

**Ventura County Medi-Cal Managed Care Commission  
(VCOMMCC) dba Gold Coast Health Plan (GCHP)  
Executive / Finance Committee Meeting Minutes  
March 7, 2013**

**CALL TO ORDER**

Chair Gonzalez called the Special meeting to order at 1:49 p.m. in Suite 230 at the Ventura County Public Health Building located at 2240 E. Gonzales Road, Oxnard, CA 93036.

**COMMITTEE MEMBERS PRESENT**

**Anil Chawla**, Clinicas del Camino Real, Inc.  
**David Glycer**, Private Hospitals / Healthcare System  
**Robert Gonzalez**, Ventura County Medical Health System  
**Roberto Juarez**, Clinicas del Camino Real, Inc.  
**Catherine Rodriguez**, Ventura County Medical Health System

**STAFF IN ATTENDANCE**

**Michael Engelhard**, CEO  
**Nancy Kierstyn Schreiner**, Legal Counsel  
**Sonia DeMarta**, Controller  
**Traci R. McGinley**, Clerk of the Board  
**Guillermo Gonzalez**, Government Affairs Director  
**Melissa Scrymgeour**, IT Director  
**Lyndon Turner**, Finance Manager

**PUBLIC COMMENTS**

Tony Alatorre, Clinicas COO, advised the Committee that Clinicas was having problems with Gold Coast Health Plan (GCHP) and had been unable to get the issues resolved. 1) Primary Care Provider (PCP) Selection Forms were faxed, hand delivered and the call center was contacted for Clinicas patients, but those members were not assigned to Clinicas. 2) Per conversations with Interim COO Undlin, the GCHP auto-assignment seems to be arbitrary. 3) Certain Clinicas facilities have not been properly designated as FQHC facilities. 4) GCHP did not provide the Clinicas Moorpark facility a Provider Identification Number for seven months and the Simi Valley facility does not have one though it has been open since 2011. 5) GCHP only lists the County for behavioral health services, Clinicas COO Alatorre requested the references be corrected. 6) Clinicas COO Alatorre asked what happened at the last meeting about the incident he spoke of during the Commission Meeting of January 28, 2013 and his letter of December 28, 2012 as he was unable to attend the last meeting. CEO Engelhard explained the policy and noted that the letter had not pertained to an agenda item and was therefore not put into the record.

Committee Member Juarez stressed that it should be up to the Commissioners to decide and expressed concern that letters may have come in that Commissioners have not been provided. CEO Engelhard added that all Commissioners were provided copies of the letter when it was sent to the Commission and to the Plan in December.

Legal Counsel Kierstyn Schreiner clarified that the Commission has a policy in place and the policy requires that a public comment card be filled out if someone wants to speak under public comment.

Chair Gonzalez noted that the new items brought forward to the Committee by Clinicas COO Alatorre need to be addressed by Staff and reported back to the Commission.

## **1. APPROVE MINUTES**

### **a. February 7, 2013 Regular Meeting Minutes**

Committee Member Glycer moved to approve the February 7, 2013 Regular Meeting Minutes. Committee Member Rodriguez seconded. The motion carried. **Approved 5-0.**

## **2. ACCEPT AND FILE ITEMS**

### **a. CEO Update**

CEO Engelhard provided an overview of his report, the Plan received a letter from the State requesting clarification and supporting analysis of the financial forecast and estimates to the Corrective Action Plan (CAP). The Plan is currently in a weak cash position with only 40-50 days cash on hand. Chair Gonzalez requested having "tracking" on the issues.

Stuart Busby, Chief of the Department of Health Care Services Capitated Rate Development Division noted that the letter was a request for additional information and clarification, not an amendment to the CAP.

CEO Engelhard noted that an Intergovernmental Transfer (IGT) may provide additional means for the Plan to address the TNE requirements, but staff is still exploring the issues with the County and State. Discussion was held as to the amount, to which CEO Engelhard noted it could be as high as \$10-12 million.

CEO Engelhard advised the Committee that HEDIS Auditors would be on site and Staff will be reporting back to the Commissioners.

### **b. January Financials**

CEO Engelhard reviewed the January Financials and explained that Staff streamlined the reporting format to improve how this information is being communicated. January results indicated a net operating surplus of \$0.5 million. Health Care costs were favorable, the IBNR tail is continuing to shorten and Staff has been able to refine IBNR estimates. Overall January was favorable to budget even though historically it is a high cost month and the flu impact was pronounced in the month as evidenced by the high pharmacy costs.

Chair Gonzalez questioned the membership mix and asked if children from the Healthy Families Program will go into the "Family" mix, to which CEO Engelhard responded yes. Chair Gonzalez confirmed that they were already coming directly into the Plan.

Discussion was held regarding the increase of prescriptions during the month of January. After discussion, it was decided that a list of the top ten most expensive medications and top ten most used medications would be provided to the Commission.

Discussion was held regarding AB97 and the fact that it will not be implemented retroactively for managed care plans. The remaining AB97 cuts are currently tied up in courts and if the State prevails and proceeds with implementation on a prospective basis, staff would have to go before the Commission to determine if the cuts would be passed through to Providers.

Committee Member Rodriguez moved to accept and file the CEO Report and the January Financials. Committee Member Juarez seconded. The motion carried.  
**Approved 5-0.**

### **3. INFORMATIONAL ITEMS**

#### **a. Financial Forecast Update**

CEO Engelhard noted that the Plan is seeing the impact from some Member codes being updated. Staff has identified a large number of people who are eligible and want to participate in Part A benefit, but are not enrolled into the Medicare Part A. The Plan is working with members and appropriate government agencies to ensure dual eligible members are enrolled into Part A appropriately, but the processing of paperwork takes time, so the impact of this initiative will be realized but slightly delayed.

Staff is starting to meet with certain providers to negotiate new contracts. Providers have started to return overpayments. CEO Engelhard reminded the Committee that Staff used conservative figures in the financial forecast.

#### **b. Line of Credit (LOC) Update**

CEO Engelhard noted that the original Line of Credit (LOC) was drawn down in December 2012 for the entire amount of \$2.2 million with an effective date of July 2011. It is subordinated to all current and future creditors of the Plan and was used to help bolster cash reserves. The amount of the proposed LOC is not known at this time. Some discussion was held as to how this would be used versus the IGT if it was obtained. CEO Engelhard noted that it is not certain that the IGT can be used to address TNE issues.

In response to concerns raised by Committee Member Juarez, Stuart Busby, Chief of the Department of Health Care Services Capitated Rate Development Division noted that GCHP is the only COHS in the State that does not have a Knox Keene license. Most COHS do not have Knox-Keene licenses for their Medi-Cal business, but they are licensed for other lines of business such as Healthy Families or Medicare Advantage. Since GCHP currently only operates a Medi-Cal program, it is not licensed by DMHC

under a Knox-Keene Act and therefore the Plan is regulated by DHCS, consistent with the majority of the other COHS plans.

### **CLOSED SESSION**

Legal Counsel Kierstyn Schreiner read and announced the Closed Session items..

### **ADJOURN TO CLOSED SESSION**

The Commission adjourned to Closed Session at 4:19 p.m. regarding the following item:

**Closed Session Conference with Legal Counsel – Existing Litigation pursuant to Government Code Section 54956.9** Sziklai v. Gold Coast Health Plan *et al* VCSC Case No. 56-2012-00428086-CU-WT-VTA

**Closed Session Conference with Legal Counsel – Existing Litigation pursuant to Government Code Section 54956.9** Hernandez v. Ventura County Medi-Cal Managed Care Commission-VCSC Case No. 56-2012-00427535-CU-OE-VTA

**Closed Session Conference with Legal Counsel – Existing Litigation pursuant to Government Code Section 54956.9** Lucas v. Regional Government Services *et al* VCSC Case No 56-2013-00432444-CU-CE-VTA

**Closed Session Conference with Legal Counsel – Anticipated Litigation Significant exposure to litigation pursuant to Government Code Section 54956.9(b) (One Case)**

**Closed Session pursuant to Government Code Section 54957(e)**  
Public Employee Performance Evaluation  
Title: Chief Executive Officer

### **RETURN TO OPEN SESSION**

The Regular Meeting reconvened at 5:20 p.m.

Legal Counsel Kierstyn Schreiner reported that there was no reportable action.

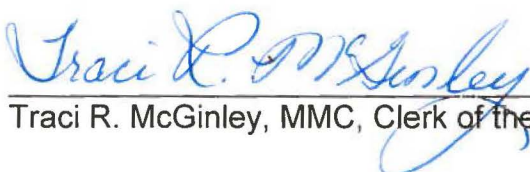
### **COMMENTS FROM COMMITTEE MEMBERS**

None.

### **ADJOURNMENT**

The meeting adjourned at 5:21 pm.

APPROVED:

  
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Traci R. McGinley, MMC, Clerk of the Board