

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

January 23, 2017 Regular Meeting Minutes

CALL TO ORDER

Commissioner Darren Lee called the meeting to order at 2:03 p.m. in the Community Room located at Gold Coast Health Plan, 711 E. Daily Drive, Camarillo, California.

PLEDGE OF ALLEGIANCE

Commissioner Lee led the Pledge of Allegiance.

ROLL CALL

Present: Commissioners Anthony Alatorre, Shawn Atin, Lanyard Dial, M.D., Narcisa Egan, Laura Espinosa, Peter Foy (arrived at 2:08 p.m.), Michele Laba, M.D. (arrived at 2:08 p.m.), Darren Lee, Gagan Pawar, M.D., Catherine Rodriguez, and Jennifer Swenson.

Absent: None.

OATH OF OFFICE

The Clerk of the Board administered the oath of office to Commissioner Espinosa.

PUBLIC COMMENT

None.

Scott Campbell, General Counsel, stated the Consent Calendar items are not expected to be controversial, have been previously reviewed by the Executive/Finance Committee, and unless a Commissioner requests to pull an item for individual consideration, the appropriate motion would be to approve Agenda Items Nos. 1 through 11.

CONSENT CALENDAR

1. Approval of Ventura County Medi-Cal Managed Care Commission Meeting Regular Minutes of October 24, 2016

RECOMMENDATION: Approve the minutes.

Commissioner Dial moved to approve the recommendation. Commissioner Alatorre seconded.

AYES: Commissioners Alatorre, Atin, Dial, Egan, Espinosa, Lee, Pawar, Rodriguez, and Swenson.

NOES: None.

ABSTAIN: None.

ABSENT: Commissioners Foy and Laba.

Commissioner Lee declared the motion carried.

2. Approval of Ventura County Medi-Cal Managed Care Commission Meeting Regular Minutes of November 9, 2016

RECOMMENDATION: Approve the minutes.

Commissioner Dial moved to approve the recommendation. Commissioner Alatorre seconded.

AYES: Commissioners Alatorre, Atin, Dial, Egan, Espinosa, Lee, Pawar, Rodriguez, and Swenson.

NOES: None.

ABSTAIN: None.

ABSENT: Commissioners Foy and Laba.

Commissioner Lee declared the motion carried.

3. Approval of Contract with SAI Global Inc. for Compliance, Governance, and Risk Software Services

RECOMMENDATION: Approve the contract with SAI Global Inc. for compliance, governance, and risk software services for five years with a not to exceed amount of \$172,690.

Commissioner Dial moved to approve the recommendation. Commissioner Alatorre seconded.

AYES: Commissioners Alatorre, Atin, Dial, Egan, Espinosa, Lee, Pawar, Rodriguez, and Swenson.

NOES: None.

ABSTAIN: None.

ABSENT: Commissioners Foy and Laba.

Commissioner Lee declared the motion carried.

4. Approval of Contract with DME Consulting Group Inc. for Home Member Assessment Services

RECOMMENDATION: Approve the contract with DME Consulting Group Inc. for home member assessment services for three years with a not to exceed amount of \$150,000.

Commissioner Dial moved to approve the recommendation. Commissioner Alatorre seconded.

AYES: Commissioners Alatorre, Atin, Dial, Egan, Espinosa, Lee, Pawar, Rodriguez, and Swenson.

NOES: None.

ABSTAIN: None.

ABSENT: Commissioners Foy and Laba.

Commissioner Lee declared the motion carried.

5. Approval of Contract with Milliman Inc. for Business Critical Analytics Software (MedInsight)

RECOMMENDATION: Approve the contract with Milliman Inc. for business critical analytics software (MedInsight) for four years with a not to exceed amount of \$1,252,818.

Commissioner Dial moved to approve the recommendation. Commissioner Alatorre seconded.

AYES: Commissioners Alatorre, Atin, Dial, Egan, Espinosa, Lee, Pawar, Rodriguez, and Swenson.

NOES: None.

ABSTAIN: None.

ABSENT: Commissioners Foy and Laba.

Commissioner Lee declared the motion carried.

6. Approval of Contract with Coffey Communications Inc. for Custom Membership Publication Services

RECOMMENDATION: Approve the contract with Coffey Communications Inc. for custom membership publication services for three years with a not to exceed amount of \$478,500.

Commissioner Dial moved to approve the recommendation. Commissioner Alatorre seconded.

AYES: Commissioners Alatorre, Atin, Dial, Egan, Espinosa, Lee, Pawar, Rodriguez, and Swenson.

NOES: None.

ABSTAIN: None.

ABSENT: Commissioners Foy and Laba.

Commissioner Lee declared the motion carried.

7. Approval of Contract with Coffey Communications Inc. for Member Fulfillment/Direct-Mailing Services

RECOMMENDATION: Approve the contract with Coffey Communications Inc. for member fulfillment/direct-mailing services for three years with a not to exceed amount of \$294,000.

Commissioner Dial moved to approve the recommendation. Commissioner Alatorre seconded.

AYES: Commissioners Alatorre, Atin, Dial, Egan, Espinosa, Lee, Pawar, Rodriguez, and Swenson.

NOES: None.

ABSTAIN: None.

ABSENT: Commissioners Foy and Laba.

Commissioner Lee declared the motion carried.

8. Approval of Contract with mPulse Mobile Inc. for Member Mobile Text Messaging Services

RECOMMENDATION: Approve the contract with mPulse Inc. for member mobile text messaging services for two years with a not to exceed amount of \$250,000.

Commissioner Dial moved to approve the recommendation. Commissioner Alatorre seconded.

AYES: Commissioners Alatorre, Atin, Dial, Egan, Espinosa, Lee, Pawar, Rodriguez, and Swenson.

NOES: None.

ABSTAIN: None.

ABSENT: Commissioners Foy and Laba.

Commissioner Lee declared the motion carried.

9. Appointment of Medical Advisory Committee Member and Pharmacy and Therapeutic Committee Members

RECOMMENDATION: Appoint Dr. Amita Dharawat to the Medical Advisory Committee and Drs. Janeane Moura, Joseph Cabaret, Ben Lish, and Debbie Veals to the Pharmacy and Therapeutics Committee.

Commissioner Dial moved to approve the recommendation. Commissioner Alatorre seconded.

AYES: Commissioners Alatorre, Atin, Dial, Egan, Espinosa, Lee, Pawar, Rodriguez, and Swenson.

NOES: None.

ABSTAIN: None.

ABSENT: Commissioners Foy and Laba.

Commissioner Lee declared the motion carried.

10. Appointment of Consumer Advisory Committee Beneficiary Member

RECOMMENDATION: Appoint Estelle Cervantes as the Consumer Advisory Committee Beneficiary Member.

Commissioner Dial moved to approve the recommendation. Commissioner Alatorre seconded.

AYES: Commissioners Alatorre, Atin, Dial, Egan, Espinosa, Lee, Pawar, Rodriguez, and Swenson.

NOES: None.

ABSTAIN: None.

ABSENT: Commissioners Foy and Laba.

Commissioner Lee declared the motion carried.

11. State of California Department of Health Care Services Contracts Amendment A23 Provider-Preventable Conditions and Amendment A24 Contract Term Extension to December 31, 2020

RECOMMENDATION: Ratify the Chief Executive Officer's execution of Amendment A23 and Amendment A24 to the Department of Health Care Services Contract.

Commissioner Dial moved to approve the recommendation. Commissioner Alatorre seconded.

AYES: Commissioners Alatorre, Atin, Dial, Egan, Espinosa, Lee, Pawar, Rodriguez, and Swenson.

NOES: None.

ABSTAIN: None.

ABSENT: Commissioners Foy and Laba.

Commissioner Lee declared the motion carried.

Commissioners Foy and Laba arrived at 2:08 p.m.

FORMAL ACTION ITEMS

12. November 2016 Year to Date Financials

RECOMMENDATION: Accept and file the November 2016 Fiscal Year to Date Financials.

Patricia Mowlavi, Chief Financial Officer, reported for the five months ending November 20, 2016, the Plan's performance resulted in a net asset gain of \$1.1 million, which was \$2.5 million higher than budget; the Medical Loss Ratio (MLR) is on target at 93%; and a new report section was added showing the Adult Expansion Population MLR summary from inception to November 2016, which is currently at 84.5% and is below the required 85% resulting in the repayment of \$137.5 million to the Department of Health Care Services.

Commissioner Swenson moved to approve the recommendation. Commissioner Dial seconded.

AYES: Commissioners Alatorre, Atin, Dial, Egan, Espinosa, Foy, Laba, Lee, Pawar, Rodriguez, and Swenson.

NOES: None.

ABSTAIN: None.

ABSENT: None.

Commissioner Lee declared the motion carried.

13. Receive Resolution No. 2017-001 Amending the Bylaws to Establish Rosenberg's Rules of Order to Govern Certain Aspects of Commission Meetings and to Modify the Composition of the Executive/Finance Committee

RECOMMENDATION: Receive the proposed Resolution and approve Resolution No. 2017-001 at the February 27, 2017 Commission meeting.

Scott Campbell, General Counsel, stated staff is proposing two changes to the Commission's Bylaws. The Bylaws require the Commission to receive the changes at one meeting and approve them at the following meeting. The first change is the adoption of *Rosenberg's Rules of Order* for the conduct of the Commission meetings when the Bylaws do not provide direction. The second change would modify the composition of the Executive/Finance Committee so it does not require two members from the same constituency and would allow any Commission member to be appointed to the Committee, provided there is at least one representative from Clinicas Del Camino Real, Ventura County Medical Center Health System, and a private hospital or healthcare entity.

Commissioner Lee received the proposed Resolution No. 2017-001.

14. Cultural Diversity Subcommittee Vacancy and Chief Diversity Officer Interview Panel Vacancy

RECOMMENDATION: Appoint a Commissioner to the Cultural Diversity Subcommittee and approve the formal appointment of Yolanda Benitez to the Chief Diversity Officer interview panel.

Mr. Campbell stated staff requests the Commission to appoint a replacement for Commissioner Lee to the Cultural Diversity Subcommittee and approve Yolanda Benitez as the LULAC representative to the Chief Diversity Officer interview panel as Dr. Jaime Casillas has resigned from the post.

Commissioner Atin moved to appoint Commissioner Espinosa to the Cultural Diversity Subcommittee. Commissioner Alatorre seconded. The motion was amended to include the approval of Ms. Benitez's appointment to the Chief Diversity Officer interview panel.

AYES: Commissioners Alatorre, Atin, Dial, Egan, Espinosa, Foy, Laba, Lee, Pawar, Rodriguez, and Swenson.

NOES: None.

ABSTAIN: None.

ABSENT: None.

Commissioner Lee declared the motion carried.

15. Quality Improvement Committee 2016 Third Quarter Report

RECOMMENDATION: Accept and file the Quality Improvement Committee 2016 Third Quarter Report.

Albert Reeves, M.D., Chief Medical Officer, gave an update on the Quality Improvement Projects. The Performance Improvement Project (PIP) No. 1 is in conjunction with Las Islas Clinic and is currently in stage four, which is the testing of the proposed interventions: identifying members not fully immunized and to reach out to the families to schedule immunization appointments. PIP No. 2 involves increasing the utilization of standardized Child Developmental Screening Tools thereby identifying children at an early age with abnormal development so there can be an early intervention. The mandated PIP must be done with a clinic partner, however the first clinic withdrew from the project and a new clinic, Sierra Vista Family Medical Clinic, has been secured and are working on stage three of the project.

There were two mandated HEDIS Improvement Projects due to the measures scoring below the minimum performance levels: cervical cancer screening and well-child examinations in the 3rd, 4th, 5th, and 6th years of life. After the barriers were identified regarding the well-child examinations, two clinics were chosen for interventions, which involved identifying members not seen from January through September, providing this information to the clinics, and having the clinics reach out to the members in order to schedule well-child examinations. The goal was to increase the rate by five percentage points. The cervical cancer screening project barriers were also identified with one clinic chosen and the developed intervention consisted of the Plan sending reminder letters followed by a phone call from the Plan's Health Navigators and assistance making appointments. The goal was to improve the rate by five percentage points.

Dr. Reeves reviewed additional quality improvement activities including the Initial Health Assessment monitoring and four facility site reviews, which all passed. A discussion occurred between the Commissioners and staff regarding the procedures when a provider fails a site review, which included implementing a corrective action plan and failure to comply would be grounds for termination.

The Compliance Delegation Oversight dashboard was reviewed and it was noted Beacon has met each benchmark though they are still on a corrective action plan. The Pharmacy and Therapeutics section involved the review of four new drugs

with three approved to be added to the formulary and one new drug being denied as the formulary placement did not provide a significant new therapy. The Credentials/Peer review reported on the monitoring of three providers on probation by the Medical Board of California (MBC); three providers with accusations, but no action taken by the MBC; and one provider arrested for issues of prescribing controlled medications with no action by the MBC and legal action is pending. Additionally, 36 new providers were approved; 20 providers were recredentialed; and three facilities were credentialed. Two peer reviews involved one case rated two for outcome and system problems and changes were instituted at the facility to prevent a recurrence; the second case involved the education of a pharmacy to prevent a recurrence. One case involved a significant issue with a provider and the quality of care and is being reviewed by an outside independent specialist.

A discussion followed between the Commissioners and staff regarding the provider network growth now having 4,787 specialty providers and 365 primary providers. This significant increase in specialty providers was primarily due to the addition of UCLA and the City of Hope to provide additional access as this has been an ongoing complaint from members. Commissioner Alatorre inquired as to whether the website has been updated to reflect the addition of specialty physicians. Ruth Watson, Chief Operating Officer, stated she would follow-up and noted one of the major projects the Plan has scheduled is to automate the database updates.

Dr. Reeves noted every five years a needs assessment is required for health plans and in September the Plan contracted with SPH Analytics to do the survey and 414 members had replied. There were 339 grievances received consisting of 306 administrative grievances and 33 clinical grievances with the top three reasons consisting of provider disputes, quality of care, and benefits. Commissioner Swenson requested the provider disputes and quality of care grievances should be monitored in order to reduce these type of grievances.

Commissioner Atin moved to approve the recommendation. Commissioner Alatorre seconded.

AYES: Commissioners Alatorre, Atin, Dial, Egan, Espinosa, Foy, Laba, Lee, Pawar, Rodriguez, and Swenson.

NOES: None.

ABSTAIN: None.

ABSENT: None.

Commissioner Lee declared the motion carried.

16. Receive and Approve Resolution No. 2017-002 Rescinding Resolution No. 2015-007 and Adopting Personnel Rules, Regulations, and Policies and Handbook

RECOMMENDATION: Receive and Approve Resolution No. 2017-002.

Danita Fulton, Human Resources Director and Interim Chief Diversity Officer, stated the Human Resources policies and employee handbook are reviewed annually by the Human Resources Department with edit and/or changes presented to the Plan's senior leadership for review and approval prior to the Commission's review and approval. The attached policy review notes the edits or changes to each policy document with the majority of them being grammatical corrections. Highlights of the changes included a new retirement provider; vacation accrual policy update; and position recruitment procedures.

A discussion followed between the Commissioners and staff regarding Policy #4.1 Accepting Gifts and it was noted the policy does not allow employees to accept gifts of \$460 or greater and is consistent with the State law.

Commissioner Atin moved to approve the recommendation. Commissioner Alatorre seconded.

AYES: Commissioners Alatorre, Atin, Dial, Egan, Espinosa, Foy, Laba, Lee, Pawar, Rodriguez, and Swenson.

NOES: None.

ABSTAIN: None.

ABSENT: None.

Commissioner Lee declared the motion carried.

It was the consensus of the Commission to hear Agenda Item No. 17 - Approval of Chief Executive Officer Employment Contract Amendment after the Reports section of the Agenda.

REPORTS

18. Chief Executive Officer (CEO) Update

RECOMMENDATION: Accept and file the report.

Mr. Villani provided a high level overview on the potential impact of the Affordable Care Act (ACA) Repeal and Replace noting there would probably be no significant changes occurring in 2017. Mr. Villani stated he and Government Affairs Manager Marlen Torres would be attending the ACAP Legislative Fly-in on February 7 in Washington, D.C., and on February 14, they would be attending the LHPC 3rd Annual Legislative and Agency Briefing in Sacramento.

A discussion followed between the Commissioners and staff regarding the 2012 Department of Health Care Services (DHCS) Financial Corrective Action Plan

(CAP) placed on Gold Coast Health Plan (GCHP). GCHP staff met with DHCS on December 7, 2016, to discuss the steps necessary to lift the financial CAP as there are no longer any deficiencies identified and submitted a formal written request for a timeline on December 9, 2016. A reply was received from DHCS on January 12, 2017, which acknowledged GCHP's progress on the financial CAP, but notes the Capitated Rates Development Division is actively working with GCHP to establish final guidance and a timeline to fully close the CAP. A follow-up phone call occurred between DHCS and Brandy Armenta, Compliance Officer/Director on January 20, 2017. Ms. Armenta stated due to DHCS staff turnover, the same materials have been submitted for the fourth time in the past two and half years. DHCS stated they did not have a concern with the reports received and acknowledged GCHP is not out of compliance, but as they are looking at it as group, they need to ensure everything is correct. Mr. Villani stated he believes the financial CAP will be lifted within the next three months.

Ralph Oyaga, Executive Director for Government, Regulatory and External Relations, reviewed the Alternative Resources for Community Health (ARCH) initiative including the provision of Community Health Investments (CHI), which provides monetary grants to external organizations that work to improve the health of GCHP members and Ventura County residents in general.

Mr. Oyaga introduced Karen Escalante-Dalton, an independent consultant with extensive experience in health focused grant making, to help plan and launch the CHI grant making program. Ms. Escalante-Dalton gave an update on the CHI focus on the social determinants of health and provided the status and timeline for the implementation of the program.

19. Chief Operations Officer (COO) Update

RECOMMENDATION: Accept and file the report.

Ms. Watson stated total membership is at 204,530, which is the first time in two months the Plan has experienced a loss due to the redetermination process. Staff is preparing to issue a Request for Proposal for all outsourced services provided by Xerox by the end of March.

20. Chief Medical Officer (CMO) Update

RECOMMENDATION: Accept and file the report.

Nancy Wharfield, M.D., Associate Chief Medical Officer, stated the 2016 inpatient utilization metrics continue to be similar to slightly improved compared to 2015. The top admitting diagnoses continue to be pregnancy and sepsis. For members admitted with a primary diagnosis of sepsis, secondary diagnoses were cancer, heart disease, liver or renal transplant, and diabetes were secondary diagnoses. Requests for outpatient service outnumbered requests for inpatient service by more than four times.

Lupe Gonzalez, Director of Health Education, Outreach, and Cultural/Linguistic Services, highlighted the community education and outreach events for October, November, and December. Fifty-seven requests were received for sign language interpreter services and a total of \$12,300 was allocated to seven agencies under the sponsorship program. Dr. Donaldson from the Santa Paula Medical Clinic gave a discussion on gender identity and transgender healthcare issues for healthcare providers and staff.

Annie Freese, Pharm.D., Director of Pharmacy, gave an overview of pharmacy costs drivers: the component costs which include drug ingredients, dispensing, professional service fees, Pharmacy Benefits Manager (PBM) administrative fees, and prior authorization costs. The drivers of costs are dependent upon unit cost, utilization, mix, and traditional versus specialty. Department efficiencies included removal of ineffective PAs; enforcing payment by other health coverage, eligibility file corrections, and the development of drug utilization review standards. It was noted total costs have risen as members are utilizing more medication. Additionally, due to the new PBM contract rates there was a \$1.4 million savings as of January.

A discussion followed between the Commissioners and staff regarding mandating generic drugs when possible; Commissioner Lee made the request to provide the demographics in order to do a comparison of similar plans; the impact of Hepatitis C drug costs and when treatment should occur; the reduction in the kick payments received from the State; the diabetic cost per member per month compared to the non-diabetic cost; the total percent of diabetics is 6% compared to the national rate of 7%; Commissioner Lee made the request to provide the average age for diabetics; clarification was made that the labeling is reversed on the graph titled Total Drug Spend on page 324; Commissioner Rodriguez made the request the 340B discount tracking be made monthly instead of quarterly; whether or not members can be forced to use a pharmacy that is participating in the 340B program as there is the potential for a 40% to 60% savings; and the challenges of a mail order program.

Commissioner Espinosa left at 3:55 p.m.

21. Chief Information Strategy Officer (CISO) Update

RECOMMENDATION: Accept and file the report.

Melissa Scrymgeour, Chief Information and Strategy Officer, reviewed the 2016 portfolio highlights including the OptumRX PBM implementation; completion of the Inovolan implementation for HEDIS reporting; the implementation of new software to improve capabilities and efficiencies for forecasting and budgeting; and the kick off of the procurement process for provider credentialing, contracting, and data maintenance software.

22. Human Resources/Cultural Diversity (HR/CD) Subcommittee Update

RECOMMENDATION: Accept and file the report.

Ms. Fulton stated the investigation into the September 8, 2016, allegation involving the inflatable monkey doll is complete as an outside investigator concluded there was no intent to intimidate, offend, or upset on the part of the employees who hung the monkey, the employees did not intend the display to simulate a lynching, the incident was not reported to management or Human Resources internally, and the report concluded there was insufficient evidence to support any findings or violations of the harassment prevention policy. Additionally, there have been no complaints reported or complaints received on the anonymous tip hotline since September 8, 2016. The Chief Diversity Officer (CDO) interview panel continues to score the candidates for the position with the first round of interviews scheduled for January 28, 2017, with the finalists to be forwarded to the Commission for interviews. Commissioner Atin noted it is important the report be finalized and submitted to the Commission on a quarterly basis. The Commissioners commended the Subcommittee members and Ms. Fulton on their work.

Commissioner Alatorre moved to approve the recommendation to accept and file the Report Items Nos. 18 through 20. Commissioner Foy seconded.

AYES: Commissioners Alatorre, Atin, Dial, Egan, Foy, Laba, Lee, Pawar, Rodriguez, and Swenson.

NOES: None.

ABSTAIN: None.

ABSENT: Commissioner Espinosa.

Commissioner Lee declared the motion carried.

FORMAL ACTION ITEMS

17. Approval of Chief Executive Officer Employment Contract Amendment

RECOMMENDATION: Approve an amendment to the employment contract with Dale Villani.

Mr. Campbell stated at two different meetings, the Commission has given two directions: one was a three-year contract and one was a 120-day contract extension, both of which Mr. Villani has approved the terms of the legal language. Staff is requesting direction from the Commission on how to proceed.

Mr. Campbell announced Closed Session Agenda Item No. 23 Public Employee Performance Evaluation and Agenda Item No. 24 Conference with Labor Negotiators with

unrepresented employee Chief Executive Officer.

CLOSED SESSION

The Commission adjourned to Closed Session at 4:16 p.m.

23. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: Chief Executive Officer

24. CONFERENCE WITH LABOR NEGOTIATORS

Agency designated representatives: Scott Campbell, General Counsel

Unrepresented employee: Chief Executive Officer

OPEN SESSION

The Regular Meeting reconvened at 4:49 p.m.

Mr. Campbell stated Closed Session Agenda Item No. 25 Conference with Legal Counsel – Anticipated Litigation to discuss the subpoena received from the Office of Inspector General occurred and there was no reportable action taken.

25. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: Two Cases

FORMAL ACTION ITEMS

17. Approval of Chief Executive Officer Employment Contract Amendment

RECOMMENDATION: Approve an amendment to the employment contract with Dale Villani.

Mr. Campbell stated based on the Closed Session discussion, the appropriate motion would be to approve an addendum to the employment contract of Mr. Villani for three years with direction the goals to be formulated and to be agreed upon by May 31, 2017, include the removal of the financial CAP and the successful integration of the Chief Diversity Officer.

Commissioner Foy moved to approve the recommendation. Commissioner Rodriguez seconded.

AYES: Commissioners Alatorre, Atin, Dial, Egan, Foy, Laba, Lee, Pawar, Rodriguez, and Swenson.

NOES: None.

ABSTAIN: None.

ABSENT: Commissioner Espinosa.

Commissioner Lee declared the motion carried.

COMMENTS FROM COMMISSIONERS

None.

ADJOURNMENT

The meeting was adjourned at 4:50 p.m.

APPROVED:

A handwritten signature in black ink, appearing to read 'Tracy J. Oehler', is written above a horizontal line.

Tracy J. Oehler, Clerk of the Board