

**Ventura County Medi-Cal Managed Care Commission
(VCOMMCC) dba Gold Coast Health Plan (GCHP)
Commission Meeting Minutes
May 18, 2015**

CALL TO ORDER

Chair Araujo called the meeting to order at 3:06 p.m. Hall of Justice - Pacific Conference Room at the County of Ventura Government Center, 800 S. Victoria Avenue, Ventura, CA 93009.

The Pledge of Allegiance was recited.

ROLL CALL

COMMISSION MEMBERS IN ATTENDANCE

Antonio Alatorre, Clinicas del Camino Real, Inc. (arrived at 3:20 p.m.)
David Araujo, MD, Ventura County Medical Center Family Medicine Residency Program
Barry Fisher, Ventura County Health Care Agency
Peter Foy, Ventura County Board of Supervisors
David Glycer, Private Hospitals / Healthcare System
Michelle Laba, MD, Ventura County Medical Center Executive Committee
Darren Lee, Private Hospitals / Healthcare System (arrived at 3:22 p.m.)
Pawar Gagan MD, Clinicas del Camino Real, Inc.
Dee Pupa, Ventura County Health Care Agency

EXCUSED / ABSENT COMMISSION MEMBERS

Lanyard Dial, MD, Ventura County Medical Association
Vacant, Medi-Cal Beneficiary Advocate

STAFF IN ATTENDANCE

Ruth Watson, Chief Operations Officer and Interim Chief Executive Officer
Lyndon Turner, Financial Analysis Director
Traci R. McGinley, Clerk of the Board
Scott Campbell, Legal Counsel
Brandy Armenta, Compliance Director
Stacy Diaz, Human Resources Director
William Freeman, Network Operations Director
Guillermo Gonzalez, Government Relations Director
Lupe Gonzalez, Director of Health Education, Outreach, Cultural and Linguistic Services
Steven Lulich, Communications Director
Tami Lewis, Operations Director
Allen Maithel, Controller
Kim Osajda, Quality Improvement Director
Al Reeves, MD, Chief Medical Officer

Melissa Scrymgeour, Chief Information Officer
Nancy Wharfield, MD, Associate Chief Medical Officer

PUBLIC COMMENT

None.

1. APPROVE MINUTES

a. Special Meeting of April 15, 2015

Commissioner Pupa moved to approve the Special Meeting Minutes of April 15, 2015. Commissioner Glyer seconded. The motion carried with the following votes:

AYE: Araujo, Foy, Glyer, Laba and Pupa.
NAY: None.
ABSTAIN: Fisher and Pawar.
ABSENT: Alatorre, Dial and Lee.

b. Regular Meeting of April 27, 2015

Commissioner Fisher moved to approve the Regular Meeting Minutes of April 27, 2015. Commissioner Pupa seconded. The motion carried with the following votes:

AYE: Araujo, Fisher, Laba and Pupa.
NAY: None.
ABSTAIN: Foy, Glyer and Pawar.
ABSENT: Alatorre, Dial and Lee.

2. CONSENT ITEMS

a. March Financials

Financial Analysis Director Turner briefly reviewed the financials.

Commissioner Fisher moved to approve the March Financials. Commissioner Glyer seconded. The motion carried with the following votes:

AYE: Araujo, Fisher, Foy, Glyer, Laba, Pawar and Pupa.
NAY: None.
ABSTAIN: None.
ABSENT: Alatorre, Dial and Lee.

3. APPROVAL ITEMS

a. Council for Affordable Quality Healthcare (CAQH) Committee on Operating Rules

Chair Araujo stated that after an extensive review of the item, the Executive / Finance Committee recommended Commission approval.

CIO Scrymgeour reviewed the report with the Commission and explained that Health and Human Services (HHS) adopted the CAQH CORE Operating Rules to fulfill the Affordable Care Act (ACA) Section 1104 Federal mandate. The rules have been in place for some time, but the proposed penalties were not added until last year and they are very steep.

Commissioners Alatorre and Lee arrived.

CIO Scrymgeour went on to explain that if staff were to do an RFP it would put the Plan at greater risk of non-compliance because GCHP's RFP process takes approximately 17 weeks. The total three year spend for Edifecs Operating Rules Solution is estimated at \$448,300 versus possible penalties of approximately \$3.7 million (GCHP current membership of 187,000 x \$1 per day per member for a maximum of 20 days).

In response to questions from Commissioner Foy, CIO Scrymgeour explained that currently there are five local health plans in California looking at the Edifecs solution. Edifecs has a team in place and the solution is being built as a standard single format which the participating plans would then use to submit their data.

Commissioner Foy moved to authorize the CEO to negotiate and execute a services contract with Edifecs for the CORE Operating Rules solution, with approval to extend services for future CORE transaction requirement phases. Commissioner Fisher seconded. The motion carried with the following votes:

AYE:	Alatorre, Araujo, Fisher, Foy, Glyer, Laba, Lee, Pawar and Pupa.
NAY:	None.
ABSTAIN:	None.
ABSENT:	Dial.

4. ACCEPT AND FILE ITEMS

a. CEO Update

Interim CEO Watson advised the Commission that staff is working on providing agenda packets at least one week prior to meetings; however, in order for this to be accomplished there will be a month lag in data provided in the updates. The CEO Update was reviewed with the Commission specifically highlighting:

- Intergovernmental Transfer (IGT) process, rate range, maximum funding level of \$6,917,403 with the expected funds to be received in the beginning of August.
- Adult Expansion Reimbursement Program Policy was reviewed at Executive / Finance Committee, based on the comments staff and legal counsel are making changes and it will be brought back as an Information Item.
- Staff hired a consultant from Hewlett Greene Corporation (HGC) to perform a gap analysis of GCHP's Human Resource functions. HGC was chosen based on their previous experience with health care agencies and public entities.

- Additional Office Space is needed due to rapid and extensive growth. A portion of the current space will be reconfigured and staff is looking at two available spaces within the building complex.

In response to questions from Chair Araujo, Interim CEO Watson responded that the HR consultant was approximately \$30,000 and money was budgeted for the next fiscal year should additional services be desired.

Commissioner Fisher asked if satellite locations had been considered. Interim CEO Watson explained that the Plan's on-site customer service team is small so it would be difficult to be in multiple locations

b. COO Update

Interim CEO Watson presented the report highlighting the growth in membership which is approximately 187,000 members.

Commissioner Foy asked if membership was at the level anticipated. Interim CEO Watson responded that it was significantly more than anyone had anticipated. The Plan had projected membership would be 140,000-150,000 by the end of 2014, by April 2014 membership was already 140,000, but growth is slowing down. The Plan is anticipating membership will be a little over 200,000 before the end of the year.

Chair Araujo requested that membership turn-over information be provided in the update.

c. CIO Update

CIO Scrymgeour reviewed the projects update with the Commission

Commissioner Alatorre moved to accept and file the CEO, COO and CIO Updates. Fisher seconded. The motion carried with the following votes:

AYE:	Alatorre, Araujo, Fisher, Foy, Glyer, Laba, Lee, Pawar and Pupa.
NAY:	None.
ABSTAIN:	None.
ABSENT:	Dial.

5. INFORMATIONAL ITEMS

a. FY 2015-16 GCHP Operating and Capital Budget

Interim CEO Watson, Financial Analysis Director Turner and CIO Scrymgeour reviewed the budget presentation with the Commission.

Commissioner Pupa asked if it was possible to put dollar amounts with the projects. CIO Scrymgeour explained that the information is provided further in the presentation.

In response to questions from Commission Foy regarding rates, Interim CEO Watson explained that the State used the Seniors and Persons with Disabilities (SPD) and the Low Income Health Plan (LIHP) populations (which are the most costly populations) to

develop the rates for the Adult Expansion (AE). Across the State they are finding that the AE population is more like a traditional Medi-Cal member and the costs are much lower. Interim CEO Watson added that for the AE program the Plan must meet an 85% MLR (medical loss ratio), that means that 85% of the rates provided must be for medical care for this population. Many Plans are struggling to meet the 85% MLR and like GCHP have placed monies in a category of "payable to the state" should the DHCS decide to recoup the funds.

Commissioner Foy asked if the rates included Pharmacy. Financial Analysis Director Turner explained that the State built in \$208 PMPM (per-member per-month) for Pharmacy which is up from a few months ago and is currently running \$51 PMPM.

Commissioner Pupa asked what the personnel costs were for the new positions requested in the budget. Financial Analysis Director Turner responded that he would obtain the information and provide it to the Commissioner.

Commissioner Alatorre asked if the surplus funds from the ACA 1202 payments were budgeted for the quality initiatives. Interim CEO Watson explained that not all the funds have been paid out to the doctors and that the State had just notified GCHP that payments for 2015 received since January would need to be refunded back to the state. Once this is stabilized, the amount that may be available for inclusion in a pay-for-performance program will be reviewed by staff. Financial Analysis Director Turner added that there is a new projection and additional exposure of approximately \$6 million, which would then leave an excess of approximately \$6.7 million. Interim CEO Watson added that it was much less than originally calculated. Commissioner Alatorre requested that the amount be separated and noted once final.

COMMENTS FROM COMMISSIONERS

Chair Araujo stated that he would be unable to attend the July Commission Meeting and expressed concern that a quorum would be available for the July and August Meetings due to summer vacations. After discussion there was consensus that a quorum would be available for both meetings.

CLOSED SESSION

Legal Counsel Campbell explained the purpose of the Closed Session items and added that the anticipated litigation is related to LULAC report and request from State Agencies to access to some reports, as well as discussion regarding CEO compensation.

ADJOURN TO CLOSED SESSION

The Commission adjourned to Closed Session at 3:48 p.m. regarding the following items:

CLOSED SESSION

- a. **Conference With Legal Counsel – Anticipated Litigation**
Significant Exposure to Litigation Pursuant to paragraph (2) of subdivision (d) of Section 54956.9: Number of Cases: Unknown
- b. **Conference With Labor Negotiators Pursuant to Government Code Section 54957.8**
Agency Designated Representatives: Scott Campbell, legal counsel; Stacy Diaz, Human Resources Director and Gold Coast Health Plan Commissioners
Unrepresented Employee: Chief Executive Officer
- c. **Public Employee Appointment Pursuant to Government Code Section 54957**
Title: Chief Executive Officer

RETURN TO OPEN SESSION


The Regular Meeting reconvened at 6:04 p.m.

Legal Counsel Campbell stated there were no announcements from Closed Session.

ADJOURNMENT

Meeting adjourned at 6:05 p.m.

APPROVED:



Traci R. McGinley, MMC, Clerk of the Board