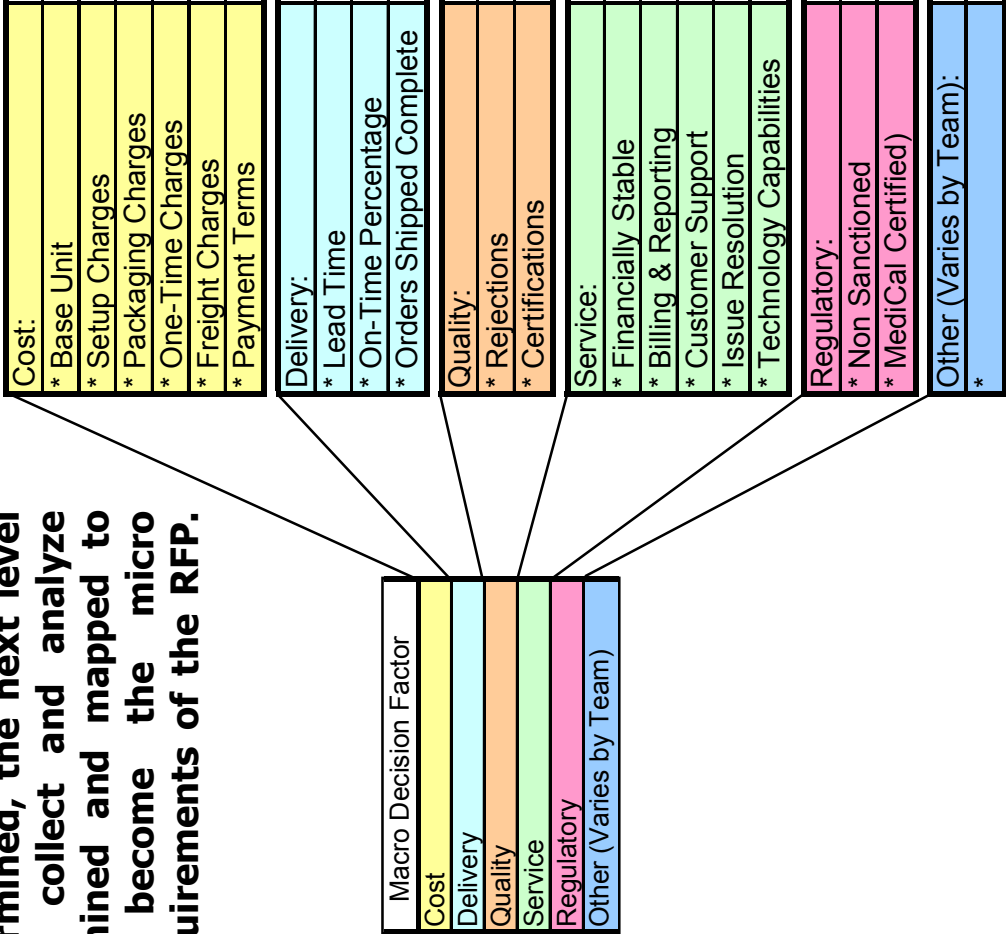
The “10-4” Process

Once the Macro Selection Factors are established, each team member is then allotted 10 points to “spend” on the macro/idea; nobody can spend more than 4 points on any one macro/idea. The unadjusted percentages are automatically calculated by dividing the total points in a macro/idea by the amount of total points available. The team then adjusts and finalizes the weights based on the team member input.

#	Team Member	Price	Delivery	Quality	Service	Supplier Diversity	TOTAL
1	Member A	4	4	2			10
2	Member B	2	2	2	4		10
3	Member C	2	3	3	1	1	10
4	Member D	1	1	1	4	3	10
5	Member E		2	2	4	2	10
6	Member F	4	3	3			10
7	Member G	1	1	4	4		10
8	Member H	2	1	1	2	4	10
	TOTAL	16	17	18	19	10	80
	Unadjusted Weight%	20.00%	21.25%	22.50%	23.75%	12.50%	100.00%
	Adjusted Weight%	20.00%	21.00%	23.00%	24.00%	12.00%	100.00%

Micro Selection /Decision Factors

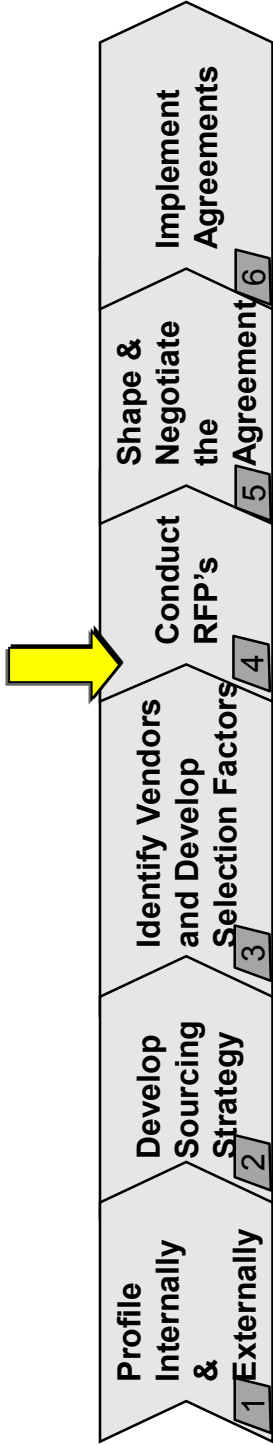
After the macro factors are determined, the next level of detail that will be used to collect and analyze information needs to be determined and mapped to each macro factor. These become the micro Selection/Decision factors or requirements of the RFP.



What are the selection factors?

How are the factors weighted?

GCHP Sourcing Process – Conduct RFP's



Prepare and issue RFP

Receive and score proposals

RFP Outline

- Time schedule
- Intent To Bid
- Letter Transmittal
- Conflict of Interest
- Reservation of Rights
- Supplier Diversity
- GCHP Overview
- Project Overview
- Macro and Micro Requirements (From the 10-4 process)
- Cost/Pricing (From the 10-4 process)
- Contract Terms and Conditions

Proposal Responses

- Intent To Bid
- Letter Transmittal
- Conflict of Interest
- Detailed responses on “how” the vendor meets the Macro and Micro Requirements of the RFP. (Reviewed and scored individually by each team member)
- Pricing – Reviewed and scored by Procurement
- Contract Terms and Conditions – Reviewed by Procurement

Proposal Scoring

- Each Micro Factor requirement is scored individually without any knowledge of the quantitative proposal responses and uses a 1-10 scoring scale:
- Pricing – Completed and scored by Procurement. Each vendor receives a score for their total cost over the required contractual term or useful life of the product and/or service. The score received is based on how low their total cost is compared to the other responses.

Proposal Scoring

- Individual team member qualitative scores are averaged into an overall score per each Micro Factor and then averaged into the Macro Factor score. The Macro Factor average score is then calculated as a percent of the highest available score, (10) and then multiplied by the weight to calculate the value. (A score of 10 would achieve 100% of the identified weight, 5 - 50%, 2.5 -25% etc.)

Prepare and issue the RFP

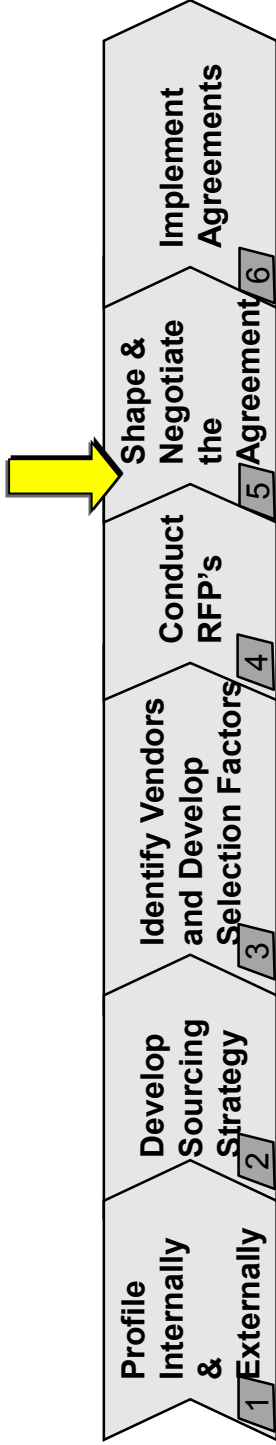
Receive and score proposals

Overall Scores					
Section	Decision Factor	Identified	Weight	Score	Value
3.1.	Delivery		21%	7.50	15.75
3.2.	Quality		23%	4.99	11.47
3.3.	Service		24%	5.26	12.63
3.4	Regulatory		12%	4.57	5.48
4.0	Cost		20%	6.95	13.90
	Totals:		100.00%		59.23
Scoring Scale					
	10.0	Significantly exceeds all expectations		/\	
	7.5	Partially exceeds all expectations			
	5.0	Meets expectations			
	2.5	Partially meets expectations			
	1.0	Does not meet expectations			
Section	Requirement				
3.1.	Delivery			7.50	
3.1.1.	What is the product delivery lead time?			5.00	
3.1.2.	What is your overall percent of deliveries received and delivered on or before the customers required delivery date.			10.00	
3.1.3	What is the percent of orders that are delivered complete, i.e. no backordered product.			7.50	

Macro Selection Factor

Micro Selection Factor

Strategic Sourcing – Shape & Negotiate the Agreement



Develop short list

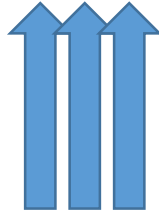
Negotiate and finalize contracts

Develop Short List

Develop short list

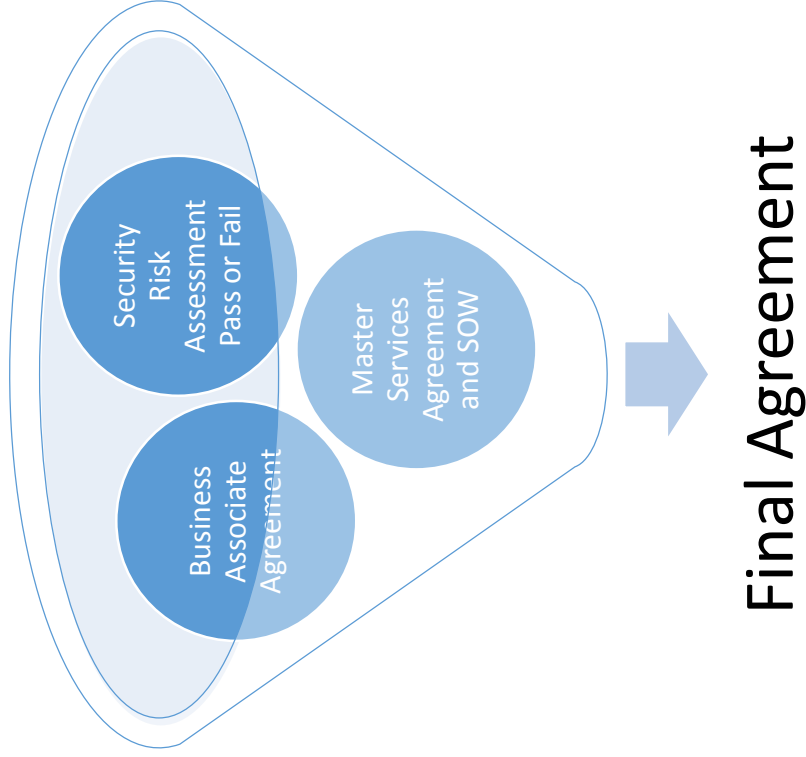
Negotiate and finalize contracts

Vendor	Score
1	53.83
2	52.26
3	42.58
4	39.62
5	34.92
6	32.95
7	21.97



The short listed vendors

Negotiate and Finalize Contracts





AGENDA ITEM NO. 9

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Scott Campbell, General Counsel

DATE: June 24, 2019

SUBJECT: Brown Act Overview

SUMMARY:

The Plan is presenting an overview of the Brown Act guidelines.

RECOMMENDATION:

Plan is recommending the Ventura County Medi-Cal Managed Care Commission receive and file this presentation.

An Overview of The Ralph M. Brown Act

Scott H. Campbell, Esq.
Best Best & Krieger, LLP

The Brown Act

Purpose

To ensure that almost all aspects of the decision-making process of legislative bodies of local agencies are conducted in public and open to public scrutiny.

The Brown Act

- Meetings of Legislatives Bodies must be Publically Noticed and Action may only be taken on Items on the Published Agenda

Application of the Act

The Brown Act applies to:

- Legislative bodies of local agencies
- Persons elected or appointed to legislative bodies, even prior to assuming office, at all times.



Legislative Body

INCLUDES:

- Governing body
- Boards, commissions, private corporations created or funded by the local agency, and committees, including any standing committees created by formal action of the governing body

Brown Act Applies to “Meetings”

A “meeting” includes any congregation of a majority of members of a legislative body at the same time and place to hear, discuss, deliberate, or act upon any item that is within the subject matter jurisdiction of the legislative body.

Deliberation Includes

- Collective acquisition and exchange of facts preliminary to the ultimate decision.
- Substantive discussions which advance or clarify a member's understanding of an issue, or facilitate an agreement or compromise amongst members, or advance the ultimate resolution of an issue.

Deliberation does not include:

- Transmission of informational materials involving no interaction or communication between or among individual board members, either directly or through the agency of . . . staff.
- Action of one public official alone.
- Passive receipt by individuals of their mail that does not involve letters or telephone calls passing from one member to the next.

Serial or Rotating Meetings

- Any use of direct communications, personnel intermediaries, or technological devices that is employed by a majority of the members of a legislative body to discuss, deliberate, or to take action on any item within the subject matter jurisdiction of the legislative body is prohibited.

Application of the Act

The Brown Act does NOT apply to: *(cont'd)*

- Attendance at open & noticed meetings of other local agencies.*
- Attendance at conferences open to the public on issues of general interest to the public or public agencies.*
- Attendance at meetings organized to address a topic of local community concern which are open, noticed and originated by a person or organization other than the local agency.*
- Purely social or ceremonial occasions.*

** provided members do not discuss among themselves business of an specific nature that is within the subject matter of the legislative body.*

No Action Allowed

No action or discussion allowed for any item not listed on a meeting's agenda.

An “action” means a collective decision made by a majority of members of a legislative body, a collective commitment or promise by a majority of the members of a legislative body to make a positive or negative decision, or an actual vote by a majority of the members of a legislative body . . .

No Action Allowed

No action or discussion allowed for any item not listed on a meeting's agenda except for:

- Adding items by majority vote for “emergency situation,” as defined for emergency meetings
- Adding items by two-thirds vote because of need for immediate action that came to the attention after the agenda is posted
- Item continued to another meeting within 5 calendar days
- Brief response to statement or question from public

No Action Allowed

No action or discussion allowed for any item not listed on a meeting's agenda except for: (cont'd)

- Questions to staff for clarification of a matter based upon public comment
- Provide reference or information to staff
- Ask staff to report back at a future meeting on any matter
- Brief announcement or report on member's or staff's own activities

Posting & Notice

Requirements

- 72 hours before regular meeting
- 24 hours before special meeting
- Emergencies
 - “Normal” emergency (impairs the public health or safety) – 1 hour notice to press
 - “Dire” emergency (crippling disaster, mass destruction, terrorist acts) - notice to press when meeting is called

Notice of Meetings

- Notice must give time, place and brief general description of every item of business to be discussed or transacted, including closed session items
 - Teleconferencing – location listed on agenda and accessible to the public

Opportunity to Speak

*Every agenda must provide opportunity
for the public to speak:*

- On items of interest to the public
- Before/during consideration of item
- On items not on agenda (but within jurisdiction of agency)
- You may not require registration or any other conditions precedent to attendance.

Opportunity to Speak

The legislative body may:

- Adopt regulations limiting total amount of time for public testimony for certain issues & for each speaker
- May order the room to be cleared of persons interrupting orderly conduct of the meeting

Exceptions to Public Session

Requirements

Closed Sessions

- Real Property Transactions
- Litigation – Existing, Anticipated and Initiation
- Personnel Issues – Appointment, Performance Evaluation, Discipline/Dismissal/Release
 - For specific charges or complaints against a employee by another person or employee, 24 hours notice plus right to hear in open session
- Threats to Public Services of Facilities

Exceptions to Public Session Requirements

Closed Sessions

No disclosure of confidential information acquired at a closed session unless authorized by a legislative body.

Remedies for violation include:

1. Injunctive Relief
2. Disciplinary action against employee who willfully disclosed.
3. Referral of member of legislative body who willfully disclosed information to the District Attorney or grand jury.



The Brown Act

Penalties & Remedies

- Member who violates Brown Act is guilty of misdemeanor if action is taken and member intended to deprive public of information to which the member knows or has reason to know the public is entitled

The Brown Act

Penalties & Remedies

- Violations may be prevented/stopped by court order
- Actions not in compliance may be invalidated (opportunity to cure)
- Court costs & attorney fees are recoverable

AGENDA ITEM NO. 10

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Nancy Wharfield, MD, Chief Medical Officer

DATE: June 24, 2019

SUBJECT: Chief Medical Officer Update

Measles Update

In 2000, the United States declared the measles eradicated, thanks to widespread use of vaccines. However, pockets of the disease in other countries coupled with falling measles vaccine rates have led to more than 1,000 cases confirmed nationwide this year through June 3 — the greatest number since 1992. For every thousand cases, 1 to 3 people with measles will die, even with the best of care, according to the Centers for Disease Control and Prevention.

As of June 5, there have been no reported cases in Ventura County. There were 10 cases in Los Angeles County and 1 in Santa Barbara County.

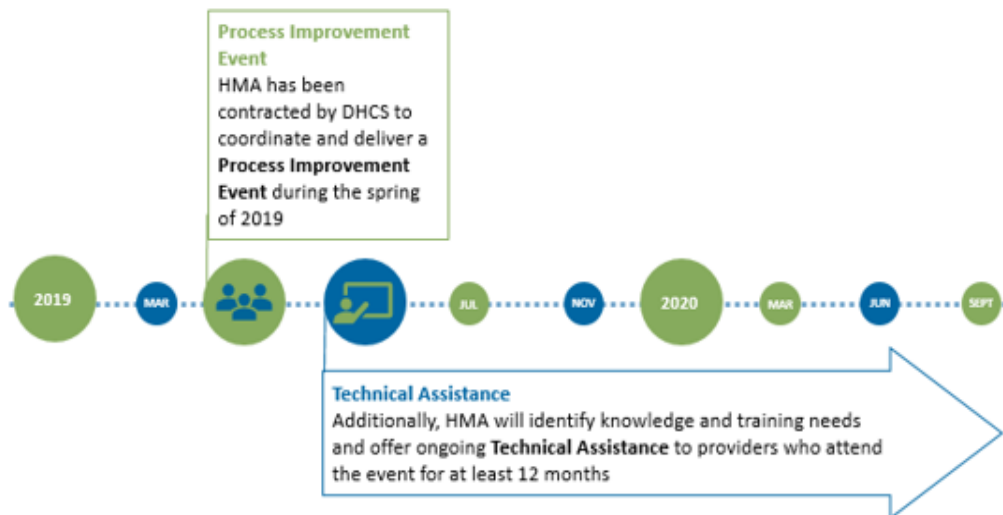
Building Sustainable Transitions of Care for People with Addiction In Ventura County

On May 21-22th, Ventura County Behavioral Health (VCBH) hosted a 2-day Process Mapping Event titled “Building Sustainable Transitions of Care for People with Addiction in Ventura County”. The countywide improvement event was to develop predictable and consistent transitions of care to sustained addiction treatment from locations such as the emergency departments, jails, primary care, the community at large and/or inpatient hospital stays. Invited participants included those who interact with, treat, house, or help those with addictive disorders.

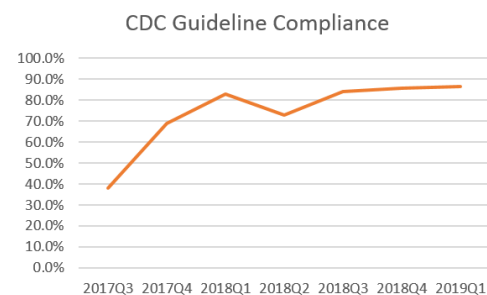
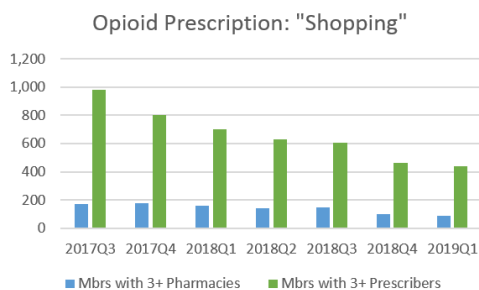
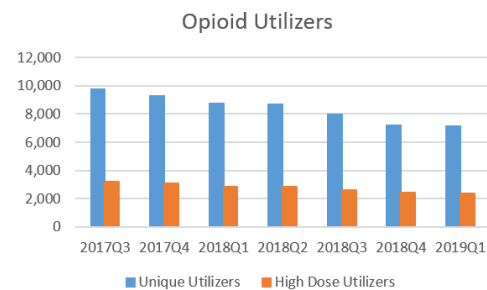
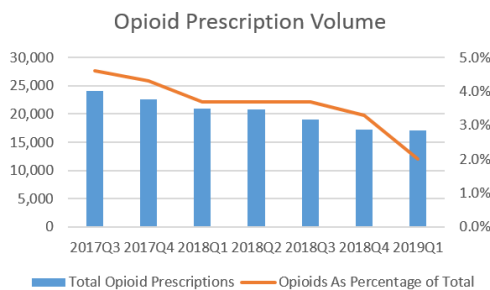
The main objective of the event was to provide stakeholders with a deeper understanding of the current state and collaboratively envision the future state necessary to build and sustain an evidence-based ecosystem of care. The event included facilitated dialogue by national experts working in addiction treatment and provided an effective platform for consensus building around goals, barriers, and potential solutions.

The community wide effort to improve transitions of care will have a significant impact on our GCHP members struggling with addiction. GCHP staff is actively participating in this effort which will result in a countywide strategic plan to build and stabilize such transitions of care to decrease the risk of overdose and death amongst our GCHP members and community.

All activities are fully funded and paid for by HMA's grant from DHCS



Opioid Utilization Trends



Pharmacy Benefit Performance and Trends

SUMMARY:

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 April 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.

Abbreviation Key:

PMPM: Per member per month

PUPM: Per utilizer per month

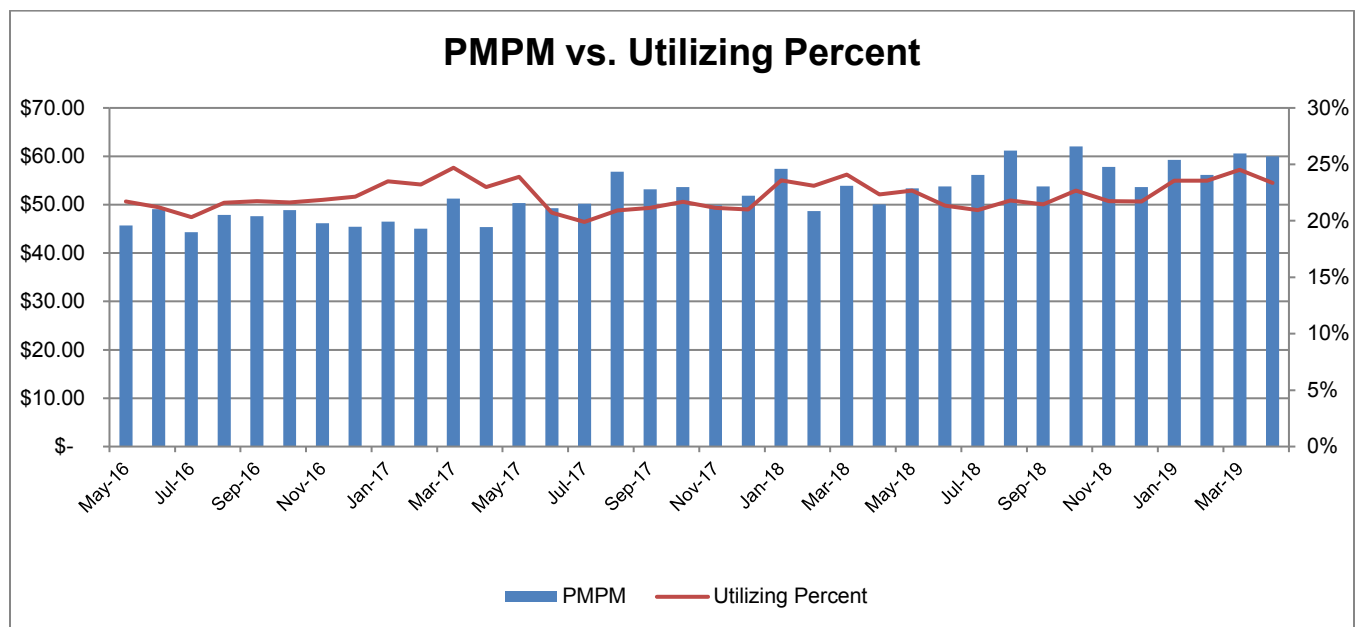
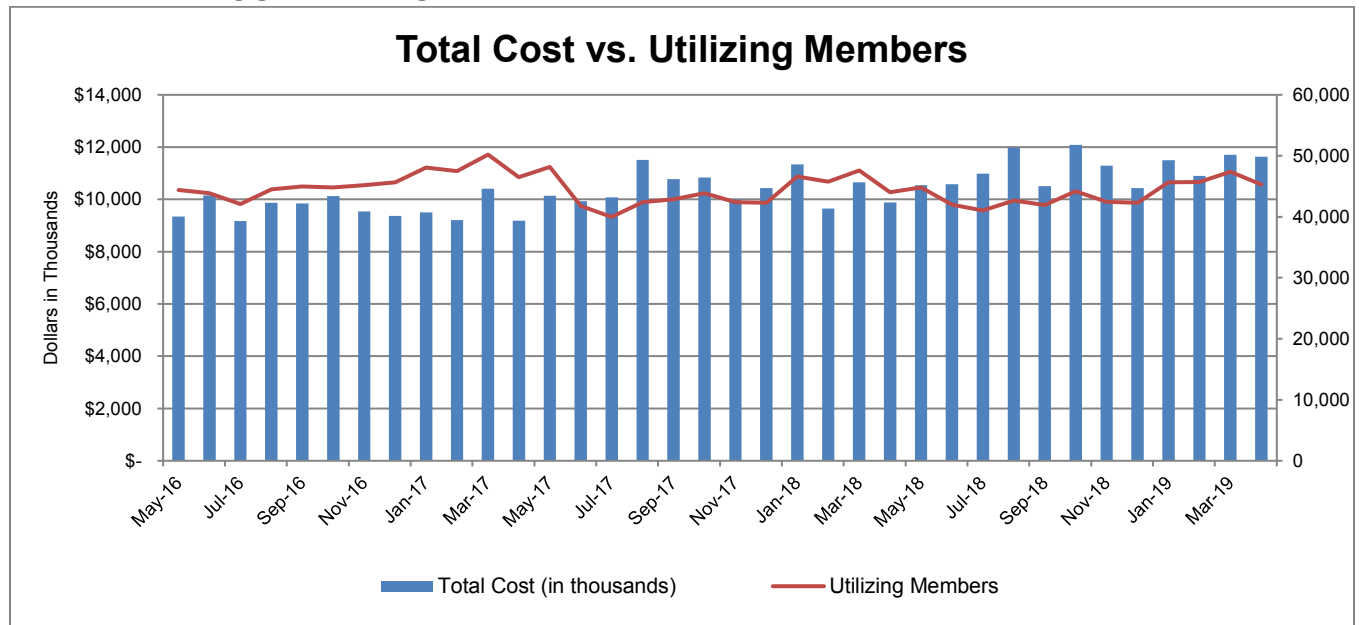
GDR: Generic dispensing rate

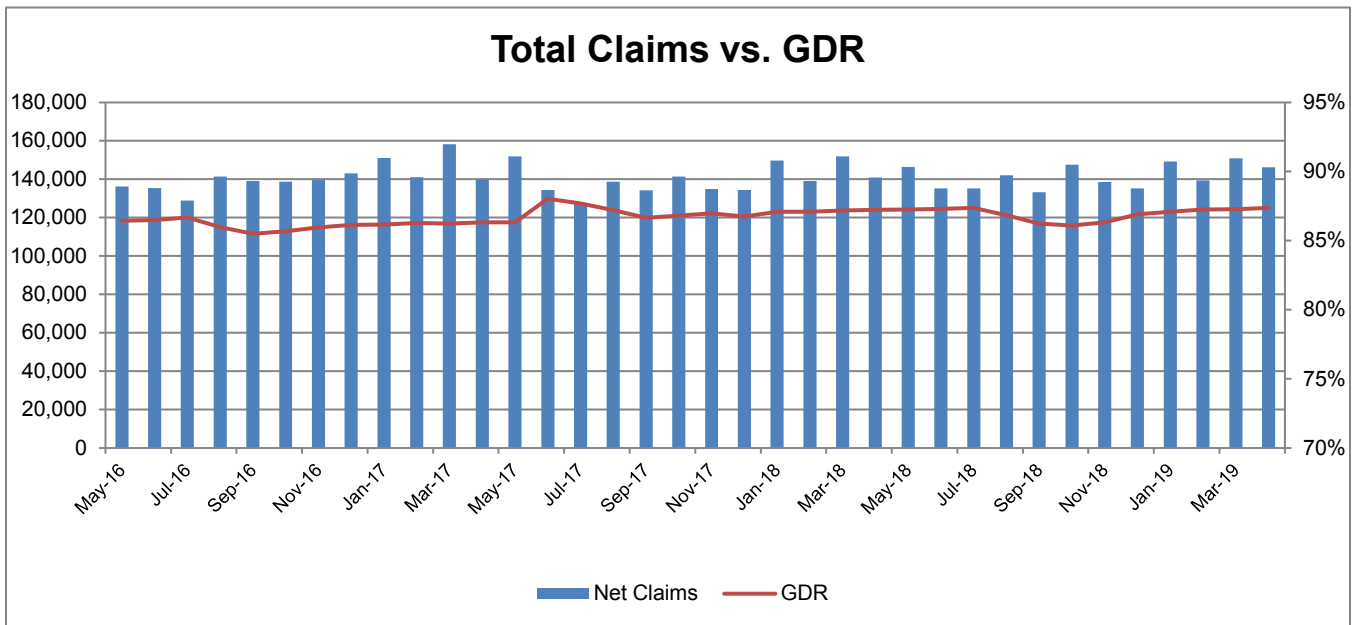
COHS: County Organized Health System

KPI: Key Performance indicators

RxPMPM: Prescriptions per member per month

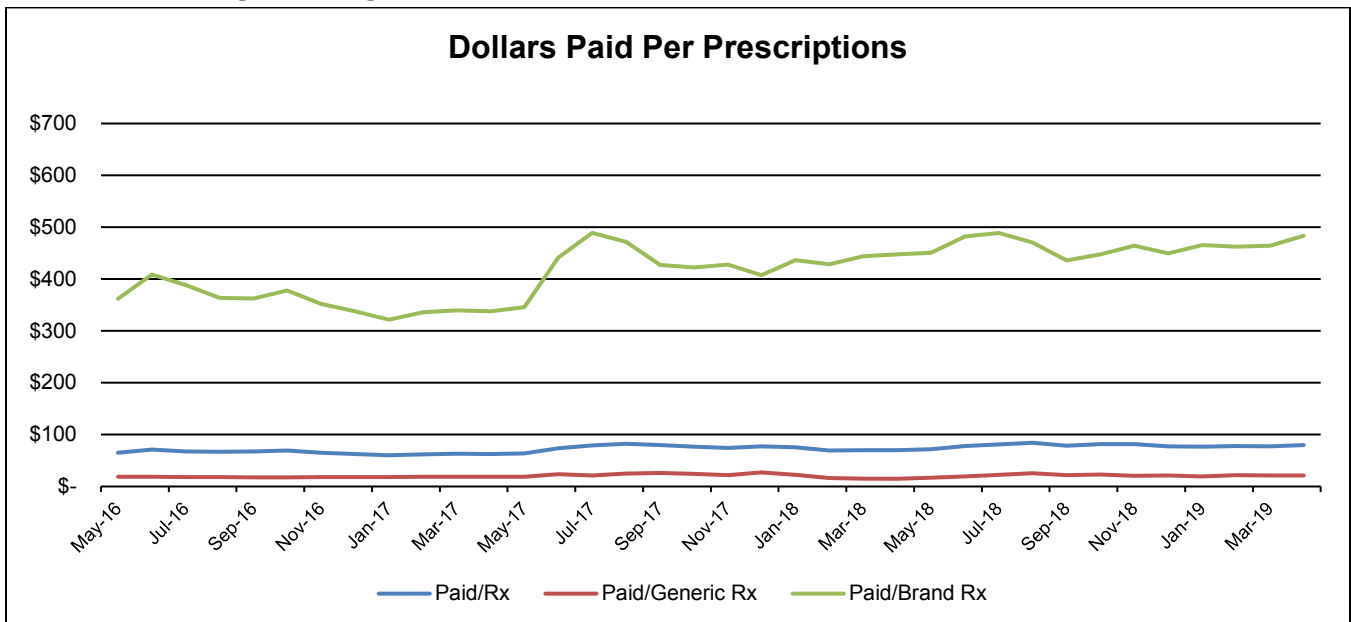
PHARMACY COST TRENDS:



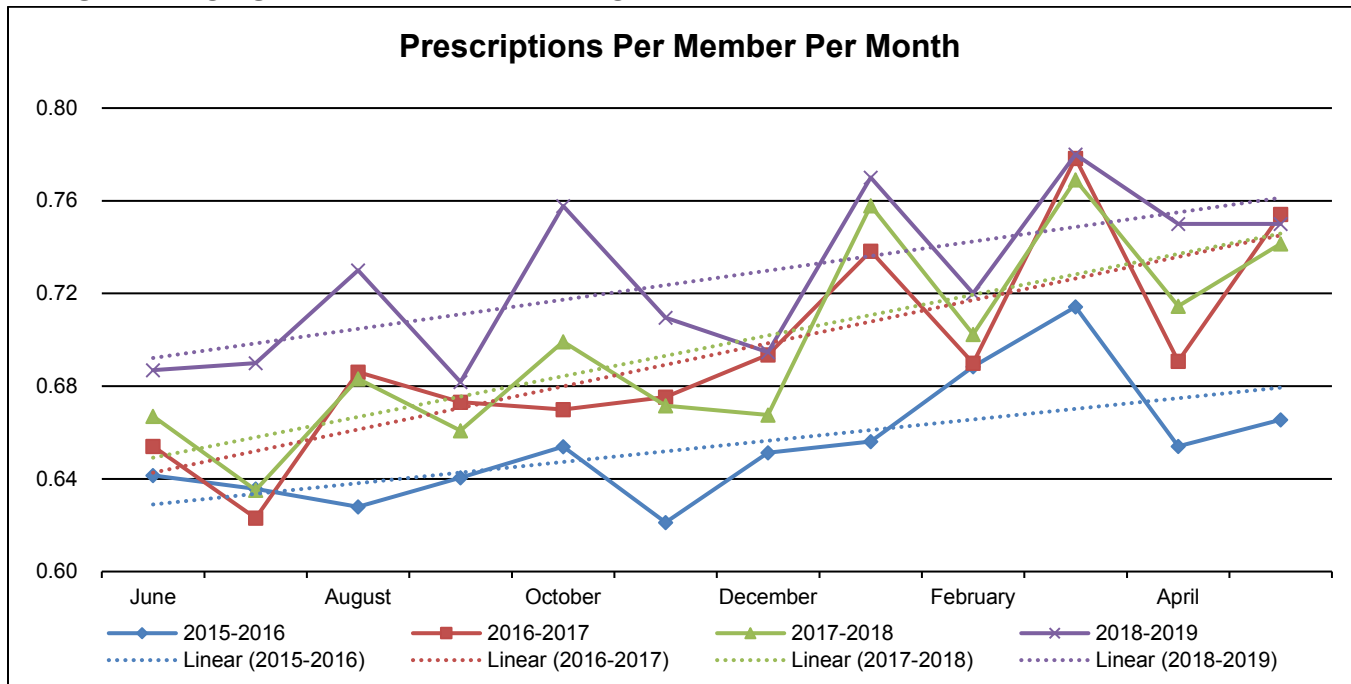


*Claim totals prior to June 2017 are adjusted to reflect net claims.

PAID PER PRESCRIPTION:



PRESCRIPTIONS PER MEMBER PER MONTH:



*Calculation reflects net claims.

PBM OVERSIGHT:

Pharmacy Monitoring:

Issue Type	Number of Pharmacies
CA Board of Pharmacy Disciplinary Actions – Pending	2
CA Board of Pharmacy Disciplinary Actions – License Revoked	0
CA Board of Pharmacy Disciplinary Actions – Probation	2
OptumRx Audits – Ongoing	1
DEA Investigations	1

340B DRUG DISCOUNT PROGRAM

Clinicas del Camino Real (CDCR) and GCHP continue to have discussions regarding the proposed 340B compliance contract GCHP provided to CDCR in early 2018. This is affected by a pending release of a DHCS All Plan Letter (APL) regarding 340B program oversight requirements for managed care plans (MCPs).

ONGOING PHARMACY INITIATIVES

Clinical Programs:

Gold Coast Health Plan has selected the following clinical programs offered by OptumRx:

Programs	Modules	Start Date	Outcomes	Notes
Retrospective Drug Utilization Review (RDUR)	<ul style="list-style-type: none"> • Safe and Appropriate Utilization • Gaps in Care 	10/1/2018	Initial outcomes and provider feedback are being reviewed for potential process improvement	Potential to impact some HEDIS rates
Opioid Risk Management	<ul style="list-style-type: none"> • Retrospective Drug Utilization Review (RDUR) • Intensive Case Management 	10/1/2018	Preliminary outcome data is being reviewed	

Provider Relations:

Gold Coast Health Plan is reaching out to provider offices in the following mechanisms in order to facilitate more efficient PBM communications for provider offices:

- Provider Survey on PBM Functions
- GCHP Pharmacy Staff Provider Office Visits
 - Targeting 4 high volume offices for June/July

AGENDA ITEM NO. 11

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Ted Bagley, Chief Diversity Officer

DATE: June 24, 2019

SUBJECT: Chief Diversity Officer Update

Community Relations

- Met with Moorpark School District to assist in addressing diversity issues among student population.
- Met with Gold Coast Veteran's Board to assist in assigning wheel chairs to needy veterans.
- Still working with Irene Pinkard of the Pinkard Institute to develop a directory of minority and women owned businesses in Ventura County.
- Met with the NAACP concerning diversity issues on the campus of CSUCI and Make-A-Wish Foundation.

Gold Coast Health Plan

- Three (3) coaching sessions not related to Diversity (career development).
- One (1) "Hotline" call during the month related to alleged policy violation. Investigation is in process. So far none of the concerns are proven to be diversity related. The case, barring any additional findings that may be diversity related, may be turned over to Human Resources.
- There were two (2) diversity complaints that were discussed and follow-up was completed. There was no need for further investigation.
- Bi-weekly business update with Dale Villani, CEO GCHP.
- Quarterly reviews with executive staff to begin in July.

Action Item

- I am continuing to try and schedule diversity training for the Commissioners. Resent selected date (July 19th) but it was a conflict with GCHP's all staff luncheon. Also looking for an alternative site since the use of the community room can be challenging based on other scheduled activities.

Data on Grievance Specifics

Males treated differently related to opportunities. Data accumulated back to January 2015

	<u>Male</u>	<u>Female</u>
➤ Step Progressions	2 (50%)	2 (50%)
➤ Promotions	35 (18%)	154 (81.5%)
➤ Performance Incen.	18 (20%)	69 (79%)
➤ Adjustments	33 (25%)	98 (75%)

AGENDA ITEM NO. 12

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Ruth Watson, Chief Operating Officer

DATE: June 24, 2019

SUBJECT: Chief Operating Officer Update

Executive Summary

Membership – GCHP membership for June 2019 is 193,646, a slight decrease in membership of 560 members. As always, Medi-Cal membership churn continues - 5,632 members were terminated, while 3,319 members were added (1,753 retroactively).

Ground Emergency Medical Transport (GEMT) – DHCS APL 19-007, released June 14, 2019, directs Managed Care Plans to provide supplemental payments to non-contracted emergency ambulance providers in accordance with Title 42 of the United States Code (USC) commonly referred to as “Rogers Rate”.

The payments will increase payments to these providers up to a maximum of \$339 for FY 2018-2019. The payment amount of \$339 will be offset by any payments already made to the provider and will coordinate with any other insurance payments made by Medicare of commercial carriers.

Funding for these payments was received by the Plan in April. We will be producing payments to the eligible providers beginning June 25, 2019. Staff anticipates all payments will be included for all providers, with the exception of any recent claims not yet received by the Plan.

Payment for FY2019-2020 is currently pending a decision by the CMS and DHCS.

Regulatory:

- **DHCS Regulatory requests** – Over the past month, the Plan has received numerous requests from the DHCS. Below is a list of requests that are currently in progress at the time of this update. Note: The below is separate to DHCS requirements relative to the Annual Medical Audit.
 - Quarterly Data Check responses- Completed
 - Timely Access 274 Data Quality Issues – In process, due 6/21/2019
 - Quarterly Monitoring, 2nd Quarter – due 6/21/2019

- **274 State File Submission** –The State continues to adjust requirements on what is reported on the 274 monthly file. The Plan continues to enhance quality of each monthly 274 file submission to the State. The Plan has implemented enhancements revolving around:
 - Professional Affiliation (mid-level supervising physician), and
 - Identification of PCP membership assignment volumes and max acceptable
- **Annual Medical Audit** – Network Operations is in process of preparing for the upcoming DHCS annual Medical Audit to be conducted the week of June 3rd.

Provider Additions and Terminations:

May 2019 Provider Additions- 21 Total (Note: These providers are additions to existing contracted entities):

1 PCP
15 Specialists
4 Pharmacies
1 Midlevel

May 2019 Provider Terminations – 7 Total (Note: These providers are terminations from existing contracted entities):

7 Specialists

These provider terminations have no impact on member access and availability.

Contracting:

- **Provider Contracting and Credentialing Management System (PCCM-Symplr)**

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

- An additional 198 contracts were audited and updated.
- Completed 15 test records on the eVips system.

- **Better Doctors** – The Plan continues to meet weekly with Quest Analytics as a touch base to ensure that the provider validation process continues to move smoothly.

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

- 867 providers were completed and updated in Provider Network Database (PNDB)

- 558 provider records were audited to ensure the providers were loaded accurately in PNDB and IKA (GCHP Claims system).

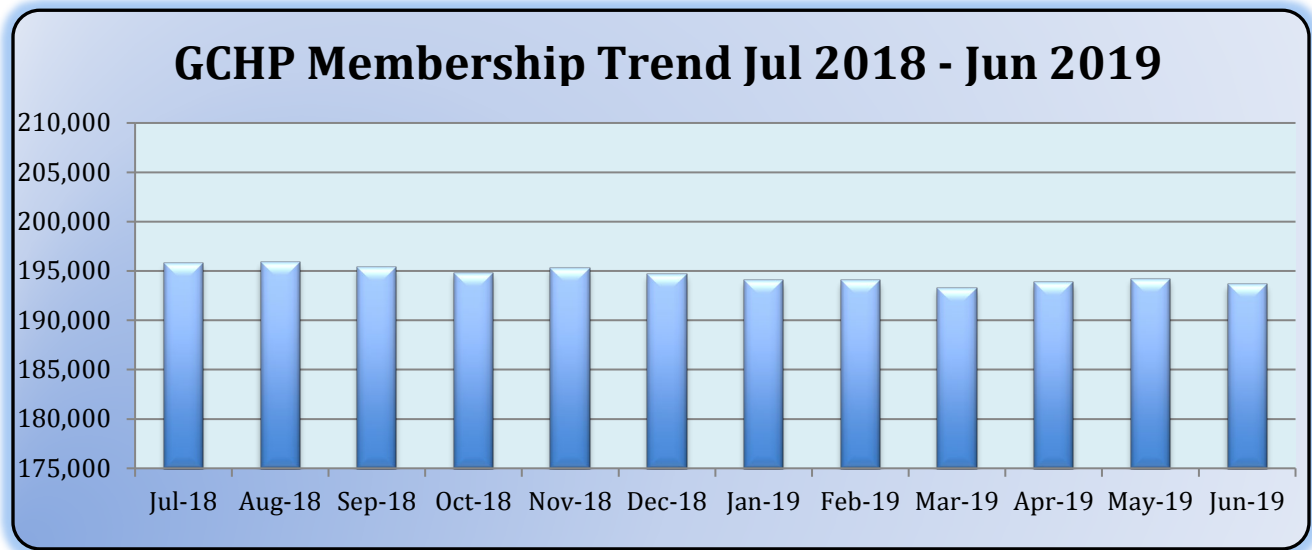
Rate Moratorium: The Plan has instituted a 90 day moratorium, effective May 1, 2019 on new contracts and contract rate renewals given the financial challenges faced by the Plan. Providers whose contracts are up for renewal have been notified and contract extension have been instituted. Contract renewal negotiations have begun.

- **Amendments:**

- Bautista Medical Group – Sespe Medical Group, PCP office located in Fillmore, will cease operations effective July 1, 2019. The closure would have affected over 920 members. After some discussion with the physicians in the group, the individual providers will contract with GCHP under Bautista Medical Group. This new agreement ensures continuity of care to over 920 GCHP members.
 - Jean Allen – Solar Urgent Care – Provider was previously contracted under an Interim Letter of Agreement. The provider is now contracted as a fully contracted provider with GCH.
 - Dignity Health/St. Johns Regional and Pleasant Valley Hospitals - Amendment allows GCHP's Utilization Management and Quality Management departments to gain access to the hospitals' EHR system for concurrent medical review and HEDIS and Quality medical records review.
- **Interim LOA:** Required while obtaining Medi-Cal enrollment certification
 - Amigo Baby- Pediatric Physical Therapy, Occupational Therapy and Speech Therapy provider who provides complex, developmental therapies mainly in the age group of 3 to 5 year olds, excluding CCS diagnoses.
 - CardioNet – Provides Mobile Cardiac Outpatient Telemetry services for our members. The contract allows for approximately a 52% savings per test
 - LifeWatch – Provider is the sister organization of CardioNet. Provides additional MCOT services that are not covered under the CardioNet agreement.

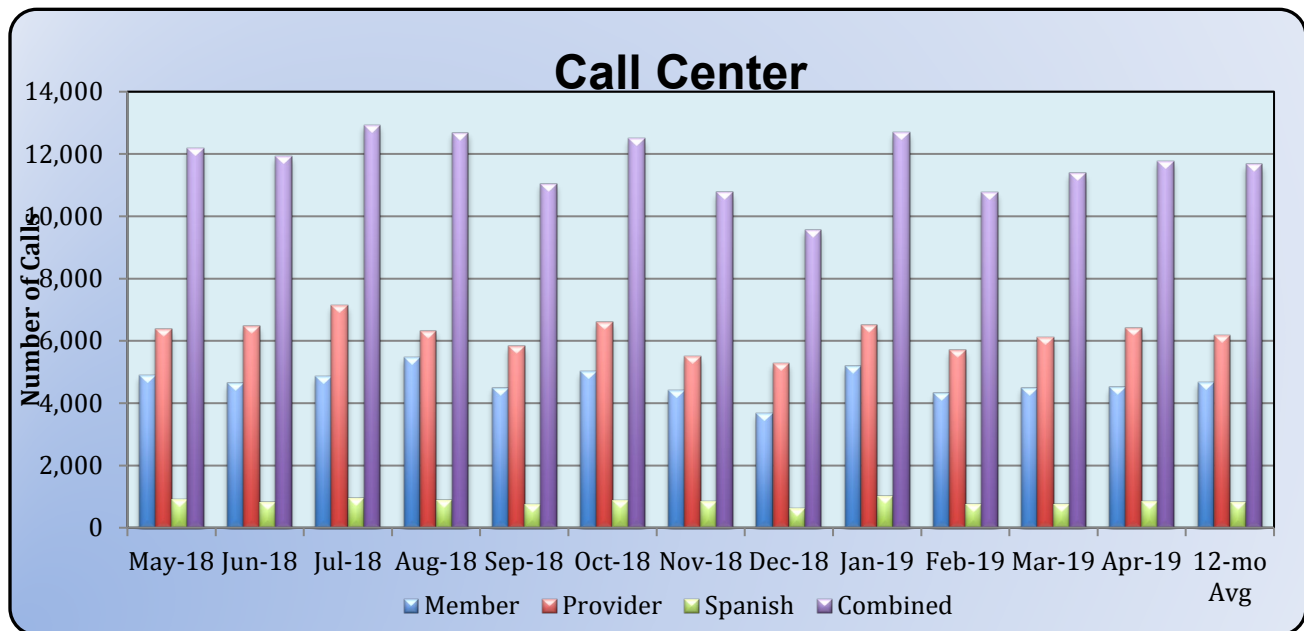
Plan Operations Metrics

Membership FY2018-2019



Call Center Metrics FY2018-2019

Volume:

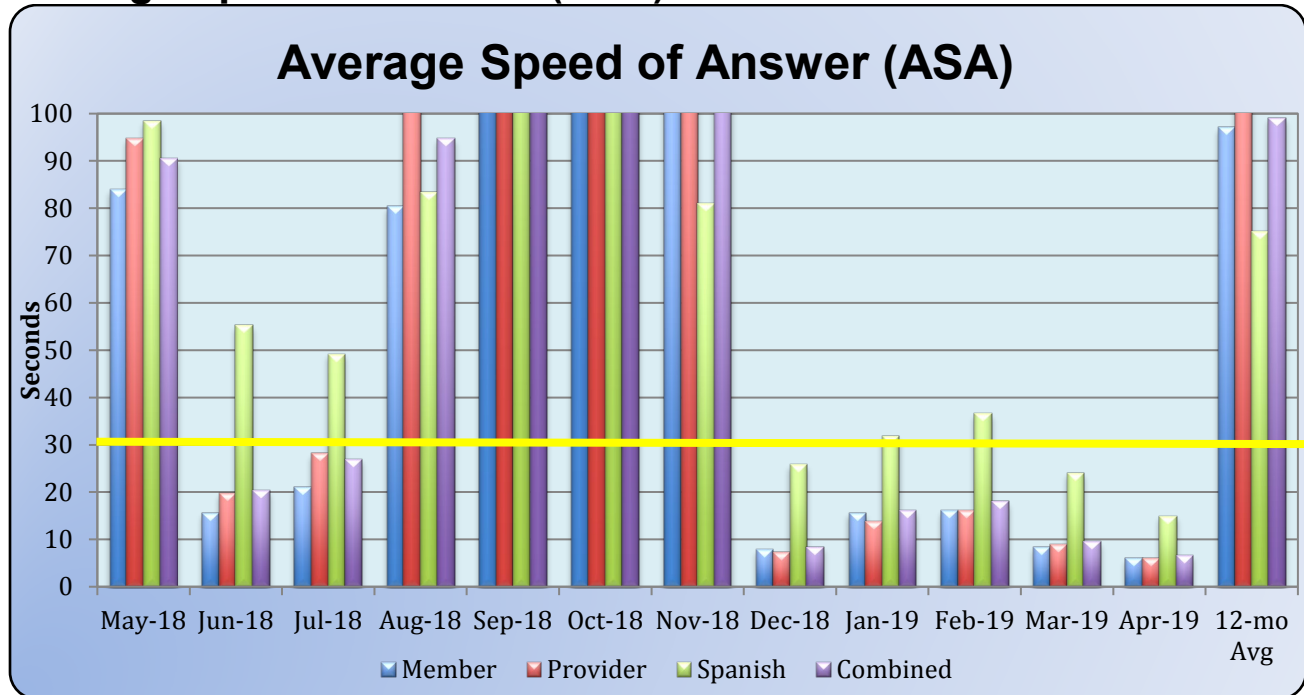


Average calls received monthly

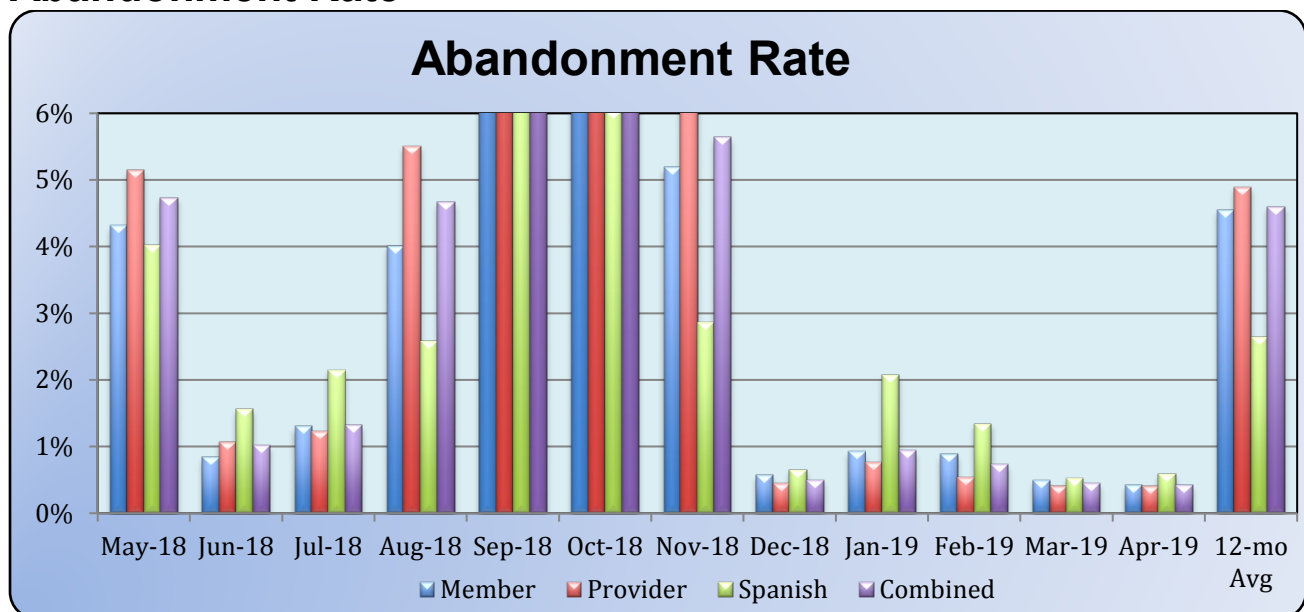
- Total calls received = 11,776
- % member calls = 38%
- % Spanish calls = 7%
- % provider calls = 52%

*Note: total excludes rounding

Average Speed to Answer (ASA)



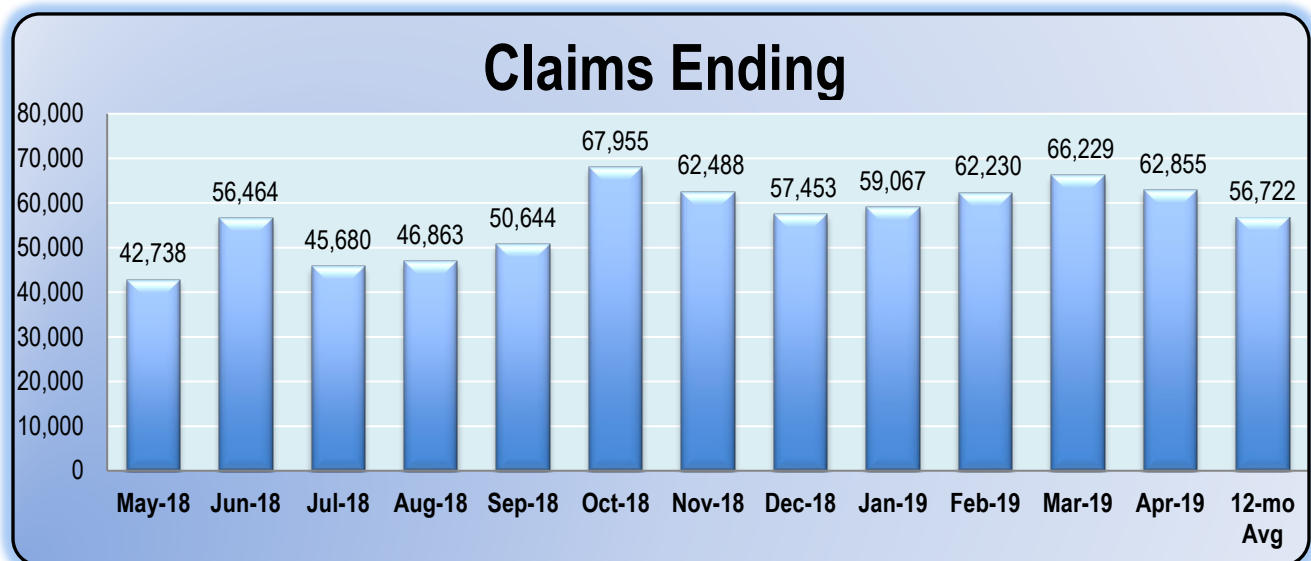
Abandonment Rate



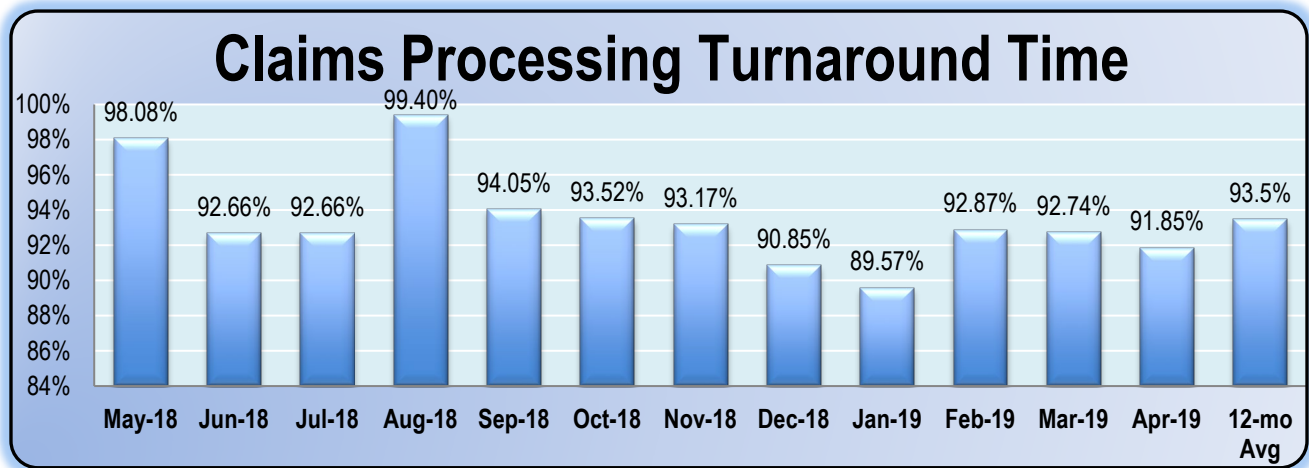
- Staff stabilization beginning in December has resulted in the call center metrics consistently meeting and exceeding expected service levels
- Attrition in the call centers have decreased since the implementation of the Tempe, AZ call center
- GCHP Member Services Staff have served 38 member walk ins and 64 calls to members in FY2018-2019 in addition to the other outreach services the team performs on a monthly basis

Claims Metrics FY2018-2019

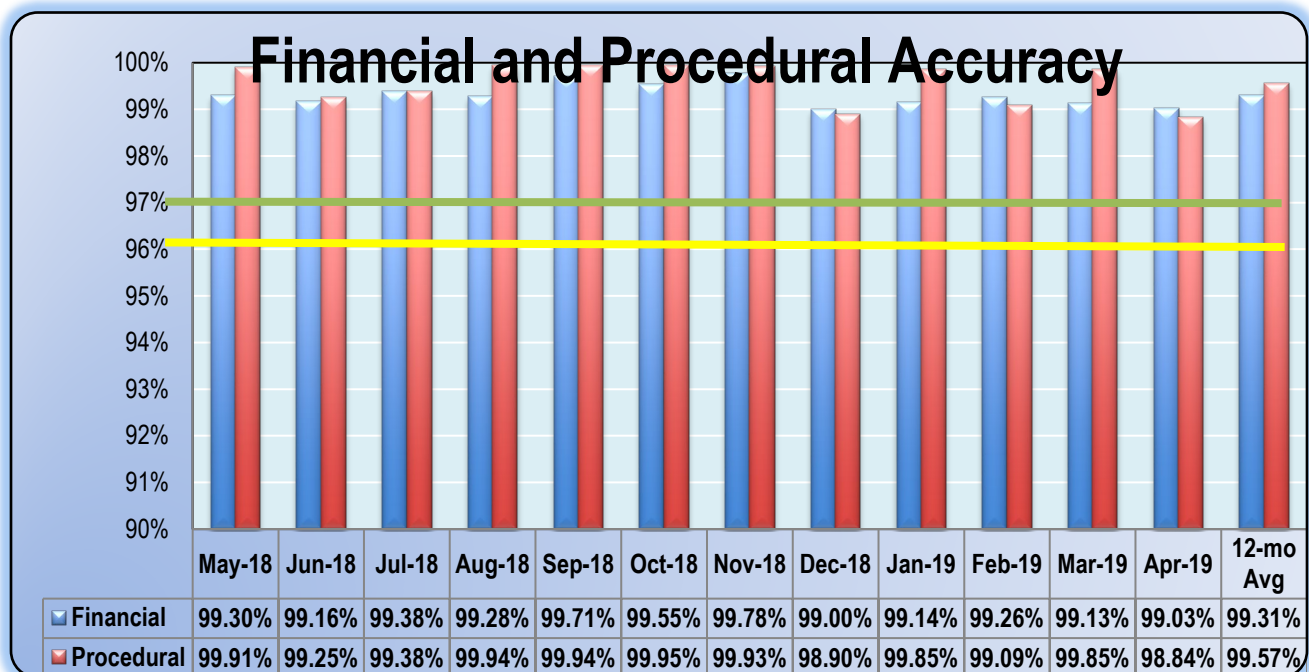
Claim Inventory Summary



Claims Processing Turn Around Time (TAT)



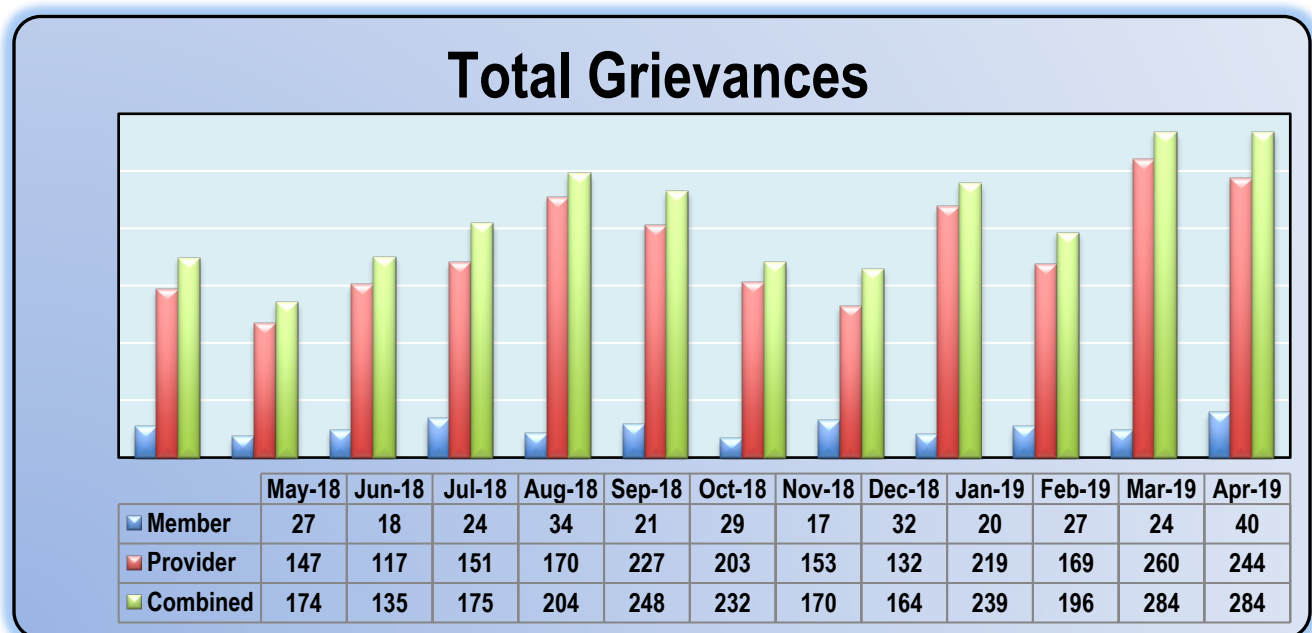
Claim Processing Accuracy- Financial and Procedural



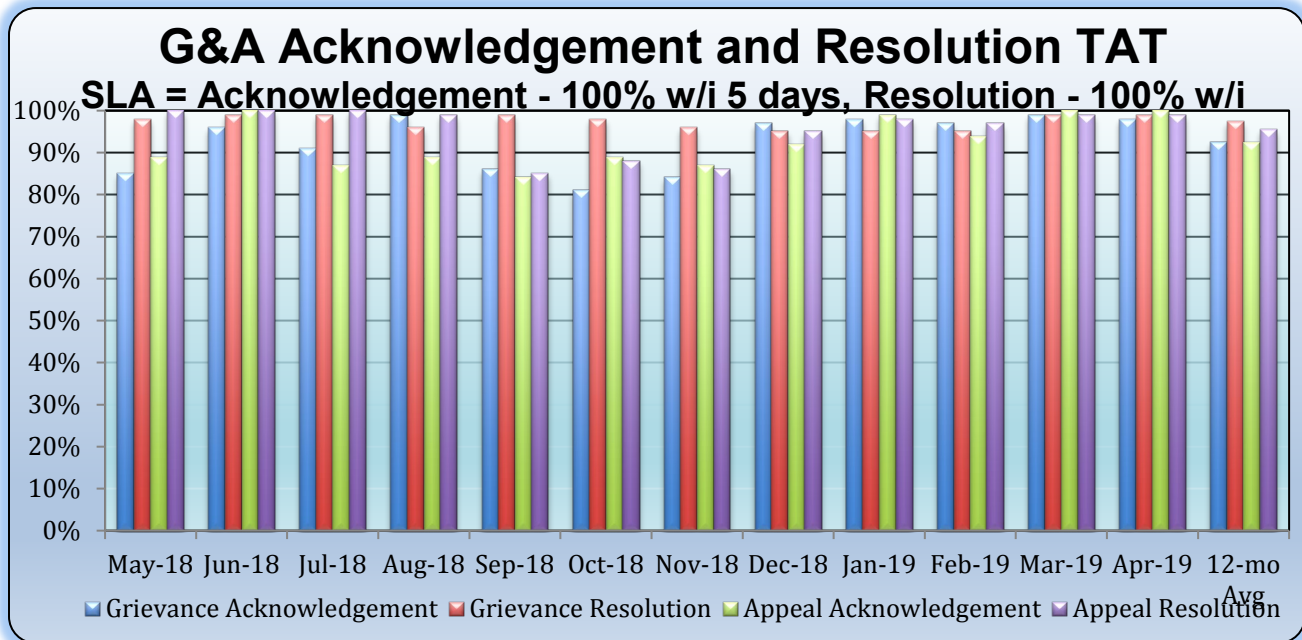
- Claim volume continues to fluctuate with various seasonality and impacts that are typical of healthcare claims

- Conduent's financial and procedural accuracy continue to meet and exceed expectations for audited claims
- Auto Adjudication of claims has increased to 76% in recent months. The target is 70%

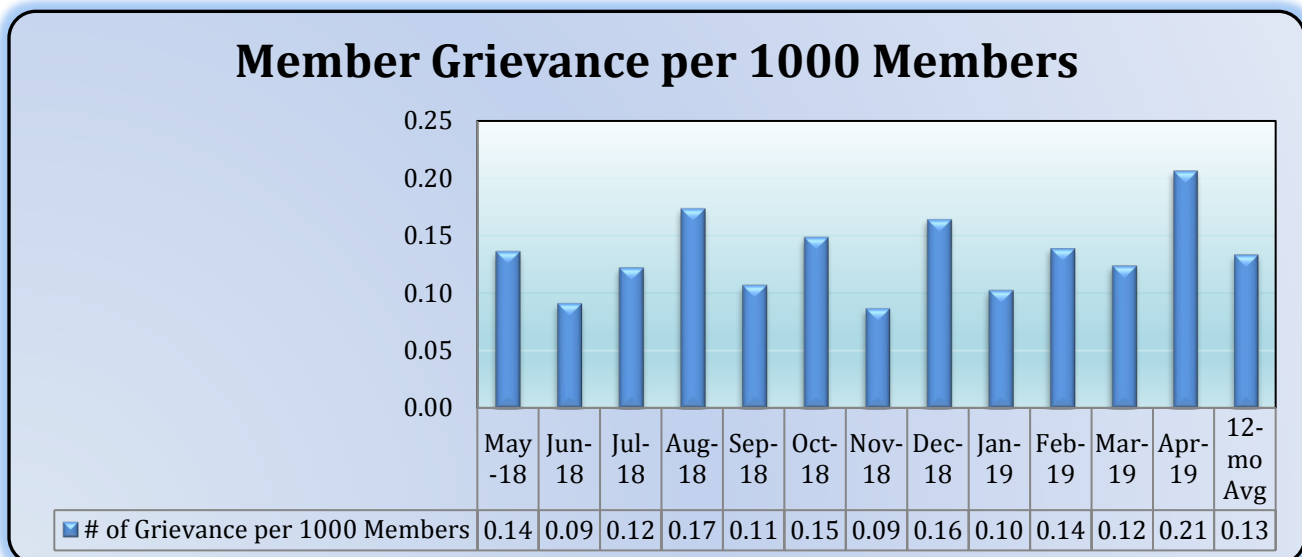
Grievance and Appeals FY2018-2019



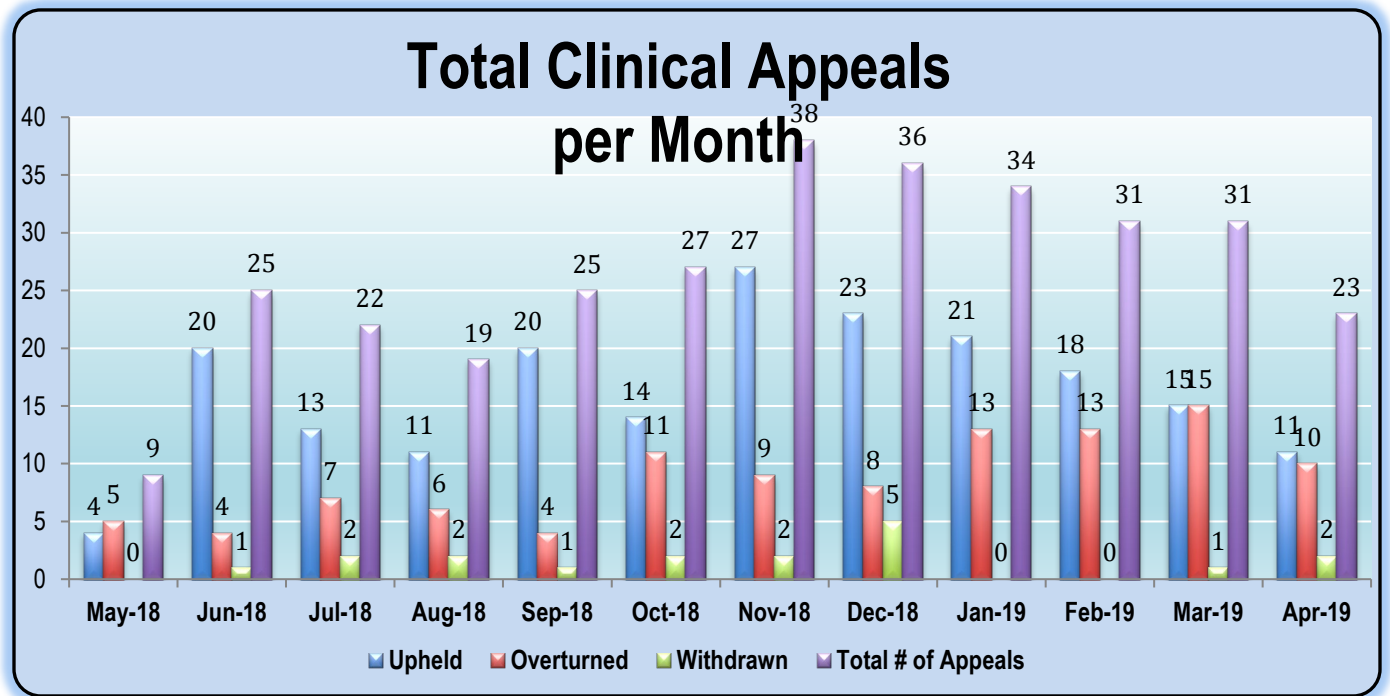
G&A Acknowledgement and Resolution TAT



Member Grievances per 1,000 Members



Clinical Appeals



- GCHP Grievance volume remains relatively static month over month
- Acknowledgements continue to miss expectations by a small percentage due to staffing constraints

Member PCP Assignments

