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

Regular Meeting
Monday, May 18, 2020, 2:00 p.m.
Gold Coast Health Plan, 711 East Daily Drive, Community Room, Camarillo, CA 93010
Executive Order N-25-20
Conference Call Number: 1-805-324-7279
Conference ID Number: 731 890 197#

AGENDA

CALL TO ORDER

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.

Members of the public may call in, using the numbers above, or can submit public comments to the Committee via email by sending an email to ask@goldchp.org. If members of the public want to speak on a particular agenda item, please identify the agenda item number. Public comments submitted by email should be under 300 words.

CONSENT

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

Staff: Maddie Gutierrez, CMC – Clerk of the Commission

RECOMMENDATION: Approve the minutes of April 27, 2020.

2. **AmericasHealth Plan (AHP) Contract**

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

RECOMMENDATION: Approve the agreement between AHP and GCHP, so that a pilot program to determine whether member outcomes can be improved, can proceed.

UPDATES

3. **Enterprise Transformation Project (ETP) Update on Timeline and Testing Plan**

Staff: Eileen Moscaritolo, HMA Consultant
Debbie Rieger, Sr. Executive Business Transformation Consultant

RECOMMENDATION: Receive and file the update.

4. **Solvency Action Plan**

Staff: Margaret Tatar, Interim Chief Executive Officer
Kashina Bishop, Chief Financial Officer

RECOMMENDATION: Staff recommends that the Commission receive and file this report.

FORMAL ACTION

5. **Adopt a Resolution to Renew Resolution No. 2020-002, to Extend the Duration of Authority Empowered in the CEO to issue Emergency Regulations and Take Action Related to the Outbreak of Coronavirus ("COVID-19") and Plan and Implement a Staggered Return to Work Program for Plan personnel.**

Staff: Scott Campbell, General Counsel

RECOMMENDATION: Adopt Resolution No. 2020-003 to (1) extend the duration of authority empowered in the CEO through June 22, 2020; and (2) authorize the CEO to plan and implement a staggered return to work program for Plan personnel as conditions warrant.

6. **Contract Extension with Health Management Associates (HMA)**

Staff: Scott Campbell, General Counsel

RECOMMENDATION: Staff recommends that the Commission approve this contract extension at the negotiated reduced rates through July 31, 2020.

7. **Election of Chairperson and Vice Chairperson to serve two-year terms and appointments to the Executive/Finance Committee.**

Staff: Scott Campbell, General Counsel

RECOMMENDATION: Staff recommends the following:

1. Elect a Commissioner to serve as Chairperson for a two-year term.
2. Elect a Commissioner to serve as Vice Chairperson for a two-year term.
3. Make any necessary appointments to the Executive/Finance Committee as follows:
   a. Chairperson (same as Commission Chair).
   b. Vice Chairperson (same as Commission Vice Chair)
   c Private Hospital Healthcare Representative (if required).
   d. Ventura County Medical Health System Representative (if required).
   e. Clinicas Del Camino Real Representative (if required).

8. **April 2020 Financial Report**

Staff: Kashina Bishop, Chief Financial Officer

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

REPORTS

9. **Chief Executive Officer (CEO) Report**

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

RECOMMENDATION: Receive and file the report.

10. **Chief Medical Officer (CMO) Report**

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

RECOMMENDATION: Receive and file the report.

11. **Chief Diversity Officer (CDO) Report**

Staff: Ted Bagley, Chief Diversity Officer

RECOMMENDATION: Receive and file the report.

CLOSED SESSION

12. **PUBLIC EMPLOYMENT**
Title: Chief Executive Officer

13. **CONFERENCE WITH LABOR NEGOTIATORS**
Agency authorized representatives: Gold Coast Health Plan Commissioners, Morgan Consulting and General Counsel
Unrepresented employee: Chief Executive Officer

14. **CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION**
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: One case.

ADJOURNMENT

Unless otherwise determined by the Commission, the next regular meeting will be held at 2:00 P.M. on June 22, 2020 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 Commission.

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact (805) 437-5512. Notification for accommodation must be made by the Monday prior to the meeting by 3 p.m. to enable the Clerk of the Commission to make reasonable arrangements for accessibility to this meeting.

AGENDA ITEM NO. 1

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Maddie Gutierrez, MMC - Clerk to the Commission

DATE: April 27, 2020

SUBJECT: Meeting Minutes of April 27, 2020 Regular Commission Meeting.

RECOMMENDATION:

Approve the minutes.

ATTACHMENTS:

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

Ventura County Medi-Cal Managed Care Commission
(VCMMCC)
dba Gold Coast Health Plan (GCHP)
April 27, 2020 Regular Meeting Minutes

CALL TO ORDER

Commissioner Antonio Alatorre called the meeting to order via teleconference at 2:11 p.m. Clerks were in the Community Room located at Gold Coast Health Plan, 711 East Daily Drive, Camarillo, California.

OATH OF OFFICE

Dr. Sevet Johnson took her Oath of Office.

ROLL CALL

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

Absent: None.

Attending the meeting for GCHP Executive team were: Margaret Tatar, Interim Chief Executive Officer, Patricia Tanquary, Interim Chief Executive Officer, Nancy Wharfield, M.D., Chief Medical Officer, Ted Bagley, Interim Chief Diversity Officer/Exec. Director of Human Resources, Kashina Bishop, Chief Financial Officer, Robert Franco, Interim Chief Compliance Officer, Scott Campbell, General Counsel, Cathy Salenko, General Counsel, Marlen Torres, Executive Director of Strategies and External Affairs, Steve Peiser, Sr. Director of Network Management.

Additional Staff participating on the call: Vicki Wrighster, Dr. Anne Freese, Nilesh Hingarh, M.D., Rachel Lambert, Bob Bushey, Helen Miller, Dr. Lupe Gonzalez, Pauline Preciado, Nicole Kanter, Anna Sproule, Jamie Louwerens, and Susana Enriquez-Euyoque.

PUBLIC COMMENT

1. Dr. Sandra Aldana thanked the county for quick response regarding the COVID-19 pandemic the country is currently going through. Dr. Aldana noted item 10 (CEO Report) on the agenda: appropriate number of PCR tests need to be available for the developmentally disabled if they are living in congregate settings. Dr. Aldana asked if the Commission had a plan on how to address the issue and make is accessible to the members.

Commission Chair Alatorre ask Interim CEO's to work with Dr. Aldana in order to address her concerns. CEO Tatar stated she welcomed the input and noted there is a Community Advisory Committee meeting scheduled for April 30th.

2. Katy Krul spoke on agenda item 6 (PACE approval). Ms. Krul is in support of this item and wants to voice her support of Clinicas Del Camino Real (CDCR) for this program. It is critical to have this all-inclusive program for so many who need the care. The PACE program will be very valuable for Ventura County in assisting the elderly and disabled.

CONSENT

1. Approval of Ventura County Medi-Cal Managed Care Commission Meeting Regular Minutes of February 24, 2020.

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

RECOMMENDATION: Approve the minutes.

Commissioner Espinosa motioned to approve the minutes. 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 John Zaragoza.

NOES: None.

ABSTAIN: Commissioner Sevet Johnson.

Commissioner Alatorre declared the motion carried.

UPDATES

2. Strategic Planning Update

Staff: Margaret Tatar, Interim Chief Executive Officer

RECOMMENDATION: Receive and file the update.

Interim CEO, Tatar gave a brief update. At the Strategic Planning Retreat, which was held in December of 2019, the Commission asked staff to follow the direction of the Newsom administration regarding Cal-AIM and the waiver request for the federal government was called at that time. The Cal-AIM plan was presented at the Executive

Finance Committee meeting for approval and the intention was to then present to the Commission. Due to COVID-19:
1. The Newsom administration has made it clear that everything related to Cal-AIM will need to be revisited and re-calibrated.
2. In consideration of the State budget, a workload budget will be recalibrated after the state collects tax revenues in late July. Cal-AIM will be suspended and wait for the August special session, then present a more tactical plan.

Therefore, the recommendation is to put the Strategic Plan on hold until more is known from the State and DHCS.

3. Physician Advice Module for R.N. Advice Line Update

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

RECOMMENDATION: Receive and file the update.

CMO Wharfield presented the Physician Advice Module to the Executive Finance Committee in formal action for approval in April. The directive from DHCS was to add the physician module to the Nurse Advice Line. DHCS has now pivoted and has no longer required the module, which would have been a cost to the plan of over $450,000 over two (2) years. We are now withdrawing the physician contract and not moving forward with the module.

Commissioner Alatorre motioned to approve agenda items 2 and 3. Supervisor Zaragoza seconded.

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

NOES: None.

Commission Chair Antonio Alatorre declared the motion carried.

FORMAL ACTION

4. Adopt a Resolution to Renew Resolution No. 2020-001, to restate and reiterate the Declaration of a Local Emergency Related to the Outbreak of Coronavirus (“COVID-19”) and Extend the Duration of Authority Empowered in the CEO to issue Emergency Regulations and Take Action.

Staff: Scott Campbell, General Counsel

RECOMMENDATION: Adopt Resolution No. 2020-002 to: 1) continue and reiterate the proclamation of local emergency related to the outbreak of Coronavirus ("COVID-19") to remain effective through the duration of the Governor's State of Emergency proclamation or when the Commission terminates its Local Emergency, whichever occurs last; (2) and extend the duration of authority empowered in the CEO through May 18, 2020.

General Counsel, Scott Campbell stated this agenda item is the requested for a renewal and extension of special powers given to the CEO. The resolution will do two (2) things: 1) it will extend the temporary powers delegated to the CEO for an additional three (3) weeks until the next Commission meeting and 2) extend the declaration of emergency for Gold Coast Health Plan (GCHP) until the Commission declares the emergency over, or until the governor declares the emergency over; or whichever is longer. The reason for this is: there are costs that GCHP has incurred as a result of the COVID-19 crisis. Those costs are being tracked for submission to FEMA. Those costs can be accrued while a local emergency is declared. It is best to extend the declaration of local emergency as long as possible in order to re-coup the maximum costs from FEMA. General Counsel Campbell noted the extraordinary powers given to the CEO would only be extended month by month. The powers in the resolution presented are identical to the previous resolution adopted (2020-001) except for the extension dates.

Commissioner Atin motioned to approve agenda item4. Commissioner Ashworth seconded.

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

NOES: None.

Commission Chair Antonio Alatorre declared the motion carried.

5. Election of Chairperson and Vice Chairperson to serve two-year terms and appointments to the Executive/Finance Committee.

Staff: Scott Campbell, General Counsel

RECOMMENDATION: Staff recommends the following:

1. Elect a Commissioner to serve as Chairperson for a two-year term.
2. Elect a Commissioner to serve as Vice Chairperson for a two-year term.
3. Make any necessary appointments to the Executive/Finance Committee as follows:

a. Chairperson (same as Commission Chair).
b. Vice Chairperson (same as Commission Vice Chair)
c Private Hospital Healthcare Representative (if required).
d. Ventura County Medical Health System Representative (if required).
e. Clinicas Del Camino Real Representative (if required).

Commissioner Espinosa nominated Jennifer Swenson for Chair. Commissioner Alatorre seconded the motion.

Commissioner Cho nominated Dee Pupa for Chair. Commissioner Johnson seconded the motion.

The roll call vote is as follows:
Commissioner Alatorre - Swenson
Commissioner Ashworth - Swenson
Commissioner Atin - Pupa
Commissioner Cho - Pupa
Commissioner Espinosa - Swenson
Commissioner Johnson - Pupa
Commissioner Pawar - Pupa
Commissioner Pupa - Pupa
Commissioner Swenson - Swenson
Supervisor Zaragoza - Pupa

General Counsel Scott Campbell announced a 5/5 tie. The Commission will need to discuss how to proceed or re-vote.

Commissioner Espinosa stated currently Commissioner Swenson is vice-chair. Last year she declined the nomination for Chair stating she wanted to be more prepared. She has displayed leadership and been a peacemaker when necessary. She is next up an should be elected as chair. Commissioner Alatorre agreed with Commissioner Espinosa, He stated that historically it has always been either Clinicas or the County holding the chair seat.
Commissioner Atin stated both candidates are excellent choices. He stated Commissioner Pupa is the historian on the Commission and has served the longest.
Commissioner Swenson made the following recommendation: She stated she is interested in the Chair position and asked if Commissioner Pupa could be vice-chair. Commissioner Pupa stated she has held the seat of vice-chair in the past. Commissioner Pawar asked if there was a commissioner missing. General Counsel Campbell stated Dr. Dial's seat has not been filled yet. Commissioner Alatorre stated it is important for the Executive Finance Committee to have continuity and asked if it would be affected. General Counsel Campbell state Exec. Finance would continue as is for now.

Commissioner Atin motioned for Commissioners Swenson and Pupa to alternate in the chair position until the eleventh (11th) seat has been filled. Commissioner Cho seconded.

The roll call vote is as follows:

AYES: Commissioners Shawn Atin, Theresa Cho, M.D., Dr. Sevet Johnson, Dee Pupa, and Supervisor John Zaragoza.

NOES: Commissioners Antonio Alatorre, Fred Ashworth, Laura Espinosa, Gagan Pawar, M.D., and Jennifer Swenson.

General Counsel Scott Campbell announced a 5/5 tie. No action taken.

Commissioner Espinosa motioned for another vote to appoint Commissioner Swenson chair. Commissioner Pawar seconded.

The roll call vote is as follows:

AYES: Commissioners Antonio Alatorre, Fred Ashworth, Laura Espinosa, Gagan Pawar, M.D., and Jennifer Swenson.

NOES: Commissioners Shawn Atin, Theresa Cho, M.D., Dr. Sevet Johnson, Dee Pupa, and Supervisor John Zaragoza.

General Counsel Scott Campbell announced a 5/5 tie. No action taken.

Commissioner Espinosa motioned for officers to stay in place until another vote is taken at the next meeting. Commissioner Pawar seconded.

The roll call vote is as follows:

AYES: Commissioners Antonio Alatorre, Fred Ashworth, Theresa Cho, M.D., Laura Espinosa, Dr. Sevet Johnson, Gagan Pawar, M.D., and Jennifer Swenson.

NOES: Commissioners Shawn Atin, Dee Pupa, and Supervisor Zaragoza.

General Counsel Campbell stated the motion carries.

General Counsel asked if the Executive Finance Committee seats will also stay as is until the vote is taken next month.

Commissioner Pawar motioned to keep the positions on the Executive Finance Committee as they currently as until the vote next month. Commissioner Espinosa seconded.

The roll call vote is as follows:

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

NOES: Commissioner Theresa Cho, M.D.

The clerk stated the motion carries.

6. Approve request regarding Program for the All-Inclusive Care for the Elderly (PACE)

General Counsel Scott Campbell asked Commissioners Alatorre and Pawar abstain from the discussion due to their employment with Clinicas del Camino Real.

Staff: Margaret Tatar, Interim Chief Executive Officer

RECOMMENDATION: Approve of letter of support for Clinicas del Camino Real (CDCR) to establish a PACE organization to serve certain designated areas of Ventura County and delegate to the interim CEO the authority to execute such letter of support.

CEO Tatar stated the PACE program is voluntary. Clincas del Camino Real (CDCR) has expressed an interest in operating a PACE in Ventura County. Ms. Tatar stated the letter of support should come from the Commission and she is requesting approval to issue the letter.

The PACE programs keep elders at home and not have to be in a nursing home. Commissioner Swenson asked if it is open to others to apply if they are qualified. CEO Tatar stated Ventura County, in terms of size, could support another PACE organization. Additional requests for letters of support would be presented to the Commission. General Counsel Campbell stated the bylaws do not delegate the powers to the CEO. It is the roll of the Commission to approve PACE requests and any other entity can make the request if qualified.

Commissioner Ashworth asked how the model will work for the patient population. CEO Tatar stated there are specific requirements. Clinical and social elements are combined for adult services. The team will meet regularly and evaluate care programs for members. There are very specific benefits which include personal care, acute and physical care and works with families. PACE has received very high results for the member.

Commissioner Ashworth asked how the Commission will get the information in order to evaluate for decreased hospitalizations, better patient outcomes, etc. How will the Commission know if the program is successful? CEO Tatar stated PACE will enter into a three (3) way contract independent of GCHP. The parties would share information regarding the success of the program. If the member is dis-satisfied, they would return to GCHP. We do anticipate collaboration. There is no downside anticipated.

Commissioner Espinosa motioned to approval the letter of support for Clinicas del Camino Real. Commissioner Pupa seconded.

Roll Call vote is as follows:

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

NOES: None.

NON-PARTICIPANTS DUE TO CONFLICT OF INTEREST: Commissioners Antonio Alatorre and Gagan Pawar, M.D.

7. Quality Improvement Committee – 2020 First Quarter Report

Staff: Nancy Wharfield, M.D., Chief Medical Officer
Kim Timmerman, Director of Quality Improvement

RECOMMENDATION: Approve the 2020 QI Program Description and 2020 QI Work Plan as presented. Receive and file the complete report as presented.

Kim Timmerman reviewed the PowerPoint presented. As well as the red-lined document which showed all revisions made in the first quarter of 2020. Ms. Timmerman will review the 2020 program description updates and revisions, 2020 workplan update, HMS Eliza outreach campaigns, COVID-19 impacts on quality improvement activity and close the presentation with a strategy update.

There is a summary of the red-lined document presented in the Commission packet for review. New DHCS metrics were included along with new roles, titles, reporting relationships and committee representation. QI responsibilities were aligned with the QIC charter, which is a stand-alone document. The delegation of quality improvement was enhanced to specifically delineate actions taken. Also documented were program descriptions to update the content to align with requirements of the current GCHP/DHCS contract. The reference section was also updated. The 2020 QI workplan document is also part of the report. Several metrics were added to

improve the quality and safety of clinical care services to align with the new DHCS focus areas. We want to focus on lower performing measures in 2020.

There are two (2) DHCS state-wide Medi-Cal initiatives that are new focus areas:

- Blood screening in children
- Adverse childhood experience screenings (ACES)

Metrics that were retained in the 2020 work plan from 2019 work plan were reviewed. There were metrics that were removed from the 2020 workplan due to changes in DHCS requirements or the cycle ending. All objectives were reviewed.

A status update was given on the Eliza member outreach. Pending DHCS approval are well baby, well child, adult preventative, condition management and asthma medication adherence which will be launched but is pending texting approval. COVID-19 impacts on quality improvement activities were reviewed. The quality strategy update was reviewed.

CMO Wharfield asked if there were questions from the Commission. Hearing none, CMO Wharfield stated a motion was required to accept the report as presented.

Commissioner Pawar motioned to approve the report as presented. Commissioner Cho seconded.

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

NOES: None.

Commissioner Alatorre declared the motion carried.

8. Amendment to Health Management Associates (HMA) Contract

Staff: Scott Campbell, General Counsel

RECOMMENDATION: Approve the amended HMA contract as presented which would result in lower hourly rates.

Commission Chair Alatorre asked the Commission if they had any questions on this item. Hearing none, Commission Chair Alatorre motioned to approve the HMA amended contract as presented. Commissioner Ashworth seconded.

Roll call vote as follows:

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

NOES: None.

Commissioner Alatorre declared the motion carried.

9. February and March 2020 Financial Report.

Staff: Kashina Bishop, Chief Financial Officer

RECOMMENDATION: Receive, approve and file both the February and March 2020 financial report.

CFO Bishop gave the financial update. Both months had a positive gain; $283,000 in February and $213,000 in March. CFO Bishop noted GCHP is $7 million away from falling below the 200% of TNE requirement. At that point, we will be on a watchlist from the State. This could be a possibility over the next nine (9) months. CFO Bishop stated she continues to investigate improving processes, we have struggled with documentation and is now focused on accurate reporting. CFO Bishop is working on improving the timeline on financial statement closings.

CFO Bishop is working on the 2021 budget which is a currently a fixed budget and conservative. She wants to revise the budget approach to be flexible, which will be implemented in the next fiscal year. CFO Bishop stated the department recently implemented a cloud-based software flow-cast which will improve the month end close and ensure that we are audit ready. The Plan also applied for a grant under COVID-19.

CFO Bishop is working on internal controls which will improve reporting, tracking root cause of claim interest and enhance provider network contracting. She is tracking contract language and identifying inconsistencies in claims. There is a potential savings of $3.4 million with the Quest preferred provider relationship. CFO Bishop reviewed forecasted savings, these savings are either just implemented or are soon to be implemented, therefore the reflection of these are not seen in the financial statements, but they will be, on a go forward basis.

CFO Bishop stated there was an increase in membership; in March GCHP had 194,000 members. Commissioner Pupa asked about in-patient hospital costs, noting an increase by 5%. CFO Bishop stated it was related to case mix. CFO Bishop

reviewed the comparison by aid category; this will change with the upcoming fiscal year.

Commissioner Atin motioned to receive and file the report as presented. Commissioner Alatorre seconded.

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

NOES: None.

Commissioner Alatorre declared the motion carried.

REPORTS

10. Chief Executive Officer (CEO) Report

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

RECOMMENDATION: Receive and file the report.

Interim Chief Executive Officer, Margaret Tatar reviewed the high-level PowerPoint to summarize key issues regarding COVID-19 and responses at state, local and federal levels. CEO Tatar also reviewed key dates in response to the Corona virus. Commissioner Alatorre asked if GCHP is doing outreach the homeless or helping farm workers – they need diapers and food. CEO Tatar stated there are provisions in the report to specific populations. There is a plan to do more; she noted special public service announcements, working with community foundations, nursing homes, farmworkers and the homeless. This focus consists with Commission recommendations.

The member team is working diligently on communications and outreach with the most vulnerable populations. Commissioners Alatorre, Espinosa and Supervisor Zaragoza voiced concerns about helping the farmworker population, they are exposed daily to the virus. CEO Tatar stated we are working with farm worker resources as well as other vulnerable groups, we are working in conjunction with various agencies in the county. Updates will be reported as work with these groups continues.

11. Chief Medical Officer (CMO) Report

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

RECOMMENDATION: Receive and file the report.

CMO Wharfield stated the Plan is tracking people in the hospital, which are approximately 82 cases that are COVID related. Admissions to date are 124, most not being positive. Commissioner Pawar asked how many were GCHP members. CMO Wharfield stated there is a delay in reporting, and she does not have exact numbers. Commissioner Pawar stated there have been seventeen (17) deaths in the hospitals. CMO Wharfield stated there were only two (2) members confirmed positive with the virus of the members being tracked. Hopefully we have avoided the COVID surge we have seen in other areas.

CMO Wharfield reviewed the Nurse Advice Line; there have been one hundred fifteen (115) calls to date. Most of the calls are not COVID related. There are poison control referrals, and other items from earaches to abdominal pain. The line has had a variety of calls. More women then men are calling the line. Unfortunately, only five (5) calls have come from Spanish speakers. We will continue to track, as this service is valuable. The Nurse Advice Line is not limited to Medi-Cal members, the advice line is available for all.

Supervisor Zaragoza thanked staff and first responders at the front line. He thanked Clinicas (CDCR) for the good work they have done in the county.

CMO Wharfield gave a brief utilization update. There was a review between 2019 and 2020 bed use. There was a higher peak during the winter due to pneumonia and flu season. Adult Expansion graphs were reviewed. Hospital stays have minimized from six (6) days to four (4) days. March admissions are down.

Dr. Anne Freese, Director of Pharmacy gave a brief pharmacy update including the pharmacy carve-out. Medi-Cal Rx is the initiative by DHCS to carve out all health care benefits to the State as of January 1. There has been some redirection in the Cal-AIM initiatives. We still anticipate that Medi-Cal Rx will still occur on January 1. Updates will continue.

GCHP had a California state audit in relation to the PBM award and costs, there were two (2) findings. GCHP did respond in a timely manner, at the sixty (60) day required time as well as the six (6) month mark in time. The response is considered complete and there is no further action necessary.

Due to COVID-19 prescription limits were lifted in order to allow members to shelter in place. Prescription refills were issued with up to a ninety (90) day refill to ensure members have access to their medications.

Pharmacy cost trend graphs were reviewed. Dr. Freese noted a prescription volume increase. The Plan typically waits until May to do an assessment and she will have more information at the next Commission meeting in June in order to share data.

12. Chief Diversity Officer (CDO) Report

Staff: Ted Bagley, Interim Chief Diversity Officer/ Interim Human Resources Director

RECOMMENDATION: Receive and file the report.

CDO Bagley stated he would summarize his report. All employees are in work from home status and the process is going well. There has only been one (1) COVID related report for an employee and the outcome was negative.

GCHP has no new cases through the hotline. There have been several terminations in this month due to performance issues. CDO Bagley does not believe the terminations will lead to any legal cases.

Currently CDO Bagley is focusing on re-writing and updating policies, as many were outdated, along with creating new policies as needed.

CDO Bagley stated he is in the final stages of selecting the Executive Director of Human Resources. He anticipates it will be done within a week.

Commissioner Atin motioned to receive and file agenda items 10, 11 and 12. Commissioner Espinosa seconded.

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

NOES: None.

Commissioner Alatorre declared the motion carried.

The Commission moved to Closed Session at 4:48 p.m.

CLOSED SESSION

13. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 549.56.9 Number of cases: Unknown

14. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 549.56.9 Number of cases: One:
The document referencing the threat of litigation will be made available pursuant to Gov't Code Section 54959.9(e)(5)

15. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 549.56.9 Number of cases: One:
The document referencing the threat of litigation will be made available pursuant to Gov't Code Section 54959.9(e)(5)

16. LIABILITY CLAIMS
Claimant: Stephanie Reifsynder
Agency Claimed Against: Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan

17. PUBLIC EMPLOYEE EMPLOYMENT
Title: Executive Director, Human Resources

18. PUBLIC EMPLOYEE EMPLOYMENT
Title: Interim Chief Executive Officer

General Counsel, Scott Campbell stated there was no reportable action.

ADJOURNMENT

Commissioner Alatorre adjourned the meeting at 5:47 p.m.

Approved:

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Maddie Gutierrez, MMC
Clerk to the Commission

AGENDA ITEM NO. 2

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Margaret Tatar, Interim Chief Executive Officer

DATE: May 18, 2020

SUBJECT: America's Health Plan and GCHP Plan-to-Plan Contract Approval

SUMMARY:

Approve America's Health Plan and GCHP Plan-to-Plan Contract

BACKGROUND:

At the July 22, 2019 meeting, the Gold Coast Health Plan Commission ("Commission") approved the development of a Plan-to-Plan Pilot program with the America's Health Plan ("AHP"). Accordingly, staff submitted the pilot program proposal ("Proposal") to the Department of Health Care Services (DHCS). DHCS has reviewed GCHP's previous submissions and made several suggestions to GCHP management with regard the Proposal.

DHCS has indicated that it needed the final Proposal for the Pilot to be submitted to DHCS as a proposal from GCHP directly, and not only on behalf of AHP. Further, DHCS has rendered a decision that all GCHP members would need to be given the choice to participate in the Pilot, not just current CDCR members, as set forth in the original Proposal. Lastly, DHCS has requested that, along with the final Proposal, GCHP submits such a proposal with all the following issues addressed therein.

Per DHCS, the revised Proposal shall include:

1. That GCHP is responsible for initiating contact with members about the Pilot and that no member information will be relayed to AHP until GCHP receives back the signed release form from the member allowing GCHP to release the members information to AHP;

2. That it is the member's choice to Opt-in and that a member will not be randomly selected for the Pilot;

3. That a member can make a choice to opt out at any time and not just within the 30-day period. Per GCHP Contract 10-87128, Exhibit A, Attachment 16, Provision 2: If, at any

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time, a Member notifies the Contractor of a Primary Care Physician or Subcontracting Health Plan choice, such choice shall override the Member Assignment to a Primary Care Physician or Subcontracting Health 61 of 96 Pages Return to Agenda Plan. (GCHP Contract 10-87128, Exhibit A, Attachment 16, Provision 2);

4. An example of the notices that will be going out to members relating to the Pilot (i.e. Pilot Program Notices from GCHP, Opt-In Option Letter).

DHCS, of course, reserves the right to pose additional questions based upon the GCHP submission in accordance with the terms and conditions set forth above.

At the January 27, 2020, meeting the Commission approved the resubmission of the Plan to Plan to DHCS in accordance with the direction and issues noted above.

GCHP and AHP have collaborated on the necessary revisions to the Plan to Plan proposal, the proposed contract, and other related issues relating to the program since February 2020.

As AHP will be using Clinicas del Camino Real's network, they are uniquely situation for a Plan to Plan pilot program and because of this, any sole source requirements have been met.

DISCUSSION:

GCHP seeks approval of the Plan to Plan agreement that it has negotiated with AHP. Further, GCHP seeks authority from the Commission to negotiate and approve any issues that may arise from DHCS' review that do not materially alter the core elements of the Plan to Plan proposal that the Commission has already approved.

RECOMMENDATION: Approve the agreement between AHP and GCHP, so that a pilot program to determine whether member outcomes can be improved can proceed.

AGENDA ITEM NO. 3

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Eileen Moscaritolo, HMA Consultant
Debbie Rieger, Sr. Executive Business Transformation Consultant

DATE: May 18, 2020

SUBJECT: Enterprise Transformation Project Update

SUMMARY:

The Enterprise Transformation Project (ETP) where GCHP is Partnering with our Administrative Service Organization (ASO), Conduent, as they implement a full replacement of the core system, including Call Center, Claims, Capitation, Finance Integration, Membership, Member Portal, Provider Portal, Provider Contracts, Benefits, Reporting and EDI Gateway.

Daily meetings are being held to discuss and provide requirements and feedback that will impact the overall process when the new Core Claim System goes live.

Weekly and monthly updates are shared with the Executive Staff on the progress of the project.

FISCAL IMPACT:

Approved budget of $5.5 Million. Project is tracking to budget and provided with the most current expenses in the Power Point.

RECOMMENDATION:

Staff recommends that the Commission approve the timeline and the November 7, 2020 go-live date.

ATTACHMENTS:

The attached PowerPoint includes a timeline with major milestones and testing for a go-live date of November 7, 2020.

ETP Update on Timeline and Testing Plan

May 18, 2020

Integrity

Accountability

Collaboration

Trust

Respect

711 East Daily Drive, Suite 106, Camarillo, CA 93010 www.goldcoasthealthplan.org

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Gold Coast Health Plan Organization

Board of Commissioners

Ted Bagley
Chief Diversity Officer
5758
Executive

Patricia Tanquary
Margaret Tatar
Interim Chief Executive Officer
5510
Executive

Lupe Harrion
Sr. Executive Assistant
5511
Executive

Vacant
Chief Administrative Officer
5XXX
Executive

Kashina Bishop
Chief Financial Officer
5671
Executive

Nancy Wharfield, MD
Chief Medical Officer
5614
Executive

Nilesh Hingarh, MD
Associate Chief Medical Officer
5734
Executive

Vacant
Chief Compliance Officer
5XXX
Executive

Debbie Rieger
Senior Executive Business Transformation
ETP Project

Eileen Moscaritolo
HMA Consultant

Marlen Torres
Executive Director, Strategy & External Affairs
5535
Executive

Vacant
Executive Director, Human Resources
5XXX
Human Resources

Steve Peiser
Senior. Director, Network Mgmt
5528
Network Operations

Legend

Regular Employee

Contractor/Temp/Consultant

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Conduent Organization

- **Lisa Hopper**, GM - Healthcare
  - **Umesh Chandorkar**, VP, Product Delivery
    - **Susan Meikle**, Program Manager
      - **Angela Cook**, Program Manager Support
      - **Ronny Neira**, Program Manager Lead
      - **James Marzanno**, Program Manager IT
  - **Anthony Hipp**, VP, Client Relationship Management
    - **Chelsea Spangler**, Account Manager

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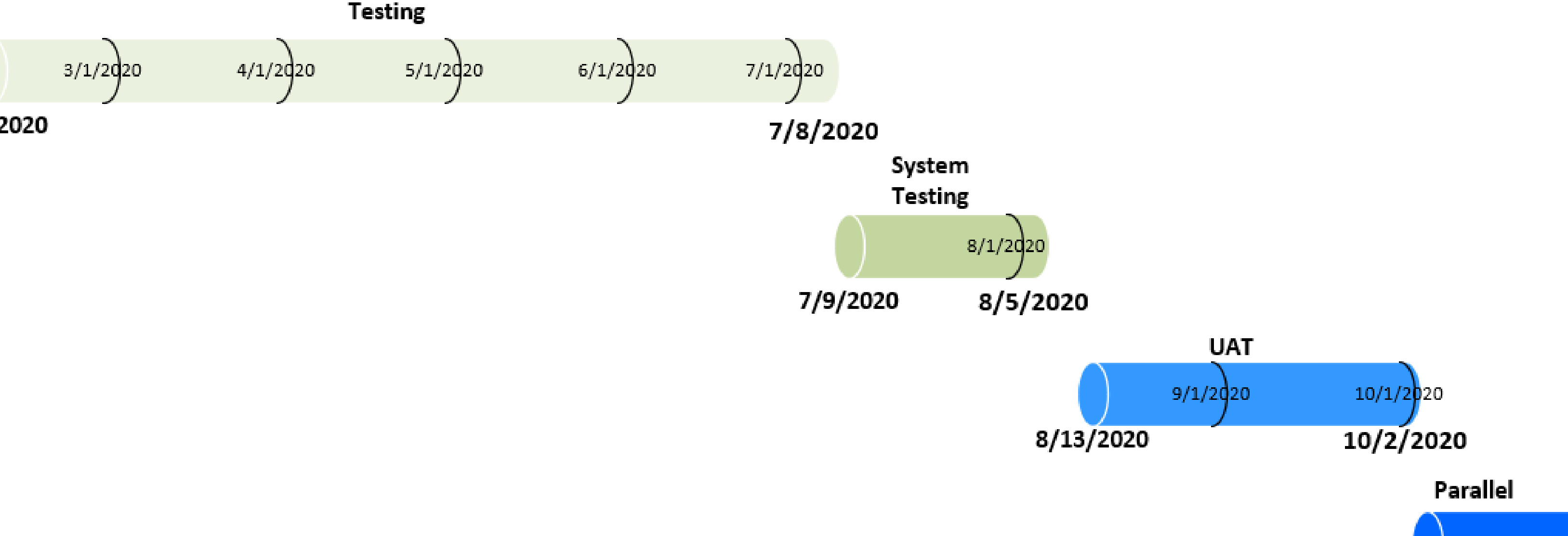
Project Schedule – Testing Schedule



Project Schedule – Milestone View

1/7/2020 - 9/11/2020
Integration - MedHOK / Optum / eVIPs

2/10/2020 - 10/29/2020
Testing: Unit / System / UAT / Performance / Parallel

5/20/2019 - 7/14/2020
Interface Development

5/20/2019 - 6/23/2020
System Configuration & Conversion (including MediMart, Member & Provider Portals)

3/10/2020 - 10/27/2020
Training

4/1/2019
7/1/2019
10/1/2019
1/1/2020
4/1/2020
7/1/2020
10/1/2020

Project Start
1/18/2019

GO LIVE
11/7/2020

Project Definitions

Project Term	Definition
ETP	Enterprise Transformation Project • The work effort to replace the Conduent claims system (IKA) with HSP MediTrac
eVIPs	The Provider Data Management system developed by symplr. eVIPs supports the management of: • Automated Provider Credentialing • Provider Contract Management • Provider Network Management
HSP	Health Solutions Plus. The software provider purchased by Conduent in January 2019
MediTrac	The Core Claims Administration system developed by HSP. MediTrac supports the management of: • Benefit Plans • Enrollment and Membership • Groups • Premium Billing • Provider Networks and Contracts • Claims Processing and Payments • Capitation • Authorizations and Referrals • Enterprise-Wide Workflows • Security • Reporting & Analytics
PCCM	Provider Contracting, Credentialing and Maintenance Project • The work effort to replace the current provider system (PNDB) with eVIPs

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Project Risks and Mitigation

Risk	Impact	Mitigation Plan
COVID-19: • GCHP and Conduent resource constraints • HSP MediTrac project go live impact	High	• Conduent and GCHP continue to evaluate and manage project resources to minimize impact to the project go live • Development of a business continuity plan for any impacts due to COVID-19. • Escalation to ESC, if required.
Conduent HSP SOW and SLA's • Pending Conduent and GCHP approval • Dependency on the Optum (APR-DRG) SOW • HSP MediTrac go live impact	High	• Conduent and GCHP continue to collaborate on the SOW terms • Project work continues as supported by both Conduent and GCHP • Escalation to Executive Steering Committee, if required.
Optum SOW with automated APR-DRG Pricer	High	• GCHP will complete the contract with Optum in May • Optum has shared the workbook and work has started including a call with Optum
Conduent Data Warehouse transition from IKA to HSP: • GCHP inhouse datamart, resources, testing, and state reporting impact	High	• Conduent and GCHP continue to collaborate on HSP MediTrac impact on the Conduent Data Warehouse and GCHP's review and mitigation of the impact to the internal reporting requirements

eVIPs Implementation:
• Implementation of eVIPs after the implementation of HSP MediTrac
	High	• Continuation of existing manual processes which includes:
		  ○ IKA nightly report (from PNDB)
		  ○ CCD process for contract adds and updates

Resource Constraints: • For GCHP resources, competing projects and the priority of production related work • HSP MediTrac project go live impact	High	• Continued management of project resources and impacts on the project. • Business continuity plan for any impacts due to COVID-19. • Escalation to ESC, if required.

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ETP Expenses as of April 2020

COMMISSION APPROVED PROJECT BUDGET - ETP			
Department Budget	Total Dollars	4/30/2020	FY Expenditures as of 04/30/20
IT	$ 2,435,000		-
Executive/Operations Consulting	1,333,000	65,989	666,373
Database Conversion	996,000		-
Network Operations	355,000		-
Health Services	240,000		-
PMO	55,000		-
Finance	35,000		-
Total Investment*	**$ 5,500,000**	**$ 65,989**	**$ 666,373**

*** Project plan and budget currently being reassessed due to delay with transition from VBA to HSP.**

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AGENDA ITEM NO. 4

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Margaret Tatar, Interim GCHP CEO

DATE: May 18, 2020

SUBJECT: Update regarding GCHP Solvency

SUMMARY: Receive and file update regarding GCHP solvency

BACKGROUND:

The recession impact: The public health emergency associated with the coronavirus disease 2019 (COVID-19) pandemic has resulted in sudden and negative economic consequences for California. This has significant implications for the state's budget. The Newsom Administration released an estimate of the budget deficit on May 7, 2020, of about $54 billion over the next two fiscal years. On May 8, 2020, the Legislative Analyst Office (LAO) estimated a lower budget deficit. Regardless of the exact budget deficit estimate, the fiscal challenge is grave and will be known with greater certainty upon collection of tax revenues in July 2020. Further, the state's fiscal challenges will extend well beyond the end of the public health crisis. Experts estimate budget deficits persist until 2023-24.

Budget reserves are available to address a budget deficit. California has approximately $16 billion in total reserves. However, due to the constitutional rules governing the state's main reserve account, lawmakers may only have access to around $10 billion of its reserves in 2020-21. Further, the state's overall reserve level will be inadequate to cover multi-year budget deficits. Against this backdrop, the LAO recommends the Legislature use a mix of the tools at its disposal in approaching the 2020-21 budget deficit, including:

1. Using reserves,
2. Reducing expenditures,
3. Increasing revenues, and
4. Shifting costs.

The increase in Medi-Cal enrollment: Another impact of the recession is that, as unemployment rises, so too will Medi-Cal enrollment. Experts believe that California could see an increase in Medi-Cal enrollment of up to 20%. As the Medi-Cal plan for Ventura County, it is critical that

GCHP be poised to meet the challenges of the next three (3) to four (4) years in meeting its obligations to the Commission, the community, the providers and, most importantly its members. In order to do that, it is imperative that GCHP function optimally, operate with fiscal prudence, and maintain – as paramount – its commitment to the mission of this organization. To meet these obligations, GCHP must address its Tangible Net Equity (TNE) situation.

TNE and its criticality: TNE is a reflection of a health plan's solvency. If a plan falls below its required TNE, it can be deemed insolvent and subject to conservatorship. Excess TNE, the difference between required TNE and total TNE, is often considered to be a plan's 'reserves'. The following are the relevant technical definitions:

1. TNE is a health plan's total assets minus total liabilities reduced by the value of intangible assets and unsecured obligations of officers, directors, owners, or affiliates outside of normal course of business.
2. Required TNE for a plan is the greater of 1 million dollars or a % of premium revenues or a % of healthcare expenses.
3. Excess TNE is the difference between total TNE and required TNE.
4. Liquid TNE excludes receivables, fixed assets (non-liquid) and affiliate payables (except subordinated liabilities) from the TNE calculation.

From a regulatory perspective, it has been common practice for Department of Health Care Services (DHCS) and the Department of Managed Health Care (DMHC) to *more closely monitor the financial condition* of those plans that reach, or fall below, 200% TNE and *put plans on a watch list* at, or below 150% TNE. The purpose of such enhanced monitoring or placing a plan on the 'watch list' is to avert the ultimate insolvency of the plan and attendant disruptions in enrollee care resulting from such insolvency. It should be noted that a plan would incur the costs of enhanced monitoring or State-imposed monitors.

Neither DHCS nor DMHC establishes minimum Excess TNE (or reserve levels) for the Medi-Cal plans. Plans and their Boards of Directors establish targeted minimum Excess TNE levels (or reserves) as a prudent exercise of their fiduciary obligation. In so doing, plans and Boards assess impacts of potential state budget crises and unanticipated or unbudgeted medical costs to identify the targeted levels of reserves (or Excess TNE) sufficient to weather such contingencies should they occur.

The following charts show the relative Excess TNE levels among the public plans over the past five years. Chart 1 shows Percent Actual TNE to Required trend lines for the County Organized Health Systems (COHS) plans individually by COHS for the years 2015 - 2019. Chart 2 shows the same Percent Actual TNE to Required trend lines for all public plans with color coding by plan type: red for the COHS plans, blue for the Local Initiatives (LI), and bold black for Gold Coast Health Plan for the same time period as Chart 1. *You will note that GCHP is a marked outlier on both of these charts, which is particularly grave given the fact that Medi-Cal enrollment trends and rates were generally favorable for California's public plans during this time period*.

Chart 1: The following chart depicts Excess TNE by showing the trends of actual TNE as a percentage of required TNE for COHS plans for 2015-2019:

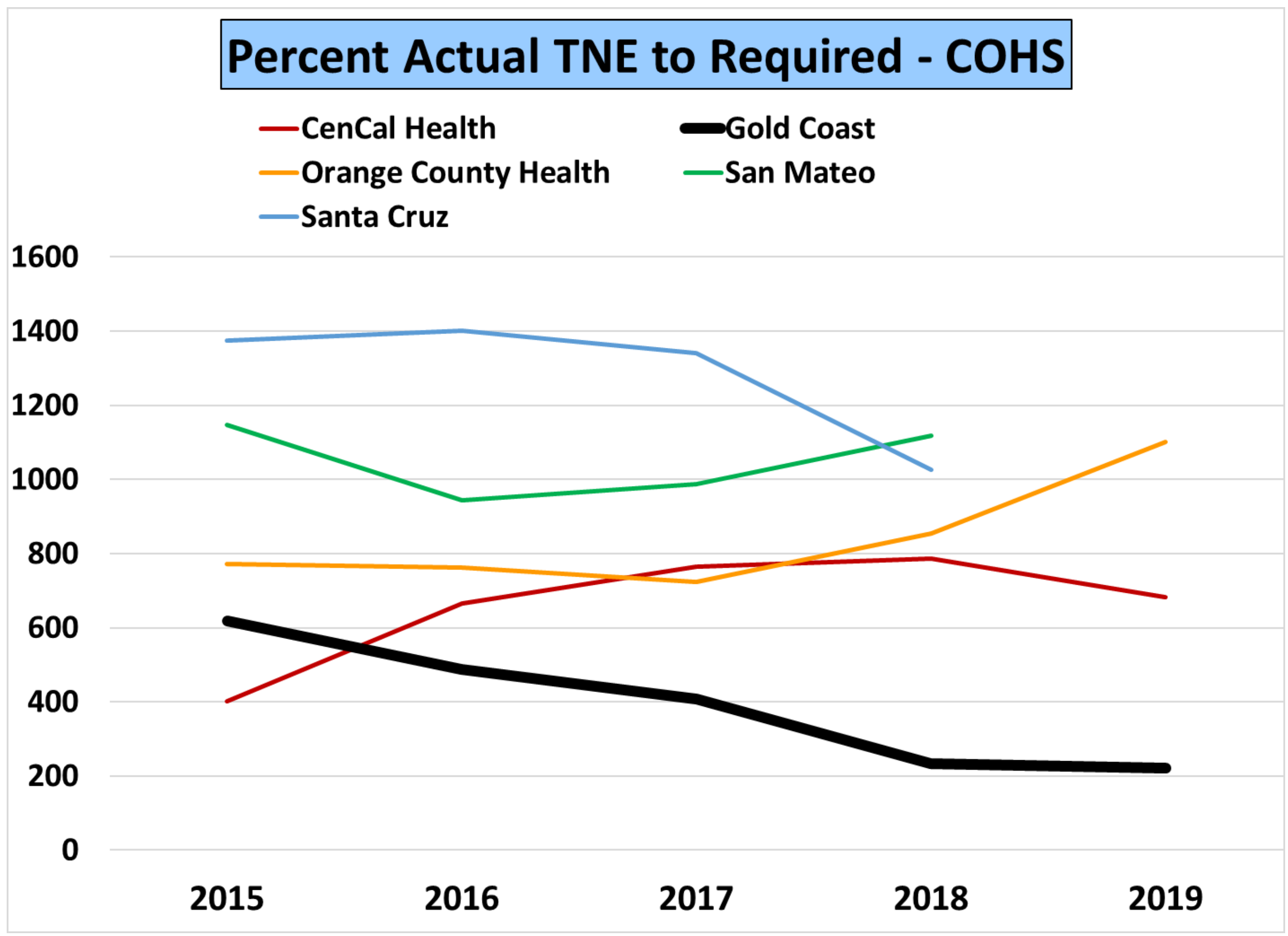
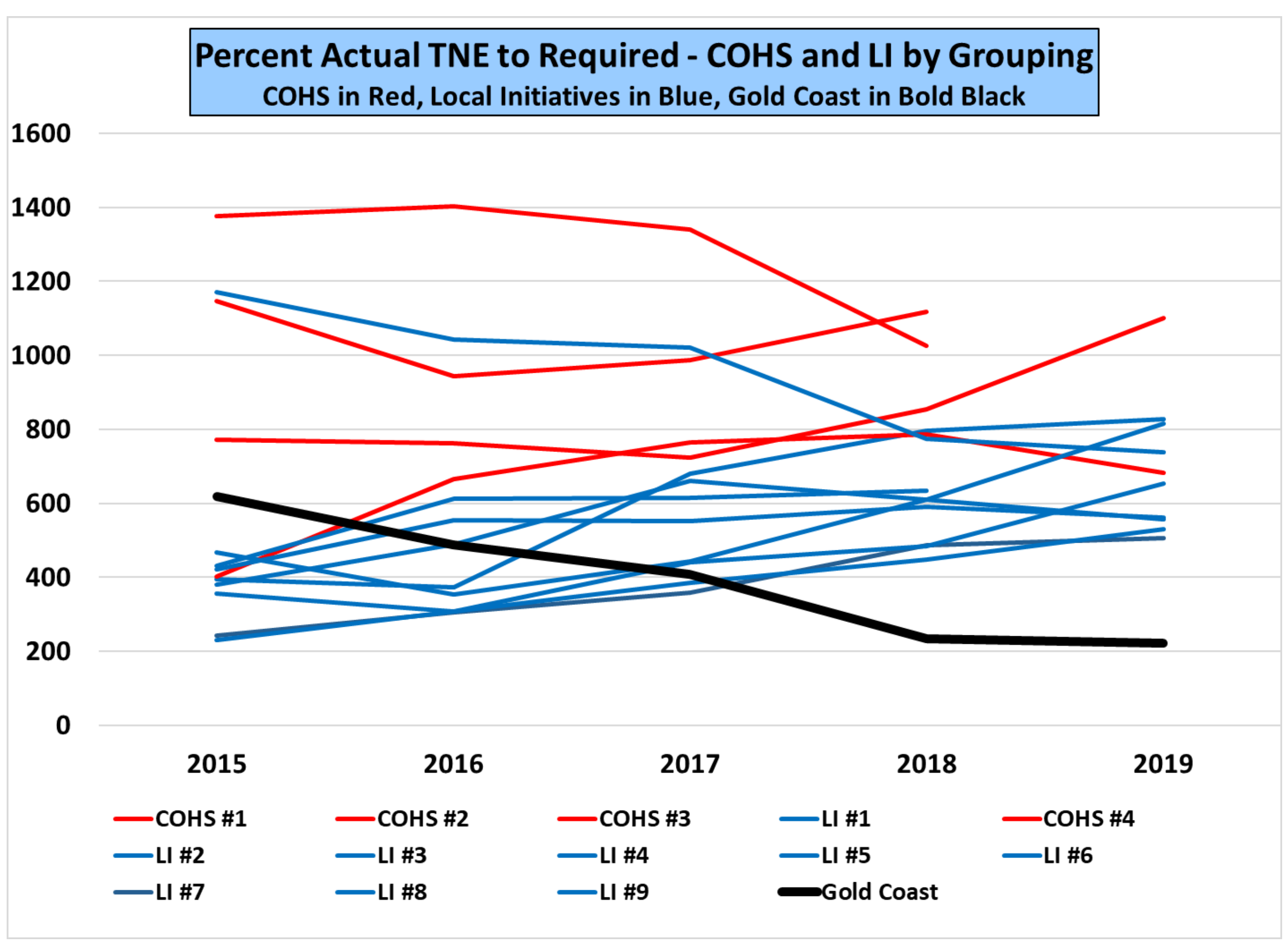


Chart 2: The following chart depicts Excess TNE by showing the trends of actual TNE as a percentage of required TNE for all the public plans, color-coded for COHS plans (red) and LI plans (blue) for 2015-2019:



DISCUSSION:

As the Commission knows, the management team has already begun the process of stalling the decline of Excess TNE. The Charts above depict this change in the trajectory of the Excess TNE trend lines. However, the global pandemic and resulting recession require more deliberate and concerted efforts to ensure GCHP's ongoing solvency. To that end, your management team is developing a Solvency Action Plan for the next Executive Finance Committee meeting and the June 2020 Commission meeting that will do the following:

1. Restore a recommended target Excess TNE goal for GCHP, which will balance the interests of maintaining solvency, being better prepared to respond to ongoing State

Budget crises, and fulfilling the GCHP mission to plan members and, critically, those providers who see and treat GCHP members;

2. Present models and a plan for tracking and achieving the Excess TNE goals that management will bring to the Commission on a monthly basis as part of the CFO and CEO reports;
3. Present critical policies for Commission approval to achieve these goals and to weather the recession that will be upon us for the foreseeable future.

FISCAL IMPACT: None at this time. *On a long-term basis, however, this approach will be critical to the financial stability of GCHP*.

RECOMMENDATION: Staff recommends that the Commission receive and file this report.

AGENDA ITEM NO. 5

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Scott Campbell, General Counsel

DATE: May 18, 2020

SUBJECT: Adopt a Resolution to Renew Resolution No. 2020-002, to Extend the Duration of Authority Empowered in the CEO to issue Emergency Regulations and Take Action Related to the Outbreak of Coronavirus ("COVID-19") and Plan and Implement a Staggered Return to Work Program for Plan personnel

SUMMARY:

Adopt Resolution No. 2020-003 to:

1. In addition to the authority granted to the CEO in Section 2 of Resolution No. 2020-002, authorize the CEO, with the advice of counsel, to plan for and implement a staggered return to work program for Plan personnel as conditions warrant; and

2. Extend the duration of authority empowered in the CEO to take those actions, measures and steps necessary to assure the health, safety and welfare of the Plan's members and staff pursuant to State law and its bylaws and continue to provide services for the benefit of Plan providers and members, to continue to remain effective through June 22, 2020.

BACKGROUND/DISCUSSION:

COVID-19, which originated in Wuhan City, Hubei Provence, China in December, 2019, has resulted in an outbreak of respiratory illness causing symptoms of fever, coughing, and shortness of breath. Reported cases of COVID-19 have ranged from very mild to severe, including illness resulting in death. Since that time, confirmed COVID-19 infections have continued to increase in California, the United States, and internationally. To combat the spread of the disease Governor Newsom declared a State of Emergency on March 4, 2020. The State of Emergency adopted pursuant to the California Emergency Services Act, put into place additional resources and made directives meant to supplement local action in dealing with the crisis.

In the short period of time following the Governor's proclamation, COVID-19 has rapidly spread through California necessitating more stringent action. On March 19, 2020, Governor Newsom issued Executive Order N-33-20 (commonly known as "Safer at Home") ordering all residents to stay at home to slow the spread of COVID-19, except as needed to maintain continuity of operation of the federal critical infrastructure sectors.

The following day, the Ventura County Health Officer issued a County-wide "Stay Well at Home", order, requiring all County residents to stay in their places of residence subject to certain exemptions set forth in the order.

Prompted by the increase of reported cases and deaths associated with COVID-19, the Commission adopted Resolution No. 2020-001 declaring a local emergency and empowering the interim CEO with the authority to issue emergency rules and regulations to protect the health of Plan's members, staff and providers. Specifically, section (2) of Resolution No. 2020-001 describes the emergency powers delegated to the CEO which include, but are not limited to: entering into agreements on behalf of the Plan, making and implementing personnel or other decisions, to take all actions necessary to obtain Federal and State emergency assistance, and implement preventive measures to preserve Plan activities and protect the health of Plan's members, staff and providers.

Normally under Government Code Section 8630, the Commission must review the need for continuing the local emergency once every sixty (60) days until the local governing body terminates the local emergency. However, under Governor Newsom's March 4, 2020, State of Emergency proclamation, that 60 day time period in section 8630 is waived for the duration of the statewide emergency. Pursuant to Resolution No. 2020-001, the Plan's Local Emergency proclamation and emergency authority vested in the CEO expired on April 27, 2020.

On April 27, 2020, the Commission adopted Resolution No. 2020-002 to renew Resolution No. 2020-001 to: (1) reiterate and renew the Plan's declaration of a Local Emergency through the duration of the Governor's State of Emergency proclamation or when the Commission terminates its declaration of Local Emergency, whichever occurs last; and (2) to extend the duration of authority empowered in the CEO to issue emergency regulations and take action. Resolution No. 2020-002 will expire on May 18, 2020. As such, the authority granted to the CEO shall terminate today unless extended.

On April 28, 2020, Governor Gavin Newsom alongside State Public Health Officer Dr. Sonia Angell, announced California's Roadmap to Pandemic Resilience, which discussed how the state is planning to modify its state-wide Safer at Home order to "reopen California".

More recently, on May 4, 2020, Governor Newsom issued Executive Order N-60-20, declaring that California is prepared to move into the early phase of "Stage 2" to permit the gradual reopening of lower risk businesses and open spaces commencing on Friday, May 8, 2020, with modifications. As the state moves forward with reopening of certain businesses and spaces, Executive Order N-60-20 directs the State Public Health Officer to establish criteria and procedures, as set forth in the order, to determine whether and how local jurisdictions may implement local measures that depart from statewide directives.

Following the Governor's order, the Ventura County Health Officer modified its County-wide Stay Well at Home order on May 7, 2020, to align itself with the State's reopening process announced on May 4, 2020. Under the County Health Officer's May 7th order, certain low risk businesses such as florists, clothing stores, book stores, and sporting goods stores are permitted to re-open with modifications.

Although, State Public Health Guidance reports that California is on track to gradually modify the statewide Safer at Home order, the continued spread of COVID-19 continues to present an imminent and proximate threat to Commission staff workplaces and threatens the safety and health of Commission personnel. Based on the foregoing, the Plan seeks to adopt a resolution to renew and reiterate the findings and actions in Resolution No. 2020-002 to:

1. In addition to the authority granted to the CEO in Section 2 of Resolution No. 2020-002, authorize the CEO, with the advice of counsel, to plan and implement a staggered return to work program for Plan personnel as conditions warrant; and

2. Extend the duration of authority empowered in the CEO to take those actions, measures and steps necessary to assure the health, safety and welfare of the Plan's members and staff pursuant to State law and its bylaws and continue to provide services for the benefit of Plan providers and members, to continue to remain effective through June 22, 2020.

This resolution will continue to empower the CEO with the authority to issue orders and regulations necessary to prevent the further spread of the disease and protect the health and safety of Plan members and staff. It also expands the authority granted to the CEO to implement a staggered return to work program for Plan personnel. As mentioned above, pursuant to Resolution No. 2020-002, the Plan's Local Emergency proclamation shall remain effective through the duration of the Governor's State of Emergency proclamation or when the Commission terminates its declaration of Local Emergency, whichever occurs last.

FISCAL IMPACT:

None.

RECOMMENDATION:

1. Adopt Resolution No. 2020-003 to (1) extend the duration of authority empowered in the CEO through June 22, 2020; and (2) authorize the CEO to plan and implement a staggered return to work program for Plan personnel as conditions warrant.

ATTACHMENT:

1. Resolution No. 2020-003.

.

RESOLUTION NO. 2020-003

A RESOLUTION OF THE VENTURA COUNTY MEDICAL MANAGED CARE COMMISSION, DOING BUSINESS AS THE GOLD COAST HEALTH PLAN ("PLAN"), TO RENEW AND RESTATE RESOLUTION NO. 2020-002 TO EXTEND THE DURATION OF AUTHORITY EMPOWERED IN THE INTERIM CHIEF EXECUTIVE OFFICER OR CHIEF EXECUTIVE OFFICER ("CEO") RELATED TO THE OUTBREAK OF CORONAVIRUS ("COVID-19") AND AUTHORIZE THE IMPLEMENTATION OF A STAGGERED RETURN TO WORK PROGRAM FOR PLAN PERSONNEL

WHEREAS, COVID-19, which originated in Wuhan City, Hubei Province, China in December 2019 has resulted in pandemic of respiratory illness affecting over 100, 000 people worldwide ;and

WHEREAS, on March 4, 2020, California Governor Newsom declared a State of Emergency to make additional resources available, formalize emergency actions already underway across multiple state agencies and departments, and help the state prepare for broader spread of COVID-19; and

WHEREAS, the increase of reported cases and deaths associated with COVID-19 prompted the County of Ventura Department of Public Health to proclaim a local health emergency; and

WHEREAS, on March 19, 2020, Governor Newsom issued Executive Order N-33-20 (commonly known as "Safer at Home"), ordering all residents to stay at home or in their place of residence to slow the spread of COVID-19, except as needed to maintain continuity of operation of the federal critical infrastructure sectors; and

WHEREAS, also on March 19, 2020, the Commission adopted Resolution No. 2020-001, proclaiming a local emergency pursuant to Government Code Sections 8630 and 8634, and empowered the CEO with the authority to issue rules and regulations to preserve Plan activities, protect the health and safety of its members staff and providers and prevent the further spread of COVID-19; and

WHEREAS, the Governor's March 4, 2020 State of Emergency proclamation waives the Commission's requirement under Government Code Section 8630 to review the need for continuing the local emergency once every 60 days; and

WHEREAS, in furtherance of the Governor's Safer at Home order, the Ventura County Health Officer issued a "Stay Well at Home" order on March 20, 2020, ordering all County residents to stay in their places of residence subject to exemptions set forth in the order; and

WHEREAS, on April 20, 2020, the Ventura County Health Officer most recently amended and extended its March 20, 2020 Stay at Home order, to direct Ventura County residents to continue to remain in their place of residence, except for essential needs, until May 15, 2020; and

WHEREAS, on April 28, 2020, the State Public Health Officer announced a four-stage framework for modifying the state-wide Safer at Home order for the "reopening of California", to allow Californians to gradually resume various activities while continuing to preserve public health in the face of COVID-19; and

WHEREAS, on May 4, 2020, Governor Newsom issued Executive Order N-60-20, declaring that California is prepared to move into the early phase of "Stage 2" to permit the gradual reopening of lower risk businesses and open spaces on Friday, May 8, 2020, with modifications; and

WHEREAS, as the state moves into Stage 2 and 3 to permit the reopening of certain businesses and spaces, Executive Order N-60-20 directs the State Public Health Officer to establish criteria and procedures, as set forth in the order, to determine whether and how local jurisdictions may implement local measures that depart from statewide directives; and

WHEREAS, on May 7, 2020, the Ventura County Health Officer issued an order modifying its "Stay Well at Home" order to align its local order with the State's four stage reopening process announced on May 4, 2020 and allow certain lower risk businesses to re-open with modifications; and

WHEREAS, although State Public Health Guidance reports that California is on track to gradually modify the statewide Safer at Home order, COVID-19 continues to remain a public health threat; and

WHEREAS, COVID-19 can be spread easily through person-to-person contact, and the risk of transmission is increased when people are in close proximity; and

WHEREAS, the imminent and proximate threat of introduction of COVID-19 in Commission staff workplaces continues to threaten the safety and health of Commission personnel; and

WHEREAS, under Article VIII of the Ventura County Medi-Cal Managed Care Commission aka Gold Coast Health Plan's (the "Plan's") bylaws, the CEO is responsible for coordinating day to day activities of the Ventura County Organized Health System, including implementing and enforcing all policies and procedures and assure compliance with all applicable federal and state laws, rules and regulations; and

WHEREAS, California Welfare and Institutions Code section 14087.53(b) provides that all rights, powers, duties, privileges, and immunities of the County of Ventura are vested in the Plan's Commission; and

WHEREAS, California Government Code section 8630 permits the Plan's Commissioners, acting with the County of Ventura's powers, to declare the existence of a local emergency to protect and preserve the public welfare of Plan's members, staff and providers when they are affected or likely to be affected by a public calamity; and

WHEREAS, California Government Code Section 8634 allows the Plan, as a local government entity, to issue orders and regulations to protect life and property if a local emergency has been declared in their jurisdiction; and

WHEREAS, a declaration of local emergency will assist in a coordinated public health response to reduce the transmission and illness severity, provide assistance to health care providers, coordinate and mitigate detriment to public services that may be disrupted from this emergency, mitigate any other effects of this emergency on the Plan and its members, staff and providers, and help the Plan recover the costs it has incurred in responding to the challenges presented by COVID-19; and

WHEREAS, the Plan is a public entity pursuant to Welfare and Institutions Code section 14087.54 and as such, the Plan may empower the CEO with the authority under sections 8630 and 8634 to issue rules and regulations to prevent the spread of COVID-19 and preserve Plan activities and protect the health and safety of its members, staff and providers; and

NOW, THEREFORE, BE IT RESOLVED, by the Ventura County Medi-Cal Managed Care Commission as follows:

Section 1. Pursuant to California Government Code sections 8630 and 8634, the Commission adopted Resolution No. 2020-001 finding a local emergency exists caused by conditions or threatened conditions of COVID-19, which constitutes extreme peril to the health and safety of Plan's members, staff and providers.

Section 2. Resolution No. 2020-001 also empowered the CEO with the authority to furnish information, to promulgate orders and regulations necessary to provide for the protection of life and property pursuant to California Government Code sections 8630 and 8634, to enter into agreements, make and implement personnel or other decisions and to take all actions necessary to obtain Federal and State emergency assistance and to implement preventive measures and other actions necessary to preserve Plan activities and protect the health of Plan's members, staff and providers, including but not limited to the following:

A. Arrange alternate "telework" accommodations to allow Plan staff to work from home or remotely, as deemed necessary by the CEO, to limit the transfer of the disease.

B. Help alleviate hardship suffered by Plan staff related to emergency conditions associated with the continued spread of the disease such as acting on near-term policies relating to sick leave for Plan staff most vulnerable to a severe case of COVID-19.

C. Address and implement expectations issued by the California Department of Health Care Services ("DHCS") and the Centers for Medicare & Medicaid Services ("CMS") regarding new obligations to combat the pandemic.

D. Coordinate with Plan staff to realign job duties, priorities, and new or revised obligations issued by DHCS and CMS.

E. Take such action as reasonable and necessary under the circumstances to ensure the continued provision of services to members while prioritizing the Plan's obligations pursuant to the agreement between DHCS and the Plan ("Medi-Cal Agreement").

F. Enter in to such agreements on behalf of the Plan as necessary or desirable, with advice of legal counsel, to carry out all actions authorized by the Commission in the Resolution.

G. Authorize the CEO to implement and take such action on behalf of the Plan as the CEO may determine to be necessary or desirable, with advice of legal counsel, to carry out all actions authorized by the Commission in this Resolution.

Section 3. In Resolution 2020-001, the Commission further ordered that:

A. The Commission approves and ratifies the actions of the CEO and the Plan's staff heretofore taken which are in conformity with the intent and purposes of these resolutions.

Section 4. Resolution No. 2020-001 expired on April 27, 2020.

Section 5. On April 27, 2020, the Commission adopted Resolution No. 2020-002, to:

A. Renew and reiterate the declaration of a local emergency related to the outbreak of COVID-19 to remain effective through the duration of the Governors' State of Emergency proclamation or when the Commission terminates its declaration of Local Emergency, whichever occurs last; and

B. To extend the duration of authority empowered in the CEO to issue emergency regulations related to the COVID-19 outbreak to May 18, 2020.

Section 6. The authority granted to the CEO to issue emergency regulations related to the COVID-19 outbreak renewed and restated in Resolution No. 2020-002 shall expire on May 18, 2020.

Section 7. On May 4, 2020, California Governor, Gavin Newsom issued Executive order N-60-20, to modify its state-wide Safer at Home order and allow the state to move into Stage 2 of the reopening process to permit certain low risk businesses and open spaces to open with modifications. Executive Order N-60-20, also directs the State Public Health Officer to establish and criteria and

procedures, as set forth in the order to determine how local jurisdictions may implement public health measures that depart from state-wide directives of the State Public Health Officer.

Section 8. The Commission now seeks to renew and reiterate the authority granted to the CEO approved in Resolution No. 2020-002. Specifically, this resolution shall:

1. In addition to the authority granted to the CEO in Section 2 above, authorize the CEO, with the advice counsel, to plan for and implement a staggered return to work program for Plan personnel as conditions warrant; and

2. Extend the authority granted to the CEO in Section 2 above, through June 22, 2020.

Section 9. Unless renewed by the Commission, the delegation of authority empowered in the CEO, pursuant to this resolution shall expire on June 22, 2020.

PASSED, APPROVED AND ADOPTED by the Ventura County Medi-Cal Managed Care Commission at a regular meeting on the 22nd day of June 2020, by the following vote:

AYE:

NAY:

ABSTAIN:

ABSENT:

____
Chair:

Attest:

____
Clerk of Board

AGENDA ITEM NO. 6

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Scott Campbell, General Counsel

DATE: May 18, 2020

SUBJECT: Contract Extension with Health Management Associates Inc. (“HMA”)

SUMMARY:

Extend the existing HMA Service Order as Interim CEO until July 31, 2020.

BACKGROUND/DISCUSSION:

At the November 2019, meeting, the Gold Coast Health Plan (“GCHP”) Commission (“Commission”) appointed Health Management Associates (“HMA”) as interim Chief Executive Officer (“CEO”) of GCHP.

Since the interim appointment, the global COVID-19 pandemic has necessitated a move to telework for GCHP staff; increased member, provider, and external communications; resulted in daily reporting to the Department of Health Care Services (DHCS); and disrupted or delayed certain planned activities. For example, GCHP had developed a two-year strategic plan that reflected DHCS’ vision for its next waiver, CalAIM, which it must revisit as a result of the pandemic and State budget implications from the anticipated recession that the country now faces.

Based upon the emergence of the pandemic and its implications for the State Budget, Medi-Cal, and GCHP, HMA and GCHP negotiated an additional 10% discount for HMA rates for the period of March 1, 2020, through June 15, 2020. The parties originally assumed a June 15, 2020, termination date of the agreement, but now expect the selection, approval and onboarding of a new CEO by June 30, 2020, with HMA transitional assistance until July 31, 2020. During the transitional period, the hours work by HMA will be reduced as the new CEO takes over.

FISCAL IMPACT:

GCHP will continue to realize the 10% rate reductions listed below until July 31, 2020.

Comparison of HMA 10% Reduced Rates

Current Professional Hourly Rates		Proposed Professional Hourly Rates	
• Managing Principal	$385--$450	• Managing Principal	$346--$405
• Principal	$360--$390	• Principal	$324- $351
• Senior Consultant	$310	• Senior Consultant	$279
• Consultant	$210	• Consultant	$189
• Research Assistant	$160	• Research Assistant	$144
• Clerical and Staff Support	$95	• Clerical and Staff Support	$85

RECOMMENDATION:

Staff recommends that the Commission approve this contract extension at the negotiated reduced rates through July 31, 2020.

AGENDA ITEM NO. 7

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Scott Campbell, General Counsel

DATE: May 18, 2020

SUBJECT: Election of Chairperson and Vice Chairperson to serve two-year terms and appointment to Executive/Finance Committee

SUMMARY:

Pursuant to the bylaws, last amended on January 23, 2017, the Commission must elect from its membership a Chairperson and a Vice Chairperson to serve two-year terms. The Chairperson and Vice Chairperson also both serve on the Executive/Finance Committee. Once these officers are elected, the Commission will need to make appointments to fill the balance of the Executive/Finance Committee in accordance with the bylaws which are addressed in a separate Agenda Report.

On April 27, 2020, the Commission's election for the Chairperson resulted in a 5-5 tie and after several votes and much discussion, the commissioner decided to maintain the status quo until this Commission meeting.

BACKGROUND/DISCUSSION:

The Commission's bylaws require that the Chairperson and Vice Chairperson be elected to a two-year term by a majority vote of its members, and that no individual serve more than two consecutive terms in either position. (*See* Bylaws, Art. III). The Chairperson and Vice Chairperson must be elected at the first regular meeting of the Commission after March 15th in every even-numbered year. (*See* Bylaws, Art. II). Accordingly, the Commission must now elect its officers. (*See* Bylaws, Art. III.)

The Chairperson is responsible for presiding at all meetings, executing all documents approved by the Commission, seeing that all actions of the Commission are implemented, and maintaining consultation with the Chief Executive Officer. The Vice Chairperson is responsible for performing the duties of the Chairperson in the Chairperson's absence and performing such other responsibilities as agreed upon with the Chairperson. The bylaws do not contain any specific nominating process; Staff recommends that the Commission nominate names for Chairperson (no second is needed) and then vote on each name nominated. If no majority is reached, the list of names can be reduced to the top two vote recipients until a majority is reached. The same process may then be followed for the Vice Chairperson.

The bylaws establish the five-person Executive/Finance Committee, which must consist of the Chairperson, Vice Chairperson, and three other members. The bylaws also provide that the Executive/Finance Committee consist of at least one member from the following represented groups: a private hospital/healthcare representative, a Ventura County Medical Health System representative, and a Clinicas Del Camino Real representative. (*See* Bylaws, Art. IV, section (b)(ii).) If the Chairperson and/or Vice Chair Person is a representative from one of these agencies, then the Commission "may appoint any one of its members to fill" those open Committee positions. (*See* Bylaws, Art. IV, section (b)(ii).) Appointments to the Executive/Finance Committee must be made at either the regular meeting in which the Chairperson and Vice-Chairperson are elected, or at the next regular meeting thereafter. The Executive/Finance Committee is an advisory committee to the Commission.

FISCAL IMPACT:

None.

RECOMMENDATION:

1. Elect a Commissioner to serve as Chairperson for a two-year term.
2. Elect a Commissioner to serve as Vice Chairperson for a two-year term.
3. Make any necessary appointments to the Executive/Finance Committee as follows:
   a. Chairperson.
   b. Vice Chairperson.
   c Private Hospital Healthcare Representative.
   d. Ventura County Medical Health System Representative.
   e. Clinicas Del Camino Real Representative.

CONCURRENCE:

N/A.

ATTACHMENT:

1. Gold Coast Health Plan Bylaws.

AMENDED AND RESTATED BYLAWS FOR THE OPERATION OF THE VENTURA COUNTY ORGANIZED HEALTH SYSTEM

VENTURA COUNTY MEDI-CAL MANAGED CARE COMMISSION (dba Gold Coast Health Plan)

Approved: October 24, 2011
Amended: January 23, 2017

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AMENDED AND RESTATED BYLAWS FOR THE OPERATION OF THE VENTURA COUNTY ORGANIZED HEALTH SYSTEM (dba Gold Coast Health Plan)

ARTICLE I

Name and Mission

The name of this Commission shall be the Ventura County Medi-Cal Managed Care Commission, hereafter referred to in these Bylaws as the VCMMCC. VCMMCC shall operate under the fictitious name, Gold Coast Health Plan.

The VCMMCC shall design and operate a program or programs, whose mission is to improve the health of its members through the provision of the best possible quality care and services. This will be accomplished by:

(a) Delivering medical care via a contracted provider network that will improve access to primary, specialty and ancillary services;

(b) Establishment of mechanisms to assure that medical care services meet appropriate quality of care standards;

(c) Incorporating a plan of service delivery and implementing reimbursement mechanisms which promote the long-term viability of a locally operated Medi-Cal managed care system and the existing participating provider networks inclusive of "Safety Net" providers herein defined as Medi-Cal disproportionate share hospitals, county clinics, federally qualified health centers, and licensed rural health clinics;

(d) Implementing a financial plan which includes the creation of a prudent reserve and which provides that if additional surplus funds accrue, they shall be used to expand access, improve benefits and augment provider reimbursement in Ventura County;

(e) Placing a high priority on prevention, education, early intervention services and case management for enrolled recipients;

(f) Ensuring that all obligations, statutory, contractual or otherwise, shall be the obligations of the VCMMCC and shall not be the obligations of the County of Ventura or the State of California; and

(g) Implementing programs and procedures to ensure a high level of member satisfaction.

ARTICLE II

Commissioners

The governing board of the VCMMCC shall consist of eleven (11) voting members ("members" or "Commissioners") who shall be legal residents of Ventura County. Members shall possess the requisite skills and knowledge necessary to design and operate a publicly managed health care delivery system.

Members of the VCMMCC shall be appointed by a majority vote of the Board of Supervisors and shall consist of the following:

(a) Physician Representatives. Three members shall be practicing physicians who serve a significant number of Medi-Cal beneficiaries in Ventura County. One shall be selected from a list with a minimum of three (3) nominees submitted by the Ventura County Medical Association, one shall be selected from a list with a minimum of three (3) nominees submitted by Clinicas Del Camino Real and one shall be selected from a list with a minimum of three (3) nominees submitted by the Ventura County Medical Center Executive Committee.

(b) Private Hospital/Healthcare System Representatives. Two members shall be representatives of private hospitals and healthcare systems operating within Ventura County and shall be selected from a list with a minimum of three (3) nominees submitted by the Hospital Association of Southern California. Nominees shall be from different hospitals and healthcare systems. The two appointed members shall not be affiliated with the same hospital or healthcare system.

(c) Ventura County Medical Center Health System Representative. One member shall be a representative of the Ventura County Medical Center Health System and shall be selected from a list with a minimum of three (3) nominees submitted by the Ventura County Medical Center administration.

(d) Public Representative. One member shall be a member of the Board of Supervisors, nominated and selected by the Board of Supervisors.

(e) Clinicas Del Camino Real Representative. One member shall be the chief executive officer of Clinicas del Camino Real or designee nominated by the Clinicas del Camino Real chief executive officer and approved by the Ventura County Board of Supervisors.

(f) County Official. One member shall be the Ventura County Health Care Agency Director or designee nominated by the Health Care Agency Director and approved by the Board of Supervisors.

(g) Consumer Representative. One member shall be a Medi-Cal beneficiary and/or a representative of an advocacy organization that serves the Medi-Cal population and is

not otherwise represented on the Ventura County Medi-Cal Managed Care Commission. This member shall be appointed from applications submitted to the Ventura County Executive Office after a posting of public notice for the open position.

(h) Ventura County Medical Center Health System Representative. One member shall be the Ventura County Medical Center Family Medicine Residency Program Director or Faculty Designee and approved by the Board of Supervisors.

Selection and Terms of Commissioners

In order to stagger terms with the intent of maintaining experienced members, in the initial cycle of appointments, the following appointees shall serve two-year terms: one of the Ventura County Medical Center Health System Representatives, the Physician Representative nominated by the Ventura County Medical Association, the Public Representative, and one Private Hospital/Healthcare System Representative. All other initial appointments and all subsequent appointments to the VCMMCC shall be for four-year terms. No member may serve more than two consecutive four-year terms. Any vacancy will be filled by the Board of Supervisors for the remainder of the unexpired term and shall maintain the balance of representation on the VCMMCC. The term of each subsequent appointment shall be deemed to commence on March 15 of the year of the appointment.

A member may resign effective on giving written notice to the Clerk of the VCMMCC, unless the notice specifies a later date for his/her resignation to become effective. Upon receipt of such notice, the Clerk shall notify the Chairperson and the Board of Supervisors. The Clerk of the VCMMC shall enter the notice in the proceedings of the Commission. The acceptance of a resignation shall not be necessary to make it effective.

A member may be removed from the VCMMCC by a 4/5 vote of the Board of Supervisors.

Nominations to the VCMMCC shall be submitted to the Ventura County Executive Office, which shall be responsible for screening nominees and presenting candidates to the Board of Supervisors.

ARTICLE III

Officers

(a) Officers of the VCMMCC shall be a Chairperson and Vice-Chairperson.

(b) The Chairperson and the Vice-Chairperson shall be elected by majority vote of the members in attendance at the first meeting of the VCMMCC to serve for the remainder of the calendar year in which the first meeting occurs. Officers subsequently elected to these offices, pursuant to the procedures outlined under “Election” below, shall serve a term of two years or until their successor(s) has/have been duly elected.

(c) No individual shall serve more than two consecutive terms in any of the elected officer positions.

Election

(a) The VCMMCC shall elect officers by majority vote of the members present.

(b) The election of officers shall be held at the first regular meeting of the VCMMCC after March 15 (or after the date upon which the Board of Supervisors appoints Commissioners for the present term if later than March 15) in every even-numbered year. The two-year terms of office shall be deemed to commence on March 15 of the year of the election, regardless of when the election actually occurs. The officers of the prior term shall continue to preside over any meetings and perform all other functions of their offices until new officers are elected.

(c) Notwithstanding the normal election process detailed in paragraphs (a) and (b) above, when circumstances warrant it, an election may be held at any time during the year. Circumstances that would warrant a special election include: one or more of the officers wishes to resign as an officer, or one or more of the officers is terminated.

Duties

(a) The Chairperson shall:

1. Preside at all meetings;

2. Execute all documents approved by the VCMMCC;

3. Be responsible to see that all actions of the VCMMCC are implemented; and

4. Maintain consultation with the Chief Executive Officer (CEO).

(b) The Vice-Chairperson shall:

1. Exercise all the responsibilities of the Chairperson in the absence of the Chairperson; and

2. In agreement with the Chairperson, perform all responsibilities mutually agreed upon.

ARTICLE IV

Standing Committees

(a) At a minimum, the VCMMCC shall establish two (2) committees/advisory boards, one member/consumer based and one provider based. VCMMCC staff will be responsible to gather a list of potential appointments and make recommendations to the VCMMCC for membership on these boards. Each of the boards shall submit a charter to the VCMMCC for approval. All meetings of standing committees shall be subject to the provisions of the Brown Act.

(b) Executive/Finance Committee.

i. Purpose. The role of the Executive/Finance Committee shall be to assist the CEO and VCMMCC accomplish its work in the most efficient and timely way. Meetings of this committee shall be at the request of the Chairperson or CEO to evaluate time sensitive matters. The Committee shall report on all of its activities to the governing board at the next regular meeting of the governing board.

ii. Membership. The Executive/Finance Committee shall be comprised of the following five (5) Commissioners:

1. Chairperson.

2. Vice-Chairperson.

3. Private hospital/healthcare system representative (to rotate between the two representatives following the representative's resignation from the committee). If the Chairperson and/or Vice-Chairperson is a private hospital/healthcare system representative, then the Commission may appoint any one of its members to fill this position.

4. Ventura County Medical Center Health System representative. If the Chairperson and/or Vice-Chairperson is a Ventura County Medical Center Health System representative, then the Commission may appoint any one of its members to fill this position.

5. Clinicas Del Camino Real representative. If the Chairperson and/or Vice-Chairperson is a Clinicas Del Camino Real representative, then the Commission may appoint any one of its members to fill this position.

The CEO and Finance Director will serve as Ex-Officio members to Co-Chair the committee.

Appointments to the Committee shall be made at either the regular meeting in which the Chairperson and Vice-Chairperson are elected or at the next regular meeting immediately thereafter. Appointments may also be made at any regular meeting where the appointment is necessitated by a resignation, termination, vacancy, special election of officers, or other event which results in the Committee lacking full membership.

iii. Duties of the Executive/Finance Committee.

1. Advise the governing board Chairperson on requested matters.

2. Assist the CEO in the planning or presentation of items for governing board consideration.

3. Assist the CEO or VCMMCC staff in the initial review of draft policy statements requiring governing board approval.

4. Assist the CEO in the ongoing monitoring of economic performance by focusing on budgets for pre-operational and operational periods.

5. Review proposed State contracts and rates, once actuary has reviewed and made recommendations.

6. Review proposed contracts for services over the assigned dollar value/limit of the CEO.

7. Establish basic tenets for payment-provider class and levels as related to Medi-Cal rates:

- PCP
- Specialists
- Hospitals o LTC
- Ancillary Providers

8. Recommend auto-assignment policies for beneficiaries who do not select a Primary Care Provider.

9. Review and recommend provider incentive program structure.

10. Review investment strategy and make recommendations.

11. On an annual basis, develop the CEO review process and criteria.

12. Serve as Interview Committee for CEO/CMO/CFO.

13. Assist the governing board and/or the CEO in determining the appropriate committee, if any, to best deal with questions or issues that may arise from time-to-time.
14. Develop long-term and short-term business plans for review and approval by the governing board.

15. Undertake such other activities as may be delegated from time-to-time by the governing board.

iv. Limitations on Authority. The Executive/Finance Committee shall not have the power or authority in reference to any of the following matters:

1. Adopting, amending or repealing any bylaw.

2. Making final determinations of policy.

3. Approving changes to the budget or making major structural or contractual decisions (such as adding or eliminating programs).

4. Filling vacancies or removing any Commissioner.

5. Changing the membership of, or filling vacancies in, the Executive/Finance Committee.

6. Hiring or firing of senior executives, but may make recommendations to the governing board as to their appointment, dismissal or ongoing performance.

7. Taking any action on behalf of the governing board unless expressly authorized by the governing board.

ARTICLE V

Special Committees

Members may be asked to participate on a subcommittee, task force or special project as part of their responsibilities. The VCMMCC may establish a committee(s) or advisory board(s) for any purpose that will be beneficial in accomplishing the work of the VCMMCC.

ARTICLE VI

Meetings

(a) All meetings shall be subject to the provisions of Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code relating to meetings of local agencies ("Brown Act").

(b) A regular meeting shall be held monthly. The VCMMCC shall by resolution establish the date, time and location for the monthly meeting. A regular meeting may, for cause, be rescheduled by the Chairperson with 72 hour advance notice.

(c) Closed session items shall be noticed in compliance with Government Code section 54954.5.

(d) Special meetings may be called, consistent with the Brown Act, by the Chairperson or by a quorum of the VCMMCC. Notice of such special meeting shall conform to the Brown Act.

(e) Any meeting at which at least a quorum cannot attend, or for which there is no agenda item requiring action may be cancelled by the Chairperson with 72 hour advance notice.

(f) A quorum shall be defined as one person more than half of the appointed members of the VCMMCC. For these purposes, "appointed members" excludes unfilled positions and those vacated by resignation or removal. Unless otherwise expressly stated in these bylaws, a majority vote of members present and constituting a quorum shall be required for any VCMMCC action.

(g) After three (3) absences of any member during a fiscal year, the reasons for the absences will be reviewed by the VCMMCC and it may notify the Board of Supervisors of the absences, if it deems this action appropriate. Three or more absences from regular meetings may be cause for the VCMMCC to recommend dismissal of that member to the Board of Supervisors.

Conduct of Meetings

(a) The Chairperson shall adhere to the order of items as posted on the agenda. Modifications to the order of the agenda may be made to the extent that (on the advice of counsel) the rearrangement of the agenda items does not violate the spirit or intent of the Brown Act.

(b) All motions or amendments to motions require a second in order to be considered for action. Upon a motion and a second the item shall be open for discussion before the call for the vote.

(c) Voice votes will be made on all items as read. An abstention will not be recognized except for a legal conflict of interest. In furtherance of the foregoing, an abstention or refusal to vote (not arising from a legal conflict of interest) shall be deemed a vote with the majority of those Commissioners who do vote, except when there is a tie vote and the motion or action fails. For example, if there are 7 Commissioners present at a meeting (none of whom are subject to a legal conflict of interest), (i) a motion passes with 3 votes in favor and 4 Commissioners abstaining, (ii) a motion passes with 3 votes in favor, 2 votes against and 2 Commissioners abstaining; and (iii) a motion fails with 3 votes in favor, 3 votes against and 1 Commissioner abstaining.

(d) A call for a point of order shall have precedence over all other motions on the floor.

(e) Without objection, the Chairperson may continue or withdraw any item. In the event of an objection, a motion to continue or reset an item must be passed by a majority of the members present. A motion to continue or reset an item shall take precedence over all other motions except for a point of order.

(f) An amendment to a motion must be germane to the subject of the motion, but it may not intend an action contrary to the motion. There may be an amendment to the motion and an amendment to an amendment, but no further amendments. In the event the maker of the original motion accepts the amendment(s), the original motion shall be deemed modified. In the event the maker of the original motion does not accept the amendment(s), the amendment(s) shall be voted separately and in reverse order of proposal.

(g) Where these Bylaws do not afford an adequate procedure in the conduct of a meeting, the Chairperson may defer to the most current edition of *Rosenberg's Rules of Order*, to resolve parliamentary questions.

(h) The Chairperson shall be permitted to make motions and vote on all matters to the same extent and subject to the same limitations as other Commissioners.

ARTICLE VII

Powers and Duties

The VCMMCC is responsible for all of the activities described in Article I of these Bylaws and in its enabling ordinance. In furtherance of such responsibility, the VCMMCC shall have the following powers and duties and shall:

(a) Advise the Chief Executive Officer (CEO) and request from the CEO information it deems necessary;

(b) Conduct meetings and keep the minutes of the VCMMCC;

(c) Provide for financial oversight through various actions and methodologies such as the preparation and submission of an annual statement of financial affairs and an estimate of the amount of funding required for expenditures, approval of an annual

budget, receipt of monthly financial briefings and other appropriate action in support of its financial oversight role;

(d) Evaluate business performance and opportunity, and review and recommend strategic plans and business strategies;

(e) Establish, support and oversee the quality, service utilization, risk management and fraud and abuse programs;

(f) Encourage VCMMCC members to actively participate in VCMMCC committees as well as subcommittees;

(g) Comply with and implement all applicable federal, state and local laws, rules and regulations as they become effective;

(h) Provide for the resolution of or resolve conflict among its leaders and those under its leadership;

(i) Respect confidentiality, privacy and avoid any real or potential conflict of interest; and

(j) Receive and take appropriate action, if warranted, based upon reports presented by the CEO (or designated individual). Such reports shall be prepared and submitted to the VCMMCC at least annually.

ARTICLE VIII

STAFF

The VCMMCC shall employ personnel and contract for services as necessary to perform its functions. The permanent staff employed by the VCMMCC shall include, but not be limited to, a Chief Executive Officer (CEO), Clerk and Assistant Clerk.

Chief Executive Officer

The CEO shall have the responsibility for day to day operations, consistent with the authority conferred by the VCMMCC. The CEO is responsible for coordinating all activities of the County Organized Health System.

The CEO shall:

(a) Direct the planning, organization, and operation of all services and facilities;

(b) Direct studies of organizations, operations, functions and activities relating to economy, efficiency and improvement of services;

(c) Direct activities which fulfill all duties mandated by federal or state law, regulatory or accreditation authority, or VCMMCC board resolution, and shall bring any conflict between these laws, regulations, resolutions or policy to the attention of the VCMMCC;

(c) Appoint and supervise an executive management staff, and such other individuals as are necessary for operations. The CEO may delegate certain duties and responsibilities to these and other individuals where such delegated duties are in furtherance of the goals and objectives of the VCMMCC;

(d) Retain and appoint necessary personnel, consistent with all policies and procedures, in furtherance of the VCMMCC's powers and duties; and

(f) Implement and enforce all policies and procedures, and assure compliance with all applicable federal and state laws, rules and regulations.

Clerk

The Clerk shall:

(a) Perform the usual duties pertaining to secretaries;

(b) Cause to be kept, a full and true record of all VCMMCC meetings and of such special meetings as may be scheduled;

(c) Cause to be issued notices of regular and special meetings;

(d) Maintain a record of attendance of members and promptly report to the VCMMCC any member whose position has been vacated; and

(e) Attest to the Chair or Vice-Chair's signature on documents approved by the VCMMCC.

Assistant Clerk

The Assistant Clerk shall perform the duties of the Clerk in the Clerk's absence.

ARTICLE IX

Rules of Order

The Chairperson shall be responsible for maintaining decorum during VCMMCC meetings. All motions, comments, and questions shall be made through the Chairperson. Any decision by the Chairperson shall be considered final unless an appeal of the decision is requested and passed by a majority of the VCMMCC members present.

ARTICLE X

Amendments

(a) These Bylaws may be amended by an affirmative vote of a majority of the voting members of the VCMMCC. A full statement of a proposed amendment shall be submitted to the VCMMCC at least two weeks prior to the meeting at which the proposed amendment is scheduled to be voted upon.

(b) The Bylaws shall be reviewed annually and amendments to the Bylaws may be proposed by any VCMMCC member.

(c) Bylaws may be suspended on an ad hoc basis upon the affirmative vote of a majority of the VCMMCC members present.

ARTICLE XI

Nondiscrimination Clause

The VCMMCC or any person subject to its authority shall not discriminate against or in favor of any person because of race, gender, religion, color, national origin, age, sexual orientation or disability with regard to job application procedures, hiring, advancement, discharge, compensation, training or other terms or condition of employment of any person employed by or doing business with the VCMMCC or any person subject to its direction pursuant to federal, state or local law.

ARTICLE XII

Conflict of Interest and Ethics

VCMMCC members are subject to conflict of interest laws, including Government Code section 1090 and the 1974 Political Reform Act (Government Code section 8100 et seq.), as modified by Welfare and Institutions Code section 14087.57, and must identify and disclose any conflicts and refrain from participating in any manner in such matters in accordance with the applicable statutes**.** Members of the VCMMCC agree to adhere to all relevant standards established by state or federal law regarding ethical behavior.

ARTICLE XIII

Dissolution

Pursuant to California Welfare & Institutions Code, section 14087.54:

(a) In the event the Commissioners determine that VCMMCC may no longer function for the purposes for which it was established, at the time that VCMMCC's then existing

obligations have been satisfied or VCMMCC’s assets have been exhausted, the Board of Supervisors may by ordinance terminate the VCMMCC.

(b) Prior to the termination of the VCMMCC, the Board of Supervisors shall notify the State Department of Health Care Services (“DHCS”) of its intent to terminate VCMMCC. The DHCS shall conduct an audit of VCMMCC’s records within 30 days of the notification to determine the liabilities and assets of VCMMCC. The DHCS shall report its findings to the Board of Supervisors within 10 days of completion of the audit. The Board of Supervisors shall prepare a plan to liquidate or otherwise dispose of the assets of VCMMCC and to pay the liabilities of VCMMCC to the extent of VCMMCC’s assets, and present the plan to the DHCS within 30 days upon receipt of these findings.

(c) Upon termination of the VCMMCC by the Board of Supervisors, the County of Ventura shall manage any remaining assets of VCMMCC until superseded by a DHCS-approved plan. Any liabilities of VCMMCC shall not become obligations of the County of Ventura upon either the termination of the VCMMCC or the liquidation or disposition of VCMMCC’s remaining assets.

(d) Any assets of VCMMCC shall be disposed of pursuant to provisions contained in the contract entered into between the state and VCMMCC.

AGENDA ITEM NO. 8

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Kashina Bishop, Chief Financial Officer

DATE: May 18, 2020

SUBJECT: April 2020 Fiscal Year to Date Financials

SUMMARY:

Staff is presenting the attached April 2020 fiscal year-to-date (FYTD) financial statements of Gold Coast Health Plan ("Plan") for the Commission to review and approve. The Plan experienced a net gain of approximately $950,000.00 in April due to additional funding received for the Adult Expansion population.

BACKGROUND/DISCUSSION:

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

Financial Overview:

The Plan experienced a net gain in the month of April of $952,604 attributable to additional revenue from the State for the Adult Expansion population. While we anticipate a decline in medical expenses for dates of service of March and April due to COVID-19 and the delay of medical procedures, the estimates included in the financial statements are conservative until the true impact is known through claims data. Offsetting an overall reduction in medical expenses due to COVID-19 this month was a $2M increase in Pharmacy expense as a result of changes in authorization requirements for medication refills over 30 days. The increase may be offset in the future due to a lessening of refills given the increase in April. Staff is also monitoring for information from the State that would indicate a potential liability if medical expenses decline for an extended period, such as the implementation of a risk corridor. If the State implemented a risk corridor, medical expenses falling below or above a specified percent of revenue would be reimbursed to or from the State.

The Finance department remains focused on continual process improvement, strong internal controls, and fair and transparent contract negotiations with providers. Priorities include:

1. Accurate reporting and strong documentation. We recently implemented a cloud-based software, FloQast, which will improve the management of the month-end close, eliminate manual processes, and guarantees we are audit ready every month.
2. Improving the timeline for the financial statement close which will allow us to report on a timely basis and ensure adequate time for analysis.
3. Implementing a conservative budget approach which is flexible to reflect the financial implications of changes to membership and unforeseen changes to the Plan.
4. Enhancing the financial forecasting process.
5. Tracking of COVID-19 related expenses for potential reimbursement that the Plan may qualify for under grant programs available by the Federal Emergency Management Agency.

Organizational Expense and Risk Management Strategies

The Plan is specifically and aggressively engaged in a variety of activities aimed at further improving internal controls, minimizing further reductions to TNE, and mitigating potential risk areas that could have an adverse financial impact on the Plan. We are working to:

1. Improve Reporting for DHCS Rate Development Template and Supplemental Data Requests:
    a. A team-based, organizational-wide approach to all State submissions which ensures completeness and accuracy in order to maximize potential revenue.

2. Tighten controls on Administrative Expense:
    a. Open Position Justification – implementation of enhanced documentation requirement for new or open positions prior to hiring approval to fill open positions (regardless of budget status). The documentation must include details and metrics on the impact to workload in addition to any compliance or financial risks of not hiring the position; and
    b. Tracking the root cause of claims interest and implementing processes to reduce. *Potential Savings - $500,000 annually*

3. Continuous attention to, and enhancement of, the Provider Network Contracting strategy:
    a. Implementation of a preferred provider agreement with Quest, resulting in reduced contract rates and an estimated annual savings of $3.4 million; and
    b. Contract re-negotiations with hospitals which moved stop loss provisions from first to second dollar, improved language related to high cost drugs, transition of percentage of charge reimbursement to contract rates based on the Medi-Cal fee schedule, and limits to annual increase of chargemaster. *Estimated Savings - $3 million annually*

4. Enhance Claims Management:
   a. Implementation of contract with Health Management Systems, which will improve identification of claim overpayments and will allow the Plan to obtain recovery dollars for coordination of benefits for both medical and pharmacy expenses (e*stimated potential savings - $1-2 million annually);*
   b. Contract language – tracking areas in which improvement in contract language would prevent errors leading to settlements and interest;
   c. Identification of inconsistencies in claims handling to reduce expenses; and
   d. Improvement of the Provider Dispute Resolution (PDR) turn-around time to reduce abrasion and costs.

5. Enhance Utilization Management:
   a. Implementation of Nurse Advice hotline which will direct members to the appropriate level of care and potentially divert from the ER.
   b. CCS deferral identification and review of ED claims for payment by CCS.
   c. Risk assessment of new members through the Health Information Form and the Member Evaluation Tool which encourages connection to the appropriate level of care.
   d. Focus on admin day reduction and transition of care efforts.
   e. Monitoring of over/under-utilization studies.

6. Expense and Utilization Workgroup – a cross functional workgroup that identifies utilization and cost variances, and researches root cause to determine if any areas are actionable. Current areas of focus are as follows:
   a. Understanding disparities in maternity length of stay between systems.
   b. Aligning internal reporting with RDT logic.
   c. Researching various cost variances.

**** indicates new initiative.***

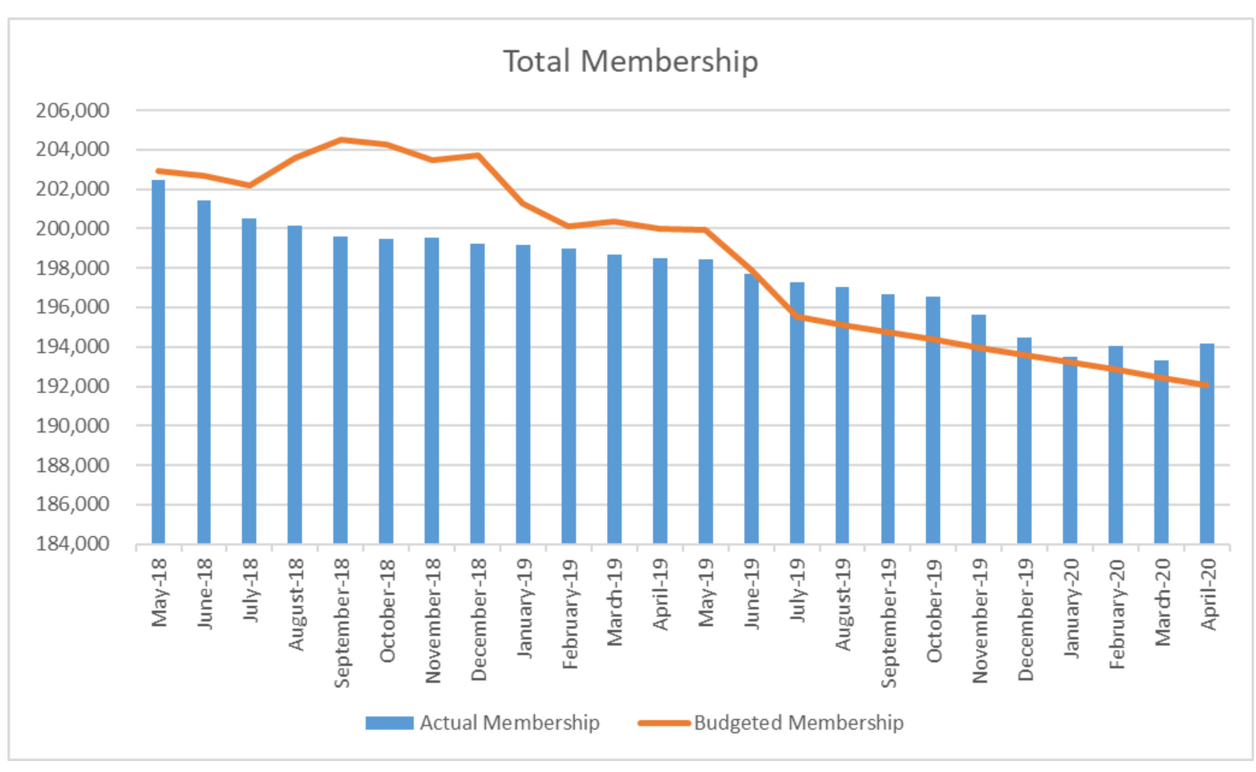
<u>Financial Report:</u>

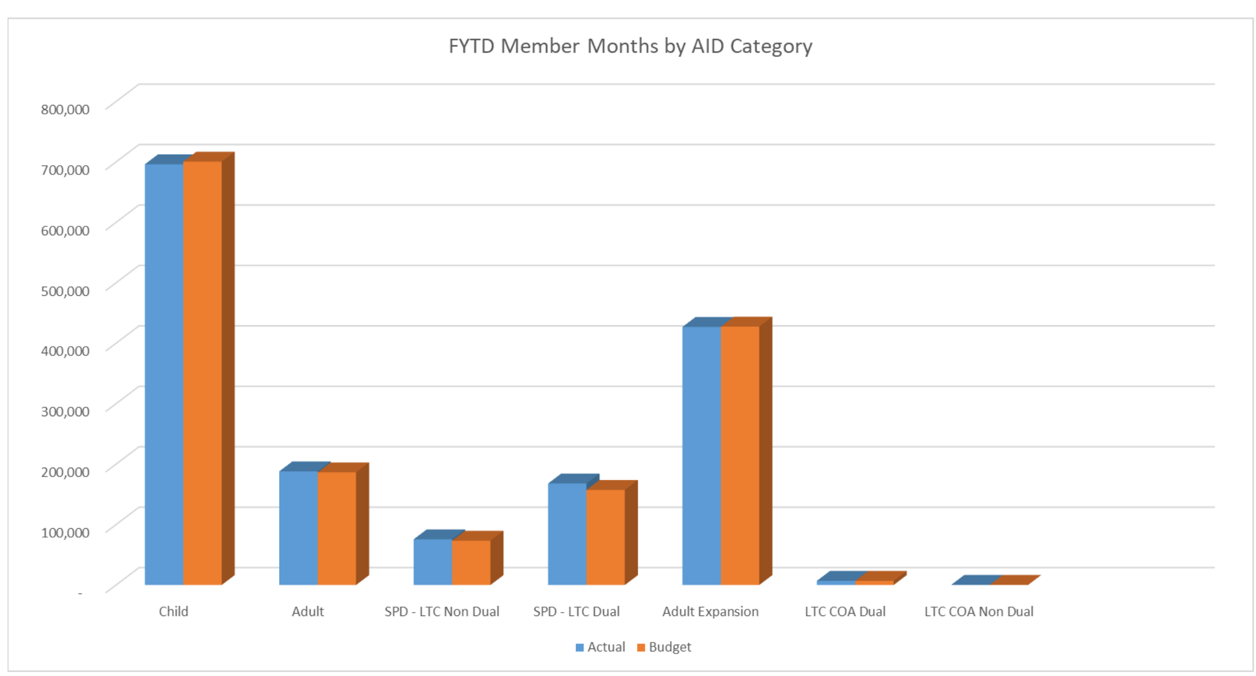
For the month of April 2020, the Plan is reporting a net gain of $952,604.

<u>April 2020 FYTD Highlights</u>

1. Net loss of $2.1 million; a $2.9 million unfavorable year-to-date budget variance.
2. FYTD net revenue is $687.7 million, $39.5 million higher than budget.
3. FYTD Cost of health care is $649.1 million, $49.4 million higher than budget.
4. The medical loss ratio is 94.4% of revenue, which is 1.9% higher than the budget.
5. The administrative cost ratio is 6.2%, 1.3% lower than budget.
6. Current membership for April is 194,157. Member months for the year are at 1,756,777 which 1% greater than budget.
7. Tangible Net Equity is $73.6 million which represents approximately 32 days of operating expenses in reserve and 219% of the required amount by the State.

While the Plan experienced an increase to the reserve for April, the percent of required decreased by 2%. The requirement is driven by annualized medical expenditures, and changes on a monthly basis.





Revenue

Net Premium revenue is over budget by $39.5 million and 6%. The budget variance is being driven by the following:

1. The aggregate membership is over budget by 1%. Due to the widespread economic impact of COVID-19 there is a resulting rise in unemployment and the Plan is projecting a growth in membership and will continue to monitor changes in unemployment. Medi-Cal redeterminations were suspending for 90 days which had an immediate impact to enrollment. For reference, below is historical data that reflects changes in Medi-Cal enrollment following a recession.

Years Spanned (Total # of Months During Economic Recession)[1]	Start Date of Economic Recession	End Date of Economic Recession	Year-over-year change in Medi-Cal Enrollment[2]
1970 (11)	January 1970	November 1970	22.6%
1973-1975 (16)	December 1973	March 1975	-2.2% 3.9% 9.1%
1980 (6)	February 1980	July 1980	4.8%
1981-1982 (16)	August 1981	November 1982	3.9% -1.4%
1990-1991 (8)	August 1990	March 1991	13.1% 16.6%
2001 (8)	April 2001	November 2001	8.2%
2008-2009 (18)	January 2008	June 2009	2.5% 5.3%

[1] Source: Department of Health Care Services (DHCS), Research and Analytic Studies Division (RASD), *Medi-Cal Statistical Brief, August 2015*

[2] This increase could also include changes in eligibility so this may not reflect a direct link to the recessionary growth only.

2. Case mix is contributing to both higher revenue and expenses. For example, the number of members in the Child AID category is under budget while the membership in the Seniors and Persons with Disability (SPD) AID categories are over budget. Due to disparities in cost for members in the various AID categories, that Plan is paid a higher capitation rate for those members in the SPD AID category.

3. Due to the increasing risk of the current population in FY19-20, GCHP received revised draft capitation rates from the State which were 1.7% higher than budgeted.

4. Due to increased utilization, supplemental payments for Behavioral Health services are $5.0 million higher than budgeted.

5. Capitation revenue attributable to Proposition 56 and Ground Emergency Transportation Payment (GEMT) are over budget by $7.9 million due to updated rates for the additional programs explained below:

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

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

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

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

<u>Health Care Costs</u>
FYTD Health care costs are $649.1 million; this equates to a $49.4 million and 8% unfavorable budget variance.

Notable variances from the budget are as follows:

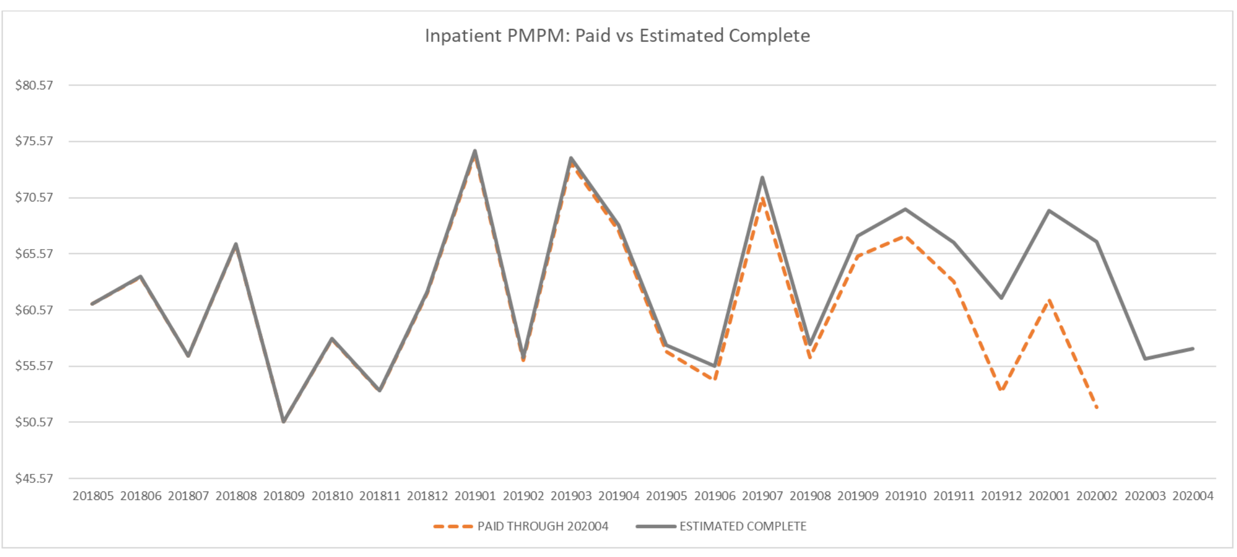
1. Membership is over budget by 1% which will impact the anticipated medical expenses. This is offset by increased capitation revenue from the State.

2. Case mix is contributing to both higher revenue and expense, as noted in the Revenue section.

3. The State validated the assertion that as the membership has declined for the current fiscal year, it is the healthier population that is disenrolling which is increasing the overall per member per month costs of the remaining membership. The State gave us an additional 1.7% in the capitation rates to offset this increased expense.

4. Directed payments (for Proposition 56) are over budget by $10.8 million. GCHP is accruing a directed payment expense equal to 100% of the current year revenue attributable to Proposition 56. Approximately $7.9 million of the variance is due to updated rates from the State. The additional variance is driven by prior year changes in estimate.

5. Inpatient hospital costs are over budget by $10.8 million. Overall, there has been more volatility with high dollar claims. The AID categories with the most significant increases from budget are Adult and Adult Expansion. Acute inpatient admissions per 1,000 members has increased from 54.87 in FY 18-19 to 57.24 in FY 19-20, a 4% increase, and the average cost per admit has increased approximately 2.5%. Due to COVID-19, inpatient costs are estimated to be lower in March and April. Staff was conservative in the estimates until the full extent of the impact is validated through claims data.

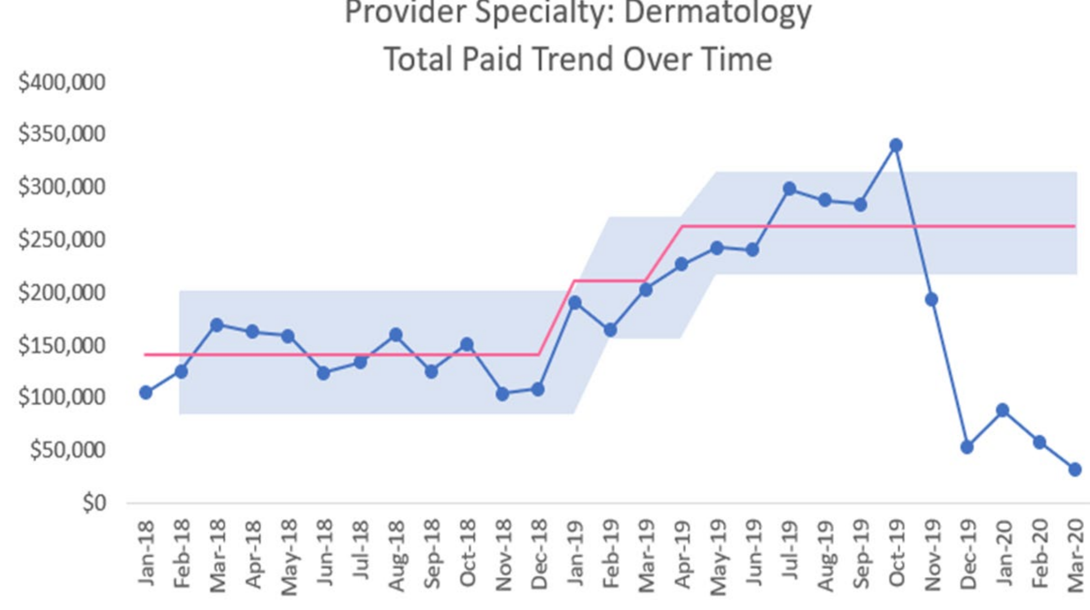


Top 10 Diagnosis - Total Paid	CY 2018	CY 2019	$ Change	% Change
Bacterial infection	$ 20,672,438	$ 21,905,168	$ 1,232,730	6%
Diseases of the heart	$ 7,686,380	$ 8,439,563	$ 753,183	10%
Complications mainly related to pregnancy	$ 6,618,730	$ 7,291,445	$ 672,715	10%
Cerebrovascular disease	$ 6,978,965	$ 5,807,967	$ (1,170,998)	-17%
Complications	$ 6,398,625	$ 6,372,159	$ (26,466)	0%
Cancer of lymphatic and hematopoietic tissu	$ 7,308,956	$ 3,825,545	$ (3,483,411)	-48%
Indications for care in pregnancy; labor; and	$ 4,231,864	$ 4,555,715	$ 323,851	8%
Alcohol-related disorders	$ 3,154,103	$ 5,397,715	$ 2,243,612	71%
Hypertension	$ 2,681,458	$ 4,951,212	$ 2,269,754	85%
Fractures	$ 3,471,043	$ 3,688,738	$ 217,695	6%

6. Physician Specialty is over budget by $8.4 million. The primary drivers continue to be dermatology, physical therapy, orthopedic surgery, and physical medicine and rehabilitation. The increase in physical therapy is primarily related to services being provided to children with developmental disabilities. These children were previously cared for by the Tri-Counties Regional Center but under revisions in Medi-Cal rules these services were transitioned to the Plan. The increase in orthopedic surgery is the result of the Plan's effort to increase access as there had previously been a shortage of orthopedic providers. Physician specialty costs is an area of focus for the Expense and Utilization workgroup.

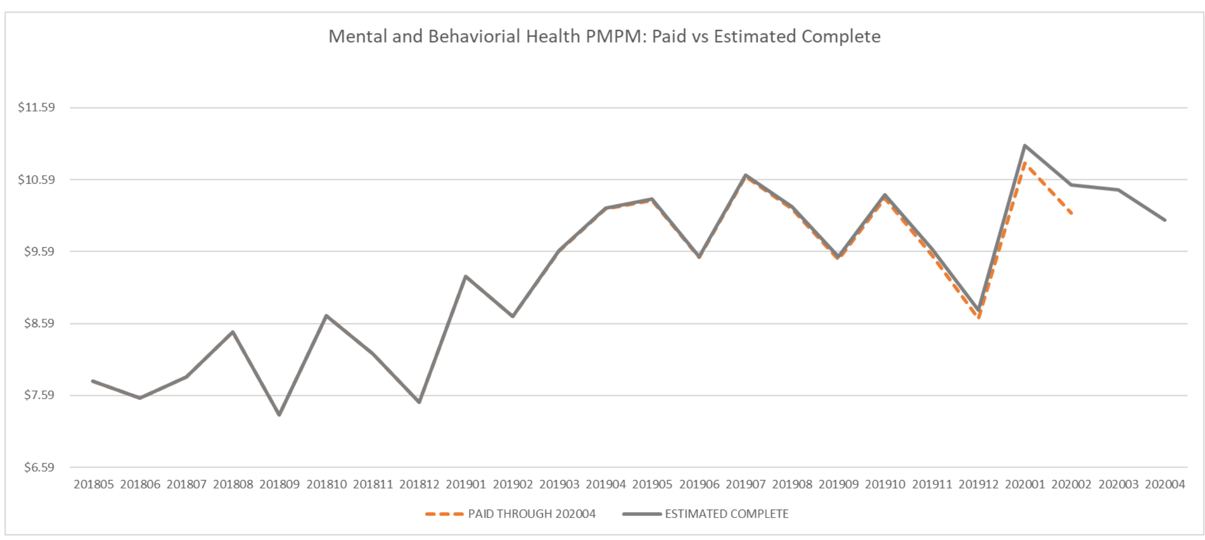
Provider Type	CY 2018	CY 2019	$ Change	% Change
Dermatology	$ 1,626,344	$ 2,719,722	$ 1,093,378	67%
Physical therapist (independently practicing)	$ 2,303,711	$ 3,201,878	$ 898,167	39%
Orthopedic surgery	$ 940,877	$ 1,435,553	$ 494,676	53%
Anesthesiology	$ 4,715,695	$ 5,073,433	$ 357,738	8%
Ophthalmology	$ 2,067,077	$ 2,363,042	$ 295,965	14%
Medical oncology	$ 357,969	$ 634,176	$ 276,207	77%
Internal medicine	$ 2,277,382	$ 2,533,814	$ 256,432	11%
Hematology/oncology	$ 644,010	$ 897,159	$ 253,149	39%
Pathology	$ 1,559,488	$ 1,809,641	$ 250,153	16%
Physician assistant	$ 125,826	$ 354,877	$ 229,051	182%

Dermatology expenses have decreased since a provider termination in November 2019, as demonstrated in the below graph.



7. Behavioral and mental health is over budget by $5.1 million. Utilization increased significantly in 2019 with behavioral health benefits for being extended to members

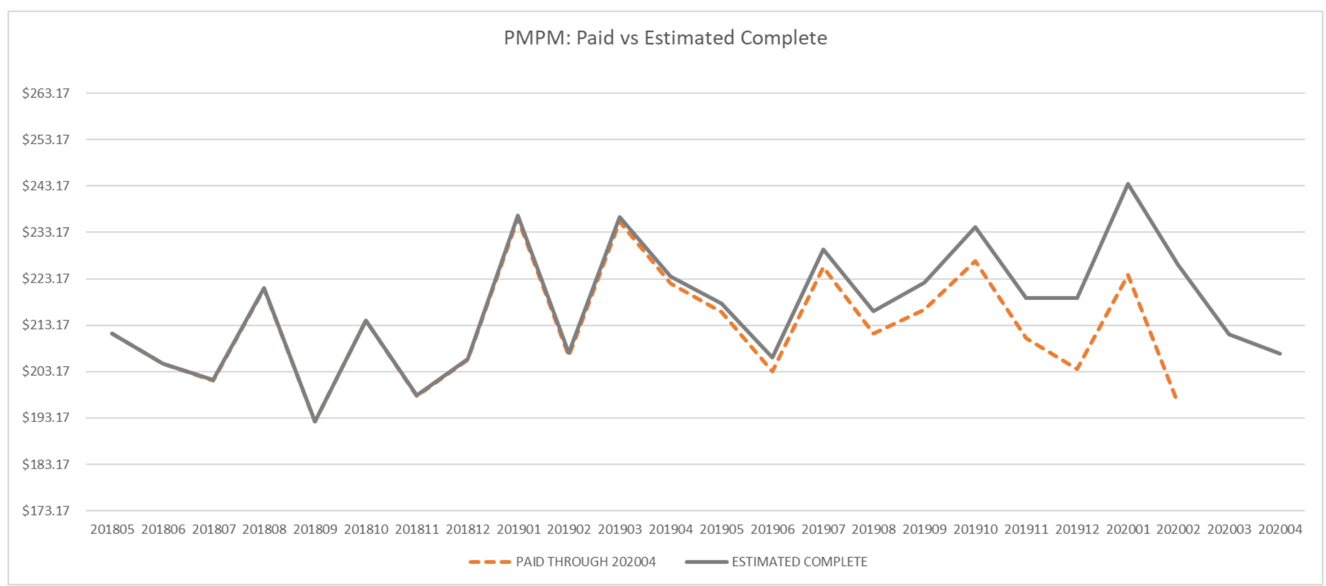
that do not have an autism diagnosis. The budget is $8.16 per member per month and the average expense in FY 19-20 $10.12 per member per month, an annualized increase of approximately $3.8 million. The increased cost is offset by supplemental payments from the State for Behavioral Health treatment which is over budget by $5.0 million.



8. Primary Care Physician is over budget by $3.4 million (30%). This is due to a classification issue with the non-PBM pharmacy expenses within the budget. Non-PBM pharmacy expense was budgeted under pharmacy but the expense is being reflected in the Primary Care Physician line item. If properly classified, the budget variance would be $1.1 million (9%). This will be corrected in the coming year's budget process.

9. Pharmacy expense is over budget by $6 million and 6% due to increases in both utilization and unit costs (7% excluding the non-pbm pharmacy portion). Pharmacy expense increased by $2 million in April due to COVID-19 and the allowance of a 100-day supply of medications to be dispensed without a treatment authorization request.

10. Total fee for service health care costs excluding capitation and pharmacy, and considering date of service, are over budget by $9.76 PMPM (5%).



Note: Medical expenses are calculated through a predictive model which examines the timing of claims receipt and claims payments. It is referred to as "Incurred But Not Paid" (IBNP) and is a liability on the balance sheet. On the balance sheet, this calculation is a combination of the Incurred But Not Reported and Claims Payable. The total liability is the difference between the estimated costs (the orange line above) and the paid amounts (in grey above).

11. The Plan is closely monitoring for data that would provide information on the potential impact of COVID-19 on medical expenses, both in relation to this current fiscal year and in providing a meaningful projection for next fiscal year in the budget process.

Administrative Expenses

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

For the fiscal year to date through April, administrative costs were $42.3 million and $6.2 million below budget. As a percentage of revenue, the administrative cost ratio (or ACR) was 6.2% versus 7.5% for budget.

Cash and Short-Term Investment Portfolio

At April 30th, the Plan had $128.1 million in cash and short-term investments. The investment portfolio included Ventura County Investment Pool $42.7 million; LAIF CA State $200,000; the portfolio yielded a rate of 2.5%.

Medi-Cal Receivable

At April 30th, the Plan had $154.9 million in Medi-Cal Receivables due from the DHCS.

RECOMMENDATION:

Staff recommends that the Commission approve the April 2020 financial package.

CONCURRENCE:

N/A

ATTACHMENT:

April 2020 Financial Package

FINANCIAL PACKAGE
For the month ended April 30, 2020

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- Executive Dashboard
- Statement of Financial Position
- Statement of Revenues, Expenses and Changes in Net Assets
- FYTD PMPM Budget to Actual Analysis - Fee for Service by AID Category
- Statement of Cash Flows

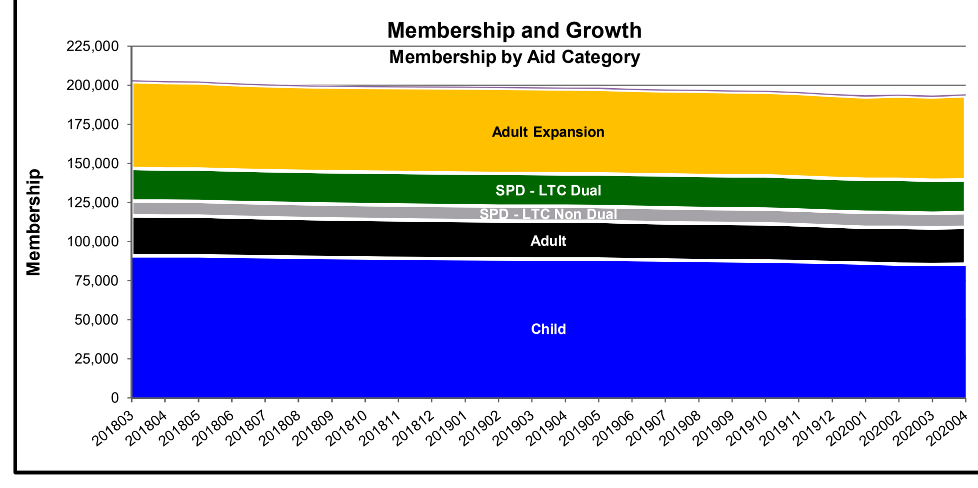
Gold Coast Health Plan

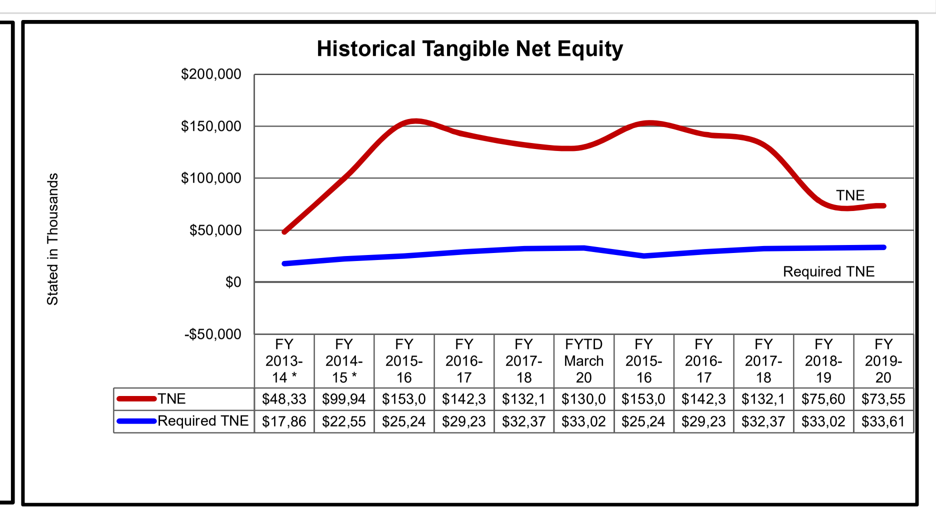
Executive Dashboard as of April 30, 2020

	FYTD 19/20 Budget	FYTD 19/20 Actual	FY 18/19 Actual	FY 17/18 Actual
Average Enrollment	215,323	216,959	198,140	202,748
PMPM Revenue	$ 334.48	$ 352.10	$ 299.23	$ 284.60
Medical Expenses				
Capitation	$ 26.52	$ 24.23	$ 23.90	$ 13.90
Inpatient	$ 61.61	$ 66.66	$ 62.09	$ 58.98
LTC / SNF	$ 57.26	$ 58.45	$ 56.06	$ 51.30
Outpatient	$ 25.68	$ 26.21	$ 25.88	$ 25.74
Emergency Room	$ 11.91	$ 12.46	$ 12.14	$ 12.77
Physician Specialty	$ 25.50	$ 29.61	$ 26.71	$ 23.82
Pharmacy	$ 57.07	$ 59.76	$ 56.60	$ 49.76
All Other *(excluding directed payments)*	$ 36.12	$ 41.84	$ 38.20	$ 32.93
Total Per Member Per Month	$ 301.68	$ 319.21	$ 301.58	$ 269.21
Medical Loss Ratio	92.5%	94.4%	102.0%	95.1%
Total Administrative Expenses	$ 48,555,676	$ 42,311,411	$ 46,655,880	$ 49,015,352
% of Revenue	7.5%	6.2%	6.6%	7.1%
TNE	$ 93,700,000	$ 73,551,507	$ 75,604,948	$ 132,115,371
Required TNE	$ 33,464,286	$ 33,610,966	$ 32,382,791	$ 32,373,536
% of Required	280%	219%	233%	408%

% OF TOTAL MEDICAL EXPENSE

All Other (excluding directed payments) 13%
Capitation 8%
Inpatient 21%
Pharmacy 19%
Physician Specialty 9%
Emergency Room 4%
Outpatient 8%
LTC / SNF 18%





	FY 2013-14 *	FY 2014-15 *	FY 2015-16	FY 2016-17	FY 2017-18	FYTD March 20	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
TNE	$48,33	$99,94	$153,0	$142,3	$132,1	$130,0	$153,0	$142,3	$132,1	$75,60	$73,55
Required TNE	$17,86	$22,55	$25,24	$29,23	$32,37	$33,02	$25,24	$29,23	$32,37	$33,02	$33,61

STATEMENT OF FINANCIAL POSITION

	04/30/20	03/31/20	02/29/20
ASSETS			
Current Assets:			
Total Cash and Cash Equivalents	**85,204,213**	**38,393,376**	**$ 46,955,465**
Total Short-Term Investments	**42,940,731**	**42,824,558**	**42,711,634**
Medi-Cal Receivable	154,909,413	211,381,138	196,277,857
Interest Receivable	282,269	356,509	394,467
Provider Receivable	377,897	292,569	315,573
Other Receivables	8,857,684	11,329,670	7,825,513
Total Accounts Receivable	**164,427,262**	**223,359,885**	**204,813,409**
Total Prepaid Accounts	2,063,741	2,239,310	2,253,125
Total Other Current Assets	153,789	153,789	153,789
Total Current Assets	**294,789,736**	**306,970,918**	**296,887,422**
Total Fixed Assets	**1,698,281**	**1,720,750**	**1,673,700**
Total Assets	**$ 296,488,017**	**$ 308,691,668**	**$ 298,561,122**
LIABILITIES & NET ASSETS			
Current Liabilities:			
Incurred But Not Reported	$ 59,972,047	$ 54,510,478	$ 56,573,529
Claims Payable	8,175,554	8,092,540	13,069,982
Capitation Payable	19,712,855	21,569,403	24,263,273
Physician Payable	16,861,083	14,404,132	13,455,283
DHCS - Reserve for Capitation Recoup	5,257,358	5,257,358	5,257,358
Accounts Payable	706,718	2,453,052	2,216,914
Accrued ACS	3,346,682	1,641,884	1,775,084
Accrued Provider Reserve	1,209,266	727,999	236,542
Accrued Pharmacy	21,208,438	19,216,469	11,549,603
Accrued Expenses	1,030,181	30,730,302	28,695,351
Accrued Premium Tax	82,467,273	74,088,244	65,946,399
Accrued Payroll Expense	1,896,771	2,305,733	2,038,757
Total Current Liabilities	**221,844,226**	**234,997,594**	**225,078,075**
Long-Term Liabilities:			
Other Long-term Liability-Deferred Rent	1,092,284	1,095,171	1,098,058
Total Long-Term Liabilities	**1,092,284**	**1,095,171**	**1,098,058**
Total Liabilities	**222,936,510**	**236,092,765**	**226,176,133**
Net Assets:			
Beginning Net Assets	75,604,948	75,604,948	75,604,947.77
Total Increase / (Decrease in Unrestricted Net Assets)	(2,053,441)	(3,006,045)	(3,219,959)
Total Net Assets	**73,551,507**	**72,598,903**	**72,384,989**
Total Liabilities & Net Assets	**$ 296,488,017**	**$ 308,691,668**	**$ 298,561,122**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR MONTH ENDED April 30, 2020

	April 2020	April 2020 Year-To-Date		Variance	Variance	April 2020 Year-To-Date		Variance
	Actual	Actual	Budget	Fav / (Unfav)	%	Actual	Budget	Fav / (Unfav)
Membership (includes retro members)	194,157	1,952,632	1,937,905	14,727	1%	PMPM - FYTD		
Revenue								
Premium	$ 83,153,252	$ 769,439,918	$ 648,181,195	$ 121,258,723	19%	$394.05	$334.48	$ 59.58
Reserve for Cap Requirements	-	539,983	-	539,983	0%	0.28	-	0.28
MCO Premium Tax	(8,379,029)	(82,467,273)	-	(82,467,273)	0%	(42.23)	-	(42.23)
Total Net Premium	**74,774,223**	**687,512,628**	**648,181,195**	**39,331,434**	**6%**	**352.10**	**334.48**	**17.62**
Other Revenue:								
Miscellaneous Income	175,816	186,406	-	186,406	0%	0.10	-	0.10
Total Other Revenue	175,816	186,406	**-**	186,406	0%	0.10	-	0.10
Total Revenue	**74,950,039**	**687,699,034**	**648,181,195**	**39,517,839**	**6%**	**352.10**	**334.48**	**17.72**
Medical Expenses:								
Capitation (PCP, Specialty, Kaiser, NEMT & Vision)	3,795,042	47,303,343	51,402,082	4,098,739	8%	24.23	26.52	2.30
FFS Claims Expenses:								
Inpatient	11,742,257	130,162,675	119,397,954	(10,764,721)	-9%	66.66	61.61	(5.05)
LTC / SNF	12,060,174	114,128,278	110,969,688	(3,158,590)	-3%	58.45	57.26	(1.19)
Outpatient	9,014,506	51,170,760	49,766,929	(1,403,831)	-3%	26.21	25.68	(0.53)
Laboratory and Radiology	431,786	4,723,618	3,308,298	(1,415,321)	-43%	2.42	1.71	(0.71)
Directed Payments - Provider	2,900,940	25,755,759	15,001,880	(10,753,879)	-72%	13.19	7.74	(5.45)
Emergency Room	2,065,530	24,323,053	23,078,888	(1,244,165)	-5%	12.46	11.91	(0.55)
Physician Specialty	5,751,381	57,825,052	49,410,546	(8,414,506)	-17%	29.61	25.50	(4.12)
Primary Care Physician	1,372,030	14,733,388	11,331,286	(3,402,103)	-30%	7.55	5.85	(1.70)
Home & Community Based Services	1,321,373	14,337,692	15,632,535	1,294,843	8%	7.34	8.07	0.72
Applied Behavioral Analysis/Mental Health Servic	2,909,380	20,882,180	15,808,691	(5,073,488)	-32%	10.69	8.16	(2.54)
Pharmacy	13,259,282	116,698,590	110,603,563	(6,095,027)	-6%	59.76	57.07	(2.69)
Provider Reserve	113,701	523,371	1,501,587	978,216	65%	0.27	0.77	0.51
Other Medical Professional	368,616	3,464,139	3,164,950	(299,190)	-9%	1.77	1.63	(0.14)
Other Medical Care	8,060	37,821	-	(37,821)	0%	0.02	-	(0.02)
Other Fee For Service	1,229,532	9,112,986	7,756,722	(1,356,264)	-17%	4.67	4.00	(0.66)
Transportation	196,065	1,415,235	1,406,614	(8,621)	-1%	0.72	0.73	0.00
Total Claims	64,744,614	589,294,598	538,140,132	(51,154,466)	-10%	301.80	277.69	(24.10)
Medical & Care Management Expense	1,331,157	12,082,308	13,452,390	1,370,082	10%	6.19	6.94	0.75
Reinsurance	55,842	2,153,932	794,508	(1,359,424)	-171%	1.10	0.41	(0.69)
Claims Recoveries/Budget Reduction	(473,544)	(1,772,594)	(4,166,667)	(2,394,073)	57%	(0.91)	(2.15)	(1.24)
Sub-total	913,455	12,463,646	10,080,231	(2,383,415)	-24%	6.38	5.20	(1.18)
Total Cost of Health Care	**69,453,111**	**649,061,586**	**599,622,445**	**(49,439,141)**	**-8%**	**332.40**	**309.42**	**(22.99)**
Contribution Margin	**5,496,928**	**38,637,448**	**48,558,749**	**(9,921,302)**	**-20%**	**19.69**	**25.06**	**(5.37)**
General & Administrative Expenses:								
Salaries, Wages & Employee Benefits	2,120,215	21,158,486	22,640,398	1,481,911	7%	10.84	11.68	0.85
Training, Conference & Travel	873	171,783	528,759	356,976	68%	0.09	0.27	0.18
Outside Services	2,166,717	21,058,836	22,444,285	1,385,448	6%	10.78	11.58	0.80
Professional Services	492,976	3,462,073	2,784,347	(677,727)	-24%	1.77	1.44	(0.34)
Occupancy, Supplies, Insurance & Others	1,036,435	7,164,496	7,608,936	444,440	6%	3.67	3.93	0.26
Care Management Reclass to Medical	(1,331,157)	(12,082,308)	(13,452,390)	(1,370,082)	10%	(6.19)	(6.94)	(0.75)
G&A Expenses	4,486,059	40,933,366	42,554,333	1,620,967	4%	20.96	21.96	1.00
Project Portfolio	134,809	1,378,044	6,001,343	4,623,299	77%	0.71	3.10	2.39
Total G&A Expenses	**4,620,868**	**42,311,411**	**48,555,676**	**6,244,266**	**13%**	**21.67**	**25.06**	**3.39**
Total Operating Gain / (Loss)	**876,060**	**(3,673,963)**	**3,073**	**(3,677,036)**	**-119658%**	**(1.98)**	**0.00**	**(1.98)**
Non Operating								
Revenues - Interest	76,544	1,620,522	864,242	756,281	88%	0.83	0.45	0.38
Total Non-Operating	76,544	1,620,522	864,242	756,281	88%	0.83	0.45	0.38
Total Increase / (Decrease) in Unrestricted Net Assets	**$ 952,604**	**$ (2,053,441)**	**$ 867,315**	**$ (2,920,755)**	**-337%**	**$ (1.15)**	**$ 0.45**	**$ (1.59)**

FYTD PMPM BUDGET TO ACTUAL ANALYSIS - FEE FOR SERVICE BY AID CATEGORY

	Adult				Child				Adult Expansion			
	Budget	Actual	Variance	%	Budget	Actual	Variance	%	Budget	Actual	Variance	%
Inpatient	$ 117.34	$ 132.44	$ 15.10	13%	$ 7.60	$ 6.01	$ (1.59)	-21%	$ 97.75	$ 114.79	$ 17.04	17%
Outpatient	42.23	46.32	4.09	10%	4.69	4.18	(0.51)	-11%	40.44	39.00	(1.44)	-4%
ER	16.73	17.17	0.44	3%	9.46	9.80	0.34	4%	15.48	16.15	0.67	4%
LTC	4.36	12.36	8.00	183%	0.33	0.25	(0.08)	-24%	20.99	22.27	1.28	6%
PCP	9.70	10.11	0.41	4%	5.95	6.35	0.40	7%	6.91	7.35	0.44	6%
Specialty	47.33	54.26	6.93	15%	6.07	6.64	0.57	9%	40.60	46.47	5.87	14%
Pharmacy	79.23	96.10	16.87	21%	12.94	11.75	(1.19)	-9%	99.26	110.73	11.47	12%
Mental Health/ABA	5.06	5.85	0.79	16%	7.19	9.01	1.82	25%	4.97	5.74	0.77	15%
All Other	11.16	12.74	1.58	14%	1.94	2.13	0.19	10%	13.38	13.69	0.31	2%
Total	$ 333.14	$ 387.35	$ 54.21	16%	$ 56.17	$ 56.12	$ (0.05)	0%	$ 339.78	$ 376.19	$ 36.41	11%
FYTD Member Months	231,853	235,796	3,943	2%	873,940	868,529	(5,411)	-1%	533,334	534,067	733	0%

	Seniors and Persons with Disabilities (SPD)				SPD - Dual				Long Term Care (LTC)			
	Budget	Actual	Variance	%	Budget	Actual	Variance	%	Budget	Actual	Variance	%
Inpatient	$ 316.42	$ 250.36	$ (66.06)	-21%	$ 18.37	$ 18.19	$ (0.18)	-1%	$ 627.90	$ 828.00	$ 200.10	32%
Outpatient	105.41	98.51	(6.90)	-7%	19.78	20.97	1.19	6%	274.05	193.84	(80.21)	-29%
ER	25.15	26.87	1.72	7%	1.74	1.81	0.07	4%	10.46	11.23	0.77	7%
LTC	162.64	140.45	(22.19)	-14%	91.96	86.58	(5.38)	-6%	7,432.23	7,749.43	317.20	4%
PCP	16.39	20.36	3.97	24%	4.58	4.45	(0.13)	-3%	9.22	4.03	(5.19)	-56%
Specialty	83.04	90.04	7.00	8%	17.24	20.99	3.75	22%	172.15	227.25	55.10	32%
Pharmacy	267.46	303.48	36.02	13%	6.06	6.79	0.73	12%	224.42	269.84	45.42	20%
Mental Health/ABA	59.90	75.48	15.58	26%	1.00	1.27	0.27	27%	0.68	2.77	2.09	307%
All Other	82.63	79.84	(2.79)	-3%	56.16	57.53	1.37	2%	135.92	462.61	326.69	240%
Total	$ 1,119.04	$ 1,085.39	$ (33.65)	-3%	$ 216.89	$ 218.58	$ 1.69	1%	$ 8,887.03	$ 9,749.00	$ 861.97	10%
FYTD Member Months	91,602	94,549	2,947	3%	196,527	210,813	14,286	7%	250	359	109	44%

	LTC - Dual			
	Budget	Actual	Variance	%
Inpatient	$ 46.38	$ 43.60	$ (2.78)	-6%
Outpatient	14.36	10.10	(4.26)	-30%
ER	1.83	0.30	(1.53)	-84%
LTC	7,314.95	7,233.70	(81.25)	-1%
PCP	0.96	0.25	(0.71)	-74%
Specialty	13.52	12.78	(0.74)	-5%
Pharmacy	1.30	0.44	(0.86)	-66%
Mental Health/ABA	0.25	0.70	0.45	180%
All Other	132.42	112.66	(19.76)	-15%
Total	$ 7,525.97	$ 7,414.53	$ (111.44)	-1%
FYTD Member Months	8,700	8,528	(172)	-2%

FFS expenses budgeted based on CY 2018 PMPM data, with the following trend assumptions:

Inpatient - 1% annual trend and known contractual changes.
ER - 1.5% annual trend and known contractual changes.
LTC - 3% estimated fee schedule change
Specialty Physician - 1% estimated fee schedule change
Mental Health/ABA - 6% annual increase due to utilization.
Pharmacy - 3% overall annual increase.
Home and Community Based Services - 2% annualized increase due to utilization.

Return to Agenda

STATEMENT OF CASH FLOWS	Apr 2020	FYTD 19-20
Cash Flows Provided By Operating Activities		
Net Income (Loss)	$ 952,604	$ (2,053,441)
Adjustments to reconciled net income to net cash provided by operating activities		
Depreciation on fixed assets	44,109	379,503
Amortization of discounts and premium	-	-
Changes in Operating Assets and Liabilites		-
Accounts Receivable	58,932,623	(84,668,059)
Prepaid Expenses	175,568	(19,671)
Accrued Expense and Accounts Payable	(27,680,271)	(6,820,744)
Claims Payable	683,418	(1,243,705)
MCO Tax liablity	8,379,029	58,841,027
IBNR	5,461,569	8,214,135
Net Cash Provided by (Used in) Operating Activities	46,948,650	(27,370,956)
Cash Flow Provided By Investing Activities		
Proceeds from Restricted Cash & Other Assets		
Proceeds from Investments	(27)	4,970,260
Purchase of Investments plus Interest reinvested	(116,146)	(949,391)
Purchase of Property and Equipment	(21,640)	(410,014)
Net Cash (Used In) Provided by Investing Activities	(137,813)	3,610,855
Increase/(Decrease) in Cash and Cash Equivalents	46,810,837	(23,760,100)
Cash and Cash Equivalents, Beginning of Period	38,393,376	108,964,313
Cash and Cash Equivalents, End of Period	85,204,212.43	85,204,212

Gold Coast Health Plan[SM]
A Public Entity

Gold Coast Health Plan

FYTD Unaudited Financial Statements
April 2020

Integrity

Accountability

Collaboration

Trust

Respect

711 East Daily Drive, Suite 106, Camarillo, CA 93010 www.goldcoasthealthplan.org

Return to Agenda

Financial Overview:

APRIL NET INCOME $ 952,604

FYTD NET LOSS $2.1 million

TNE is $73.6 M and 219% of the minimum required

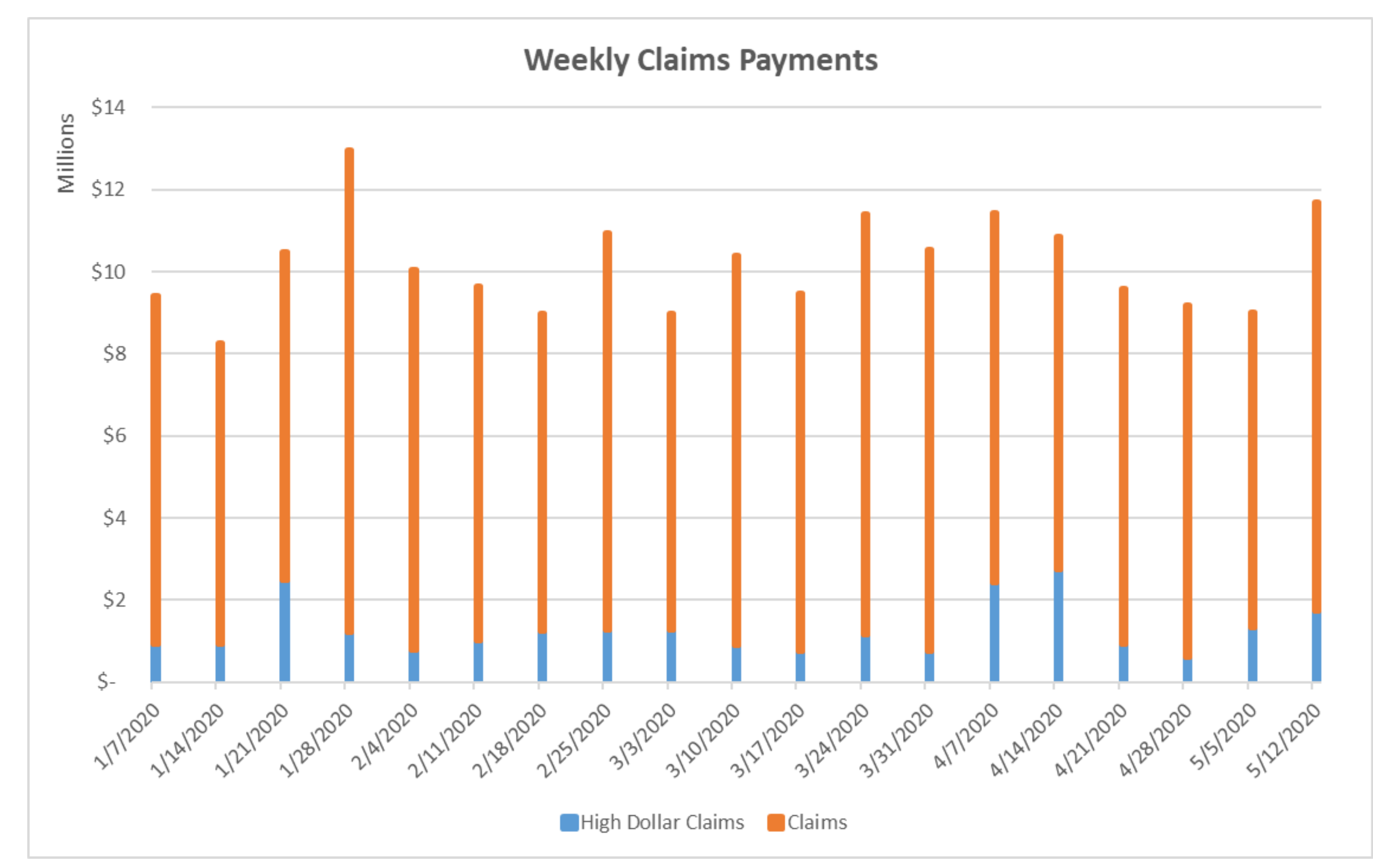
MEDICAL LOSS RATIO 94.4%

ADMINISTRATIVE RATIO 6.2%

Financial Impacts of Covid-19:

- Slight increase in membership
- Pharmacy - $2M increase
- Decrease in authorizations and claims volume – not yet impacting the financial statements

Financial Impacts of Covid-19:



Update on Expense and Risk Management Strategies:

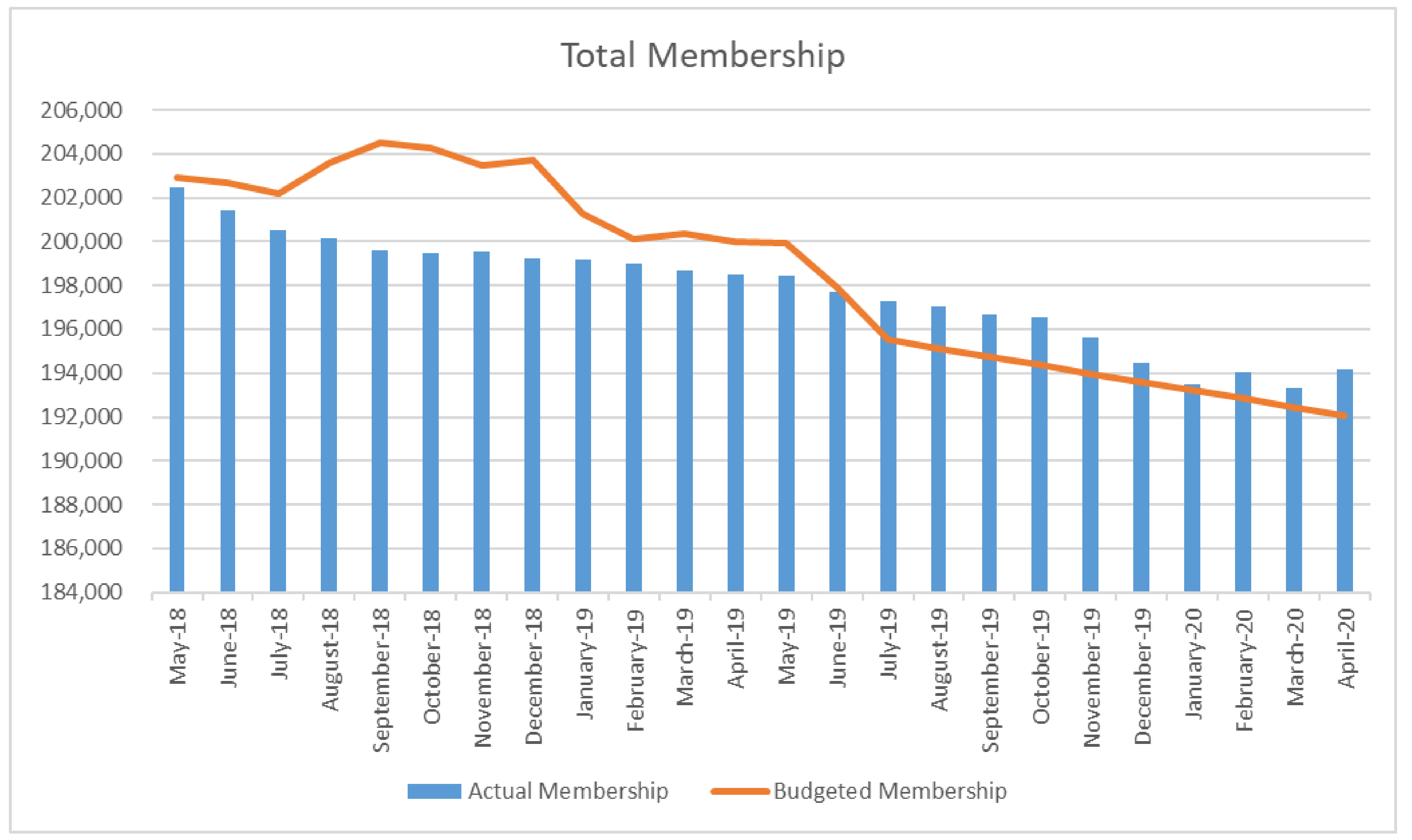
1. Focus on Solvency Action Plan – integration of the cost savings strategies.
2. Continued improvement in the PDR turn-around time.

Revenue

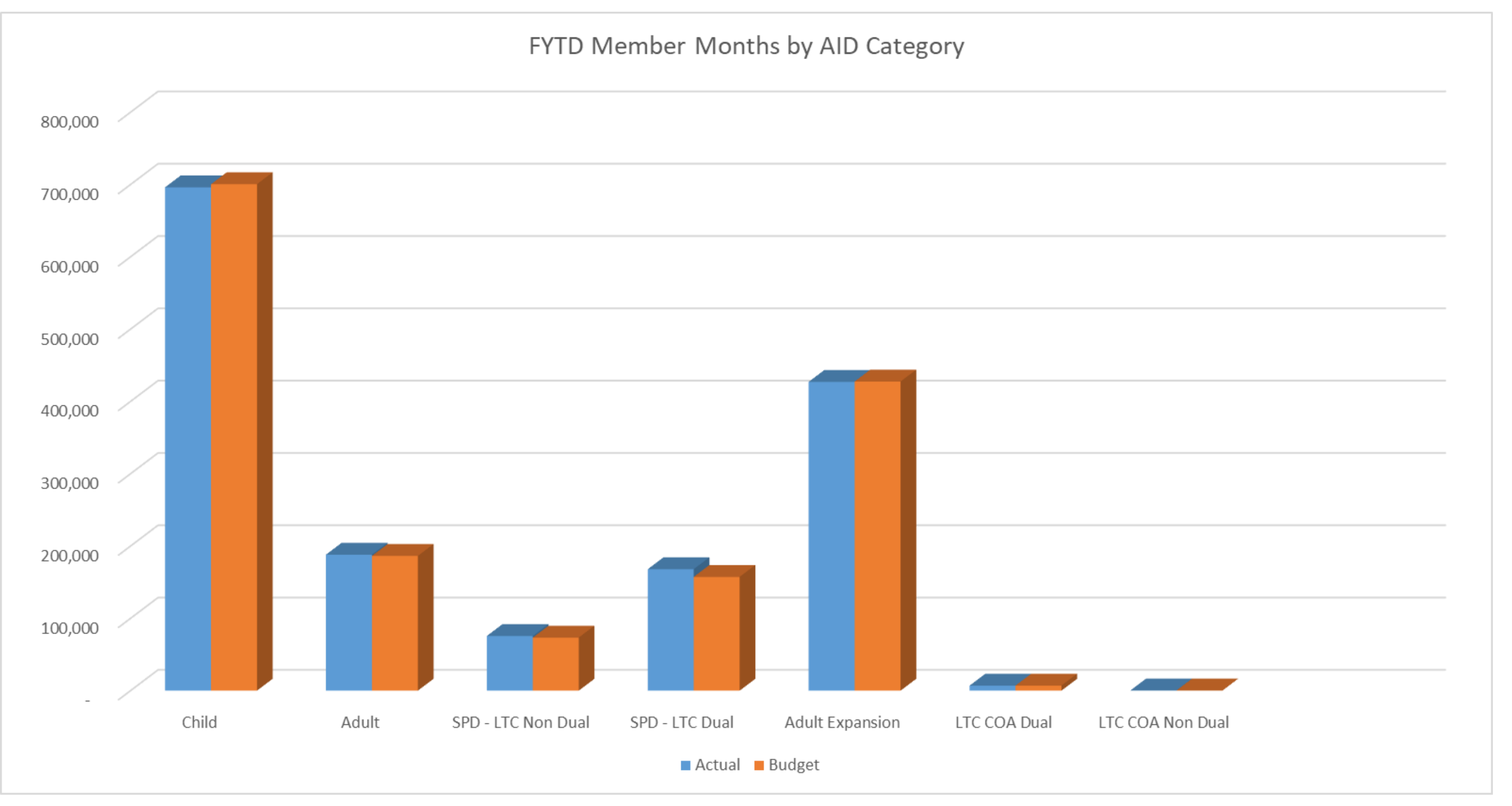
Net Premium revenue is over budget by $39.5 million and 6%.

Significant changes impacting positive variance:

- Membership/Case Mix
- Revised draft capitation rates
- Supplemental payments
- Directed Payments



Total Membership
206,000
204,000
202,000
200,000
198,000
196,000
194,000
192,000
190,000
188,000
186,000
184,000
May-18
June-18
July-18
August-18
September-18
October-18
November-18
December-18
January-19
February-19
March-19
April-19
May-19
June-19
July-19
August-19
September-19
October-19
November-19
December-19
January-20
February-20
March-20
April-20
Actual Membership
Budgeted Membership



FYTD Member Months by AID Category
800,000
700,000
600,000
500,000
400,000
300,000
200,000
100,000
-
Child
Adult
SPD - LTC Non Dual
SPD - LTC Dual
Adult Expansion
LTC COA Dual
LTC COA Non Dual
Actual
Budget

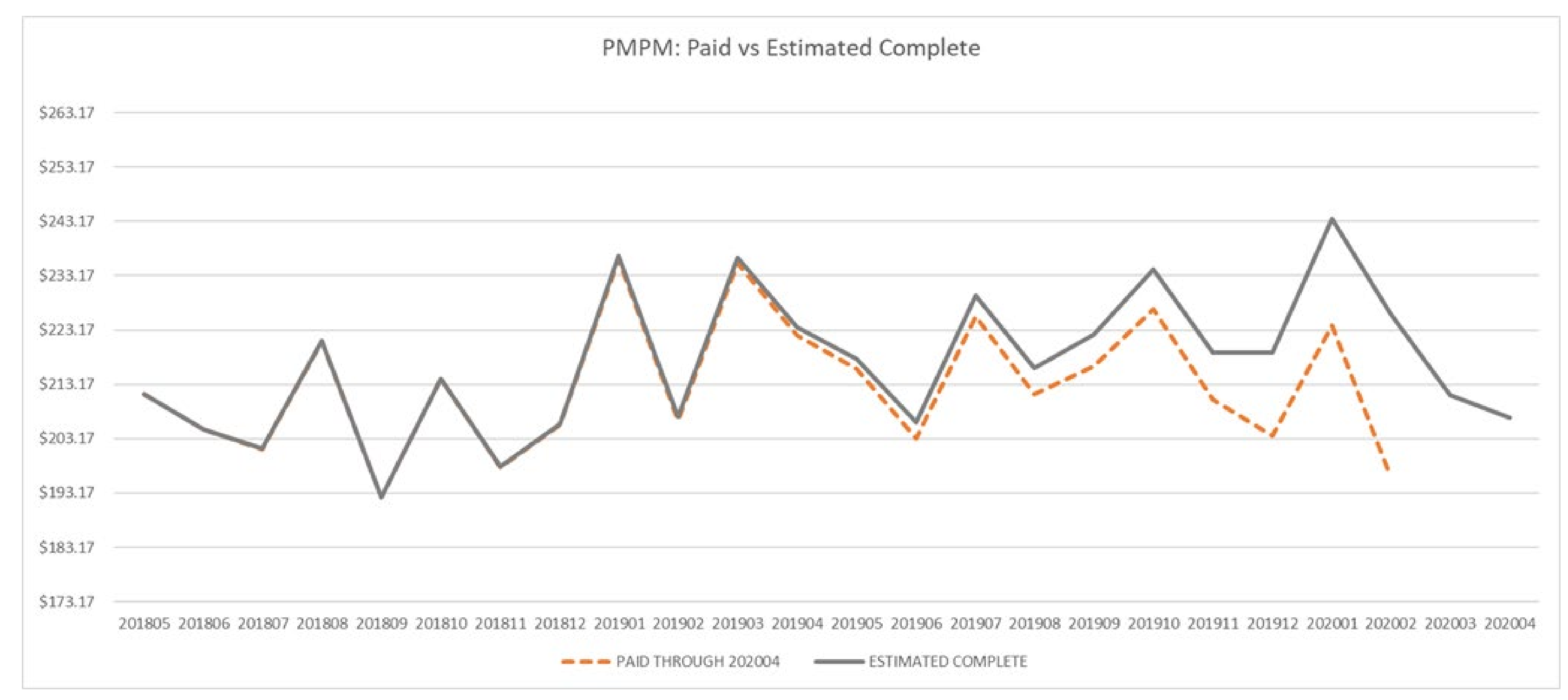
Medical Expense

FYTD Health care costs are $649.1 million; this equates to a $49.4 million and 8% unfavorable budget variance. Medical loss ratio is 94.4%, a 1.9% budget variance.

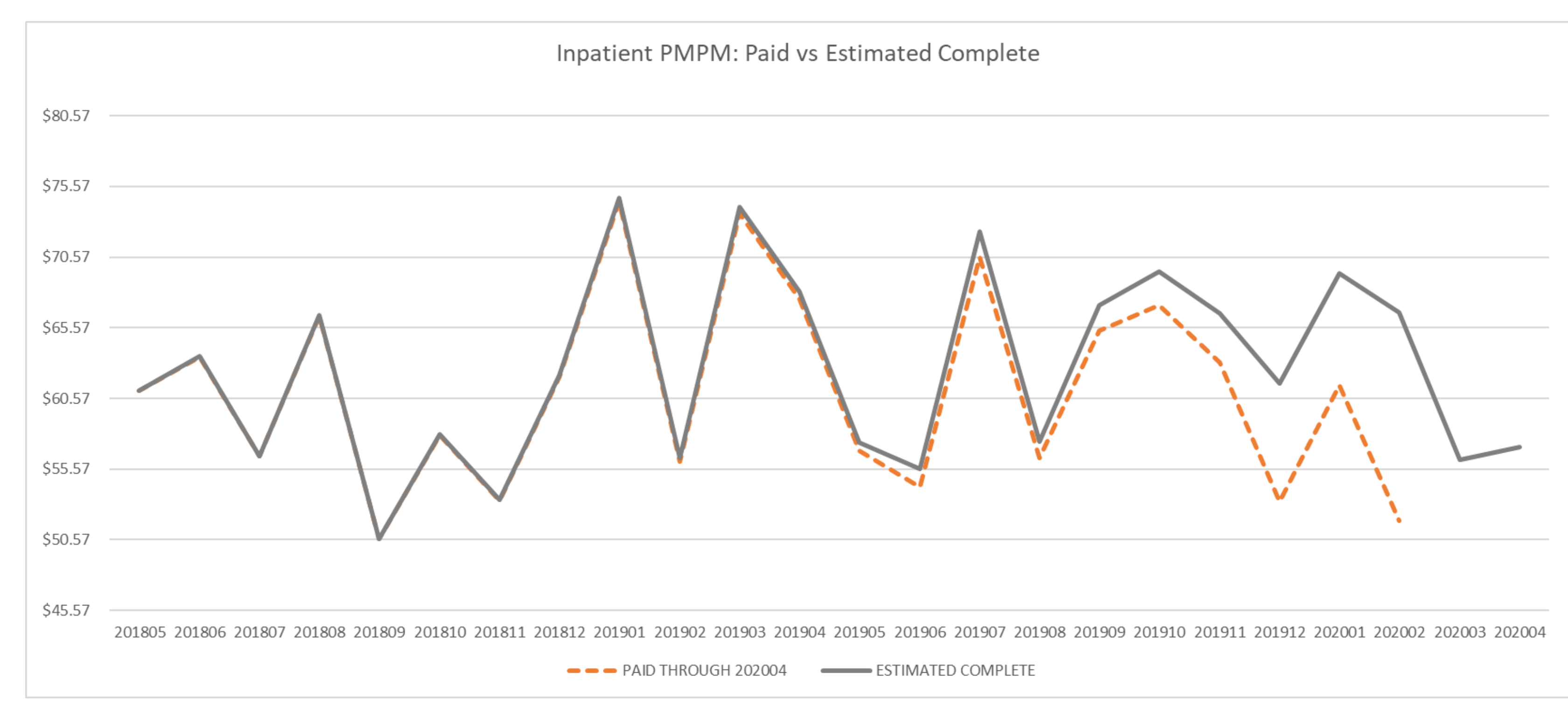
<u>Significant changes impacting variance</u>:

- Membership/Case Mix
- Overall acuity of members with declining population
- Behavioral health – offset with supplemental payments
- Directed Payments

Total Fee For Service Medical Expenses: Over budget by $9.76 PMPM (5%)



Inpatient Medical Expenses: Over budget by $5.05 PMPM (8%)



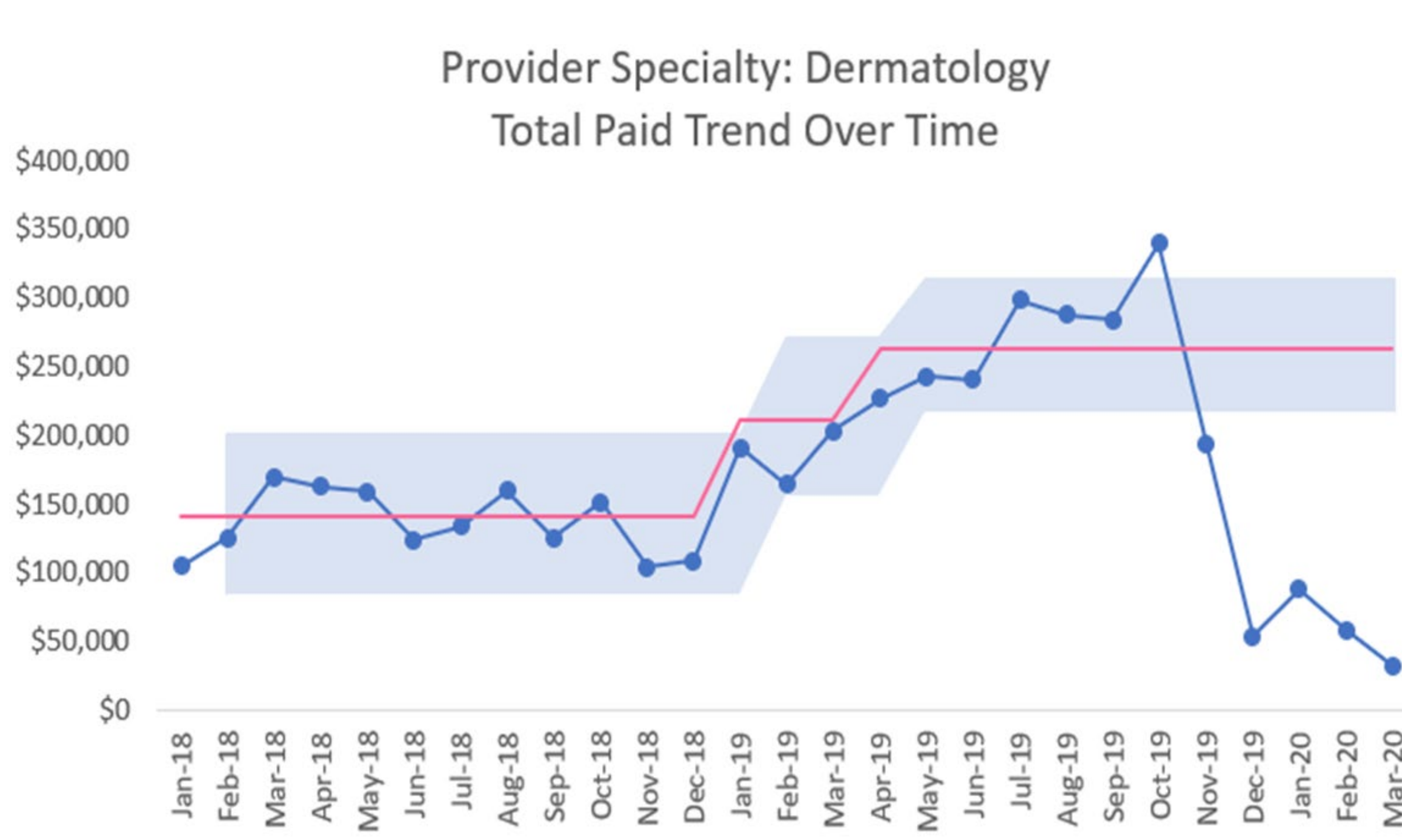
Inpatient Medical Expenses: Over budget by $5.05 PMPM (8%)

Top 10 Diagnosis - Total Paid	CY 2018	CY 2019	$ Change	% Change
Bacterial infection	$ 20,672,438	$ 21,905,168	$ 1,232,730	6%
Diseases of the heart	$ 7,686,380	$ 8,439,563	$ 753,183	10%
Complications mainly related to pregnancy	$ 6,618,730	$ 7,291,445	$ 672,715	10%
Cerebrovascular disease	$ 6,978,965	$ 5,807,967	$ (1,170,998)	-17%
Complications	$ 6,398,625	$ 6,372,159	$ (26,466)	0%
Cancer of lymphatic and hematopoietic tissu	$ 7,308,956	$ 3,825,545	$ (3,483,411)	-48%
Indications for care in pregnancy; labor; and	$ 4,231,864	$ 4,555,715	$ 323,851	8%
Alcohol-related disorders	$ 3,154,103	$ 5,397,715	$ 2,243,612	71%
Hypertension	$ 2,681,458	$ 4,951,212	$ 2,269,754	85%
Fractures	$ 3,471,043	$ 3,688,738	$ 217,695	6%

Physician Specialty Medical Expenses: Over budget by $4.12 PMPM (16%)

Provider Type	CY 2018	CY 2019	$ Change	% Change
Dermatology	$ 1,626,344	$ 2,719,722	$ 1,093,378	67%
Physical therapist (independently practicing)	$ 2,303,711	$ 3,201,878	$ 898,167	39%
Orthopedic surgery	$ 940,877	$ 1,435,553	$ 494,676	53%
Anesthesiology	$ 4,715,695	$ 5,073,433	$ 357,738	8%
Ophthalmology	$ 2,067,077	$ 2,363,042	$ 295,965	14%
Medical oncology	$ 357,969	$ 634,176	$ 276,207	77%
Internal medicine	$ 2,277,382	$ 2,533,814	$ 256,432	11%
Hematology/oncology	$ 644,010	$ 897,159	$ 253,149	39%
Pathology	$ 1,559,488	$ 1,809,641	$ 250,153	16%
Physician assistant	$ 125,826	$ 354,877	$ 229,051	182%

Physician Specialty Medical Expenses: Over budget by $4.12 PMPM (16%)



Other Impacts to Medical Expenses:

Pharmacy – over budget by $6.1M (6%)

Delay in impact of cost saving strategies

Financial Statement Summary

	April	FYTD	FYTD Budget	Budget Variance
Net Capitation Revenue	$ 74,950,039	$ 687,699,034	$ 648,181,195	$ 39,517,839
Health Care Costs	69,453,111	649,061,586	599,622,445	49,439,141
Medical Loss Ratio		**94.9%**	**92.5%**	
Administrative Expenses	4,620,868	42,311,411	48,555,676	(6,244,265)
Administrative Ratio		**6.1%**	**7.6%**	
Non-Operating Revenue/(Expense)	76,543	1,620,521	864,241	756,280
Total Increase/(Decrease) in Net Assets	$ 952,604	$ (2,053,441)	$ 867,315	$ (2,920,757)
Cash and Investments	$ 128,144,944			
GCHP TNE	$ 73,551,507			
Required TNE	$ 33,610,966			
% of Required	**219%**			

Questions?

Staff recommends the Commission approve the unaudited financial statements for April 2020

AGENDA ITEM NO. 9

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Margaret Tatar, Interim Chief Executive Officer

DATE: May 18, 2020

SUBJECT: CEO Update

CEO SUMMARY: Verbal Update.

<u>Government and Community Relations Update</u>

<u>California Legislative Update</u>

California Fiscal Year (FY) 2020-21 May Revise

On May 14, Governor Newsom issued his anticipated Budget May Revision. The Governor indicated the state has a budget deficit of $54.4 billion. The following state reserves will be used to address the budget deficit:

1. Rainy Day Fund: $7.8 Billion
2. Safety Net Reserve: $450 Million
3. Proposition 98 (school funding): $524 Million

In addition, government workers will face a ten percent cut in wages. The Governor also indicated a five percent reduction in state operational fees.

Below, you will find a high-level summary of the budget proposals impacting the Medi-Cal program.

- Caseload Projection: A caseload increase of over 2 million for a total caseload of 14.5 million by July 2020

- Maintains the optional expansion for undocumented children and young adults

- The following January proposals were removed from the budget:
  - CalAIM
  - Full scope Medi-Cal coverage for Undocumented Older Adults
  - Medi-Cal Aged, Blind, and Disabled Income Level Expansion
  - 340B Supplemental Payment Pool
  - Postpartum Mental Health Expansion
  - Hearing Aids

- Various augmentation reductions were also made, these adjustments include reverting funding for behavioral health counselors in emergency departments, Medi-Cal enrollment navigators, and the Medi-Cal Interpreters Pilot Project. In addition, the May Revision proposes to eliminate the augmentation for caregiver resource centers.

- The following reductions have been proposed:

    - Adult Dental and Optional Expansion Benefits
    - Proposition 56 Adjustments—Beginning in 2020-21, the May Revision proposes to shift $1.2 billion in Proposition 56 funding from providing supplemental payments for physician, dental, family health services, developmental screenings, and non-emergency medical transportation, value-based payments, and loan repayments for physicians and dentists to support growth in the Medi-Cal program compared to 2016 Budget Act.
    - Community-Based Adult Services (CBAS) and Multipurpose Senior Services Program (MSSP)—The May Revision proposes to eliminate the CBAS and MSSP programs. The effective date for CBAS would be January 1, 2021 for a General Fund savings of $106.8 million in 2020-21 and $255.8 million in 2021-22 (full implementation). The effective date for MSSP would be no sooner than July 1, 2020.
    - Federally Qualified Health Centers (FQHC) Payment Adjustments—The May Revision proposes to eliminate special carve outs for FQHCs for a savings of $100 million ($50 million General Fund).
    - County Administration—The May Revision proposes to hold funding for county administration at the 2019 Budget Act level, inclusive of $12.7 million General Fund approved in March 2020 through the Control Section 36.00 process, for a savings of $31.4 million ($11 million General Fund).

- Managed Care Efficiencies—The May Revision proposes various changes to the way that managed care capitation rates are determined. These adjustments would be effective for the managed care rate year starting January 1, 2021, and would yield General Fund savings of $91.6 million in 2020-21 and $179 million in 2021-22, growing thereafter. Additionally, the May revision assumes a 1.5 percent rate reduction for the period July 1, 2019, through December 31, 2020, for General Fund savings of $182 million in 2020-21.

An in-depth analysis of how these proposed changes will impact Gold Coast Health Plan (GCHP) is forthcoming.

California Fiscal Year (FY) 2020-21 Budget Update

The California Department of Finance (DOF) released a budget memo, earlier this month, indicating that California is facing a massive $54.3 billion deficit. This unprecedented deficit represents 37 percent of General Fund spending authorized in the 2019-2020 budget. While this is roughly proportional to the deficits the state experienced during the last two recessions, the total dollar amount is much higher.

The deficit is being driven by two factors, the revenue from income and corporate taxes, coupled with the sales and use taxes have fallen approximately by 25 percent. At the same time, the Governor has spent, to date, $6 billion responding to the COVID-19 pandemic.

While the state has a reserve of approximately $20 billion, the Legislature and the Governor will be facing difficult choices in the FY 2020-21 budget. The minimum guarantee for K-12 schools and community colleges will fall by around $18 billion. To avoid making these cuts, however, the state would have to find ways of decreasing funding to social safety net programs or increasing revenue by imposing new taxes.

The Governor and the Legislature have never had to address a budget deficit of this size. The state made its way out of the 2008 recession by eliminating Medi-Cal benefits and reducing funding to the courts and the California State University and University of California higher education systems. At the same time, then Governor Brown successfully convinced voters to impose higher taxes on the top one percent of income earners in the state. These are the types of solutions that will most likely be considered in order to balance the budget in the coming years.

Additionally, on May 11, Assemblymember Ting, Chair of the Assembly Budget Committee, issued a statement indicating that while the Assembly had anticipated passing a baseline budget until they had a better sense of how the pandemic would impact the State, and how and when the economy would reopen, the Assembly cannot afford to delay action and will need to make difficult decisions in the coming month. The Assembly anticipates needing to adopt a budget that will include sizable reductions to services, including areas that have traditionally been priorities for investment over the last decade. They will also be considering all other options, including increased revenue.

The Governor's May Revise will be released on May 14. The Assembly will hold budget subcommittee meetings the week of May 18 and it is expected that the Assembly Budget Committee will release a Budget Plan document by May 29. This plan will provide a framework for negotiating a final budget agreement with the Senate and the Administration, leading to the adoption of a balanced, on-time budget by June 15, 2020.

Assembly Budget Subcommittee on Health and Human Services Hearing

Earlier this month, the Assembly Budget Subcommittee on Health and Human Services held an informational hearing on the "Critical Health and Human Services Issues Related to the COVID-19 Crisis", two panels were held during the hearing. The first panel focused on the future of the healthcare workforce. The Department of Managed Health Care (DMHC), the Department of Health Care Services (DHCS), the California Hospital Association, the California Medical Association, SEIU, and the California Association of Health Plans (CAHP) provided testimony.

One of the questions regulators were asked during the hearing was to explain how plans are required to keep reserves (Tangible Net Equity (TNE)) and if maintaining these reserves has been a problem for plans. The regulators explained how TNE was calculated, reported, and enforced. They also expressed that there were not any current concerns with reserves due to COVID-19.

During the first part of the hearing the subcommittee members stressed the importance of supporting the state's healthcare providers by accelerating payments to providers and ensuring that Personal Protective Equipment (PPE) is readily available. There was discussion on what health plans were doing to support providers at this time. CAHP mentioned that some plans were accelerating payments to providers, some providers being paid under Fee For Service were now being paid on a capitated basis, and telehealth visits were being paid at the rate of in person visits.

Subcommittee members again stressed the importance of assisting providers financially especially if they were forced to close their doors because it would inversely impact the health plans ability to maintain network adequacy requirements. In addition, Assemblymember Wood stressed the importance of accelerating payments to the safety net providers as they provide care to the most vulnerable.

The California Hospital Association asked the subcommittee to include $1B in additional funding for providers this budget cycle. In addition, Beth Capell, consumer advocate, asked for more frequent monitoring from plans such as quarterly reports on rates and MLR be included in the upcoming budget trailer bill language.

Community Relations Update

Gold Coast Health Plan in the Community

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

- **CAREGIVERS: Volunteers Assisting the Elderly:** A sponsorship was awarded to the "Shop & Drop" program. GCHP's sponsorship will directly fund grocery shopping and pharmaceutical pick-up for the elderly.

- **LUCHA:** A sponsorship was awarded to "Comida para la Gente" food distribution program. GCHP's sponsorship will directly benefit Santa Paula agricultural workers.

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Collaborative Meetings and Conferences

Below is a table highlighting participation in community events such as Tele-Townhalls, network and coalition meetings.

Title	Host
Outreach Coordinator Meeting	Oxnard Police Department
Circle of Care	One Step a la Vez
Teleconference Town Hall: COVID-19 Update and Next Steps	Assemblymember Monique Limón, Senator Hannah Beth Jackson and Congressman Salud Carbajal
Coronavirus (COVID-19) Teleconference Town Hall	Assemblymember Jacqui Irwin Senator Henry Stern
COVID-19 Teleconference Town Hall: Taking Care of Your Mental Health	Assemblymember Monique Limón, Senator Hannah Beth Jackson and Congressman Salud Carbajal
Coronavirus (COVID-19) Teleconference Town Hall	Assemblymember Jacqui Irwin Senator Henry Stern
Don't Get Scammed: COVID-19 Teleconference Town Hall	Assemblymember Jacqui Irwin Senator Henry Stern

The CEO and Executive Director, Strategy and External Affairs would like to especially thank Commissioners Antonio Alatorre (Chair), Laura Espinosa and Supervisor John C. Zaragoza for meeting with them to discuss the community relations strategy regarding meeting the needs of vulnerable populations in Ventura County.

In addition, the community relations team continues to work with community-based organizations to get an understanding of what are the identified community needs during this pandemic. Working families, like farmworkers who are at the forefront, are in need of food, laundry detergent, hygiene products, and school supplies for their children. The team is working with the Oxnard School District, the Ventura County Farmworker Resource Center, and Cabrillo Economic Development Corporation (as well as other organizations) to develop strategies to help the most vulnerable families with basic needs, such as those mentioned above.

A detailed update of the actions taken will be provided at the June Commission meeting.

GCHP Website Update

GCHP's website is in the process of being moved to a new content management platform. When the site goes live, it will have a new look and added functionality. We expect to make the switch to the new platform in mid-June, but the date could be pushed out depending on the status of the COVID-19 pandemic in the county. Our goal is to minimize disruptions to information for our members, providers and community.

Compliance Update

DHCS Annual Medical Audit

The Department of Health Care Services (DHCS) Audits and Investigation (A&I) team conducted the annual DHCS medical audit. Due to the Governor's Executive Order N-55-20 in response to COVID-19, DHCS has issued APL 20-011 suspending the DHCS annual medical audits. Gold Coast Health Plan (GCHP) is awaiting confirmation from A&I for a new audit date. GCHP will keep the Commission apprised of any updates.

DHCS Contract Amendments

The draft DHCS contract amendment has included multiple revisions based on review by the Centers for Medicare and Medicaid Services (CMS) review. The amendment is still pending approval by CMS. GCHP is awaiting 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. GCHP is audited by DHCS in accordance with those standards.

May 2020 Update – On May 1, GCHP received the final signed contract amendment from DHCS. The contract amendment is being reviewed and assessed for any required changes to align to the amendment. GCHP will keep the Commission apprised of any significant updates.

Delegation Oversight

Delegate	Audit Year/Type	Audit Status	Date CAP Issued	Date CAP Closed	Notes
Conduent	2017 Annual Claims Audit	Open	12/28/2017		Issue will not be resolved until new claims platform conversion
Conduent	2018 Annual Claims Audit	Open	6/20/2018	Under CAP	Pending ongoing monitoring
Clinicas del Camino Real, Inc.	2018 Annual Claims Audit	Closed	12/28/2018	02/18/2020	
Kaiser	2019 Annual Claims Audit	Open	9/23/2019	Under CAP	
Beacon Health Options	2019 Annual Call Center Audit	Open	5/23/2019	Under CAP	

VTS	2019 Annual Call Center Audit	Open	4/26/2019	Under CAP	
VSP	2019 Annual Claims Audit	Open	10/29/2019	Under CAP	
Conduent	2019 Call Center Audit	Open	1/14/2020	Under CAP	
Conduent	2019 Annual Claims Audit	Open	Pending	Pending	
VTS	2019 Annual Transportation Audit	Open	1/17/2020	Pending	
VCMC	2020 Annual Credentialing Recredentialing Audit	Closed	N/A	N/A	Audit was conducted on January 17, 2020, with no findings.
CMH	2020 Annual Credentialing Recredentialing Audit	Closed	N/A	N/A	Audit was conducted on January 22, 2020, with no findings.
CDCR	2020 Annual Credentialing Recredentialing Audit	Closed	N/A	N/A	Audit was conducted on January 29, 2020 with no findings.
USC	2020 Annual Credentialing Recredentialing Audit	Open	04/09/2020	Pending	Audit was conducted on February 27, 2020. CAP has been issued and response is pending.
VSP	2020 Annual Claims Audit	Open	04/21/2020	Pending	Audit was conducted on April 20, 2020. CAP has been issued and response is pending.
VTS	2019 Annual NEMT Audit	Open	4/21/2020	Pending	Audit was conducted on January 6, 2020.

					CAP has been issued and response is pending.
VTS	2020 Call Center Audit	Open	Pending	Pending	Audit was conducted on March 30, 2020.
CDCR	Quarterly UM Audit	Closed	02/11/2020	03/2/2020	Audit was conducted on January 1, 2020. CAP was issued and remediated.
Optum Rx	2020 Annual Audit	Closed			Audit was conducted on February 10, 2020 with no findings.

GCHP is contractually required to perform oversight of all functions delegated through subcontracting arrangements. Oversight includes, but is not limited to:

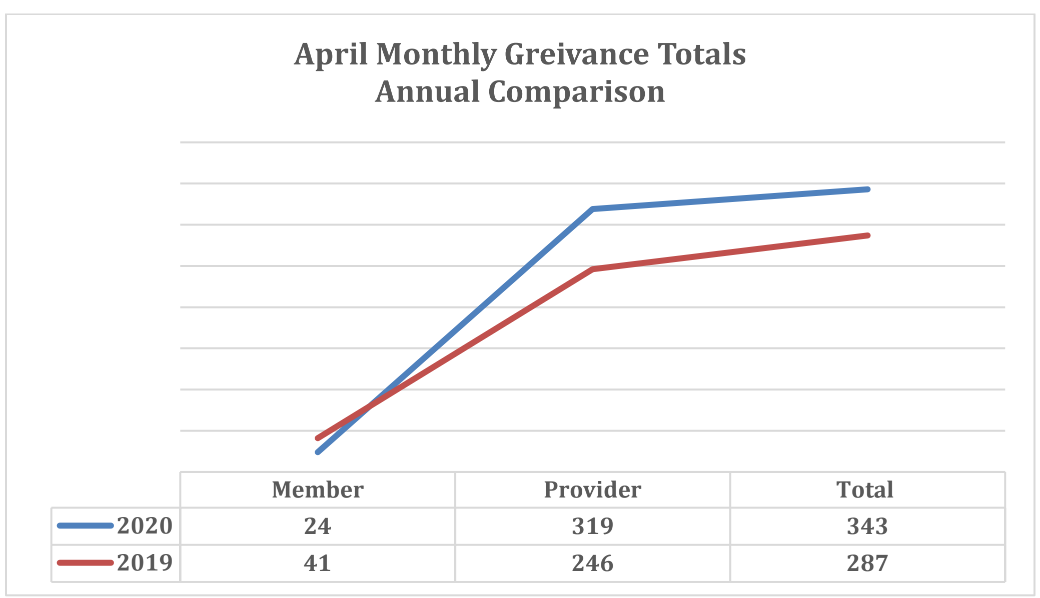
- Monitoring / reviewing routine submissions from subcontractors
- Conducting onsite audits
- Issuing a CAP when deficiencies are identified

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

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

Grievance and Appeals

Monthly Annual Comparison:

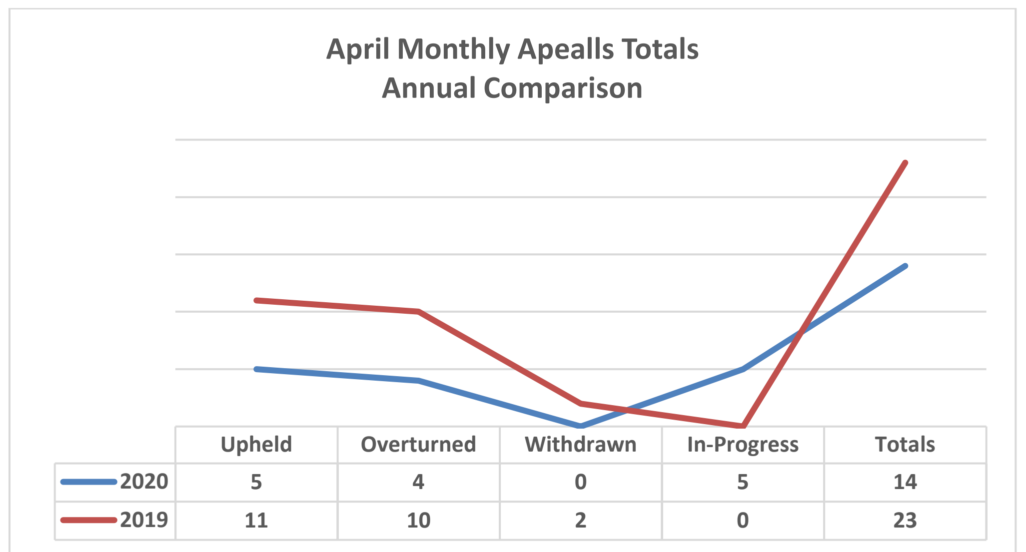


	Member	Provider	Total
2020	24	319	343
2019	41	246	287

GCHP received 24 member grievances in April 2020. In April 2019 GCHP received 41 member grievances. The decrease of complaints could be due to the State’s mandated Shelter in Place and postponement of routine services. The top reported category for member grievances in the month of April is Quality of Care.

GCHP received 319 provider grievances in April 2020. In April 2019, GCHP received 246 provider grievances. There are no identifiable trends around the slight increase in provider grievances. The top reported categories the month of April included Claims Appeal, Claims Payment and Claims Billing Dispute.

Clinical Appeal Monthly Annual Comparison



	Upheld	Overturned	Withdrawn	In-Progress	Totals
2020	5	4	0	5	14
2019	11	10	2	0	23

In April 2020, GCHP received 14 Clinical Appeals which is a decrease to the previous year total of 23 Clinical Appeals. The decrease is likely due to the current COVID-19 situation which has impact authorization for elective surgeries. For the month of April 2020, we had 4 Appeals overturned, 5 Appeals were upheld, and 5 Appeals still in progress.

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AmericasHealth Plan

Gold Coast Health Plan (GCHP) has reviewed all DHCS requirements for submission of the Plan-to-Plan Proposal with AmericasHealth Plan (AHP). The submission packet for DHCS includes a revised Plan-to-Plan Proposal from GCHP that incorporates the state's requirements for the possible enrollment of all members. It also includes a revised Boilerplate Agreement which meets the state's requirements and follows new guidance that was issued after the document's previous submission in August.

GCHP rewrote the Plan-to-Plan Proposal, Boilerplate Agreement and respective Division of Responsibilities documents. GCHP and AHP leadership have been meeting weekly for more than a month. As of today, both entities agree on all document revisions. Additionally, findings justifying entering into the contract via a sole source have been made a placed in the AHP file.

GCHP will present the revised documents to the Commission for approval prior to submitting them to DHCS for final approval. If DHCS makes any changes, the Commission and AHP will have to approve those changes.

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Network Operations

- **COVID-19 Provider Network Outreach**
  - Gold Coast Health Plan (GCHP) has continued its Provider Outreach and monitoring activities across the network for internal and Department of Health Care Services (DHCS) reporting related to provider impacts and closures due to COVID-19.

  - The Provider Communications Workgroup continues to assess and prioritize provider communications regarding COVID-19 regulatory and operational updates. Key updates that have been distributed to the provider network include:

    - **Telehealth Services** - Detailed guidance to providers regarding coverage, coding and billing for telehealth services.

    - **FCC Funding Program for Telehealth Services Provided by Non-Profit Organizations** - This program will provide $200 million in funding, appropriated by Congress as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, to help health care providers provide connected care services to patients at their homes or mobile locations in response to the COVID-19 pandemic.

      The Program will provide immediate support to eligible health care providers responding to the COVID-19 pandemic by fully funding their telecommunications services, information services, and devices necessary to provide critical connected care services until the program's funds have been expended or the pandemic has ended.

  - **Great Plates Delivered Program** - *Home Meals for Seniors*, a first-in-the-nation meal delivery service for seniors that was announced by Governor Gavin Newsom on April 24.

    The Great Plates Delivered Program helps vulnerable seniors receive free meals during the COVID-19 pandemic. Through funding from the Federal Emergency Management Agency (FEMA), local restaurants are enlisted to prepare and deliver breakfast, lunch and dinner to vulnerable residents who have been effected by the COVID-19 pandemic.

  - **Temporary Changes to Site Review and Annual Medical Audit Policies** -DHCS is allowing health plans to temporarily suspend the contractual requirement for in-person site reviews, medical audits of plan subcontractors and network providers, and similar monitoring activities that would require in-person reviews.

- **PCP- Member Assignment: Refer to Attachment A**
- **Regulatory:**

Completed

- Annual Network Certification (ANC) submission date was extended as a result of COVID-19; submitted timely 04/20/2020.

- Q1 2020 Quarterly Provider Network and Q1 2020 Sub-Contract Reports submitted timely.

- Bi-Annual Provider Directory approved by DHCS and has been posted on the GCHP website as of 04/16/2020.

In Process

- Received notification from DHCS 5/7/2020 that the Alternative Access requirements, as outlined in APL 20-003 were not met and therefore DHCS is requesting resubmission. Multiple Plans received the same rejection. We are working with Local Health Plans of California (LHPC) along with Quest Analytics to strategize best approach and mitigation. Timeline to resubmit 5/15/2020.

- The Subcontracted Network Certification Plan of Action (POA) submission was returned 05/08/2020 with findings from DHCS.

  - Multiple Plans received the same rejection notice.

  - DHCS will be hosting a conference call on 5/12/2020 to go over the POA with MCP's. Timeline to resubmit is 5/26/2020.

- **Provider Contracting Update:**

- **New Contracts**
  - OBHG California PC-Hospital-Based Obstetrics and Gynecology Providers that provide services out of Sierra Vista Regional Hospital, Providence Saint Joseph Medical Center, and Los Robles Regional Medical Center.

- **Amendments**
  Provider Contracting sent out a total of 9 Amendments for this time period. Amendments returned and completed are:

  - County of Ventura LOA - Added providers that are currently pending Medi-Cal enrollment to the LOA

  - County of Ventura (Hospital, PCP, and Specialist) – Extension Agreement. These Amendments are in place to extend the current VCMC Agreements

from 5/1/2020 through 5/31/2020

  - Ventura Care Partners, APC Interim LOA - Address change to a new location in Ventura

  - DME Consulting Group, Inc - Rate increase for a vendor

- **Interim LOA**
  - West Coast Vascular - Interim LOA in place for Vascular Surgeon to continue providing services to our members while pending credentialing.

  - West Coast Pulmonary Critical Care Physicians - Interim LOA in place for Physician Assistant to continue seeing our members while pending credentialing. Considering this group's specialization in Critical Care and Pulmonology, this provider is critical in the care for patients during the COVID-19 pandemic.

- **Member-Specific Letters of Agreement**
  Provider Contracting has worked on 4 LOA's during this time period. LOA's returned and completed are:

  - 4 Amigo Baby Therapy Services LOA's - Amigo Baby Therapy Services, Inc. provides needed Physical Therapy and/or Occupational Therapy services to our pediatric members with complex developmental delays that exclude CCS diagnoses. This provider fulfills a major gap within our network and will serve to reduce costs in this key area.

- **Better Doctors**
  The Plan continues to meet weekly with Quest Analytics as a touch base to ensure that the process continues to move smoothly. The Plan also continues to verify the demographic information obtained from Better Doctors. The following reviews were performed:

  - 4,016 provider lines reviewed

  - 547 provider records were audited to ensure the providers were loaded accurately in the Provider Network Data Base and IKA (GCHP claims system)

- **Better Doctor Report – Contracting**
  15 provider records were reviewed on the Better Doctor Report for potential terminations.

- **Provider Contracting and Credentialing Management System (PCCM)** This major system initiative is to replace both Network Operation's and Credentialing's legacy provider network data base which kicked off in April 2019. Regularly scheduled bi-weekly meetings are being held to maximize data conversion and efficiency.

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

  - Extension of the delivery of iteration 7 data conversion to GCHP for testing has been extended multiple times.
  - Delivery is expected on 5/8/2020.
  - Much of the extension is a result of data mapping changes identified by GCHP.
  - As a result of the extension, the September go live has been impacted and a proposed new go live of 10/26/2020 provided by Symplr.
  - The new schedule and proposed 10/26/2020 date will be reviewed for approval at the Executive Steering Committee meeting on 5/20/2020, allowing for the project health to move from red to green.
  - Internal GCHP testing must produce confirmation that 5% or more of the converted data has been validated and provide the metrics to support the measurement of the data tested and pass / fail percentages. The ability to test 5% or more of the data will also support the project health to move from red to green.
  - Due to competing production and project priorities, resource constraints continue to be managed.

- **Provider Additions:**

  April 2020 Provider Additions – 55 total

  16 in-area providers

Provider Type	Additions
CBAS	0
Mid-level	0
Pharmacy	0
Primary Care Provider	3
Specialist	9
Specialist- Hospitalist	4

39 out of area providers

Provider Type	Additions
Hospitalist	9
Specialist	28
Mid-level	2

April 2020 Provider Terminations – 7 total

4 in-area providers

Provider Type	Terms
Midlevel	1
Specialist	2
Specialist- Hospitalist	0
Ambulatory Surgical Center	1

3 out-of-area providers

Provider Type	Terms
Specialist	3

These provider terminations have no impact on member access and availability. Of note, the specialist terminations are primarily associated with tertiary adult and pediatric academic medical centers, where interns, residents, and fellows have finished with their clinical rotations.

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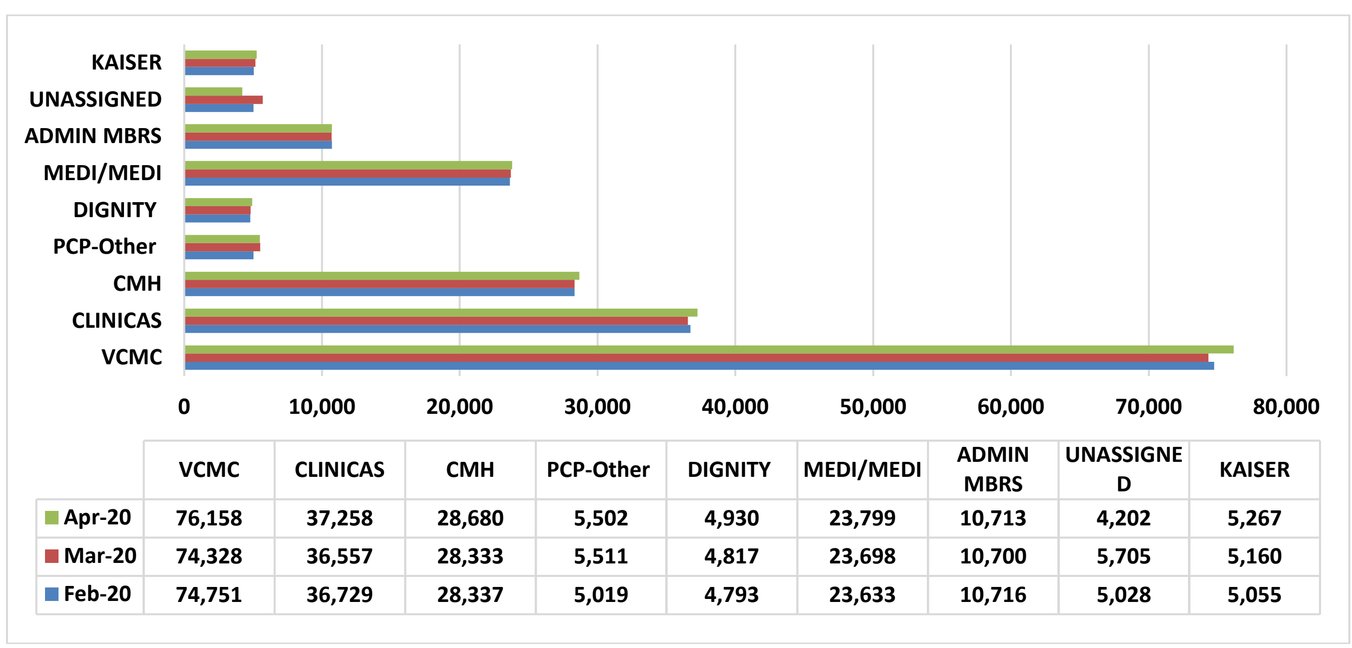
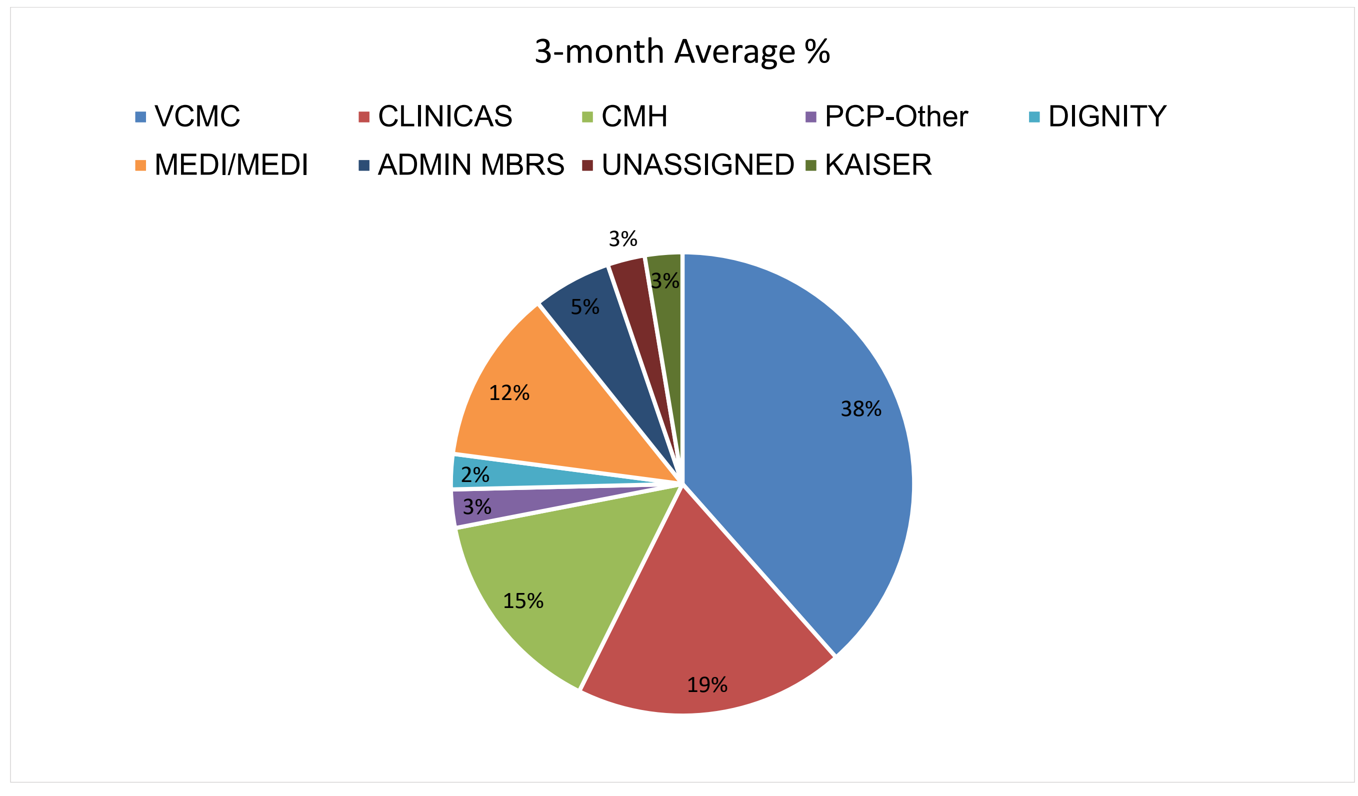
ATTACHMENT A- PCP Assignments



	VCMC	CLINICAS	CMH	PCP-Other	DIGNITY	MEDI/MEDI	ADMIN MBRS	UNASSIGNED	KAISER
Apr-20	76,158	37,258	28,680	5,502	4,930	23,799	10,713	4,202	5,267
Mar-20	74,328	36,557	28,333	5,511	4,817	23,698	10,700	5,705	5,160
Feb-20	74,751	36,729	28,337	5,019	4,793	23,633	10,716	5,028	5,055



RECOMMENDATION:

Accept and file the report.

AGENDA ITEM NO. 10

TO: Ventura County Medi-Cal Managed Care Commission

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

DATE: May 18, 2020

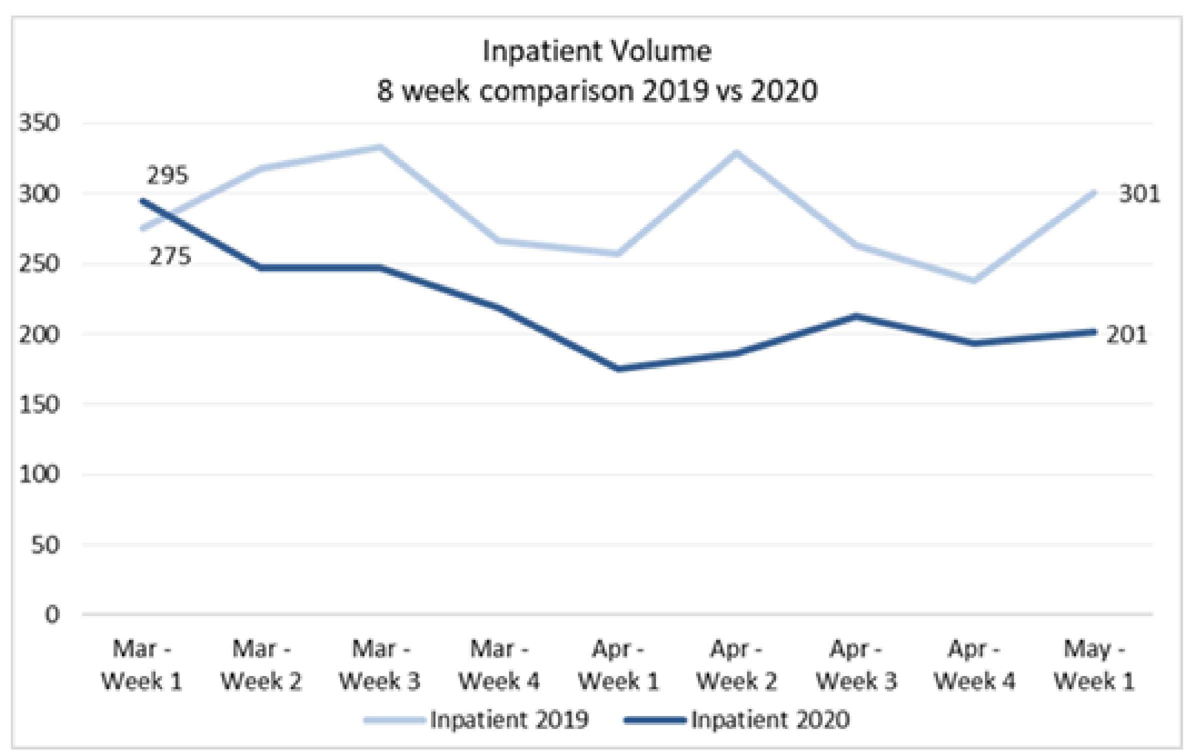
SUBJECT: Chief Medical Officer Update

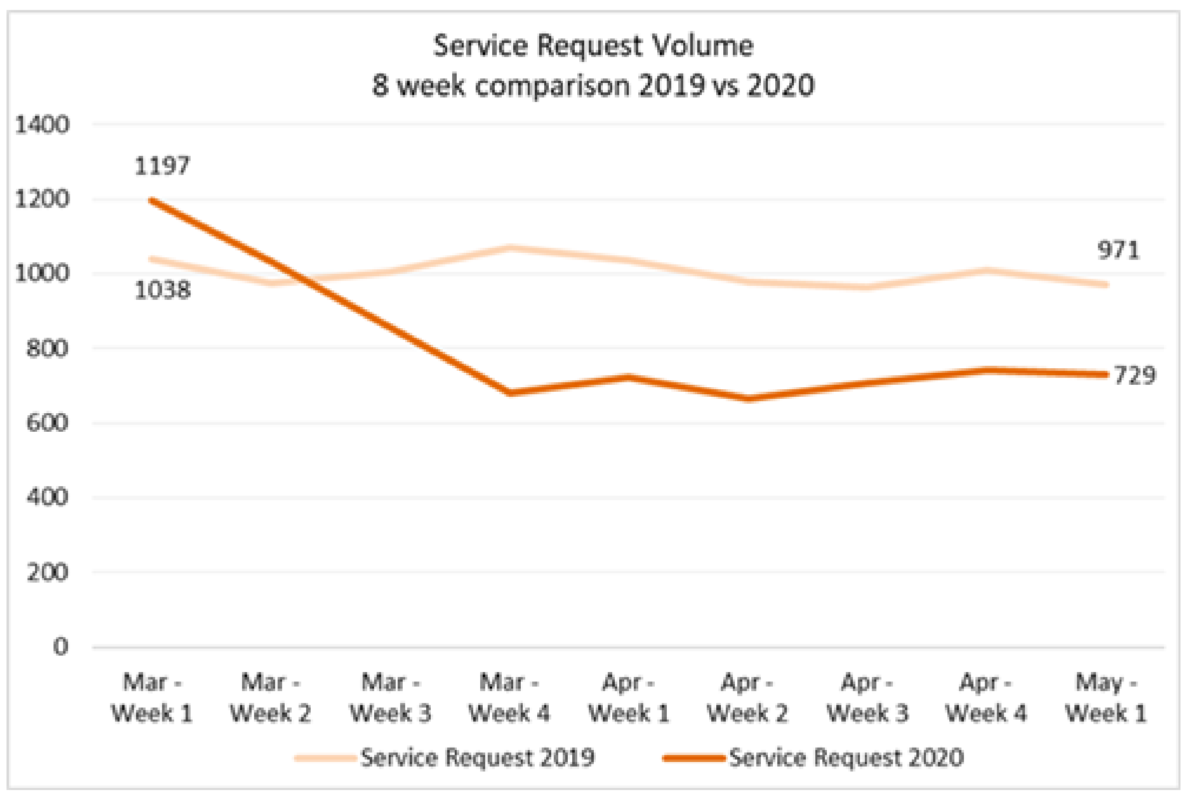
<u>Utilization Update</u>

Like many Medi-Cal Managed Care Plans (MCPs), GCHP has seen a decrease in requests for inpatient and outpatient services since elective surgeries and non-critical outpatient care have been delayed in order to prepare for a potential COVID surge.

Comparing the two-month period of first week of March through first week of May for 2019 to 2020, there was a 23% decrease in inpatient admissions. From the first week of March to the last week of March 2020, inpatient admission dropped by 41%.

Comparing the same two-month period for 2019 to 2020 for outpatient services, there was a 19% decrease in requests for outpatient services.





COVID-19 Related Admissions

As of May 12, 2020, GCHP staff recorded 167 COVID-related admissions. Most admissions were in the 45 – 64 age group and most admissions have been confirmed COVID negative with a total of 9 COVID positive results to date. Most admission come through an emergency department and the weekly trend of admission volume is down.

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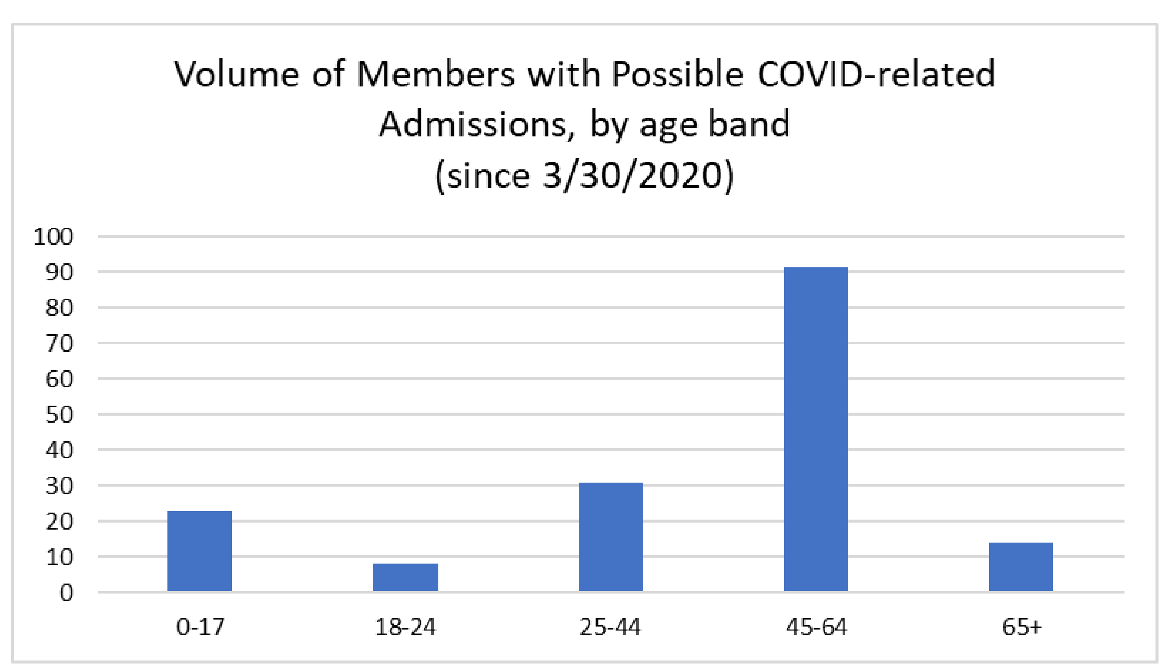
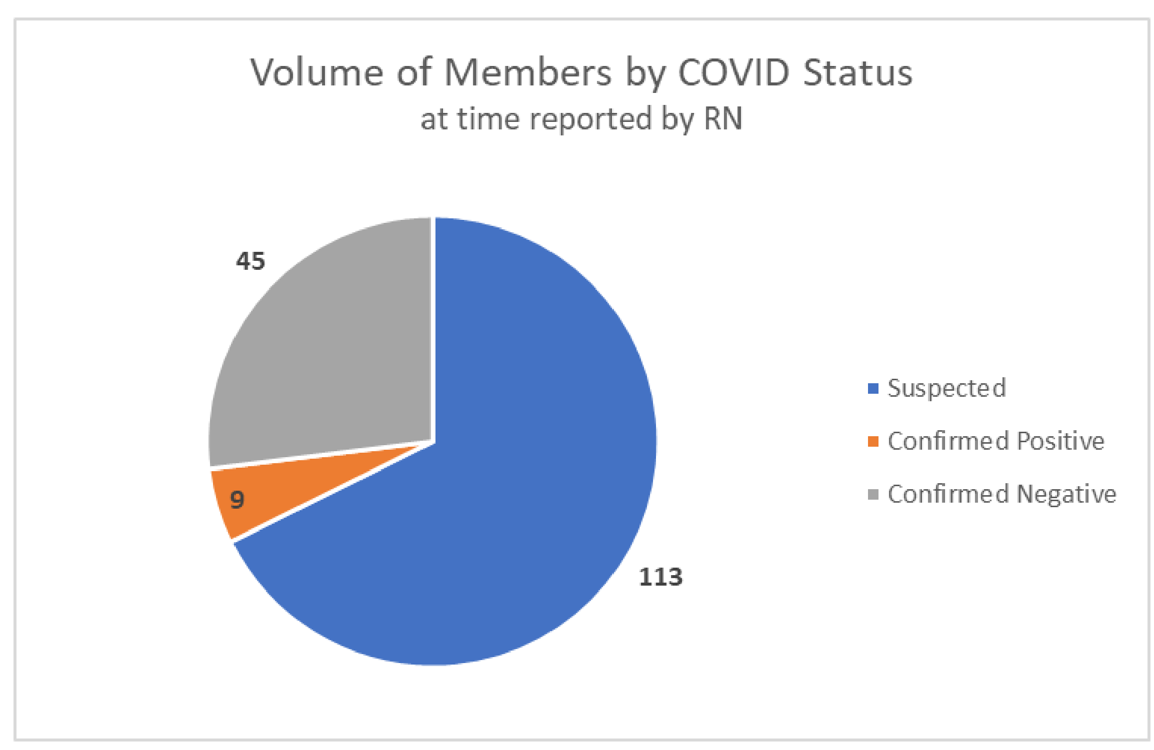
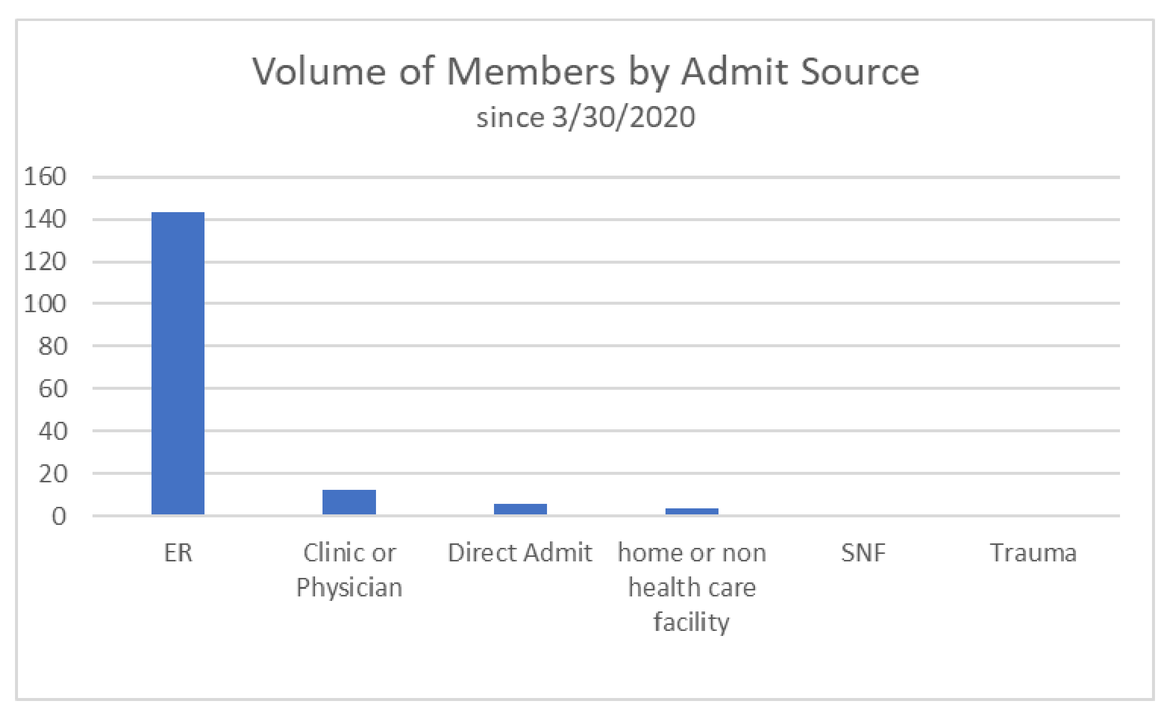
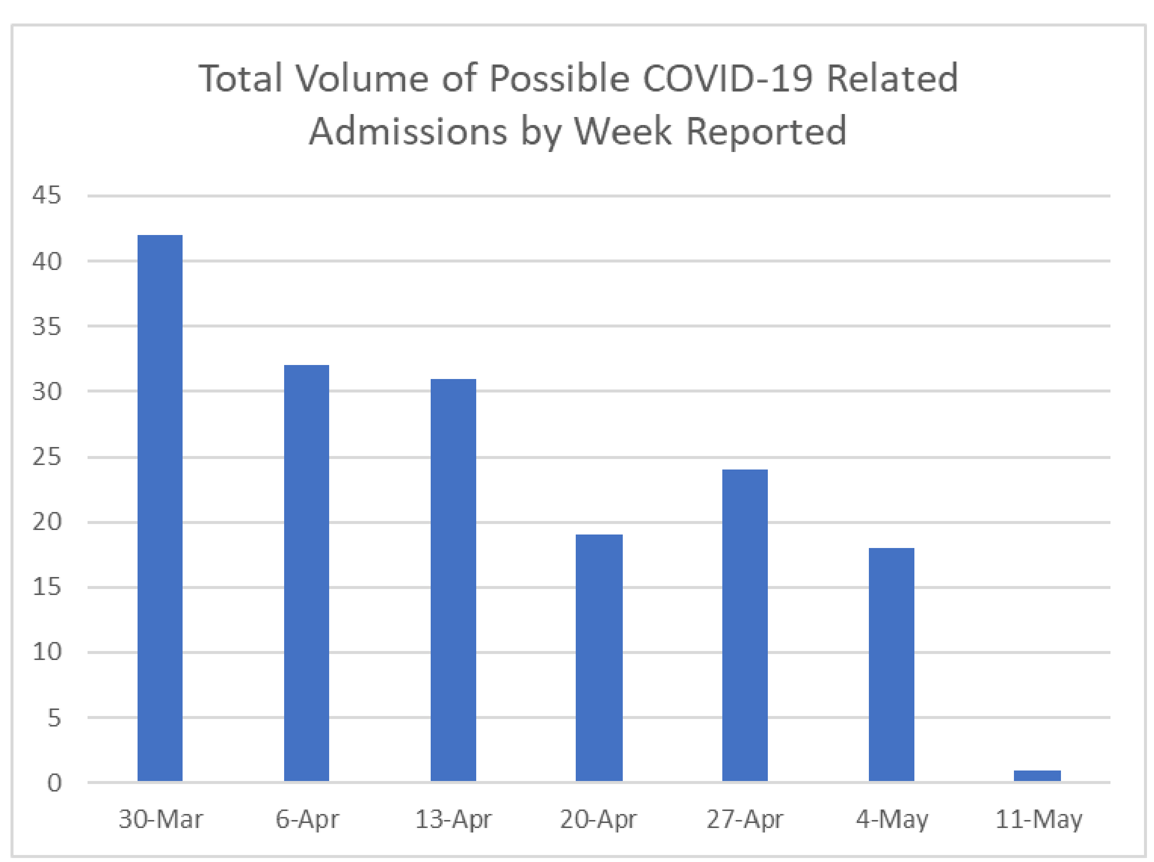


Volume of Members with Possible COVID-related Admissions, by age band (since 3/30/2020)
100
90
80
70
60
50
40
30
20
10
0
0-17
18-24
25-44
45-64
65+



Volume of Members by COVID Status
at time reported by RN
45
9
113
Suspected
Confirmed Positive
Confirmed Negative


Volume of Members by Admit Source
since 3/30/2020
160
140
120
100
80
60
40
20
0
ER
Clinic or Physician
Direct Admit
home or non health care facility
SNF
Trauma


Total Volume of Possible COVID-19 Related Admissions by Week Reported
45
40
35
30
25
20
15
10
5
0
30-Mar
6-Apr
13-Apr
20-Apr
27-Apr
4-May
11-May

Telemedicine Utilization

Gold Coast Health Plan (GCHP) staff successfully deployed our communication channels to actively promote telemedicine services to our providers to enable social distancing. Historically, the Plan has seen low levels of telemedicine utilization (averaging under 36 claims/month). Beginning in March 2020, there were dramatic increases in telemedicine utilization (over 17,000 claims in April 2020).

California Health Care Foundation (CHCF) published an April 2020 report on The State of Telehealth in Medi-Cal Managed Care which indicated MCPs are confident telehealth will improve specialty care access, member satisfaction, and care coordination. Fewer MCPs are confident it will lower total cost of care or improve access to primary care. MCPs do anticipate telehealth will improve access and quality across many specialties. Dermatology, psychiatry, endocrinology, psychiatry, and substance use were cited as specialties where telehealth can have substantial impact on access and quality.

Quality Update

On April 30, 2020, the Department of Health Care Services (DHCS) released a supplement to an All Plan Letter (APL 19-017) which described adjustments to quality and performance improvement requirements due to COVID-19. To ensure Managed Care Plans (MCPs) and providers were able to focus on caring for members during this health emergency and to reduce risk to MCP staff who would normally travel to provider offices for data collection, DHCS made the following adjustments which are consistent with recent National Committee for Quality Assurance (NCQA) allowances:

For hybrid measures

- DHCS is waiving the requirement to meet the minimum performance level (MPL) for hybrid measures for Reporting Year 2020 (RY 2020)
- For existing hybrid measures, MCPs may choose to report from MY 2019 or MY 2018 hybrid data or administrative data only for MY 2019
- For new hybrid measures, MCPs may elect to report from MY 2019 hybrid data or administrative data only for MY 2019

For administrative measures

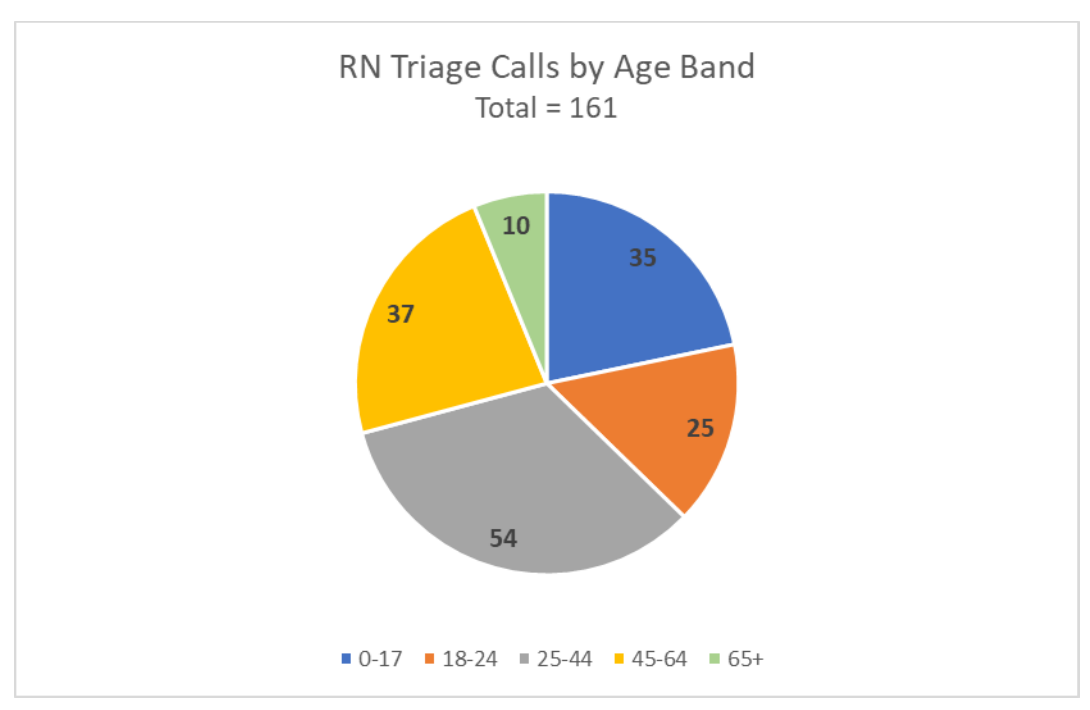
- MCPs will report on administrative measures as they normally would

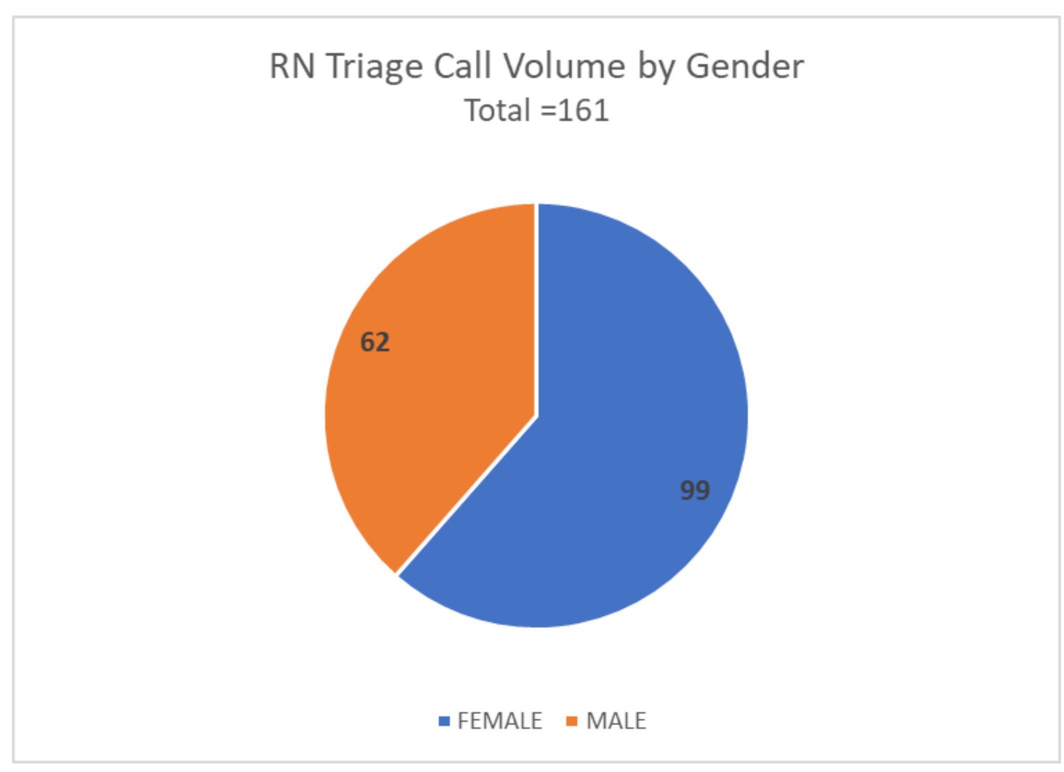
Final Medi-Cal Managed Care Accountability Set (MCAS) RY 2020 results will not be available until July 2020 but highlights of preliminary Gold Coast Health Plan (GCHP) are as follows:

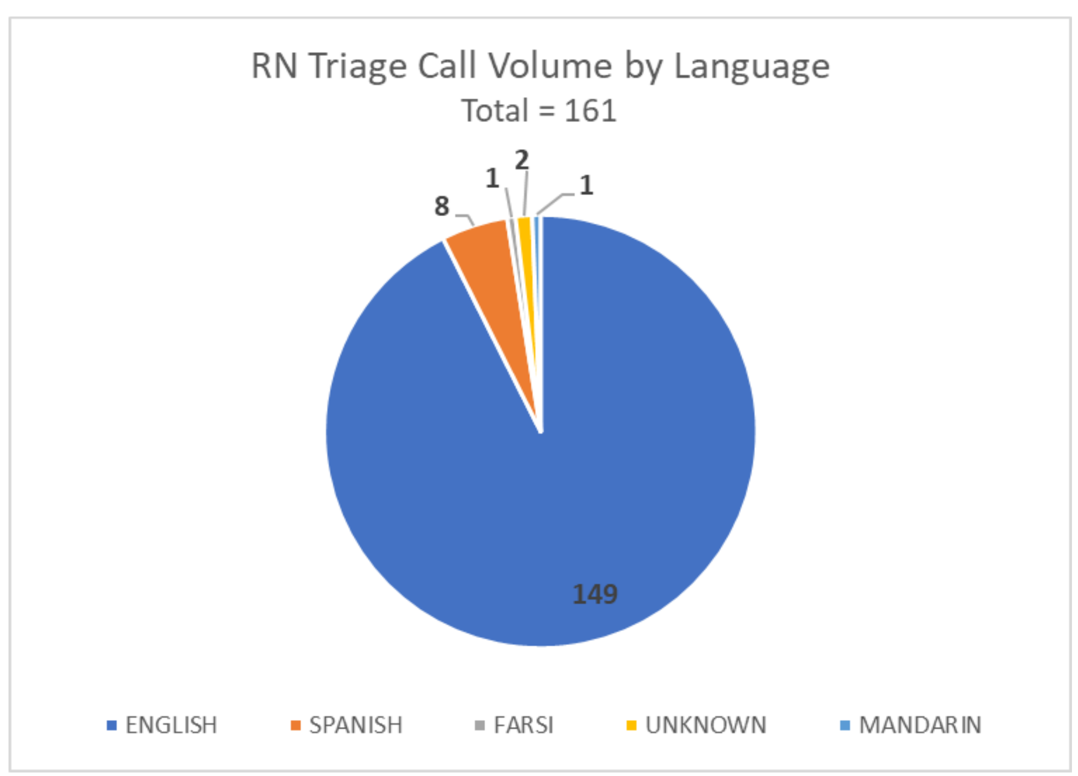
- 90th percentile will be achieved for 3 measures: Timeliness of Pre-Natal Care, Postpartum Care, and Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents BMI Assessment
- 75th percentile will be achieved for 5 measures: Childhood Immunization Status-Combo 10, Antidepressant Medication Management (both acute and continuation phase treatment), Hemoglobin A1C Control, and Well-Child Visits in the Third, Fourth, Fifth and Sixth Years of Life
- 50th percentile will be achieved for 7 measures: Adolescent Well-Care Visits, Adult Body Mass Index (BMI) Assessment, Breast Cancer Screening, Cervical Cancer Screening, Hemoglobin A1C Testing, Immunizations for Adolescents-Combo 2, and Controlling High Blood Pressure
- 25th percentile will be achieved for 1 measure: Chlamydia Screening in Women
  Note: This Administrative Measure was a first-year measure that did not achieve 50th percentile despite pursuit of non-standard supplemental data.
- 10th percentile will be achieved for 1 measure: Well-Child Visits in the First 15 Months of Life
  Note: This was a first-year hybrid measure for GCHP and was impacted by a lower than usual chart case completion rate due to challenges with record collection tied to COVID-19 pandemic. As noted above, MCPs will NOT be held to the MPL for hybrid measures.
- <10th percentile will be achieved for 1 measure: Asthma Medication Ratio
  Note: GCHP scored in the 25th percentile in RY 2019 and our rate for this administrative measure dropped due to NCQA technical specification changes. MCPs will be held to the MPL for administrative measures.

Nurse Advice Line Update

As of the week of May 11, 2020, there have been 161 calls to the nurse advice line. About 61% were from female members. Most calls were from members in the 25-44 age band group (34%), followed by 45-64 (23%) and 0-17 (22%). Most calls are from English-speaking members (93%) and only 8 (.05%) were from Spanish-speaking members. Farsi and Mandarin appeared for the first time as reported languages, with 1 call each. A wide range of concerns are fielded by the nurse advice line team including questions about abdominal pain, chest pain, gastrointestinal complaints, as well as COVID-related concerns.


RN Triage Calls by Age Band
Total = 161
10
35
37
25
54
0-17
18-24
25-44
45-64
65+


RN Triage Call Volume by Gender
Total =161
62
99
FEMALE
MALE



Pharmacy Hot Topic Items

Medi-Cal Rx

The California Department of Health Care Services (DHCS) will be carving out all prescription benefits from the Managed Care Plans (MCP) as of January 1, 2021 under a new program called Medi-Cal Rx. Upon implementation, all retail prescription claims will be submitted directly to the state via its PBM. DHCS has announced ongoing stakeholder and technical workgroups along with monthly Managed Care Plan updates. Gold Coast Health Plan will continue to work with advocacy groups, other MCPs and DHCS in order to facilitate the implementation of the carve out and will continue to bring information as it becomes available to this group.

COVID-19

As part of its response to the COVID-19 pandemic, GCHP has made significant, temporary changes to the pharmacy benefit to ensure member access to pharmacy services while ensuring the principles of social distancing and shelter-in-place:

- Refill Too Soon Edit: GCHP temporarily lifted the refill too edit to allow pharmacies to fill chronic, maintenance medications early
- 90 Day Supply: Allow any chronic, maintenance medication to be filled for up to 90 days at a time
- Out of Network Pharmacies: Allow out of network pharmacies to fill medications for member if related to COVID-19 and being unable to access a network pharmacy

- Formulary Overrides: Allow overrides of up to 90 days for medications impacted by COVID-19

All of these changes have the potential to increase costs to GCHP. Further information will be provided on the impact of these changes and the potential for reimbursement.

Pharmacy Benefit Cost Trends

Gold Coast Health Plan's (GCHP) pharmacy trend shows in overall price increase of 18.3% from April 2019 to April 2020. Pharmacy trend is impacted by unit cost increases, utilization, and the drug mix. Pharmacy costs are predicted to experience double digit increases (>10%) each year from now until 2025. GCHP's trends are in-line with state and national data that is also experiencing significant increases in pharmacy costs. Impact from COVID-19 is expect to increased costs further.

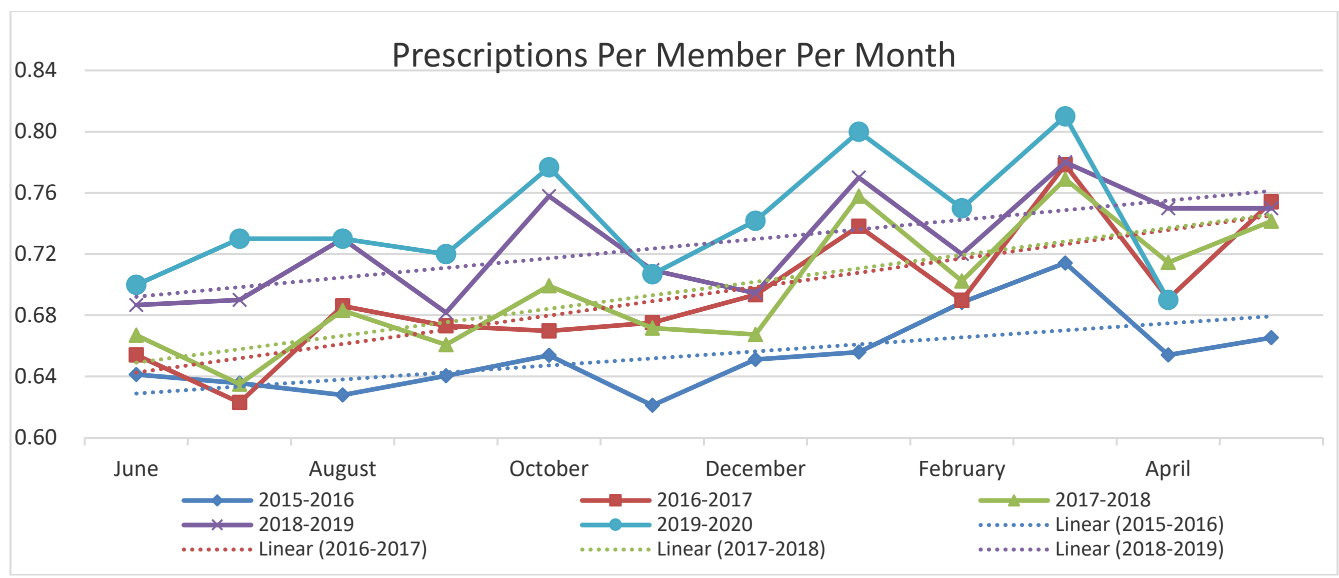
Factor	National Trend	GCHP Trend
Unit Cost	• Price inflation is a top contributor, outpacing utilization growth 4:1. • Average price increase per drug was 10.5% in the first half of 2019. ↑	• Unit cost increased 2.5% from 2018Q4 to 2019Q4. Unit cost changes from 2019Q1 to 2020Q1 should be available in May. ↑
Utilization	• The number of prescriptions increased 21% from 2014 to 2017. ↑	• RxPMPM increased 3.2% from March 2019 to March 2020. • 29.1% of GCHP's members have 3 or more disease categories ↑
Drug Mix	• 59 new drug approval in 2018 – new all-time record high, 28% increase from 2017. • Pharma TV ad spending increased to $3.73B in 2018. • Specialty drugs are expected to be nearly 50% of total drug spend by 2022 ↑	• Specialty drugs account for ~40% of GCHP's total drug spend. GCHP's Specialty users have increased 30% from 2017 to 2019. ↑

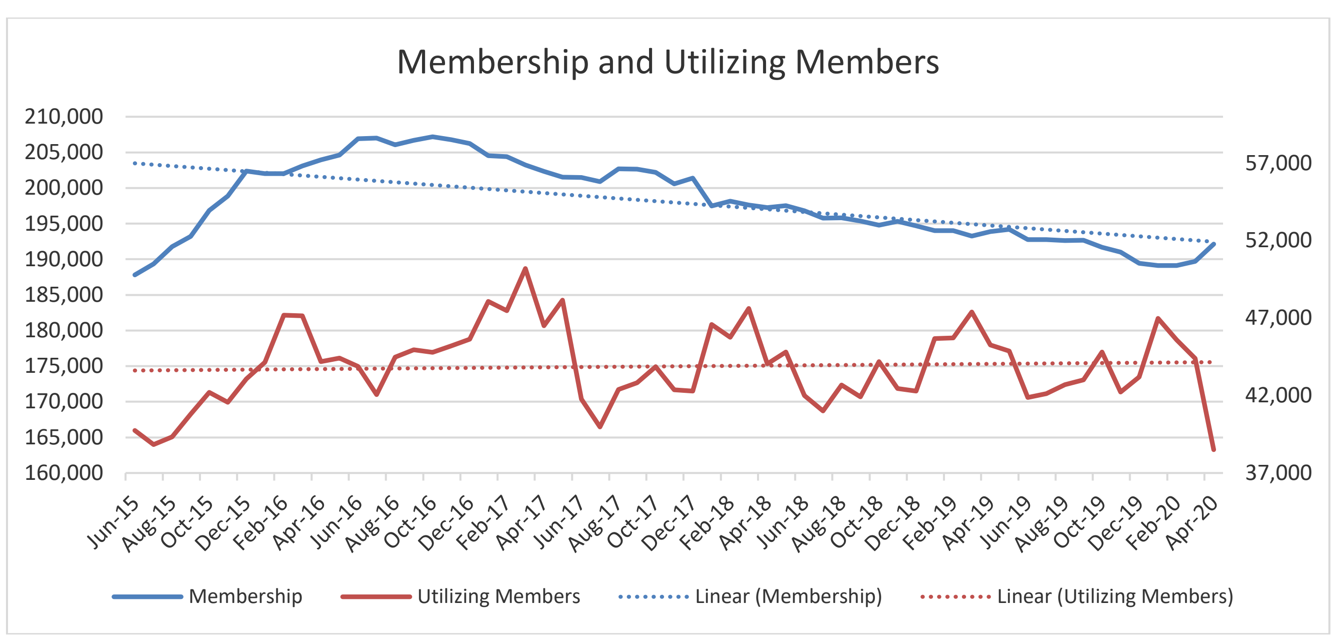
GCHP Annual Trend Data

Unit Cost Trends:

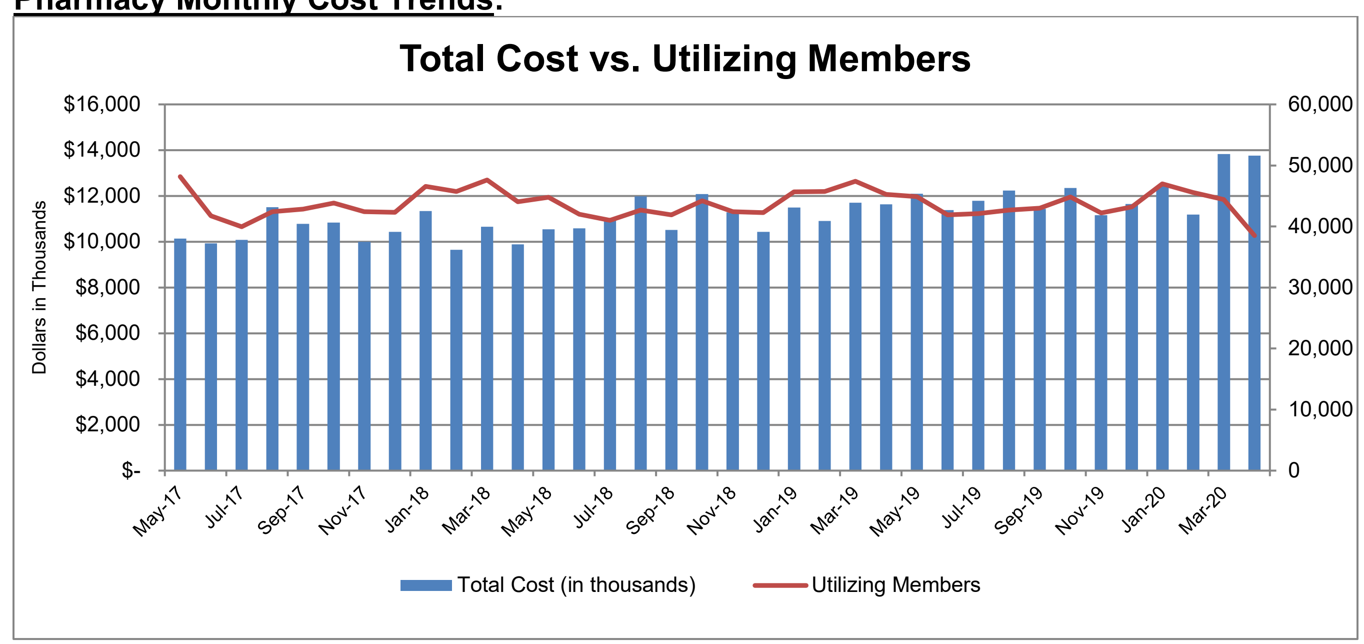
OptumRx reported that GCHP's unit cost trends from 2018Q4 to 2019Q4 was a 2.5% increase in unit cost. Note that the greatest price changes generally occur in the first quarter of the year.

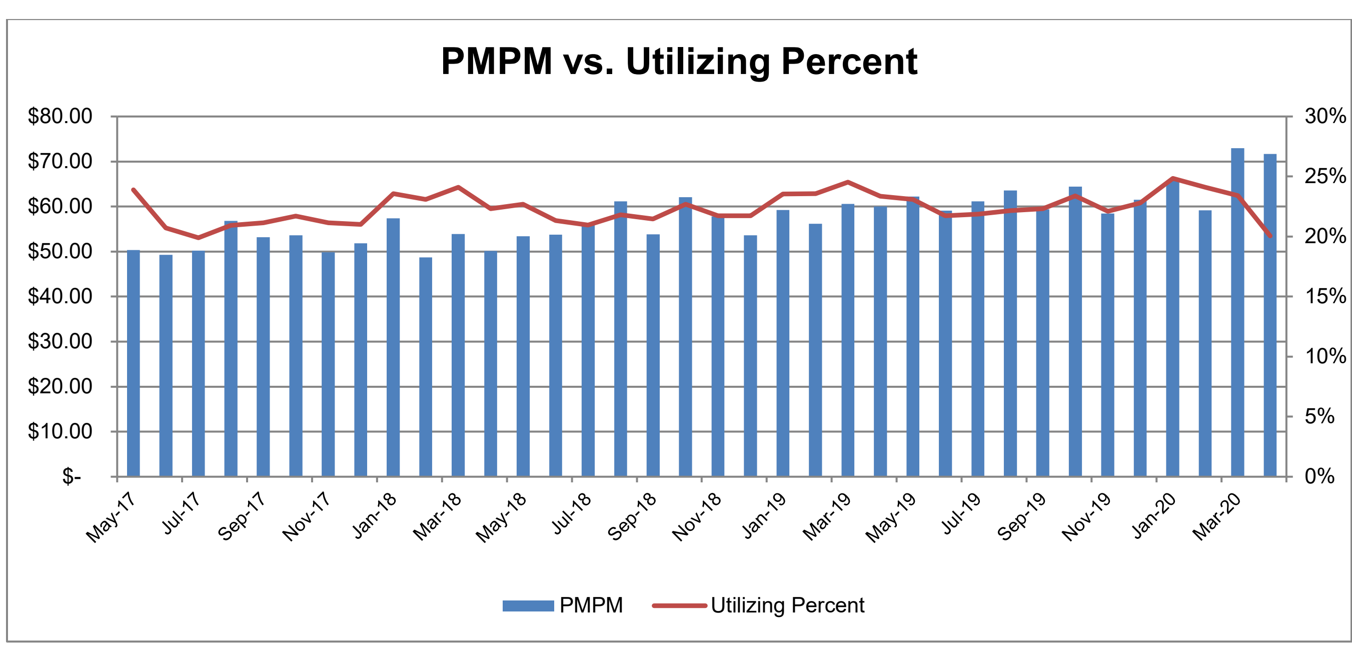
Utilization Trends:
GCHP's utilization is increasing as demonstrated by the number of members using prescriptions and the number of prescriptions each member is using while GCHP's total membership continues to decline.

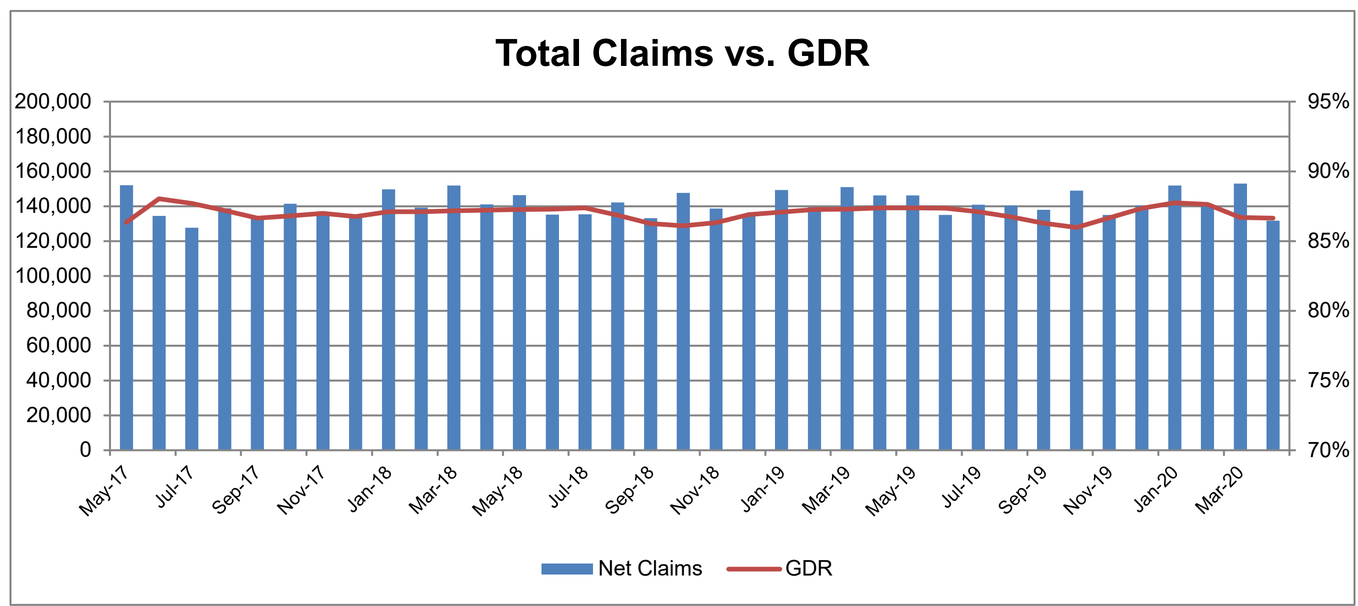




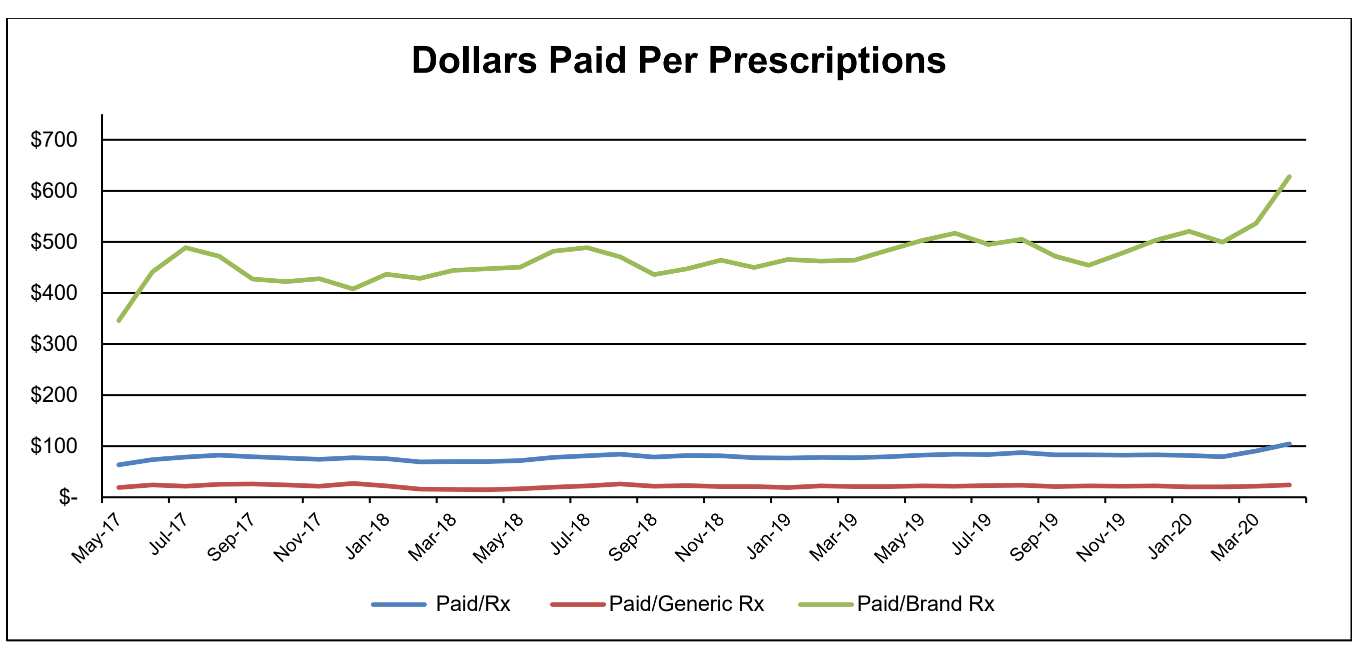
Pharmacy Monthly Cost Trends:





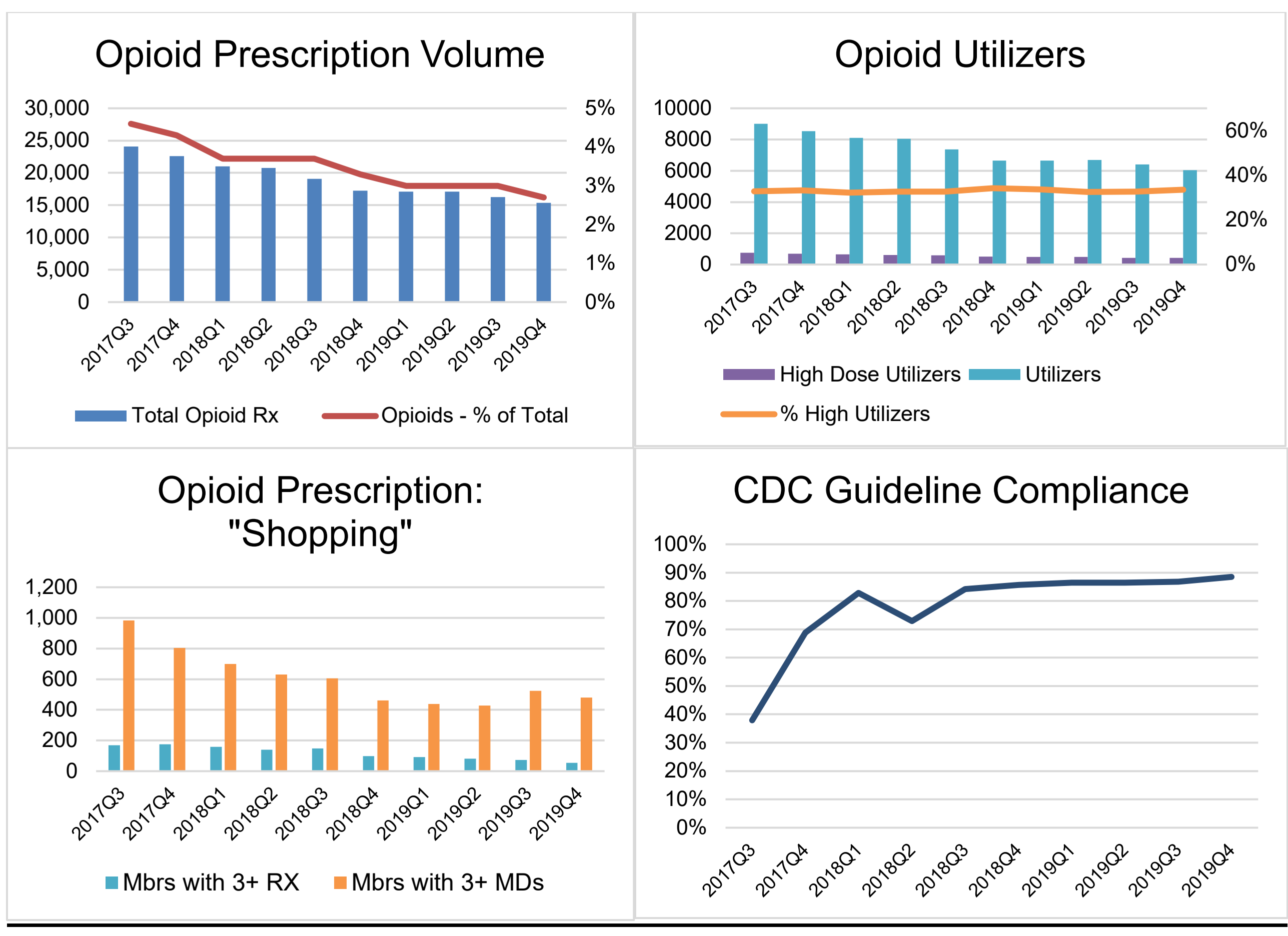


*Claim totals prior to June 2017 are adjusted to reflect net claims.



Pharmacy Opioid Utilization Statistics

GCHP continues to monitor the opioid utilization of its members and below are graphs showing some general stats that are often used to track and compare utilization. In general, GCHP continues to see a positive trend toward less prescriptions and lower doses of opioids for the membership.



Definitions and Notes:
High Dose Utilizers: utilizers using greater than 90 mg MEDD
High Utilizers: utilizers filling greater than 3 prescriptions in 120 days
Prescribers are identified by unique NPIs and not office locations

Abbreviation Key:
PMPM: Per member per month
PUPM: Per utilizer per month
GDR: Generic dispensing rate
COHS: County Organized Health System
KPI: Key Performance indicators
RxPMPM: Prescriptions per member per month

Pharmacy utilization data is compiled from multiple sources including the pharmacy benefits manager (PBM) monthly reports, GCHP's ASO operational membership counts, and invoice data. The data shown is through the end of August 2019. Although minor changes may occur to the data going forward due to the potential of claim adjustments from audits and/or member reimbursement requests, the data is generally considered complete due to point of sale processing of pharmacy data.

References:

1. https://www.healthsystemtracker.org/chart-collection/recent-forecasted-trends-prescription-drug-spending/?_sf_s=drug+spending#item-contribution-to-growth-in-drug-spending-by-growth-driver_2017
2. https://arstechnica.com/science/2019/07/big-pharma-raising-drug-prices-even-more-in-2019-3400-hikes-as-high-as-879/
3. US Food and Drug Administration. “2018 New Drug Therapy Approvals.”
4. https://www.fiercepharma.com/marketing/another-record-year-for-pharma-tv-ads-spending-tops-3-7-billion-2018
5. https://www.kff.org/medicaid/issue-brief/utilization-and-spending-trends-in-medicaid-outpatient-prescription-drugs/

AGENDA ITEM NO. 11

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Ted Bagley, Interim Chief Diversity Officer

DATE: May 18, 2020

SUBJECT: Chief Diversity Officer Update

Verbal Report