

**Ventura County Medi-Cal Managed Care Commission  
(VCOMMCC) dba Gold Coast Health Plan (GCHP)  
Commission Meeting Minutes  
October 22, 2012**

**CALL TO ORDER**

Chair Gonzalez called the meeting to order at 6:00 p.m. in Suite 200 at the Ventura County Public Health Building located at 2240 E. Gonzales Road, Oxnard, CA 93036.

The Pledge of Allegiance was recited.

**ROLL CALL**

**COMMITTEE MEMBERS PRESENT**

**David Araujo, MD**, Ventura County Medical Center Family Medicine Residency Program  
**Maylee Berry**, Medi-Cal Beneficiary Advocate  
**Anil Chawla, MD**, Clinicas del Camino Real, Inc.  
**Laurie Eberst**, Private Hospitals / Healthcare System  
**John Fankhauser, MD**, Ventura County Medical Center Executive Committee  
**David Glycer**, Private Hospitals / Healthcare System  
**Robert Gonzalez, MD**, Ventura County Health Care Agency  
**Catherine Rodriguez**, Ventura County Medical Health System

**EXCUSED / ABSENT COMMITTEE MEMBERS**

**Lanyard Dial, MD**, Ventura County Medical Association  
**Robert S. Juarez**, Clinicas del Camino Real, Inc.  
**Kathy Long**, Ventura County Board of Supervisors

**STAFF IN ATTENDANCE**

**Michael Engelhard**, CEO  
**Nancy Kierstyn Schreiner**, Legal Counsel  
**Sonia DeMarta**, Interim CFO  
**Traci R. McGinley**, Clerk of the Board  
**Charlie Cho, MD**, Chief Medical Officer  
**Stefani Conley**, Interim Human Resources Director  
**Guillermo Gonzalez**, Government Relations Director  
**Lupe Gonzalez**, Manager of Health Education & Disease Management  
**Steven Lalich**, Communications Manager  
**Jenny Palm**, Interim Health Services Director  
**Cassie Undlin**, Interim COO

Language Interpreting and Translating services provided by GCHP from Lourdes González Campbell of Lourdes González Campbell and Associates.

## **PUBLIC COMMENT / CORRESPONDENCE**

Christina Velasco, Clinicas CFO, requested to know when the Auto Assignment 3:1 ratio would be implemented, it had been discussed in June, July and briefly at the September Executive Finance Meeting. CEO Engelhard responded that programming was complete and that the 3:1 auto assignment would be implemented effective November 1, 2012.

Tony Alatorre, Clinicas COO, stated that GCHP's August 2012 Provider Newsletter advised providers that the CHDP (Child Health Disability Prevention) is considered in the PCP CAP. Clinicas is contesting this and has heard from other medical groups that GCHP receives premium dollars from federal funds. He requested to know what will happen to the unit and the money the County receives for the CHDP exams.

With regard to the CHDP Program, coverage under the PCP CAP the August Provider Newsletter clarified which billing codes could and could not be used for CHDP. The CHDP program is still in existence, and the Plan does not get extra money over and above its normal monthly capitation rate from the State. CEO Engelhard continued, stating that the Plan does not administer the County program so that question would have to be addressed with the County.

Chair Gonzalez requested a three-way meeting with Clinicas, Public Health CHDP Program staff and GCHP to reconcile this matter and come out with a statement on an understanding about how the dollars are distributed.

Tony Alatorre stated that at the Provider Advisory Committee Meeting Clinicas contested change in CHDP billing process but did not know how information from those meetings comes to the Commission. There is a population that has accepted this approach; however, Clinicas is disputing it.

### **1. APPROVE MINUTES**

#### **a. Regular Meeting of June 25, 2012**

#### **b. Regular Meeting of September 24, 2012**

Clerk McGinley noted that the September 24, 2012 Regular Meeting Minutes needed to reflect the attendance of Charlie Cho, MD, Chief Medical Officer.

Commissioner Eberst moved to approve the Regular Meeting Minutes of June 25, 2012 and the Regular Meeting Minutes of September 24, 2012 as amended. Commissioner Berry seconded the motion. The motion carried. **Approved 8-0.**

## **2. CEO REPORT**

CEO Engelhard updated the Commission about the first GCHP-hosted Community Resource Fair that was held on October 21<sup>st</sup> at Del Sol Park in Oxnard. Free health screenings and health education materials were distributed to attendees. Members, the general public and a number of GCHP providers were in attendance. Staff plans on scheduling additional resource fairs around the county throughout the year.

Commissioner Araujo questioned the financial impact of the Specialty Services contract. CEO Engelhard responded that staff views it as cost neutral. Chair Gonzalez added that this came to the Commission approximately one year ago. Commissioner Araujo asked what would happen should patients cross over between the County and Clinicas. Chair Gonzalez responded that there is a contract between Clinicas and the County.

### **a. Health Education – Group Needs Assessment (GNA) Findings**

Lupe Gonzalez, Manager of Health Education & Disease Management, reviewed the presentation.

## **3. ACCEPT AND FILE ITEMS**

### **a. August Financials**

Interim CFO DeMarta stated that the August Financials were reviewed in detail by the Executive Finance Committee. She noted that the Plan booked an additional \$7 million to IBNR expense based on analysis staff has done with BRG, as well as Milliman. This will continue to be analyzed and refined over time. The Plan is going through its annual financial audit so the actuaries from the audit firm will also take a look at this. Staff should have the final number within a few weeks which will then be reflected back to June.

CEO Engelhard explained that being a new Plan, the actuaries had determined what would be an appropriate expense level based on the historical cost that were received from the State. The claims and cost information received from the State was only through April 2010, and the Plan was basing a lot of the cost estimates on old fee-for-service (FFS) data. The costs are higher than what was booked and estimated from that data. Just last week the Plan received updated FFS data from the State through June 2011 and now staff has approximately 30 months of data to analyze going backwards from the beginning of the Plan. Staff can now better understand the actual FFS trends to see if the actual costs the Plan is incurring are consistent with that. It will also enable staff to see if the rates received from the State are adequate since the basis of the rates were several years old. GCHP is continuing to work with BRG, Milliman and its financial auditor to understand what the IBNR number is. As GCHP receives more data, the IBNR will be based on actual claims experience as opposed to historical FFS analysis. Staff is looking at all the accruals on the balance sheet to see where there are opportunities to offset some of the \$7 million. When the Plan has the financial statement audit performed and completed staff will advise the Commission if there were other opportunities to offset this.

Interim CFO DeMarta noted that staff worked on a revised methodology that BRG, Milliman (the actuaries) and the State have agreed with.

Chair Gonzalez added that this is not the first time the Plan has had to adjust the IBNR and it always creates a dramatic change, which also affects the TNE. However the Plan has money in the bank and is paying the bills.

CEO Engelhard noted that the Plan continues to have two months of cash in the bank, and is paying claims more timely than in the first few months of Plan operations. The Plan has more than adequate working capital to continue to operate; however needs to continue to watch the IBNR versus the cash levels. Staff is developing plans to ensure the cost structure of the organization is as optimal as possible.

CEO Engelhard announced that there are a number of activities that the Plan is undertaking surrounding claims – claim review, claim recovery, other health coverage, and credit balance audits. Staff is doing an RFP for non-emergency transportation and the State asked the Plan to review contracts for rates.

CEO Engelhard reported that the Plan reserved approximately \$6 million for AB97, 10% Provider cuts. Staff believes the Plan has accrued \$4.8 million that may be able to be released and used towards the IBNR. Staff hopes to present that at the Executive Finance Committee Meeting.

Commissioner Chawla moved to accept and file the August Financials. Commissioner Araujo seconded the motion. The motion carried. **Approved 8-0.**

#### **4. CONSENT ITEMS**

##### **a. Ratification of Contract with the Law Firm of Wilke-Fleury for Specialized Legal Services for Managed Care Contracting**

Commissioner Eberst moved to ratify the contract with the Law Firm of Wilke-Fleury for Specialized Legal Services for Managed Care Contracting. Commissioner Chawla seconded the motion. The motion carried. **Approved 8-0.**

#### **5. APPROVAL ITEMS**

##### **a. Consideration of Adoption of Claims Procedure for Claims Against Gold Coast Health Plan and Adoption of Associated Resolution**

Legal Counsel Kierstyn Schreiner reported that when the Plan was created a Non Medi-Cal Claim process was not created.

Commissioner Glycer moved to adopt the Claims Procedure and adopt the Resolution. Commissioner Araujo seconded the motion. The motion carried. **Approved 8-0.**

## RESOLUTION 2012-002

### A RESOLUTION OF THE VENTURA COUNTY MEDICAL MANAGED CARE COMMISSION ADOPTING CLAIMS PROCEDURE

b. Discussion of Bylaws and Meeting of the Executive / Finance  
Committee

Commissioner Eberst moved to approve that no further action be required in the establishment of meetings for the Executive Finance Committee by the Commission. Commissioner Chawla seconded the motion. The motion carried. **Approved 8-0.**

c. Consideration and Adoption of 2013 Commission Meeting Schedule

Commissioner Berry moved to adopt the 2013 Commission Meeting Schedule. Commissioner Fankhauser seconded the motion. The motion carried. **Approved 8-0.**

d. Consideration of Adoption of Conflict of Interest Code and Adoption  
of Associated Resolution

Legal Counsel Kierstyn Schreiner noted that with the transition from RGS (Regional Government Services) to GCHP, having title changes, as well as filing category requirement corrections. This will not be effective until it has gone to the Board of Supervisors and they have approved the modifications, the existing Conflict of Interest Code will remain in effect until the Board of Supervisors adopts the new Code.

Commissioner Eberst moved to adopt the Conflict of Interest Code and adopt the Resolution. Commissioner Berry seconded the motion. The motion carried. **Approved 8-0.**

## RESOLUTION NO. 2012-003

### A RESOLUTION OF VENTURA COUNTY MEDICAL MANAGED CARE COMMISSION dba Gold Coast Health Plan UPDATING DESIGNATED EMPLOYEES, OFFICERS AND DISCLOSURE CATEGORY LIST FOR POLITICAL REFORM ACT AND FAIR POLITICAL PRACTICES REQUIREMENTS (CONFLICT OF INTEREST AND RESCINDING OF PRIOR CONFLICT OF INTEREST CODE)

6. CONSIDERATION OF EMPLOYEE HEALTH BENEFIT COVERAGE AND  
PROVIDE DIRECTION

CEO Engelhard reported that staff surveyed eight organizations, other COHS and local hospitals which were included in the packet. What staff is proposing is consistent with the other agencies and hospitals.

Staff recommendation is to allow the Plan to continue health, vision and dental immediately to employee and their family members: continue the 10% retirement benefit contribution, hire a benefit structure professional to perform a review and determine the appropriate retirement plan for GCHP employees.

Commissioner Berry moved that GCHP offer health, dental and vision benefits to its employees and families upon eligibility. Commissioner Fankhauser seconded the motion. The motion carried. **Approved 8-0.**

Commissioner Rodriguez moved GCHP maintain the ten percent (10%) contribution to the STARS retirement system pending further review of retirement plan options. Commissioner Eberst seconded the motion. The motion carried. **Approved 8-0.**

## **7. DISCUSSION OF CORRECTIVE ACTION PLAN**

CEO Engelhard reported that on October 4, 2012 the Plan received a Corrective Action Plan (CAP) with eight areas of focus for improvement. These are areas the Plan was already aware of and staff had been working on. The State wants an agreed upon methodology for the IBNR. The Plan is to maintain low claims inventory, which will allow the Plan to get a better handle on IBNR. The Plan is to keep refunds at a low level. There are five key positions they want filled - COO, CFO, HR, IT and HS. Staff is moving aggressively on 4 of the 5. The Plan is still identifying candidates for the COO position; as GCHP wants to make sure we get it done right. By the next Commission Meeting there should be announcements on the 4 positions.

CEO Engelhard continued, stating that the State wants to see what the Plan is doing in terms of identifying additional cost savings through utilization measures. DHCS wants GCHP to look at the cost side of the contracts, the Plan's Utilization Management Plans, including CCS referrals. The last piece of the CAP is the submission of encounter data; the Plan is still working on getting the formatting of that file correct. There is a lot there, but nothing really new to GCHP or the State.

Commissioner Glycer stated that the report seemed generic and he expected the State required more specific responses and numbers to the items. Discussion was held regarding the specific CAP. Commissioner Glycer added that the ability to meet the TNE is one of the most important challenges facing the Plan and he is concerned about the response to the Utilization Management issues and staff seems to have come back with solving it with cuts to providers as opposed to fixing utilization issues that have been discussed.

CEO Engelhard responded that staff's intent was not to solve the TNE issue by merely cutting providers; the Plan needs to get a handle on the claims so that staff can see what the historical cost structure of the organization looks like and so it can determine what the real IBNR is. The State has specifically asked the Plan to look at provider contract rates and staff is responding to that request. It is not staff's intent to balance its books by only cutting provider rates.

CEO Engelhard stated that he would be discussing pushing some of the dates out with the State. Chair Gonzalez asked CEO Engelhard if he would confirm with the State whether or not it is a document the Commission should receive at this point and clarify what dates the Plan will be held to. He clarified that the purpose of today was to inform everyone that the Plan received a CAP and for the CEO to walk the Commission through the major items.

CEO Engelhard stated there are a few items that the Plan wishes to push back on to the State, but wish to be transparent to the Commission and the community. GCHP is writing a letter to the State, but staff wanted to get this to the Commission as soon as possible in terms of a meeting scheduled.

### **COMMENTS FROM COMMISSIONERS**

Commissioner Berry reported that the Resource Fair was a great event, there were so many families, it was great fun, and it had a great feeling. It was very well attended and it was great to see the efforts of the providers. People waited in line for a long time but the atmosphere was fun. She complimented the staff and stated that the vendors (providers) were very excited to be at the fair.

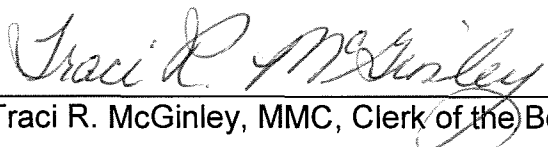
Chair Gonzalez stated that the Public Health Department does have programs teaching healthy eating and there is a community garden project in Oxnard. That is something that could be promulgated a little more with GCHP. St. Johns has done some programs around this as well. People love cooking demonstrations, Public Health got a cookbook for Latino dishes where they have taken a lot of fat and calories out of the dishes and they do demos on how to cook a chili relleno that doesn't have all the calories.

Chair Gonzalez stressed that staff needs to understand that by asking questions about the level of employee benefits the Commission is not making a statement of not appreciating what staff is doing or supporting them; the Commission is merely exercising their fiduciary responsibility.

### **ADJOURNMENT**

Meeting adjourned at 7:36 p.m.

APPROVED:

  
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Traci R. McGinley, MMC, Clerk of the Board