Gold Coast Health Plan
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www.goldcoasthealthplan.org

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

Regular Meeting
Monday, July 26, 2021, 2:00 p.m.
Gold Coast Health Plan, 711 East Daily Drive, Community Room
Camarillo, CA 93010
Governor's Executive Order
Conference Call Number: 805-324-7279
Conference ID Number: 977 380 370#
Para interpretación al español, por favor llame al 805-322-1542 clave 1234

AGENDA

CALL TO ORDER

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 Meeting Minutes of June 28, 2021 and Special Commission Meeting Minutes of July 9, 2021.**

   Staff: Maddie Gutierrez, MMC, Clerk to the Commission

   RECOMMENDATION: Approve the regular meeting minutes of June 28, 2021 and Special Commission meeting minutes of July 9, 2021.

2. Resolution Extension through August 23, 2021

Staff: Scott Campbell, General Counsel

RECOMMENDATION: Adopt Resolution No. 2021-010 to extend the duration of authority empowered in the CEO through August 23, 2021.

3. Edrington Health Consulting, LLC. Agreement Assignment to Health Management Associates

Staff: Kashina Bishop, Chief Financial Officer

RECOMMENDATION: It is GCHP's recommendation to formally acknowledge and approve Edrington Health Consulting assignment of its duties and obligations under the Agreement to Health Management Associates.

UPDATES

4. HSP MediTrac Go-Live Update

Staff: Eileen Moscaritolo, HMA Consultant/Anna Sproule, Sr. Director of Operations

RECOMMENDATION: Receive and file the update.

FORMAL ACTION

5. Gold Coast Health Plan, 10-87128, A34, Final Rule II Amendment - DHCS

Staff: Robert Franco, Chief Compliance Officer

RECOMMENDATION: Staff recommends that the Ventura County Medi-Cal Managed Care Commission approves the amendment.

6. Johnson Controls Contract Extension

Staff: Michael Murguia, Executive Director of Human Resources

RECOMMENDATION: It is GCHP's recommendation to authorize the CEO to renew the Enrollment Agreement to be co-terminus with Sourcewell contract award #031517-TIS with Jonson Controls, and to pre-authorize any individual transaction for these products or services through June 30, 2025 up to the cumulative amount of $153,000.

If the Commission desires to review these contracts, they are available at Gold Coast Health Plan's Finance Department.

7. June Financials

Staff: Kashina Bishop, Chief Financial Officer

RECOMMENDATION: Staff requests that the Commission approve the June 2021 financial package.

8. Conduent Contract Amendment

Staff: Cathy Deubel Salenko, Health Counsel

REPORTS

9. Chief Executive Officer (CEO) Report

Staff: Margaret Tatar, Chief Executive Officer

RECOMMENDATION: Receive and file the report.

10. Return to Work Report

Staff: Margaret Tatar, Chief Executive Officer

RECOMMENDATION: Receive and file the report.

11. Chief Medical Officer (CMO) Report

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

RECOMMENDATION: Receive and file the report.

12. Chief Diversity Officer (CDO) Report

Staff: Ted Bagley, Chief Diversity Officer

RECOMMENDATION: Receive and file the report.

13. Executive Director of Human Resources (H.R.) Report

Staff: Michael Murguia, Executive Director of Human Resources

RECOMMENDATION: Receive and file the report.

CLOSED SESSION

14. PUBLIC EMPLOYEE APPOINTMENT
Title: Chief Executive Officer

ADJOURNMENT

Unless otherwise determined by the Commission, the next meeting will be held at 6:00 P.M. on August 23, 2021 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 of the Board

DATE: July 26, 2021

SUBJECT: Meeting Minutes of June 28, 2021 Regular Commission Meeting and July 9, 2021 Special Commission Meeting

RECOMMENDATION:

Approve the minutes.

ATTACHMENT:

Copy of Minutes for the June 28, 2021 Regular Commission Meeting and July 9, 2021 Special Commission Meeting.

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Ventura County Medi-Cal Managed Care Commission (VCMMCC) dba Gold Coast Health Plan (GCHP) June 28, 2021 Regular Meeting Minutes

CALL TO ORDER

Commission Chair Dee Pupa called the meeting to order via teleconference at 2:02 pm. The Clerks were in the Community Room located at Gold Coast Health Plan, 711 East Daily Drive, Camarillo, California.

ROLL CALL

Present: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Laura Espinosa, Dr. Sevet Johnson, Andrew Lane, Gagan Pawar, M.D., Dee Pupa, Supervisor Carmen Ramirez, and Jennifer Swenson

Absent: Commissioner Scott Underwood, M.D.

Attending the meeting for GCHP were Margaret Tatar, Chief Executive Officer, Nancy Wharfield, MD., Chief Medical Officer, Kashina Bishop, Chief Financial Officer, Michael Murguia Executive Director of Human Resources, Scott Campbell, General Counsel, Cathy Salenko, Health Care General Counsel, Marlen Torres, Executive Director of Strategy and External Affairs, Robert Franco, Ted Bagley, Chief Diversity Officer and Eileen Moscaritolo, HMA Consultant, .

Additional staff participating on the call: Anna Sproule, Vicki Wrighster, Dr. Anne Freese, Helen Miller, Jamie Louwerens, Dr. Lupe Gonzalez, Kim Timmerman, Pauline Preciado, Paula Cabral, Susana Enriquez, Adriana Sandoval, Sandi Walker, David Tovar, Lucy Marrero, Vicki Wrighster, Rachel Lambert and Rachel Segovia.

Outside attendance: Marsha Schaffer, Director of Managed Care for CDCR.

PUBLIC COMMENT

Dr. Sandra Aldana, is speaking on behalf of the University of Southern California, University Center of Excellence of Developmental Disabilities at Children's Hospital of Los Angeles. She is speaking on behalf of individuals with chronic medical conditions. Now that we are opening back up, there is a concern that it is difficult for individuals with complex medical needs to receive the type of care that they need. There needs to be better communication to continue to provide the care needed.

The Commission went into Closed Session at 2:08 p.m.

CLOSED SESSION #1

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

2. **REPORTS INVOLVING TRADE SECRETS**
   Discussion will concern: New Services and Programs
   Estimated Date of Public Disclosure: Fall, 2021

Closed Session #1 ended at 3:11p.m. General Counsel, Scott Campbell announced there was no reportable action.

The regular Open Session of the meeting began at 3:11 p.m.

CONSENT

3. **Approval of Ventura County Medi-Cal Managed Care Regular Minutes of May 24, 2021.**

   Staff: Maddie Gutierrez, MMC - Clerk of the Board

   RECOMMENDATION: Approve the minutes of May 24, 2021.

4. **Resolution Extension through July 26, 2021**

   Staff: Scott Campbell General Counsel

   RECOMMENDATION: Adopt Resolution 2021-009 to extend the duration of authority empowered in the CEO through July 26, 2021.

Commissioner Atin motioned to approve Consent Items 3 & 4. Supervisor Ramirez seconded.

AYES: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Dr. Sevet Johnson, Gagan Pawar, M.D., Dee Pupa, Supervisor Carmen Ramirez, and Jennifer Swenson.

NOES: None.

ABSTAIN: Commissioner Laura Espinosa abstain for agenda item 3, approval of the May 24, 2021 minutes and voted aye for agenda item 4, approval of Resolution 2021- 009.

ABSENT: Commissioners Andrew Lane and Scott Underwood, M.D.

Commissioner Pupa declared the motion carried.

Chief Diversity Officer, Ted Bagley requested to present his CDO Report along with his Health Equity/Diversity & Inclusion presentation.

REPORTS

13. Chief Diversity Officer (CDO) Report

Staff: Ted Bagley, Chief Diversity Officer

RECOMMENDATION: Receive and file the report.

Commission Chair, Dee Pupa stated the CDO Report will be approved when the other reports are presented.

Chief Diversity Officer, Ted Bagley stated he has met with both CAC and PAC. He will do a formal presentation to PAC on health Equity. There are no new cases for May/June. He does have one case pending for July – it is a member case, and he will follow up.

CDO Bagley has held two (2) Lunch & Learns. The first was Asian /Pacific Islander Heritage month with more that sixty (60) in attendance. The second Lunch & Learn was a Juneteenth Session. This also had a good turn out. The sessions will continue.

PRESENTATIONS

5. Health Equity/Diversity & Inclusion Information

Staff: Ted Bagley, Chief Diversity Officer

RECOMMENDATION: Receive and file the presentation.

CDO Bagley stated that racism is a public health issue. He has done research on why there are disadvantages in every culture. CDO Bagley has called various agencies but has met roadblocks in gathering information. He will need to reach out to Healthcare administrations. People are experiencing discrimination but are afraid to critisize the system for fear of losing their Medi-Cal benefits. We need to investigate the shortfalls in medical care and he will continue to do his research.

CDO Bagley plans to hold a summit in the late Summer/early Fall. We need to hear the issues that are being experienced. CDO Bagley noted Commissioner Espinosa has been very helpful in providing resources.

Commissioner Atin thanked CDO Bagley for the update. Supervisor Ramirez noted June was Pride Month. The County introduced a proclamation supporting the LGBTQ community. She asked if GCHP is participating. Supervisor Ramirez noted the County has a Pride Clinic. She asked if this community is included in the GCHP Diversity process. CDO Bagley stated he is trying to make sure every culture is involved in the Diversity Council at GCHP.

Commissioner Alatorre motioned to approve Agenda Item 5, the Health Equity/Diversity & Inclusion Information. Commissioner Atin seconded.

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

NOES: None.

ABSENT: Commissioners Andrew Lane and Scott Underwood, M.D.

Commissioner Pupa declared the motion carried.

UPDATES

6. HSP MediTrac Go-Live Update

Staff: Eileen Moscaritolo, HMA Consultant

RECOMMENDATION: Receive and file the update.

HMA Consultant, Eileen Moscaritolo, stated the Go-Live started on May 3, 2021 and there have been challenges during the transition. She noted claims are backlogged. Claims must be paid within thirty (30) – forty-five (45) days, depending on the submission, and some claims are pending sixty (60) days. Call Center volume has increased, and they have extended their morning and evening hours.

There has been a major change in the authorization process. Ms. Moscaritolo met with Chief Medical Officer, Nancy Wharfield, M.D., and they agreed to move authorizations to 100% faxing. These concerns have been expressed to Conduent, and they agreed to an enhancement. There will be testing to find a fix for the issue. Ms. Moscaritolo stated the Go-Live has been rough. GCHP has done extensive provider outreach. A webinar was offered on June 23rd for long-term care providers, and over one hundred (100) providers attended. Outreach will continue. There are daily calls with Conduent. Ms. Moscaritolo noted she has no confidence in Conduent although we (GCHP) continues to collaborate with Conduent..

Commissioner Andrew Lane joined the meeting at 3:34 p.m.

Commissioner Espinosa asked Ms. Moscaritolo to share what some of the potential impacts from DHCS are to the Plan due to the Conduent issue. Robert Franco, Chief Compliance Officer, stated we are updating DHCS on status, and we are confident in our oversight. We are mindful of the potential impact on members, but currently there are no direct impacts to care.

Supervisor Ramirez motioned to approve Agenda Item 6, the HSP MediTrac Go-Live Update. Commissioner Swenson seconded.

AYES: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Laura Espinosa, Dr. Sevet Johnson, Andrew Lane, Gagan Pawar, M.D., Dee Pupa, Supervisor Carmen Ramirez, and Jennifer Swenson.

NOES: None.

ABSENT: Commissioner Scott Underwood, M.D.

Commissioner Pupa declared the motion carried.

Supervisor Carmen Ramirez left the meeting at 3:42 p.m.

FORMAL ACTION

7. 2021 Quality Improvement Committee 2nd Report

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

RECOMMENDATION: Receive and file the presentation.

Chief Medical Officer, Nancy Wharfield, M.D., introduced Kim Timmerman, Director of Quality Improvement. Ms. Timmerman her PowerPoint as presented. She reviewed the Measurement Year 2020 HEDIS/MCAS performance, and the 2021 QI Strategy Update. She noted there were 33 performance measures reported to DHCS, 19 designated as held to the 50%MPL and 14 not held to MPL.

DHCS noted that due to the impact of COVID-19 there would not be financial sanctions or corrective actions plans imposed on MCPs. Ms. Timmerman reviewed HEDIS/MCAS MY 2020 performance highlights and MCAS performance by percentile rankings. She reviewed measure improvements in measurement year 2019 to 2020, as well as declines. She also reviewed next steps with continued data improvement strategies and the 2021 focus which included evaluating measurement year 2020 HEDIS/MCAS rates, Return to Care campaigns – gap closures/member incentives and additional strategies which will be determined. We will also continue to seek out and leverage internal/external partnerships and collaboration opportunities.

Commissioner Espinosa stated she liked some of the care gap closure suggestions. Outreach efforts could work well with Breast Cancer statistics in coordination with local African-American community and tie in both the QI report and Health Equity report.

Commissioner Swenson motioned to approve Agenda Item 7, the 2021 Quality Improvement Committee 2nd report. Commissioner Cho seconded.

AYES: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Laura Espinosa, Dr. Sevet Johnson, Andrew Lane, Gagan Pawar, M.D., Dee Pupa, and Jennifer Swenson.

NOES: None.

ABSENT: Supervisor Carmen Ramirez, and Commissioner Scott Underwood, M.D.

Commissioner Pupa declared the motion carried.

8. April/May 2021 Financials

Staff: Kashina Bishop, Chief Financial Officer

RECOMMENDATION: Staff requests that the Commission approve the April/May 2021 financial package.

Chief Financial Officer, Kashina Bishop reviewed the April & May 2021 Financials. The April net gain is $4.7million. May net gain is $4.5 million The total fiscal year to date gain is $19.4 million.

Our TNE is currently 266% of the minimum required. Medical Loss Ration is 92.3% and Administrative Ration is 5.4%

Our membership trend is growing, and we currently have 220,000 members. CFO Bishop reviewed medical expenses and noted FYTD health care costs are $772.6 million and $80.6 million over budget. She noted there has been a financial impact due to the system conversion.

Inpatient medical expenses are under budget by $6.1 million, Long-term care expenses are over budget by $4.5 million, outpatient expenses are under budget by $7.1 million, Emergency Room expenses are under budget by $9.0 million and Mental & Behavioral Health is over budget by $4.1 million. Net capitation revenue for April 2021 is $79,872,414 and for May 2021 it was $79,921,216. Fiscal Year to Date is $836,839,263. CFO Bishop noted there are challenges with reserves. The financial summary was reviewed.

Commissioner Pupa stated she appreciated CFO Bishops' effort to get the April/May financials

Commissioner Swenson motioned to approve Agenda Item 8, the April/May 2021 Financial Package. Commissioner Johnson seconded.

AYES: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Laura Espinosa, Dr. Sevet Johnson, Andrew Lane, Gagan Pawar, M.D., Dee Pupa, and Jennifer Swenson.

NOES: None.

ABSENT: Supervisor Carmen Ramirez and Commissioner Scott Underwood, M.D.

Commissioner Pupa declared the motion carried.

9. Fiscal Year 2021-22 Operating and Capital Budget Approval

Commissioner Pupa thanked CFO Bishop, she noted it was a lot of work and it was thoughtfully done.

Staff: Kashina Bishop, Chief Financial Officer

RECOMMENDATION: The Plan requests that the Ventura County Medi-Cal Managed Care Commission approve the FY 2021-22 Operating and Capital Budgets.

Chief Financial Officer, Kashina Bishop reviewed the 2021-2022 Operating and Capital Budget. She noted we are conservatively forecasting a net gain of $16.6 million, which would bring the TNE to 314% by end of June 2022. We are on track with our plan for improvement. She noted the budget is broken down into two (2), six (6) months categories. Revised capitation rates were reviewed. We anticipate the pharmacy carve-out in January 1, 2022.

CFO Bishop reviewed the four (4) year forecasts. She anticipates we will continue to grow and anticipated the TNE will be over 400% by 2023. She noted there are upcoming risks we need to track.

Membership is estimated to continue to grow. CFO Bishops reviewed medical expense assumptions, medical and revenue expenses are budget flexible and we will continue to work with the State and County for Enhanced Care Management (ECM). She reviewed total FSS Medical expenses, Inpatient FFS Medical Expenses, Outpatient FFS Medical Expenses and Long-term Care FFS Medical Expenses. CFO Bishop noted our administrative budget is $70million and we need to make sure we stay under $70million per State guideline- we anticipate the rate to stay at $62million.

CFO Bishop reviewed the Operating 2021/22 administrative budget incorporating the Strategic Plan; she wanted to assure the Commission that any additions made within the administrative budget were rooted in the Strategic Plan. Any new positions or new projects are aligned with the Strategic Plan major goals and initiatives. The

administrative budget is a fixed budget – there is no flexibility. She noted one of our major expenses is Conduent, which is an outside service. She reviewed new positions and justifications. CFO Bishops reviewed major drivers which includes HMA Consulting budget, increase in Edrington Health Consulting, increase in HR Employee recruitment, and increase in IT consulting services.

Commissioner Andrew Lane left the meeting at 4:50 p.m.

Commissioner Alatorre asked for clarification on membership numbers. CFO Bishop stated there was an increase in member between May and June, and she expects continued increase based on trending. Commissioner Alatorre stated he saw current membership was 212,000 and in another graph it was noted at 220,000. CFO Bishop will check graphs for discrepancies.

CFO Bishop called upon HMA Consultant Eileen Moscaritolo to review the project portfolio budget. Ms. Moscaritolo reviewed the list of major projects for the 2021-2022 fiscal year, which included the strategic plan objective each project is linked to as well as the expense. She noted we will continue to work on our data warehouse capabilities in order to bring it into a more modern platform. CFO Bishop noted the total administrative budget is $62 million. History and trends were also reviewed. There is a decrease in administrative cost ratio. Capital budget is over by $1 million in IT and Infrastructure. Net gain for July 1 through December 31, 2021 is projected to be $4,851,870. Net gain for January 1, through June 30, 2022 is projected to be $11,781,385. Total net gain is projected to be $16,633,255.

Commissioners Johnson, Espinosa and Pawar thanked CFO Bishop for the presentation.

Commissioner Cho motioned to approve Agenda Item 9, the Fiscal Year 2021-22 Operating and Capital Budget. Commissioner Atin seconded.

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

NOES: None.

ABSENT: Supervisor Carmen Ramirez and Commissioners Andrew Lane and Scott Underwood, M.D.

Commissioner Pupa declared the motion carried.

Commissioner Alatorre left the meeting at 4:57 p.m.

10. Conduent Contract Amendment

Staff: Cathy Deubel Salenko, Health Counsel.

Agenda Item 10 was tabled until the next Commission meeting on July 26, 2021.

REPORTS

11. Chief Executive Officer (CEO) Report

Staff: Margaret Tatar, Chief Executive Officer

RECOMMENDATION: Receive and file the report.

Chief Executive Officer Margaret Tatar thanked the Commission and stated we are grateful for approval of the budget. She provided late breaking news in connection with the budget deal between Governor Newsom and legislative leaders. It appears that was a budget deal for California with an overall budget at $262.6 billion. Of this budget, $194.4 billion of that amount, a historic level of reserves in the California state budget. $25.2 billion will go into reserves.

CEO Tatar reviewed behavioral health information, specifically mental health funding. She also reviewed Community Relations/Sponsorships and noted that GCHP continues to support organizations in Ventura County through the sponsorship program. She then noted updates in Provider Network Operations including provider contract updates.

Compliance will continue to monitor all CAPs that are open and closed. The delegation oversight table was reviewed and the table reflects changes in activity from May 8 – June 10, 2021. CEO Tatar noted data shows GCH volume of grievances is low in comparison to the number of enrolled members.

Commissioner Espinosa stated she will contact CEO Tatar at a later date for questions she has on the CEO Report.

12. Chief Medical Officer (CMO) Report

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

RECOMMENDATION: Receive and file the report.

Chief Medical Officer, Nancy Wharfield, M.D., reviewed the CMO report as presented. She reviewed the Children Now report which is a children's preventative services report, noting that GCHP ranked 6 out of 56 plans, which a great achievement.

CMO Wharfield stated the Population Needs Assessment was now complete and will be submitted to DHCS for review.

The volume of COVID related admissions was reviewed, it has slowed down with only four (4) additional COVID related admissions reported since May 2021, which is great news.

Dr. Anne Freese, director of Pharmacy review pharmacy related topics. She noted Medi-Cal Rx is still currently on an indefinite hold by DHCS. Pharmacy benefit cost trends were reviewed. Dr. Freese noted the impact of COVID and benefit changes has caused double digit increases in pharmacy costs. We are monitoring the allowance of 90-day supplies to see if the trend has stabilized.

14. Executive Director of Human Resources (H.R.) Report

Staff: Michael Murguia, Executive Director of Human Resources

RECOMMENDATION: Receive and file the report.

Executive Director of Human Resources, Michael Murguia stated that Human Resources is implementing a plan to move the timeline for the performance and merit review process. Performance reviews will be due August 1, 2021 this will help with better merit planning.

Commissioner Atin gave kudos to Mr. Murguia and stated the H.R. function has moved to another level at GCHP.

Commissioner Atin motioned to approve Agenda Items 11 through 14. Commissioner Espinosa seconded.

AYES: Commissioners Shawn Atin, Theresa Cho, M.D., Laura Espinosa, Dr. Sevet Johnson, Gagan Pawar, M.D., Dee Pupa, and Jennifer Swenson.

NOES: None.

ABSENT: Supervisor Carmen Ramirez and Commissioners Antonio Alatorre, Andrew Land and Scott Underwood, M.D.

Commissioner Pupa declared the motion carried.

The Commission moved to Closed Session #2 at 5:26 p.m.

CLOSED SESSION

15. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Chief Executive Officer

16. PUBLIC EMPLOYEE APPOINTMENT
Title: Chief Operations Officer

ADJOURNMENT

General Counsel, Scott Campbell stated there was no reportable action in Closed Session #2. The meeting was adjourned at 6:26 p.m.

Approved:

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Maddie Gutierrez, MMC
Clerk to the Commission

Ventura County Medi-Cal Managed Care Commission (VCMMCC) dba Gold Coast Health Plan (GCHP) July 9, 2021 Special Meeting Minutes

CALL TO ORDER

Commission Chair Dee Pupa called the meeting to order via teleconference at 1:10 pm. The Clerk was in the Community Room located at Gold Coast Health Plan, 711 East Daily Drive, Camarillo, California.

ROLL CALL

Present: Commissioners Antonio Alatorre, Shawn Atin, Laura Espinosa, Dr. Sevet Johnson, Dee Pupa, Supervisor Carmen Ramirez, and Scott Underwood, M.D.

Absent: Commissioners Theresa Cho, M.D., Andrew Lane, Gagan Pawar, M.D., and Jennifer Swenson.

Attending the meeting for GCHP Michael Murguia Executive Director of Human Resources, Scott Campbell, General Counsel,

Additional staff participating on the call: Paula Cabral, and Susana Enriquez.

Guests: Lisa Coyne of Morgan Consulting

PUBLIC COMMENT

None.

The Commission went into Closed Session at 1:12 pm.

CLOSED SESSION

Commissioners Theresa Cho, M.D., and Andrew Lane joined the meeting during Closed Session.

1. **PUBLIC EMPLOYEE APPOINTMENT**
   Title: Chief Operations Officer

2. **PUBLIC EMPLOYEE APPOINTMENT**
   Title: Chief Executive Officer

3. CONFERENCE WITH LABOR NEGOTIATORS
Agency designated representatives: Michael Murguia, HR Executive Director
Unrepresented employee: Chief Executive Officer

ADJOURNMENT

General Counsel, Scott Campbell stated the meeting adjourned at 3:51 p.m. With no reportable action in Closed Session.

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: Scott Campbell, General Counsel

DATE: July 26, 2021

SUBJECT: Adopt a Resolution to Renew Resolution No. 2021-009, 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”)

SUMMARY:

Adopt Resolution No. 2021-010-to:

1. Extend the duration of authority granted to the CEO to issue emergency regulations and take action related to the outbreak of COVID-19.

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 expired on May 18, 2020.

On May 18, 2020, the Commission adopted Resolution No. 2020-003 to renew and reiterate the enumerated powers granted to the CEO in Resolution No. 2020-002 above, and to: (1) authorize the CEO, with the advice counsel, to implement a staggered return to work program for Plan personnel; and (2) extend the duration of authority empowered in the CEO to issue emergency regulations and take action. Resolution No. 2020-003 expired on June 22, 2020.

Since the adoption of Resolution No. 2020-003, the Commission has renewed and reiterated the emergency powers granted to the CEO on July 27th, August 24th, September 28th, October 26th, January 25th, February 22nd, March 22nd April 26th, and more recently by adopting Resolution No. 2021-009 on June 28, 2021.Resolution No. 2021-009 expires today, July 26, 2021.

Recent state and county public health data demonstrates that the rate of COVID-19 community transmission, hospitalizations and testing positivity rates have substantially declined. There now exists several COVID-19 vaccines proven to help combat the disease that are now available to all members of public that are 12 years and older. According to the California Department of Public Health ("CDPH"), as of July 11, 2021, 60.5% of people of in

the state are *fully vaccinated*. As a result, State health orders have loosened COVID-19 related restrictions to allow a growing number of establishments to resume operations.

On June 11, 2021, the Governor of the State of California issued Executive Order No. N-07-21 that rescinded the statewide Safer at Home Order issued on March 19, 2020 and the State's Blueprint for a Safer Economy that set forth the tier based framework for reopening the economy. Also on June 11, 2021, the Governor issued Executive Order No. N-08-21 that identifies specified provisions adopted in previous. State executive orders that, notwithstanding the rescission of the State's Stay at Home Order and the Blueprint, will continue to remain in place for a specific period of time set forth in Order No. N-08-21. In light of the foregoing, the Ventura County Health Officer issued a health order on June 28, 2021 to rescind all prior County Health officer orders and directing residents to refer to the orders of the State Public Health Officer for current health regulations and guidelines regarding COVID-19.

Additionally, Cal/OSHA recently released revised rules for workplaces, which became effective immediately pursuant to Executive Order N-09-21 issued by Governor Newsom on June 17, 2021. . Among other updates, Cal/OSHA's revisions align with the latest guidance from CDPH based on guidelines issued by the CDC. The CEO and Human Resources Director are evaluating how this will impact the Plan's back to work plans and will provide an update to the Commission.

Although cases are declining and vaccines are widely available to the general public ages 12 years and older, many people in the State and County are still not fully vaccinated and remain susceptible to infection. The disease can still spread rapidly through person-to-person contact and those in close proximity. Further, a more contagious variant of the disease are now present in the State and County. The positivity rate in the State has climbed past 2% for the first time since early March, after dropping to an all-time low of just 0.7% in early June. The public health community is particularly concerned with the spread of the Delta variant. The first Delta case in the U.S. was diagnosed sometime in March 2021 and it is now the dominant strain in the U.S and is impacting those who have not been vaccinated. The World Health Organization ("WHO") has called this version of the virus "the fastest and fittest." According to CDPH, the Delta variant has been identified in roughly 43% of new sequenced specimens. Federal and state health officials are urging residents to continue practicing health precautions such as the use of face coverings, and social distancing measures that are still very important for unvaccinated people to curb the virus's spread.

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 through August 23, 2021, the next regularly scheduled Commission meeting. The intent of this resolution is to balance the ability to continue the safe and efficient operations of the Plan during the global health pandemic. As State and County health orders evolve, the Plan's response should also evolve. Measures adopted to

reduce the spread of COVID-19 amongst Commission staff may be rescinded when they are no longer needed in response to the pandemic. 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. 2021-010 to extend the duration of authority empowered in the CEO through August 23, 2021.

ATTACHMENT:

1. Resolution No. 2021-010.

RESOLUTION NO. 2021-010

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. 2021-010 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")

WHEREAS, all recitals in the Commission's Resolution Nos. 2020-001, 2020-002 2020-03, 2020-004, 2020-005, 2020-006 2020-007, 2021-001, 2021-002, 2021-003, 2021-004, 2021-005 and 2021-009remain in effect and are incorporated herein by reference; and

WHEREAS, a severe acute respiratory illness caused by a novel (new) coronavirus, known as COVID-19, has spread globally and rapidly, resulting in severe illness and death around the world. The World Health Organization has described COVID-19 as a global pandemic; and

WHEREAS, 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, on April 27, 2020, the Commission adopted Resolution No. 2020-002 to: (1) renew and reiterate the declaration of a local emergency related to the outbreak of COVID-19 declared in Resolution No. 2020-001 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 (2) to extend the duration of authority empowered in the CEO through Resolution No. 2020-001 to May 18, 2020; and

WHEREAS, on May 18, 2020, the Commission adopted Resolution No. 2020-003 to renew the authority first granted to the CEO in Resolution No. 2020-001 to June 22, 2020 and to authorize the CEO, with the advice counsel, to implement a staggered return to work program for Plan personnel; and

WHEREAS, since the adoption of Resolution No. 2020-003, the Commission has renewed and reiterated the emergency powers granted to the CEO on July 27th, August 24th, September 28th, October 26th, January 25th, February 22nd March 22nd, April 26th, May 24th and more recently on June 28, 2021 , by adopting Resolution No. 2021-009. Resolution No. 2021-009 expires today, July 26, 2021; and

WHEREAS, on August 28, 2020, the State Health Officer issued a new order that set forth a framework intended to guide the gradual reopening of businesses and activities in the state while reducing the increased community spread of the disease, entitled "California's Plan for Reducing COVID-19 and Adjusting Permitted Sector Activities to Keep Californians Healthy and Safe"; and

WHEREAS, on June 11, 2021, the Governor of the State of California issued Executive Order No. N-07-21 that rescinded the statewide safer at home order issued on March 19, 2020 and the state's Blueprint for a Safer Economy that set forth the tier based framework for reopening the economy. Also on June 11, 2021, the Governor issued Executive Order No. N-08-21 that identifies specified provisions adopted in pervious State executive orders that notwithstanding the rescission of the State's Stay at Home order and the Blueprint, will continue to remain in place for a specific period of time set forth in Order No. N-08-21; and Cal/OSHA recently release revised rules for workplaces which became effective immediately pursuant to Executive Order N-09-21 issued by Governor Newsom on June 17, 2021; and

WHEREAS, unless renewed by the Commission, the delegation of authority empowered in the CEO, pursuant to Resolution No. 2021-009 shall expire today, July 26, 2021; and

WHEREAS, 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 through August23, 2021, the next regularly scheduled Commission meeting; and

WHEREAS, although cases are declining and vaccines are widely available to the general public ages 12 years and older, many people in the State and County are still not fully vaccinated and remain susceptible to infection. The disease can spread rapidly through person-to-person contact and those in close proximity. Further, a more contagious variant of the disease such as the Delta variant are now present in the State and County ; 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, 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.

B. Resolution No. 2020-001 expired on April 27, 2020.

Section 4. 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 5. The Commission adopted Resolution No. 2020-003 on May 18, 2020, to renew and reiterate the authority granted to the CEO approved in Resolution No. 2020-002 and to adopt the following additional emergency measures:

A. In addition to the authority granted to the CEO in Section 2, to authorize the CEO, with the advice counsel, to implement a staggered return to work program for Plan personnel; and

B. Extend the authority granted to the CEO through June 22, 2020.

Section 6. Since the adoption of Resolution No. 2020-003, the Commission has renewed and reiterated the emergency powers granted to the CEO on July 27th, August 24th, September 28th, October 26th, January 25th, February 22nd, March 22nd, April 26th, May 24th and more recently on June 28, 2021, by adopting Resolution No. 2021-009. Resolution No. 2021-009 expires today, July 26, 2021.

Section 7. The Commission now seeks to renew and reiterate the authority granted to the CEO approved in Resolution No. 2021-009 through August 23, 2021.

Section 8. Unless renewed by the Commission, the delegation of authority empowered in the CEO, pursuant to this Resolution shall expire on August 23, 2021.

PASSED, APPROVED AND ADOPTED by the Ventura County Medi-Cal Managed Care Commission at a regular meeting on the 26th day of July 2021, by the following vote:

AYE:

NAY:

ABSTAIN:

ABSENT:

____
Chair:

Attest:

____
Clerk of the Commission

Gold Coast Health Plan[SM]
A Public Entity

www.goldcoasthealthplan.org

AGENDA ITEM NO. 3

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Kashina Bishop, Chief Financial Officer

DATE: July 26, 2021

SUBJECT: Edrington Health Consulting, LLC. Agreement Assignment to Health Management Associates

BACKGROUND/DISCUSSION:

On July 1, 2021, Health Management Associates announced the firm's acquisition of Edrington Health Consulting. Edrington Health Consulting currently provides GCHP actuarial and financial analyses services under a Consulting Services Agreement, dated December 17th, 2018, the "Agreement". The terms of the Agreement require GCHP's prior written consent to any assignment of the duties and obligations of the Agreement.

FISCAL IMPACT:

There is no fiscal impact. The duties and obligations of the Agreement will be assigned to Health Management Associates under the identical terms as its current contract with GCHP. Edrington Health Consulting will continue to operate as Edrington Health Consulting, a HMA Company. Edrington Health Consulting will continue to support GCHP under the terms of the Agreement.

RECOMMENDATION:

It is GCHP's recommendation to formally acknowledge and approve Edrington Health Consulting assignment of its duties and obligations under the Agreement to Health Management Associates.

If the Commission desires to review the assignment letter it is available at Gold Coast Health Plan's Finance Department.

Gold Coast Health Plan[SM]
A Public Entity

www.goldcoasthealthplan.org

AGENDA ITEM NO. 4

TO: Ventura County Medi-Cal Managed Care Commission Eileen

FROM: Moscaritolo, HMA Consultant/Anna Sproule, Sr. Director of Operations

DATE: July 26, 2021

SUBJECT: HSP / MediTrac Go-Live Update

VERBAL PRESENTATION

Gold Coast Health Plan[SM]
A Public Entity

AGENDA ITEM NO. 5

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Robert Franco, Chief Compliance Officer

DATE: July 26, 2021

SUBJECT: Gold Coast Health Plan, 10-87128, A34, Final Rule II Amendment

SUMMARY:
DCHS has issued a contract amendment, the purpose of which is to revise language for the Final Rule and Behavioral Health Treatment (BHT). It also adds 2018-2019 capitation rates by changing Exhibit B, Budget Detail and Payment Provisions**.**

Summary of changes:

Contract section	Summary of change	Impact on GCHP
Exhibit A, Attachment 3, Management Information System	GCHP must collect and report Network data to DHCS in accordance with updated Federal Regulations and All Plan Letters. These changes have been implemented.	No operational changes required. Review of existing policies and procedures to ensure regulatory references are updated.
Exhibit A, Attachment 4, Quality Improvement System	GCHP must participate in the validation of Network Adequacy, Encounter Data, Focused Studies and Technical Assistance as requested.	Ongoing requirements and consistent with GCHP's stated goals of improving plan encounter data quality, timeliness and accuracy
Exhibit A, Attachment 6, Provider Network	DHCS updated Time and Distance Standards to reflect regulatory changes. GCHP must screen and enroll providers in accordance with regulatory guidance and submit to DHCS for review and approval	Ongoing part of GCHP's program

Exhibit A, Attachment 10, Scope of Services	DHCS updated Time and Distance Standards to reflect regulatory changes. GCHP must screen and enroll providers in accordance with regulatory guidance and submit to DHCS for review and approval	Ongoing part of GCHP's program
Exhibit A, Attachment 11, Case Management and Coordination of Care	Services for Members under 21 years of age was updated to include regulatory language regarding Behavior Health Treatment Services. Out-of-Network Case Management and Coordination of Care added language the language, "Contractor shall not refer members to publicly supported health care services or resources to avoid cost."	GCHP is in compliance with this contractual requirement and policies and procedures are being update accordingly.
Exhibit A, Attachment 17, Reporting Requirements	Network Data Reporting added Monthly submission of 274 Provider File. Annual Provider Network Reports added annual Provider Network Capacity Report	Ongoing program requirement
Exhibit A, Attachment 18, Implementation Plan and Deliverables	Submit policies and procedures for Network data submission to DHCS. Submit policies and procedures to address Network Adequacy Validation, Encounter Data Validation, Focus Studies and Technical Assistance. Submit UM program to include Medically Necessary Behavior Health Treatment service. Submit Policies and procedures for screening and enrollment of Network Providers.	Ongoing program requirements and consistent with GCHP's stated goals of improving internal plan controls by, *inter alia*, improving and updating all plan Policies and Procedures

	Submit policies and procedures for services for members under 21 years of age regarding Medically Necessary Behavior Health Treatment services.	
Exhibit B, Budget Detail and Payment Provisions	Updated Capitation Rates for 07/01/2018 – 06/30/2019	There is no financial impact of this change, this rate change was previously accounted for in the financial statements.
Exhibit E, Attachment 1, Definitions	Updated Eligible Beneficiary Aid Codes and Contract Definitions	Ongoing plan management
Exhibit E, Attachment 2, Program Terms and Conditions	Added the phrase, “under penalty of perjury” to the Monthly Data Certifications.	GCHP has certified its data certifications with integrity and will continue to do so. This additional language will not pose any regulatory or legal risk to GCHP.

RECOMMENDATION:

Staff recommends that the Ventura County Medi-Cal Managed Care Commission approves the amendment.

ATTACHMENTS:

A copy of the amendment is available upon request.

Gold Coast Health Plan[SM]
A Public Entity

AGENDA ITEM NO. 6

TO: Ventura County Medi-Cal Managed Care Commission

From: Michael Murguia, Executive Director, Human Resources

Date: July 26, 2021

Subject: Contract Spend Approval – Johnson Controls Security Solutions, LLC

SUMMARY:

GCHP staff seeks financial approval to upgrade and maintain security and surveillance system.

BACKGROUND/DISCUSSION:

Wherever possible GCHP seeks to consolidate and leverage spend through a category sourcing strategy. GCHP's utilized a sourcing strategy for this category which leveraged a pre-negotiated national municipal agreement. GCHP is a member of Sourcewell, formerly the National Joint Powers Alliance (NJPA), a public agency serving as a national municipal contracting agency established under the Service Cooperative statute by Minnesota Legislative Statute §123A.21 with the authority to develop and offer, among other services, cooperative procurement services to its membership. Eligible membership and participation include states, cities, counties, all government agencies, both public and non-public educational agencies, colleges, universities, and non-profit organizations.

Under the authority of Minnesota state laws and enabling legislation, Sourcewell facilitates a competitive solicitation and contracting process on behalf of the needs of itself and the needs of current and potential member agencies nationally. This process results in national procurement contracts with various vendors of products and services allowing eligible members to purchase directly against. These procurement contracts are created in compliance with applicable Minnesota Municipal Contracting Laws.

All agreements offered through Sourcewell are awarded via a thorough Request for Proposal (RFP) competitive solicitation by a public agency/governmental entity (e.g., state, city, county, public university or school district).

Project Summary:

In 2019 – 2020 GCHP transitioned its security and surveillance system from Dial Communications to Johnson Controls Security Solutions, LLC ("Johnson Controls") by leveraging the agreement awarded through Sourcewell RFP #031517-TIS, titled Facility Security, Equipment, Systems, and Services with Related Equipment, contract 031517-TIS. The initial cost to transition to Johnson Controls was approximately $60,000.

FISCAL IMPACT:

There isn't a requirement or commitment to procure products or services from Johnson Controls in the Enrollment Agreement. These products and services will be procured on an ad-hoc transactional basis at the contracted pre-negotiated prices. The current spend including the original implementation and transition is $85,000 and the ongoing projected annual spend is $17,000.

The Sourcewell agreement expires on June 30, 2022, but GCHP requires funding through 2025. GCHP will continue to procure equipment and services through the term of the Sourcewell agreement and any renewal thereafter. If the Sourcewell agreement is not renewed in 2022, GCHP will negotiate an agreement directly with Johnson Controls. The cumulative projected spend through June of 2025 is $153,000.

RECOMMENDATION:

It is GCHP's recommendation to authorize the CEO to renew the Enrollment Agreement to be co-terminus with Sourcewell contract award #031517-TIS with Jonson Controls, and to pre-authorize any individual transaction for these products or services through June 30, 2025 up to the cumulative amount of $153,000.

If the Commission desires to review these contracts, they are available at Gold Coast Health Plan's Finance Department.

AGENDA ITEM NO. 7

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Kashina Bishop, Chief Financial Officer

DATE: July 26, 2021

SUBJECT: June 2021 Fiscal Year to Date Financials

SUMMARY:

Staff is presenting the attached June 2021 fiscal year-to-date ("FYTD") financial statements of Gold Coast Health Plan ("GCHP") for review and approval.

BACKGROUND/DISCUSSION:

The staff has prepared the unaudited 2021 FYTD financial packages, including statements of financial position, statement of revenues and expenses, changes in net assets, and statement of cash flows.

Financial Overview:

GCHP experienced a gain of $4.3 million for the month of June 2021 bringing the FYTD net gain to $23.7 million. This is a significant improvement from the budget projections that had indicated an anticipated loss of ~$12 million for the fiscal year. The improvement from budget projections is attributed to increased revenue due to changes in prior year membership estimates, favorable CY 2021 rates, administrative savings, and medical expense estimates that are currently less than budget by a narrow margin.

Solvency Action Plan (SAP):

To ensure the long-term viability of GCHP and consistent with Commission direction, your management team remains focused on the SAP. Further, your management team remains committed to implementation of solvency-related actions in a manner that respects the provider community and mitigates any adverse impact on our providers. The SAP is comprised of three main categories: cost of healthcare, internal control improvements and contract strategies. The primary objectives within each of these categories is as follows:

1. Cost of healthcare – to ensure care is being provided at the optimal place of service which both reduces costs and improves member experience.

2. Internal control improvements – to ensure GCHP is operating effectively and efficiently which will result in administrative savings and safeguard against improper claim payments.
3. Contracting strategies – to ensure that GCHP is reimbursing providers within industry standard for a Medi-Cal managed care plan and moving toward value-based methodologies.

In addition to the comprehensive list of internal control improvements provided as an appendix to the Strategic Plan, GCHP management has made the following progress in connection with the Commission-approved SAP:

Category	Current Focus	Annualized impact in savings
Cost of Healthcare	Revision to Non-Pharmacy Dispensing Site Policy	$7-10 million
Internal Control Improvements	Interest expense reduction/PDR turnaround time	$500,000
	HMS Implementation	$2.3 million
	Formalization of internal control workgroup	N/A
	Formalization of the contract steering committee	N/A
	Change Control Document (CCD) Process Improvement	N/A
	Ensure appropriate approval on all contract amendments	N/A
	Provider settlement review	TBD
Contracting Strategies	Reduction of LTC facility rates to 100% of the Medi-Cal rate	$1.8 million
	Rate reduction to tertiary hospital	$1.3 million
	Reduction of adult expansion PCP rates	$4.5 million
	TOTAL ANNUAL SAVINGS	**$17.4-20.4 million**

The focus going forward will be on Phase 2 of the Solvency Action Plan, which involves the below initiatives. We are pleased to report that the GCHP Provider Advisory Committee has created a subcommittee to propose changes for Phase 2 of the SAP. Your management team acknowledges the Commission recommendation that we (a) assess the impacts of the identified interventions and (b), based thereon, forecast future excess TNE levels resulting from the interventions. We are, of course, committed to that process and, accordingly, when we can responsibly forecast the impact of an intervention, we do. We are also, however, committed to implementation of solvency-related actions in a manner that respects the providers and mitigates any adverse impact on them (and in turn our members). To that end and mindful of the initiatives identified below, we will have to assess intervention impact as we refine the specific approach, we are employing to achieve the intervention. Further, we owe it to the community to continue the hard

work of tightening our internal controls and improving our contracting efforts, including our contract terms and conditions, our amendment process, our processes for recoupment, and our processes for DOFR and DOAR negotiation and documentation.

Category	Current Focus	Annualized impact in savings
Cost of Healthcare	LANE – avoidable ER analysis	TBD
	Pro-active transplant management approach	TBD
	Analysis of leakage to out of area providers	TBD
Internal Control Improvements*	Review of provider contracts for language interpretation and validation	N/A
	Develop revised provider contract templates and a standard codified DOFR template	N/A
	Improve quality and completeness of encounter data	Revenue implications
	California Children's Services – ED Diversion	$500,000
	Implementation of additional claims edit system (CES) checks to minimize payment errors	TBD
Contracting Strategies	Expansion of capitation arrangements	Required TNE and risk reductions
	LANE/HCPCS analysis	TBD
	Outlier rate analysis	TBD

* this is a sub-set of the internal control improvements with direct impacts to the SAP and providers. Staff will periodically update the Commission on the comprehensive list.

The management team has concluded that it is imperative that GCHP have a keen focus on fundamental activities that are essential to our success. While the intensive work on internal control improvement continues, some strategies under Phase 2 will be temporarily on hold, to mitigate risk and potential provider abrasion. The fundamental initiatives are:

1. HSP System Conversion
2. Americas Health Plan
3. Behavioral Health Integration
4. CalAIM
5. Major provider contract renewals
6. Continuation of internal control improvement activities

Staff will keep the Commission informed on the progress of these initiatives and the impacts to Phase 2 of the SAP. We anticipate there will be increased bandwidth for Phase 2 in the third quarter of 2021. Over the next several of months, we will continue to finalize the approach and forecast the impact to the TNE where feasible.

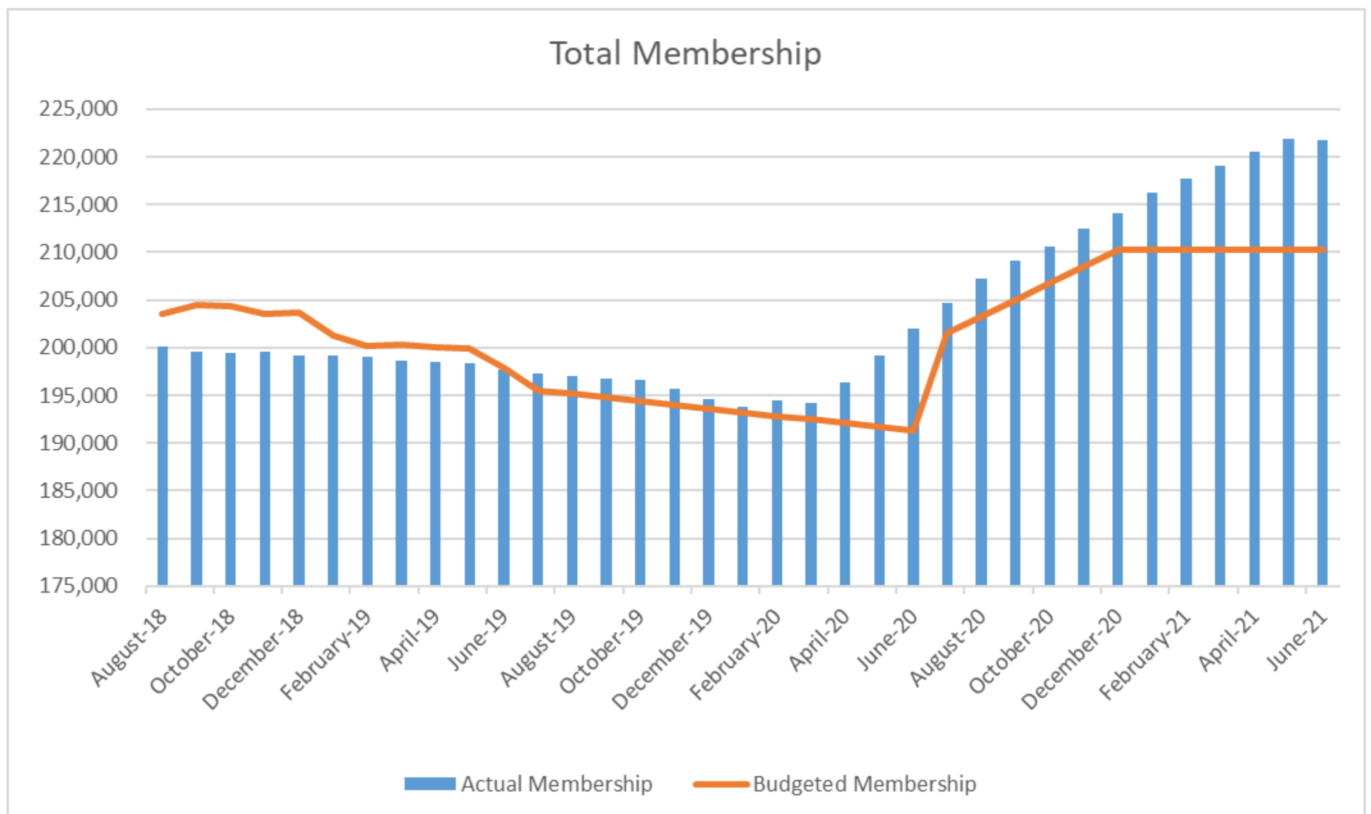
Financial Report:

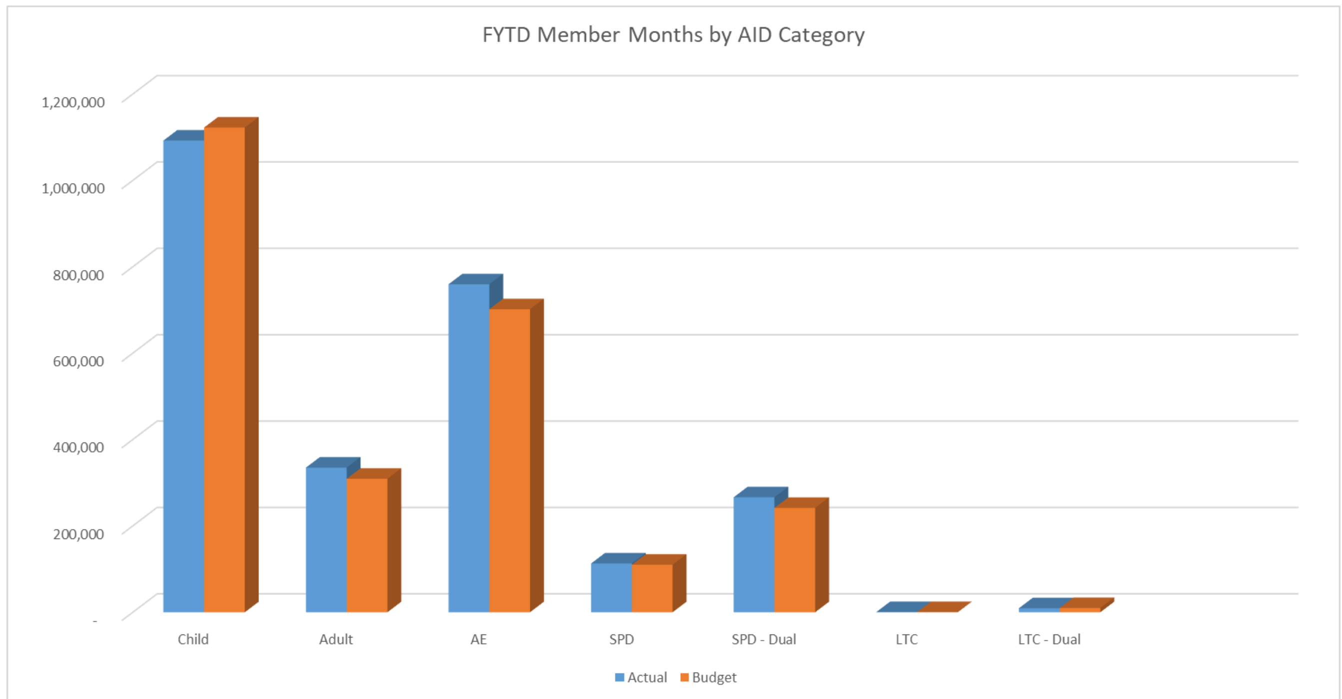
GCHP is reporting net gains of $4.3 million for the month of June 2021.

June 2021 FYTD Highlights:

1. Net gain of $23.7 million, a $35.7 million favorable budget variance.
2. FYTD net revenue is $918.0 million, $126.1 million over budget.
3. FYTD Cost of health care is $845.1 million, $95.3 million over budget.
4. The medical loss ratio is 92.1% of revenue, 2.3% less than the budget.
5. FYTD administrative expenses are $49.6 million, $5.3 million under budget.
6. The administrative cost ratio is 5.4%, 1.9% under budget.
7. Current membership for June is 221,456.
8. Tangible Net Equity is $101.0 million which represents approximately 41 days of operating expenses in reserve and 278% of the required amount by the State.

Note: To improve comparative analysis, GCHP is reporting the budget on a flexible basis which allows for updated revenue and medical expense budget figures consistent with membership trends.





Revenue

Net Premium revenue is $918.00 million; a $126.1 million and 16% favorable budget variance. The primary drivers of the budget variance are revenue associated with directed payments, CY 2021 rates that are more favorable than projected, and revenue to account for pharmacy expenses that were anticipated to be carved out in January 2021.

Health Care Costs

FYTD Health care costs are $845.1 million; a $95.3 million and 13% unfavorable budget variance.

Notable variances from the budget are as follows:

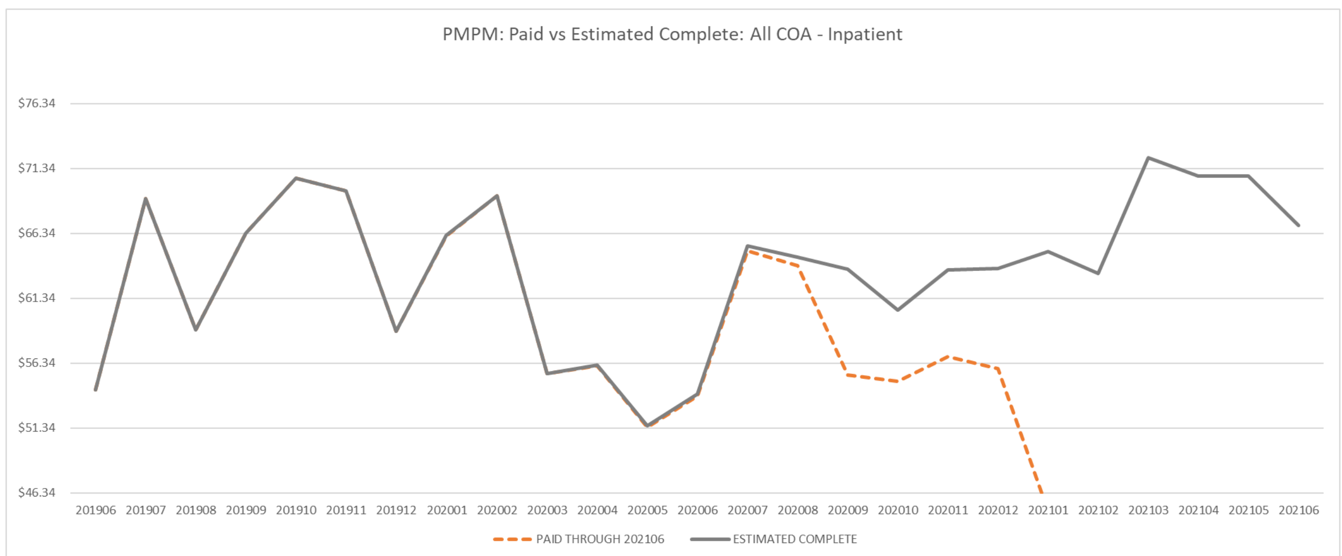
1. Directed payments for Proposition 56 are over budget by $26.7 million. GCHP did not budget for Proposition 56 expenses as the May revise of the State budget had removed funding for Proposition 56. The State budget in June ultimately included Proposition 56 funding. GCHP receives funding to offset the expense.

2. Pharmacy is over budget by $78.1 million. GCHP budgeted for pharmacy to be carved-out effective 1/1/2021 but, that transition has since been postponed. DHCS added back in the pharmacy component to the rates through March and will be further revising the CY 2021 rates due to the continued delay.

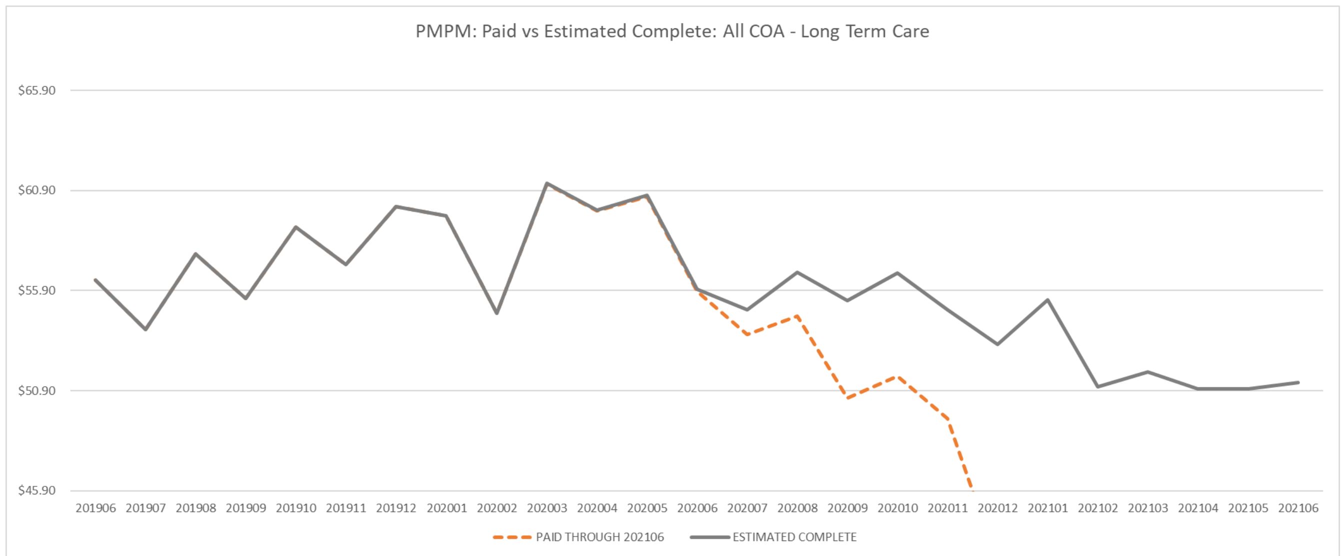
3. Laboratory and Radiology expense are over budget by $3.6 million due to COVID testing. DHCS has recognized the increased cost for lab and radiology and increased the CY 2021 rates accordingly.

4. Home & Community Based Services are over budget by $3.7 million due to an increase in Community Based Adult Service utilization. The delivery approach was modified to allow for services to be provided at home due to COVID. GCHP has noted an increase in days following this change.

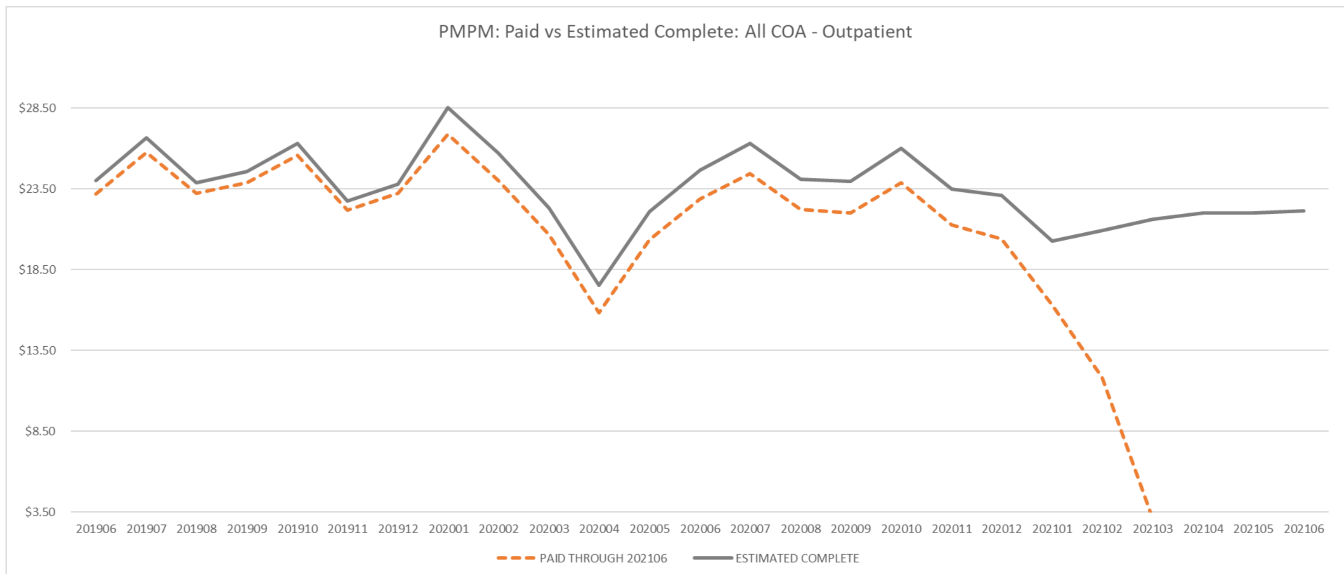
5. Inpatient hospital costs are under budget by $7.6 million (4%) due to decreased utilization from COVID-19 and the increase in membership.



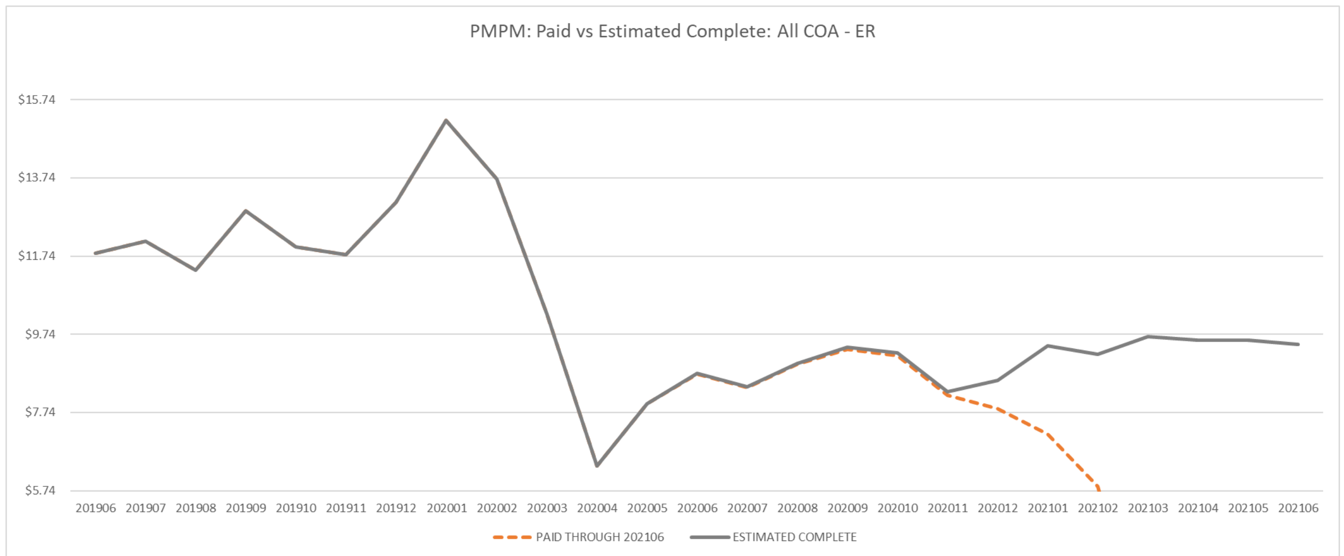
6. Long term care (LTC) expenses are over budget by $6.0 million (4%). The State increased facility rates by 10% effective March 1, 2020 through the emergency. The full impact was mitigated through the Solvency Action Plan and the reduction of LTC contractual rates to 100% of the Medi-Cal fee schedule. DHCS has recognized the increased cost and increased the CY 2021 rates accordingly.



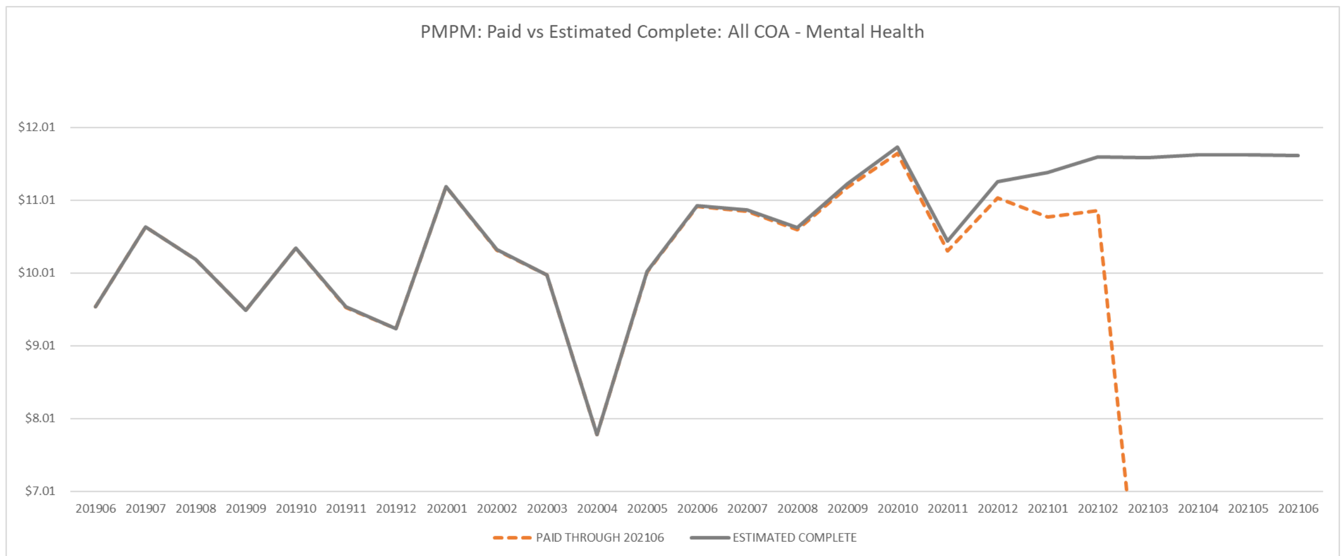
7. Outpatient expenses are under budget by $7.8 million (12%) due to COVID-19 and the increased membership.



8. Emergency Room expenses are under budget by $9.7 million (29%) due to decreased utilization associated with COVID-19.



9. Mental and behavioral health services are over budget by $5.0 million (19%) due to additional services being provided during the pandemic.



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).

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 public health plans in California.

For the fiscal year to date through June 2021, administrative costs were $49.6 million and $5.3 million below budget. As a percentage of revenue, the administrative cost ratio (or ACR) was 5.4% versus 7.3% for budget.

Cash and Short-Term Investment Portfolio

At June 30, the Plan had $237.5 million in cash and short-term investments. The investment portfolio included Ventura County Investment Pool $43.3 million; LAIF CA State $206,976; the portfolio yielded a rate of 2.5%.

Medi-Cal Receivable

At June 30, the Plan had $97.6 million in Medi-Cal Receivables due from the DHCS.

RECOMMENDATION:

Staff requests that the Commission approve the June 2021financial package.

CONCURRENCE:
N/A

ATTACHMENT:

June 2021 Financial Package

FINANCIAL PACKAGE
For the month ended June 30, 2021

TABLE OF CONTENTS

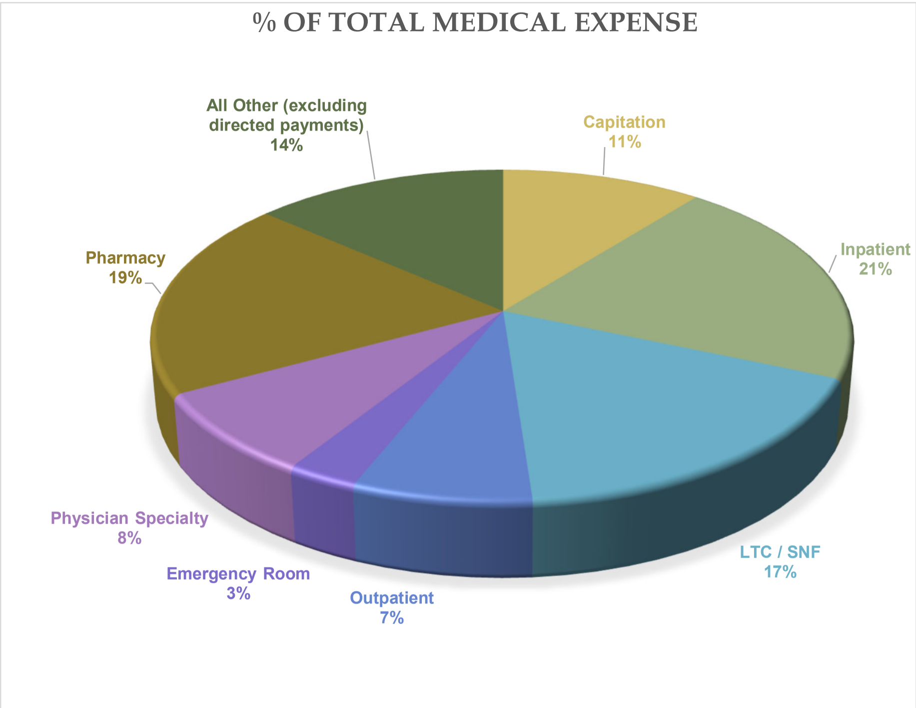
- Executive Dashboard
- Statement of Financial Position
- Statement of Revenues, Expenses and Changes in Net Assets
- Statement of Cash Flows

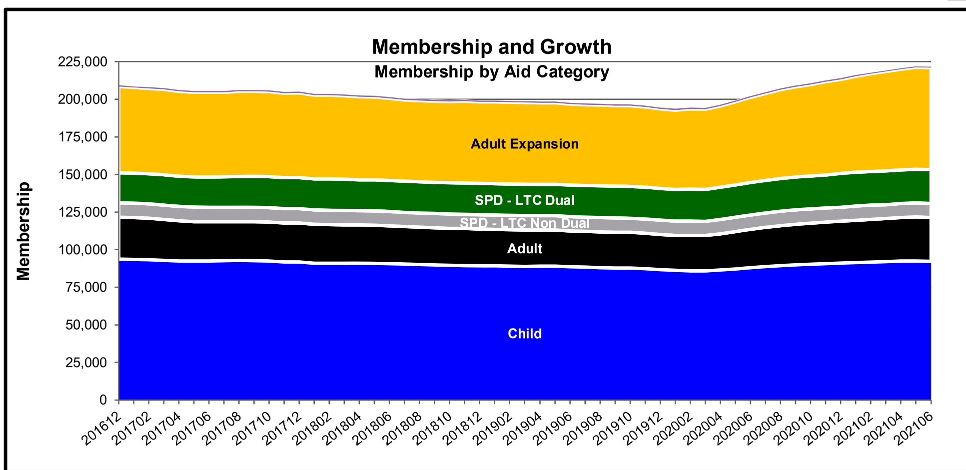
Gold Coast Health Plan

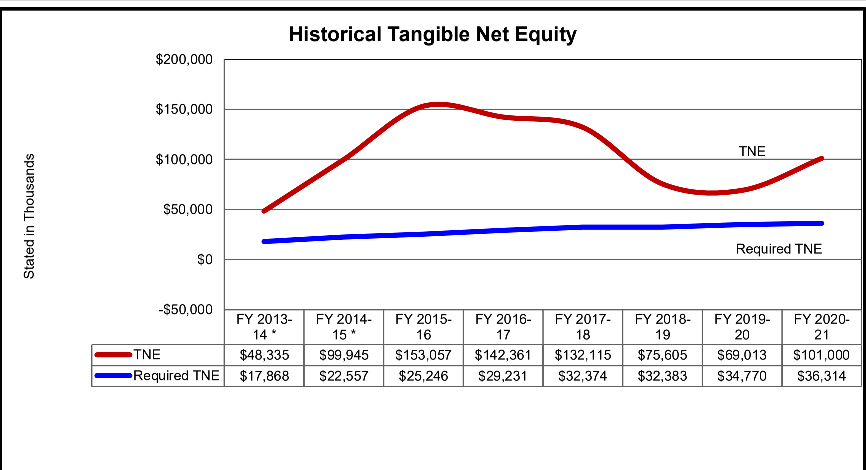
Executive Dashboard as of June 30, 2021

	FYTD 20/21 Budget*	FYTD 20/21 Actual	FY 19/20 Actual	FY 18/19 Actual
Average Enrollment	208,055	213,547	196,012	198,140
PMPM Revenue	$ 309.00	$ 358.22	$ 348.73	$ 299.23
Medical Expenses				
Capitation	$ 33.95	$ 34.03	$ 24.93	$ 23.90
Inpatient	$ 69.49	$ 66.52	$ 65.19	$ 62.09
LTC / SNF	$ 53.09	$ 55.42	$ 59.20	$ 56.06
Outpatient	$ 26.21	$ 23.16	$ 25.81	$ 25.88
Emergency Room	$ 13.03	$ 9.25	$ 11.97	$ 12.14
Physician Specialty	$ 26.12	$ 25.71	$ 27.63	$ 26.71
Pharmacy	$ 31.59	$ 62.07	$ 61.05	$ 56.60
All Other *(excluding directed payments)*	$ 31.87	$ 43.20	$ 41.07	$ 38.20
Total Per Member Per Month	$ 285.37	$ 319.36	$ 316.86	$ 301.58
Medical Loss Ratio	94.7%	92.1%	94.6%	102.0%
Total Administrative Expenses	$ 54,930,836	$ 49,637,603	$ 50,821,685	$ 46,655,880
% of Revenue	7.3%	5.4%	6.2%	6.6%
TNE	$ 50,232,476	$ 100,999,994	$ 71,272,142	$ 75,604,948
Required TNE	$ 27,745,713	$ 36,313,908	$ 34,685,521	$ 32,382,791
% of Required	181%	278%	205%	233%

** Flexible Budget (uses actual membership & member mix against budgeted rates)*







STATEMENT OF FINANCIAL POSITION

	06/30/21	05/31/21	04/30/21
ASSETS			
Current Assets:			
Total Cash and Cash Equivalents	**193,947,005**	**157,873,353**	**113,387,906**
Total Short-Term Investments	**43,515,100**	**43,494,277**	**43,494,276**
Medi-Cal Receivable	97,642,752	97,826,066	95,820,521
Interest Receivable	119,520	120,560	148,312
Provider Receivable	1,754,312	2,634,686	1,551,039
Other Receivables	6,320,713	6,320,713	6,320,713
Total Accounts Receivable	**105,837,297**	**106,902,025**	**103,840,585**
Total Prepaid Accounts	1,951,162	1,351,374	1,611,133
Total Other Current Assets	153,789	153,789	153,789
Total Current Assets	**345,404,352**	**309,774,817**	**262,487,689**
Total Fixed Assets	**1,198,472**	**1,242,889**	**1,283,320**
Total Assets	**$ 346,602,824**	**$ 311,017,707**	**$ 263,771,008**
LIABILITIES & NET ASSETS			
Current Liabilities:			
Incurred But Not Reported	$ 62,443,653	$ 89,289,834	$ 79,296,434
Claims Payable	72,815,453	29,138,366	7,069,992
Capitation Payable	25,281,330	23,573,393	22,254,323
Physician Payable	24,975,873	22,656,081	20,354,680
DHCS - Reserve for Capitation Recoup	6,027,119	6,027,119	6,027,119
Accounts Payable	1,683,582	322,178	470,590
Accrued ACS	4,874,494	3,206,598	1,695,485
Accrued Provider Reserve	1,418,117	1,347,563	1,277,218
Accrued Pharmacy	21,625,295	20,384,387	21,844,017
Accrued Expenses	1,860,807	2,372,156	1,863,925
Accrued Premium Tax	19,409,220	12,939,480	6,469,740
Accrued Payroll Expense	2,195,823	2,033,144	1,907,921
Total Current Liabilities	**244,610,768**	**213,290,299**	**170,531,444**
Long-Term Liabilities:			
Other Long-term Liability-Deferred Rent	992,062	1,001,657	1,011,251
Total Long-Term Liabilities	**992,062**	**1,001,657**	**1,011,251**
Total Liabilities	**245,602,830**	**214,291,955**	**171,542,695**
Net Assets:			
Beginning Net Assets	77,323,271	77,323,271	77,323,271
Total Increase / (Decrease in Unrestricted Net Assets)	23,676,724	19,402,481	14,905,043
Total Net Assets	**100,999,994**	**96,725,751**	**92,228,314**
Total Liabilities & Net Assets	**$ 346,602,824**	**$ 311,017,707**	**$ 263,771,008**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR MONTH ENDED June 30, 2021

	June 2021	June 2021 Year-To-Date		Variance	Variance	June 2021 Year-To-Date		Variance
	Actual	Actual	Budget	Fav / (Unfav)	%	Actual	Budget	Fav / (Unfav)
Membership (includes retro members)	221,456	2,562,569	2,496,654	65,915	3%	PMPM - FYTD		
Revenue								
Premium	$ 89,099,919	$ 1,003,904,154	$ 791,821,195	$ 212,082,960	27%	$ 391.76	$ 317.15	$ 74.60
Reserve for Cap Requirements	(1,500,000)	(8,300,000)	-	(8,300,000)	0%	(3.24)	-	(3.24)
MCO Premium Tax	(6,469,740)	(77,636,880)	-	(77,636,880)	0%	(30.30)	-	(30.30)
Total Net Premium	**81,130,179**	**917,967,274**	**791,821,195**	**126,146,080**	**16%**	**358.22**	**317.15**	**41.07**
Other Revenue:								
Miscellaneous Income	3,455	5,623	-	5,623	0%	0.00	-	0.00
Total Other Revenue	3,455	5,623	-	5,623	0%	0.00	-	0.00
Total Revenue	**81,133,634**	**917,972,897**	**791,821,195**	**126,151,703**	**16%**	**358.22**	**317.15**	**41.07**
Medical Expenses:								
Capitation (PCP, Specialty, Kaiser, NEMT & Vision)	7,605,805	87,191,841	87,010,943	(180,898)	0%	34.03	34.85	0.83
FFS Claims Expenses:								
Inpatient	14,290,929	170,474,110	178,063,292	7,589,182	4%	66.52	71.32	4.80
LTC / SNF	12,318,659	142,012,332	136,047,718	(5,964,615)	-4%	55.42	54.49	(0.93)
Outpatient	5,178,364	59,338,437	67,172,115	7,833,678	12%	23.16	26.90	3.75
Laboratory and Radiology	701,230	8,417,681	4,850,636	(3,567,045)	-74%	3.28	1.94	(1.34)
Directed Payments - Provider	2,319,792	26,725,440	-	(26,725,440)	0%	10.43	-	(10.43)
Emergency Room	2,244,518	23,705,272	33,400,598	9,695,326	29%	9.25	13.38	4.13
Physician Specialty	5,849,479	65,895,656	66,946,600	1,050,945	2%	25.71	26.81	1.10
Primary Care Physician	1,552,812	17,922,225	15,890,179	(2,032,046)	-13%	6.99	6.36	(0.63)
Home & Community Based Services	2,137,432	23,979,642	20,231,389	(3,748,253)	-19%	9.36	8.10	(1.25)
Applied Behavioral Analysis/Mental Health Service	3,046,641	30,622,302	25,668,495	(4,953,807)	-19%	11.95	10.28	(1.67)
Pharmacy	13,606,703	159,068,436	80,957,185	(78,111,250)	-96%	62.07	32.43	(29.65)
Provider Reserve	70,554	1,160,061	1,155,000	(5,061)	0%	0.45	0.46	0.01
Other Medical Professional	236,640	3,598,626	4,630,642	1,032,016	22%	1.40	1.85	0.45
Other Medical Care	2,921	110,968	-	(110,968)	0%	0.04	-	(0.04)
Other Fee For Service	920,030	9,828,960	8,371,043	(1,457,917)	-17%	3.84	3.35	(0.48)
Transportation	84,708	3,263,328	2,035,933	(1,227,395)	-60%	1.27	0.82	(0.46)
Total Claims	64,561,412	746,123,474	645,420,827	(100,702,648)	-16%	291.16	258.51	(32.65)
Medical & Care Management Expense	1,314,646	15,352,725	14,482,056	(870,668)	-6%	5.99	5.80	(0.19)
Reinsurance	101,256	3,029,993	2,883,636	(146,358)	-5%	1.18	1.16	(0.03)
Claims Recoveries	(1,088,976)	(6,579,017)	-	6,579,017	0%	(2.57)	-	2.57
Sub-total	326,927	11,803,701	17,365,692	5,561,991	32%	4.61	6.96	2.35
Total Cost of Health Care	**72,494,144**	**845,119,016**	**749,797,462**	**(95,321,555)**	**-13%**	**329.79**	**300.32**	**(29.47)**
Contribution Margin	**8,639,490**	**72,853,881**	**42,023,733**	**30,830,148**	**73%**	**28.43**	**16.83**	**11.60**
General & Administrative Expenses:								
Salaries, Wages & Employee Benefits	2,143,942	24,917,175	26,379,709	1,462,534	6%	9.72	10.57	0.84
Training, Conference & Travel	1,685	19,267	177,566	158,299	89%	0.01	0.07	0.06
Outside Services	2,180,887	25,266,388	24,572,292	(694,096)	-3%	9.86	9.84	(0.02)
Professional Services	461,788	4,778,271	3,401,517	(1,376,754)	-40%	1.86	1.36	(0.50)
Occupancy, Supplies, Insurance & Others	615,116	7,080,460	9,406,822	2,326,361	25%	2.76	3.77	1.00
Care Management Reclass to Medical	(1,314,646)	(15,352,725)	(14,482,056)	870,669	-6%	(5.99)	(5.80)	0.19
G&A Expenses	4,088,771	46,708,835	49,455,850	2,747,014	6%	18.23	19.81	1.58
Project Portfolio	305,286	2,928,767	5,474,986	2,546,219	47%	1.14	2.19	1.05
Total G&A Expenses	**4,394,057**	**49,637,603**	**54,930,836**	**5,293,233**	**10%**	**19.37**	**22.00**	**2.63**
Total Operating Gain / (Loss)	**4,245,434**	**23,216,278**	**(12,907,102)**	**36,123,381**	**-280%**	**9.06**	**(5.17)**	**14.23**
Non Operating								
Revenues - Interest	28,809	459,359	900,000	(440,641)	-49%	0.18	0.36	(0.18)
Gain/(Loss) on Sale of Asset	-	1,086	-	1,086	0%	0.00	-	0.00
Total Non-Operating	**28,809**	**460,445**	**900,000**	**(439,555)**	**-49%**	**0.18**	**0.36**	**(0.18)**
Total Increase / (Decrease) in Unrestricted Net Assets	**$ 4,274,243**	**$ 23,676,724**	**$ (12,007,102)**	**$ 35,683,826**	**-297%**	**$ 9.24**	**$ (4.81)**	**$ 14.05**

STATEMENT OF CASH FLOWS	June 2021	FYTD 20-21
Cash Flows Provided By Operating Activities		
Net Income (Loss)	$ 4,274,243	$ 23,676,725
Adjustments to reconciled net income to net cash provided by operating activities		
Depreciation on fixed assets	44,418	506,272
Disposal of fixed assets	-	9,684
Amortization of discounts and premium	-	-
Changes in Operating Assets and Liabilites		
Accounts Receivable	1,064,729	4,032,823
Prepaid Expenses	(599,788)	(199,388)
Accrued Expense and Accounts Payable	3,982,500	6,083,436
Claims Payable	47,704,816	75,251,746
MCO Tax liablity	6,469,740	(15,096,060)
IBNR	(26,846,181)	10,674,315
Net Cash Provided by (Used in) Operating Activities	36,094,476	104,939,553
Cash Flow Provided By Investing Activities		
Proceeds from Restricted Cash & Other Assets		
Proceeds from Investments	(20,823)	(474,876)
Purchase of Property and Equipment	-	(104,100)
Net Cash (Used In) Provided by Investing Activities	(20,823)	(578,976)
Increase/(Decrease) in Cash and Cash Equivalents	36,073,653	104,360,576
Cash and Cash Equivalents, Beginning of Period	157,873,352	89,586,429
Cash and Cash Equivalents, End of Period	193,947,005	193,947,005

Gold Coast Health Plan℠
A Public Entity

June 2021 Financial Statements

July 26, 2021

Kashina Bishop
Chief Financial Officer

Integrity

Accountability

Collaboration

Trust

Respect

Financial Overview:

JUNE NET GAIN $ 4.3 M

FYTD NET GAIN $23.7 M

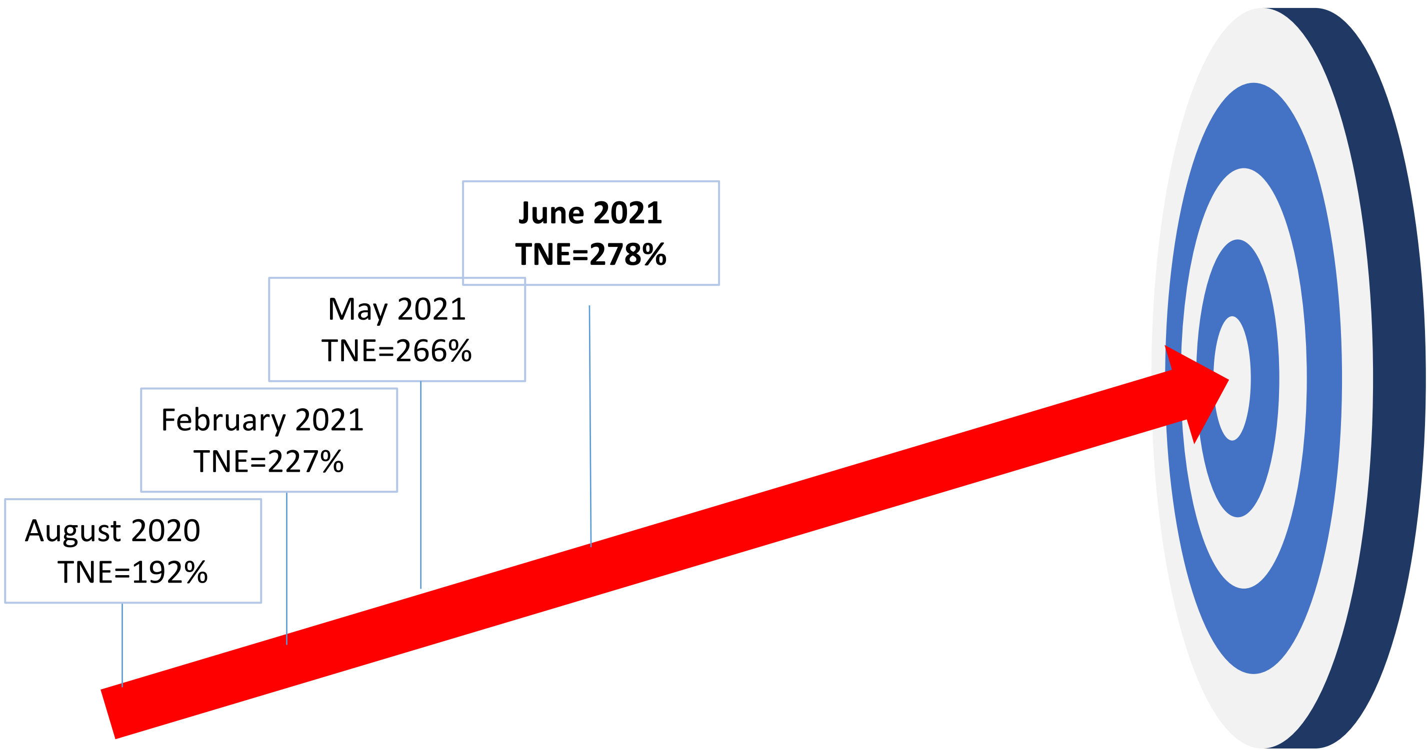
TNE is $101.0 M and 278% of the minimum required

MEDICAL LOSS RATIO 92.1%

ADMINISTRATIVE RATIO 5.4%

Solvency Action Plan

Target: TNE % = 400-500% of Required

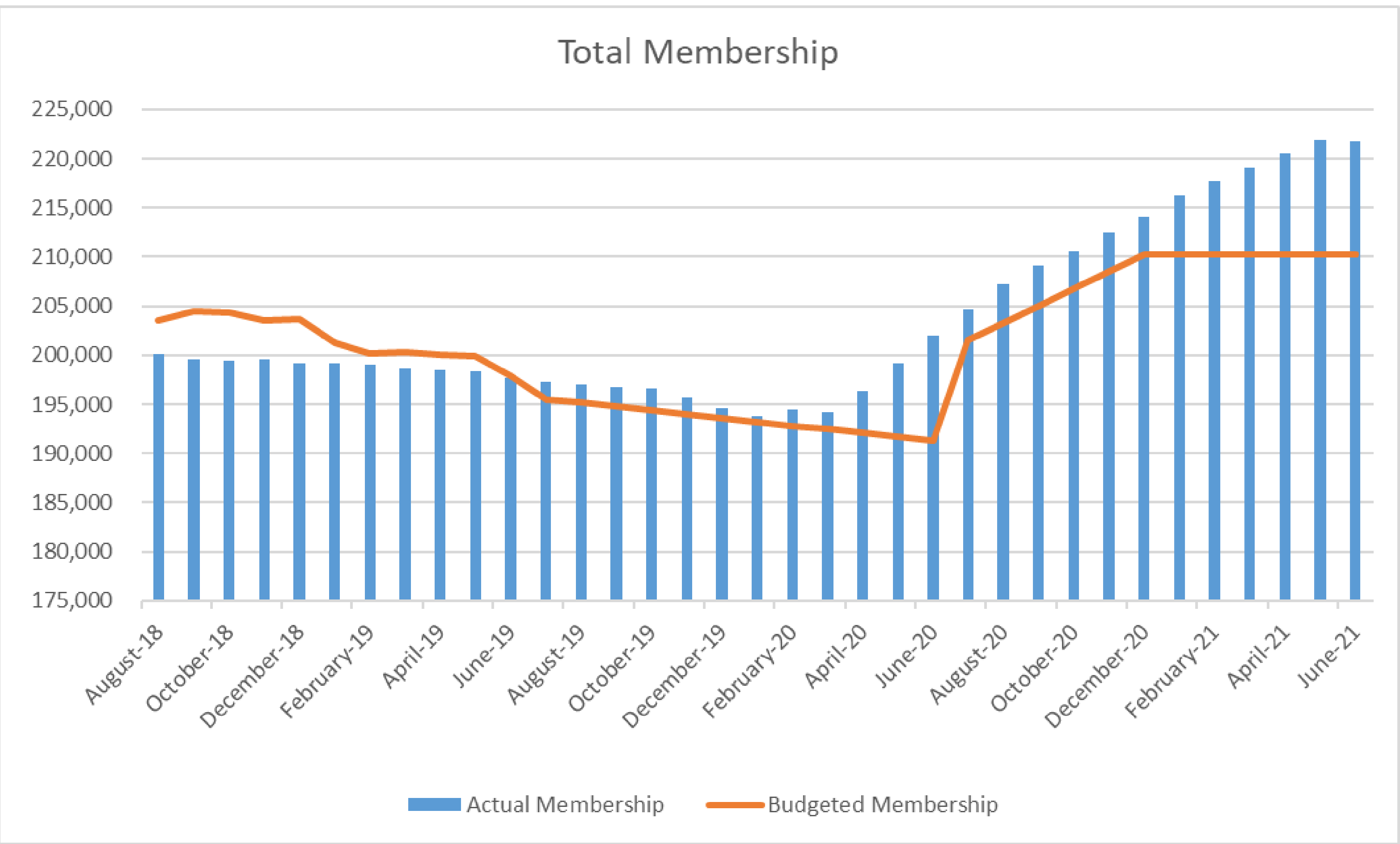


Revenue

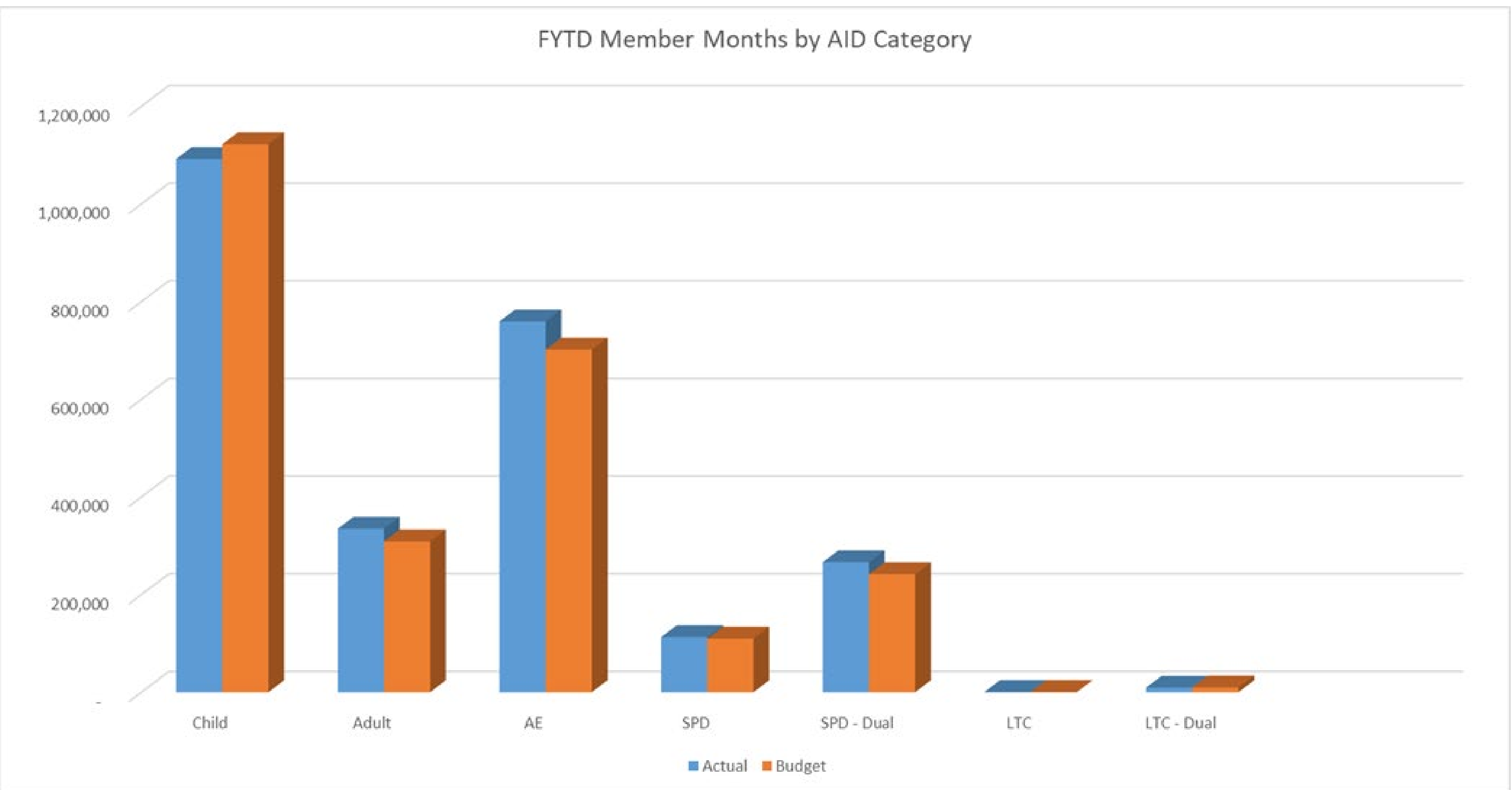
Net Premium revenue is $918.0 million, over budget by $126.2 million and 16%.

- Revenue for Proposition 56 is $27.6 million.
- Revenue for the pharmacy add on is $83.1 million.
- Increase in revenue related to FY 19-20.
- Favorable CY 2021 rates.

Membership trends



Membership trends



Medical Expense

FYTD Health care costs are $772.6 million and $80.6 million over budget. Medical loss ratio is 92.3%, a 2.6% budget variance.

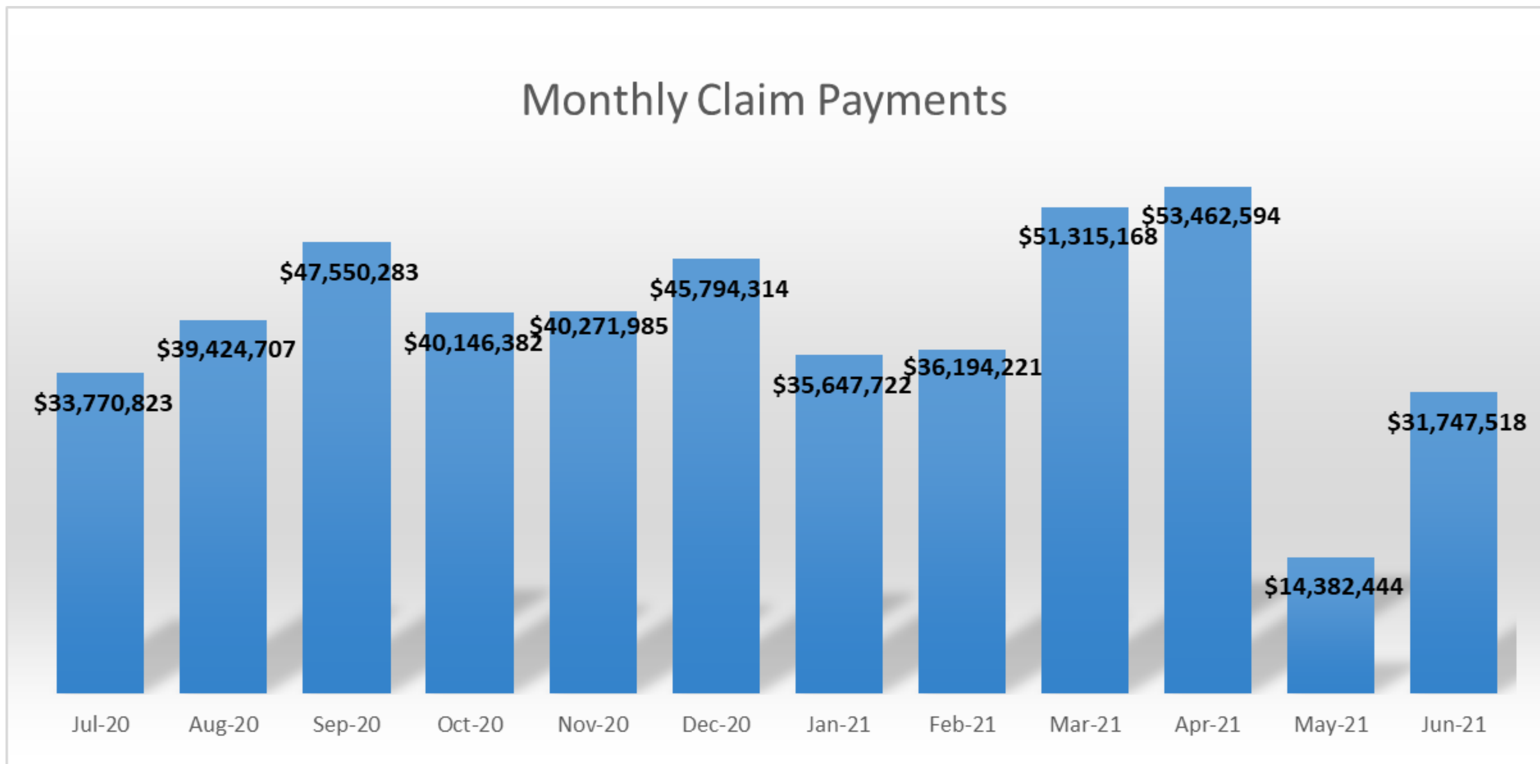
- Directed payments over budget by $26.7 M.
- Pharmacy expense over budget by $78.1 M.
- COVID related increases to lab and radiology, home and community-based services, long term care, and mental and behavioral health services are offsetting savings. Medical expense in line with budget in aggregate.

Return to Agenda

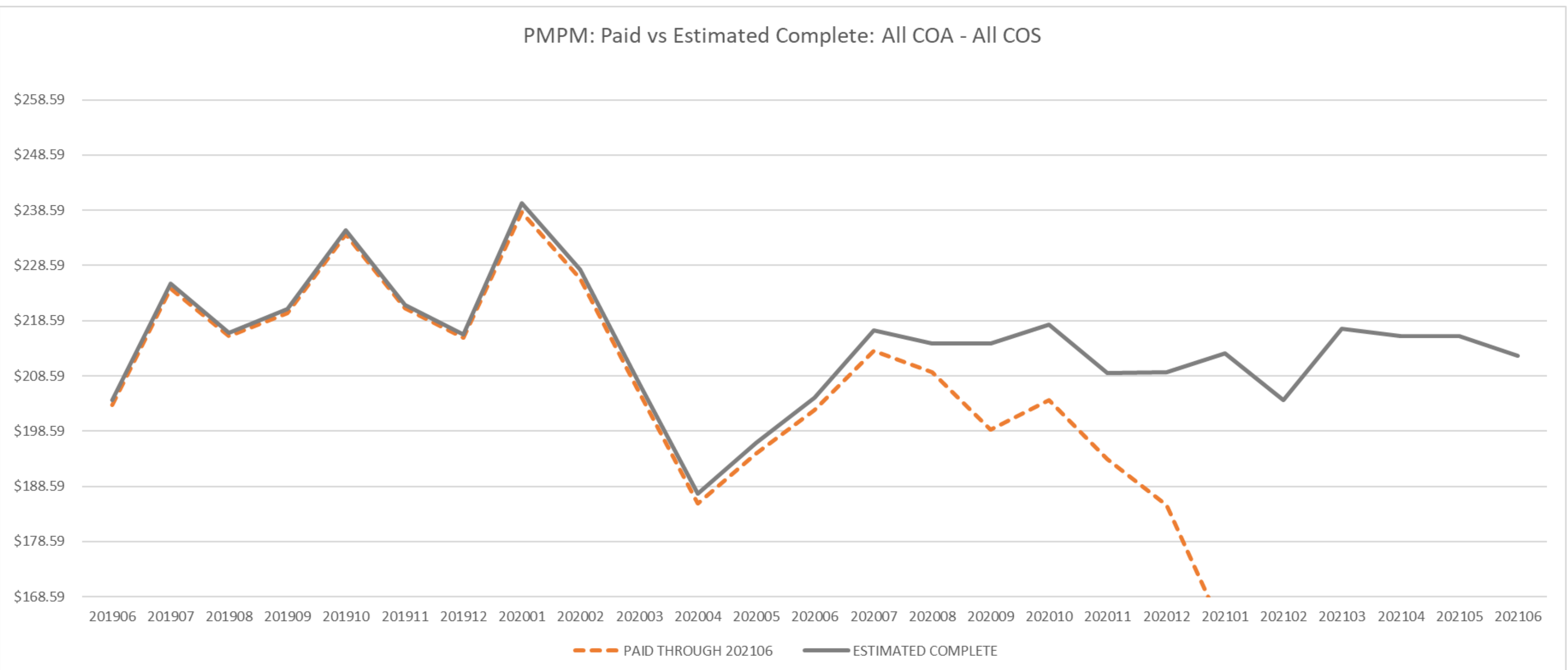
Incurred But Not Paid (IBNP) Medical Expense Reserve – post system conversion

Accurately calculating the reserve becomes more challenging:

1. Historical lag between when a service is performed and when the claims is paid is disrupted
2. Do not have an accurate data file



Medical Expense –Fee for Service



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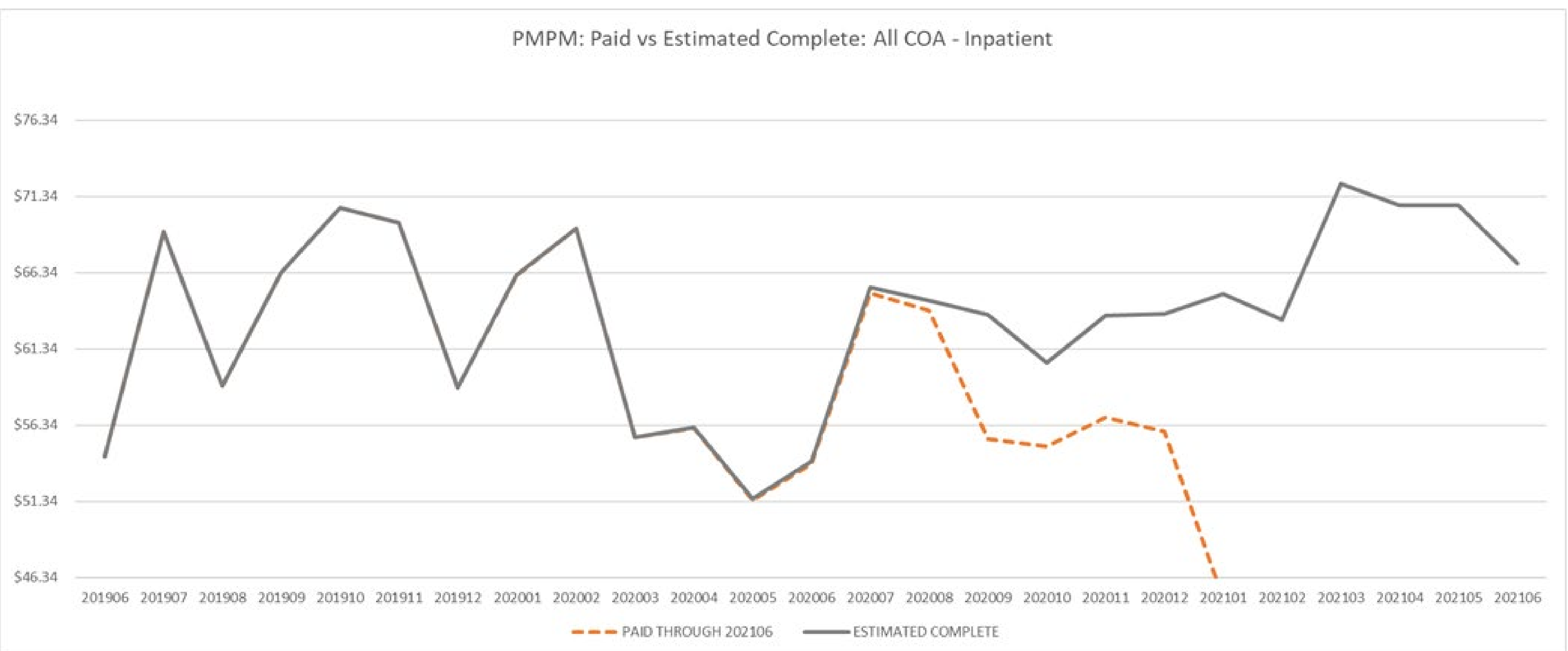
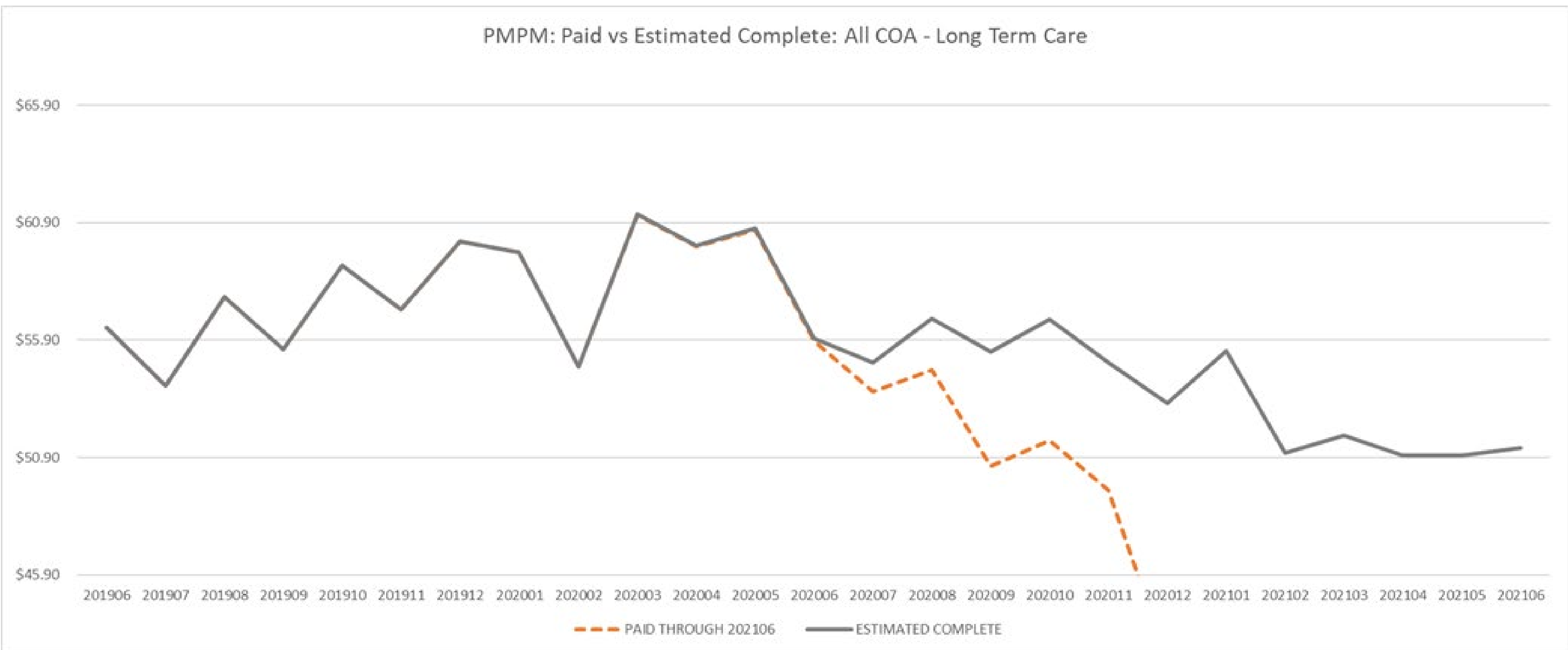
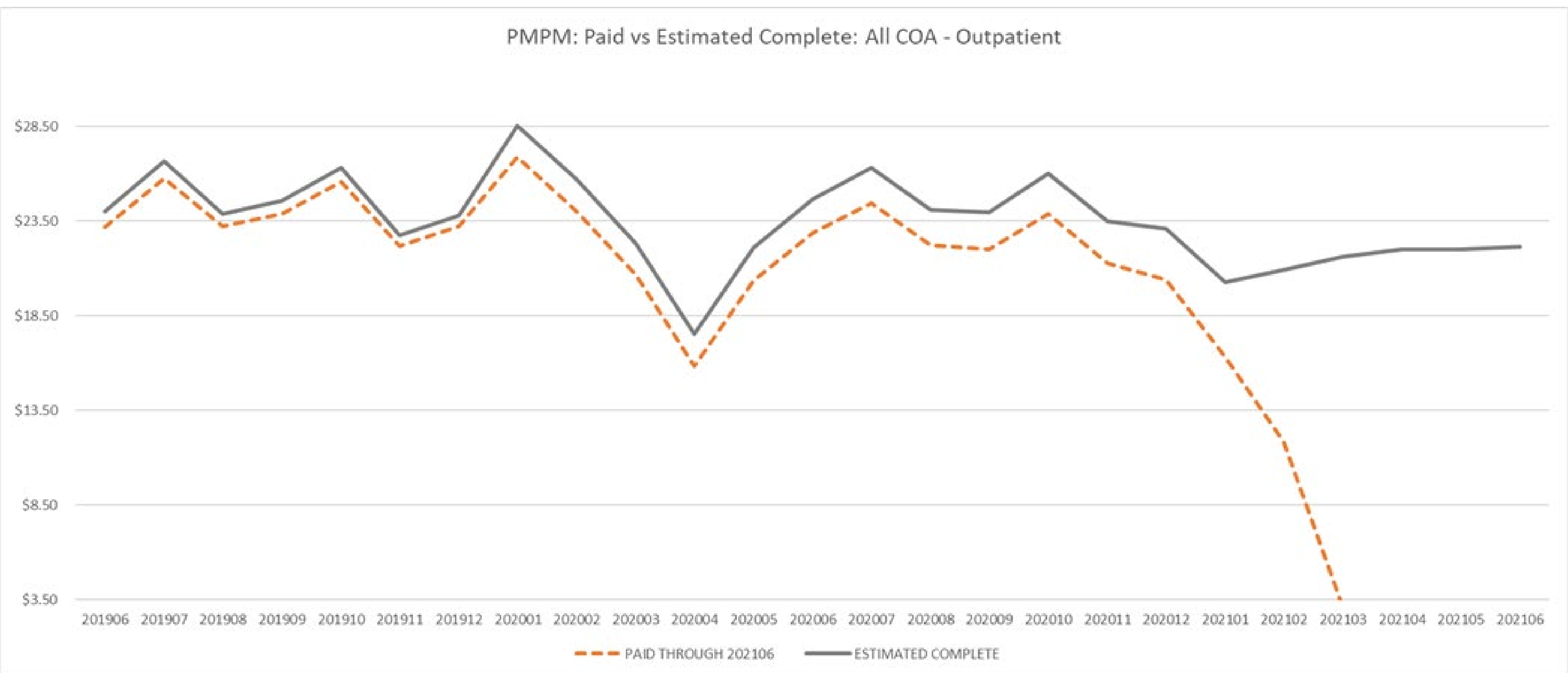
Inpatient Medical Expenses: Under Budget by $7.6 Million (4%)



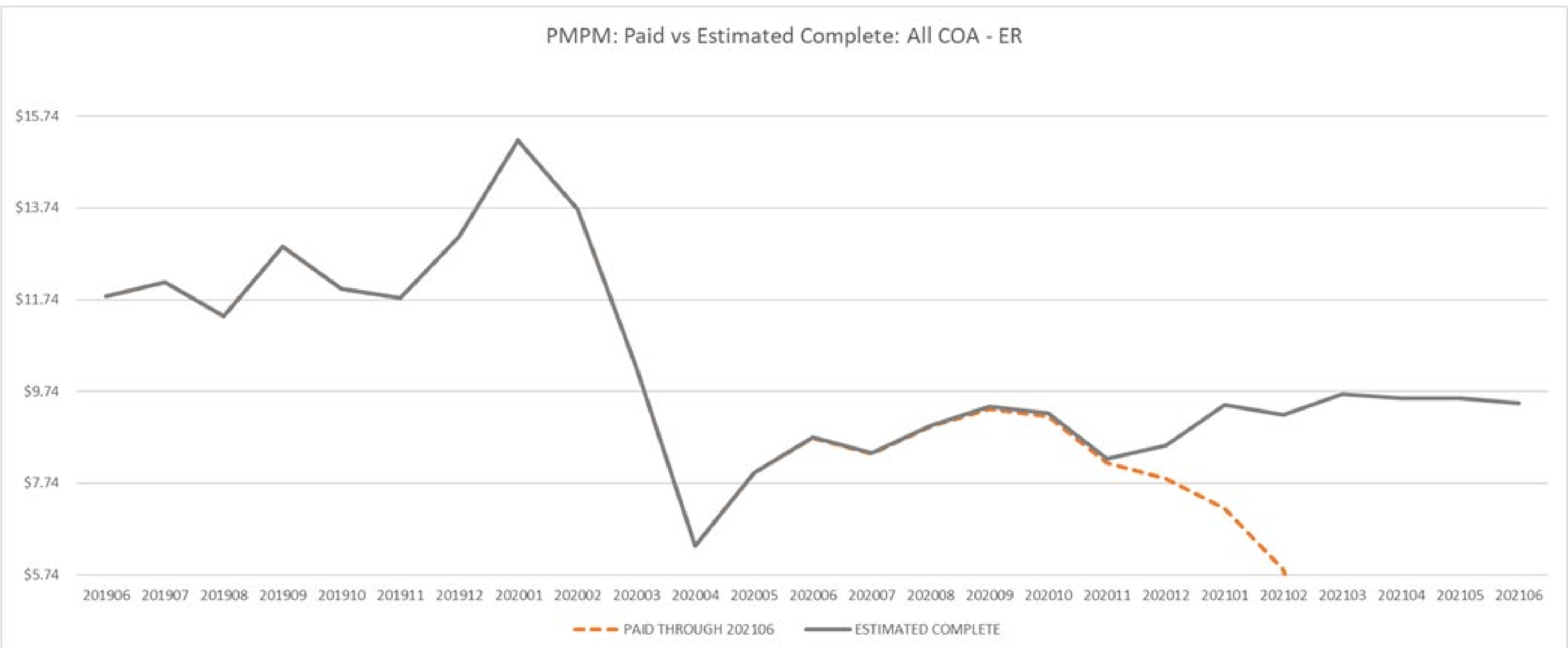
Long Term Care Expenses: Over budget by $6.0 million (4%)



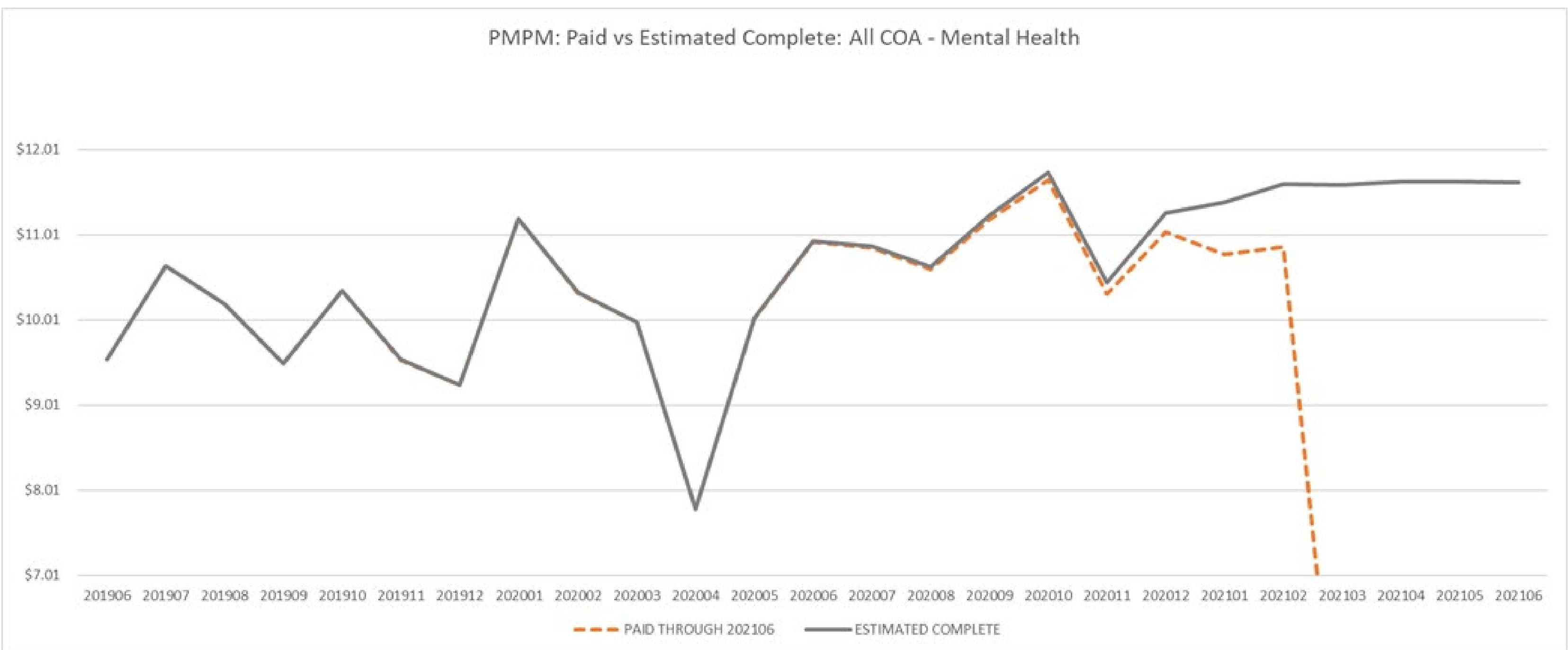
Outpatient Expenses: Under budget by $7.8 million (12%)



Emergency Room Expenses: Under budget by $9.7 million (29%)



Mental and Behavioral Health: Over budget by $5.0 million (19%)



Financial Statement Summary

	June 2021	FYTD	FYTD Budget	Budget Variance
Net Capitation Revenue	$ 81,130,179	$ 917,967,274	$ 791,821,195	$ 126,146,080
Health Care Costs	72,494,144	845,119,016	749,797,462	95,321,555
Medical Loss Ratio		**92.1%**	**94.7%**	
Administrative Expenses	4,394,057	49,637,603	54,930,836	(5,293,233)
Administrative Ratio		**5.4%**	**7.3%**	
Non-Operating Revenue/(Expense)	28,809	460,445	900,000	(439,554)
Total Increase/(Decrease) in Net Assets	$ 4,270,789	$ 23,671,101	$ (12,007,102)	$ 35,678,204
Cash and Investments	$ 237,462,105			
GCHP TNE	$ 100,999,994			
Required TNE	$ 36,313,908			
% of Required	**278%**			

Return to Agenda

Questions?

Staff requests the Commission approve the unaudited financial statements for June 2021.

AGENDA ITEM NO. 8

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Cathy Deubel Salenko, Health Counsel

DATE: July 26, 2021

SUBJECT: Conduent Contract Amendment

VERBAL PRESENTATION

AGENDA ITEM NO. 9

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Margaret Tatar, Chief Executive Officer

DATE: July 26, 2021

SUBJECT: Chief Executive Officer (CEO) Report

I. EXTERNAL AFFAIRS:

California to Expand Health Care Access to Undocumented Persons 50 and Older

Gov. Gavin Newsom and legislators announced an agreement to expand Medi-Cal to older undocumented immigrants as part of the state's $262.6 billion budget. The program is likely to begin in May 2022 and is estimated to cost $1.3 billion annually. California already offers Medi-Cal coverage to undocumented children and young adults under the age of 26 and, in a new expansion, once it is signed by the Governor, will grant coverage to undocumented persons ages 50 and older who qualify for Medi-Cal except for their immigration status. This unprecedented step by California's legislative and political leaders speaks in a unified voice that health is a priority in the state.

Initially, the Governor proposed expanding Medi-Cal to undocumented persons age 60 and older; however, the legislature viewed the expansion as too conservative and stated it would cover too few people and cost more than the child and young adult expansions due to the health needs of older populations. We will see in the coming years if California chooses to expand Medi-Cal to all persons who meet qualifications regardless of their documentation. According to the Department of Finance, expanding full-scope Medi-Cal to all low-income undocumented adults over age 26 would result in even higher ongoing costs, likely in the range of $2-3 billion.

Supreme Court Decision Upholds the Patient Protection and Affordable Care Act of 2010

In a 7-2 decision, the Supreme Court voted to uphold the 2010 Affordable Care Act (ACA), which provides health care coverage to about 31 million people. Justice Breyer wrote the majority opinion and was joined by the other two liberal justices, Sotomayor, and Kagan, and four conservatives: Chief Justice John Roberts and Justices Thomas, Kavanaugh, and Coney Barrett.

The case grew out of the High Court's 2012 decision in the National Federation of Independent Business v. Sebelius case. That ruling concluded that the provision of the ACA requiring individuals to have insurance (known as the individual mandate) was constitutional because it imposed a tax on people who did not comply with the law. Five years later, Congress changed the tax penalty by lowering it from $695 to $0.

The State of Texas, as well as 17 other states and two people, argued that the individual mandate was unconstitutional because it could no longer be defensible as a tax. And if the mandate is no longer constitutional, they contended, all the ACA's other provisions, including the Medicaid (Medi-Cal in California) expansion and protections for people with pre-existing conditions, had to be struck down as well. The State of California opposed this argument.

While the court's ruling does not prevent future legal challenges, it does provide additional protection for health coverage moving forward. The ACA has had a profound effect in Ventura County. The Medicaid expansion provided coverage to approximately 55,000 residents.

A. Federal
Executive Action (as of July 9, 2021)
Executive Order on Promoting Competition in the American Economy July 9, 2021 The Executive Order (EO) takes several steps to reduce the cost of prescription medication for people who depend on them, specially through the Medicare and Medicaid programs. The EO states: 1. The Chair of the Federal Trade Commission (FTC) is encouraged to work with the Commission to exercise the FTC's statutory rulemaking authority, as appropriate and consistent with applicable law. 2. Forty-five days after the order, a report will be submitted to the Executive Office with a plan to combat excessive pricing of prescription drugs and enhance domestic pharmaceutical supply chains to reduce the prices paid by the federal government for such drugs and to address the recurrent problem of price gouging. 3. To lower the prices of and improve access to prescription drugs and biologics, continue to promote generic drug and biosimilar competition, as contemplated by the Drug Competition Action Plan of 2017 and Biosimilar Action Plan of 2018 of the Food and Drug Administration (FDA).

B. State

Executive Action (As of July 9, 2021)

California Advancing and Innovating Medi-Cal (CalAIM) Section 1115 Demonstration & 1915(b) Waiver Applications

On June 30, DHCS submitted the CalAIM Section 1115 demonstration and CalAIM Section 1915(b) waiver to the Centers for Medicare & Medicaid Services (CMS) for review and approval.

The submitted materials are now available on the DHCS website:

1. CalAIM Section 1115 Demonstration Application
2. CalAIM Section 1915(b) Waiver Application

Stakeholders may comment on the CalAIM Section 1115 demonstration during the 30-day federal public comment period, which is expected to start later this month.

Home and Community-Based Services (HCBS) Spending Plan

DHCS has submitted the initial HCBS spending plan to CMS to obtain approval to receive the temporary 10% increase to the federal medical assistance percentage (FMAP) for certain Medicaid expenditures for HCBS. This was authorized under the American Rescue Plan Act (ARPA) of 2021.

Legislative Actions (as of July 9, 2021)

The Legislature is still awaiting final negotiations with the Governor regarding AB/SB 133, the Budget Trailer Bill related to health pending in both houses of the legislature's Budget Committees. AB/SB 133 should be passed by July 16 as the Legislature breaks for summer recess on that Friday.

The current budget proposal includes:

1. Total spending of $262.6 billion
2. $196.4 is from the General Fund
3. $25.2 billion General Fund reserves

Aging and Disability:

1. Medi-Cal at 50+, regardless of Immigration Status: Provides $1.3 billion in funding to expand Medi-Cal eligibility to all income eligible Californians 50 years of age and older, regardless of immigration status.
2. Medi-Cal Asset Test removal: Eliminates the Medi-Cal asset test for seniors to remove the "senior savings" penalty to expand access to more income-eligible seniors.

<table>
<tr><th colspan="2">Legislative Actions (as of July 9, 2021)</th></tr>
<tr><td colspan="2">Behavioral Health & Public Health:
1. Youth Behavioral Health: Invests $4.4 billion dollars over five years to create a new, modern, and innovative behavioral health system for youth ages 0 to 25, including $205 million for the Mental Health Student Services Act.
2. Behavioral Health Continuum Infrastructure: Invests $2.2 billion for competitive grants to construct, acquire, and rehabilitate real estate assets to expand the community continuum of behavioral health treatment resources.
3. Public Health and Health Equity Infrastructure: Builds the foundation for a 21st century public health system to address preventable death and disease, reduce health disparities, and support an agile public health workforce, with $300 million annually beginning in 2022-23.</td></tr>
<tr><td colspan="2">Medi-Cal Health Benefits:
1. Dyadic Services Benefit: New statewide benefit that provides integrated physical and behavioral health screenings and services to the whole family.
2. Doula Benefit: Doula services include personal support to pregnant individuals and families throughout pregnancy, labor, and the postpartum period.
3. Expansion Medi-Cal Post Pregnancy: Extends how long women can stay on Medi-Cal post pregnancy from 60 days to a year. This expansion will be in place for five years.</td></tr>
<tr><th colspan="2">State Legislature Bills</th></tr>
<tr><th>Behavioral Health</th><th>Implications</th></tr>
<tr><td>SB 223 Health care coverage: timely access to care
Introduced: Jan. 13, 2021
Status: Passed Assembly Health, Ayes 15. Noes 0. July 6, 2021
Referred to Assembly Appropriations.

Summary: Would codify current timely access standards requiring by the Department of Managed Health Care (DMHC) and the Department of Insurance to ensure that contracted providers and health networks schedule initial appointments within specified time frames of a beneficiary’s request. Would expand current standards to also require follow-up appointments with a non-physician mental health or substance use disorder providers to be scheduled within 10 business days of a previous appointment related to an ongoing course of treatment.</td><td>GCHP needs to evaluate its provider networks to ensure access standards would be met.</td></tr>
</table>

State Legislature Bills	
Behavioral Health	**Implications**
SB 293 Medi-Cal specialty mental health services Introduced: Feb. 1, 2021 Status: Passed Assembly Health, Ayes 15. Noes 0. July 6, 2021 Referred to Assembly Appropriations. Summary: Would require DHCS to develop standardized forms for specialty mental health services provided under Early and Periodic Screening, Diagnostic and Treatment (EPSDT) after Jan. 1, 2022. Consistent with the CalAIM proposal, the forms would address medical necessity criteria, screening tools and transition-of-care tools, which would impact coordination and referrals with Medi-Cal Managed Care Plans.	No direct impact to GCHP.
CalAIM	**Implications**
SB 256 California Advancing and Innovating Medi-Cal. Introduced: Jan. 26, 2021 Status: Passed Senate Floor, Ayes 39. Noes 0. June 1, 2021 Referred to Assembly Health. Summary: Summary: Establishes the California Advancing and Innovating Medi-Cal (CalAIM) Act to require DHCS to seek federal approval for and implement waivers for the CalAIM initiative according to the CalAIM Terms and Conditions and consistent with existing federal law. Requires DHCS to implement the Population Health Management, Enhanced Care Management, In Lieu of Services, and Incentive Payments components of the CalAIM initiative.	This bill allows for GCHP to implement CalAIM's core functions including: 1. Population Health Management 2. Enhanced Care Management 3. In Lieu of Service Options 4. Incentive and Payment Reforms

Health Equity	Implications
SB 17 Office of Racial Equity. Introduced: Dec. 7, 2020 Status: Passed Assembly Accountability and Administrative Review, Ayes 5. Noes 0. June 30, 2021 Referred to Assembly Appropriations. Summary: This bill establishes the Office of Racial Equity, which would develop statewide guidelines for inclusive policies and practices that reduce racial inequities, promote racial equity, address individual, institutional, and structural racism, and establish goals and strategies to advance racial equity and address structural racism and racial inequities.	No direct implications for GCHP.

Health Information Exchange	Implications
SB 371 Health Information Technology Introduced: Feb. 10, 2021 Status: Passed Senate Floor, Ayes 38. Noes 0 May 28, 2021 Summary: Requires DHCS to apply for federal funding from the American Rescue Plan Act of 2021 or the Medicaid Information Technology Architecture program to create a unified data exchange between the state government, health records systems, other data exchange networks and health care providers, including for the Medi-Cal program. Funds would also be used to provide grants and technical support to small provider practices, community health centers and safety net hospitals to expand the use of health information technology and connect to exchanges.	This bill would facilitate the creation of a Health Information Exchange (HIE) across California. An HIE would support the electronic exchange of health information among, and aggregate and integrate data from, multiple sources within a health plan's service area.

Medi-Cal	Implications
AB 470 Medi-Cal: Eligibility. Introduced: Feb. 8, 2021 Status: Passed Senate Health, Ayes 10. Noes 0. May 30, 2021 Referred to Senate Appropriations. Summary: Would prohibit the consideration of any assets or property in determining Medi-Cal eligibility under any aid category, subject to federal approval. Note: Language was adopted into the trailer bill that mirrors AB 470 to eliminate the asset test for Medi-Cal eligibility.	Potential increase in GCHP membership.
SB 56 Medi-Cal: eligibility. Introduced: Dec. 7, 2020 Status: Passed Assembly Health, Ayes 11. Noes 3. June 22, 2021 Referred to Assembly Appropriations. Summary: Effective July 1, 2022, this bill would extend eligibility for full-scope Medi-Cal benefits to individuals who are 65 years of age or older and who are otherwise eligible for those benefits except for their immigration status. Note: Language was adopted into the trailer bill that closely follows SB 56 to expand Medi-Cal for individual age 50 and older who would be eligible for Medi-Cal except for the immigration status.	Potential increase in GCHP membership.

School Based Services	Implications
AB 563 School-based health programs Introduced: Feb. 11, 2020 Status: Passed Assembly Floor, Ayes 76. Noes 0. May 27, 2021 Referred to Senate Health. Summary: Creates the Office of School-Based Health Programs within the California Department of Education (CDE), no later than July 1, 2022, to administer health programs, including the Local Education Agencies (LEA) Medi-Cal Billing Option Program, and Early and Periodic Screening, Diagnostic, and Treatment (ESPDT) services. Would also require the CDE to coordinate with DHCS and LEAs to increase access to and expand the scope of school-based Medi-Cal programs.	Potential increases to utilization for school-based early and preventative treatment programs, especially utilization of dental, health, and mental health programs, and school-based health centers.
AB 586 Pupil health: health and mental health services: School Health Demonstration Project. Introduced: Feb. 11, 2020 Status: Passed Assembly Floor, Ayes 78. Noes 0. May 27, 2021 Referred to Senate Health & Education. Summary: Establishes the School Health Demonstration Project as a two-year program to expand comprehensive physical and mental health access to students. The California Department of Education (CDE) would provide support, technical assistance and $500,000 in annual grants to Local Education Agencies (LEA) to join in additional Medi-Cal funding opportunities and build partnerships with Medi-Cal managed care plans, county mental health plans, and private health plans.	No direct implications for GCHP.

Telehealth	Implications
AB 32 Telehealth Introduced: Dec. 7, 2020 Status: Passed Assembly Floor, Ayes 78. Noes 0. 6/1 Referred to Senate Health. Summary: This bill expands the definition of synchronous interaction for purposes of telehealth to include audio-video, audio-only and other virtual communication. Requires health plans and insurers to reimburse for audio-video, audio-only and other virtual communication on the same basis and to the same extent that the plan/insurer is responsible for reimbursement for the same service through in-person diagnosis, consultation, or treatment. Note: AB 32 language was adopted into the trailer bill SB 133 to provide parity for audio-only telehealth. Thus, this is now included in this year's state budget.	Potential to increase access for members for all health services that can be provided via telehealth.

C. COMMUNITY RELATIONS:

Sponsorships

Over the FY 2020-21, the Community Relations team participated in 84 community events, meetings, townhalls, informational sessions, conferences, and GCHP-focused presentations. More than $37,000 was awarded to community-based organizations that serve GCHP members and provide food, school supplies, and educational services.

The GCHP sponsorship program supports community-based organizations in their efforts to help Medi-Cal members and vulnerable populations. Over the past fiscal year, sponsorships were awarded to various organizations, including the Westminster Free Clinic, Food Forward, Harbor House, Action VC, and several Boys and Girls Clubs in Ventura County.

In addition, GCHP provided in-kind donations to community-based organizations working on health initiatives and community events. Below is a table summarizing sponsorships and in-kind donations in FY 2020-21.

Sponsorships

Sponsorship Type	Number of Sponsorships	Total Amount Awarded	Cities Targeted
Non-Profit Fundraising Events	14	$16,750	Ventura County
COVID-19 Response	1	$5,000	Oxnard
Programs	10	$15,000	Ventura County
Walks	2	$900	Ventura, Oxnard
Total	27	$37,650	

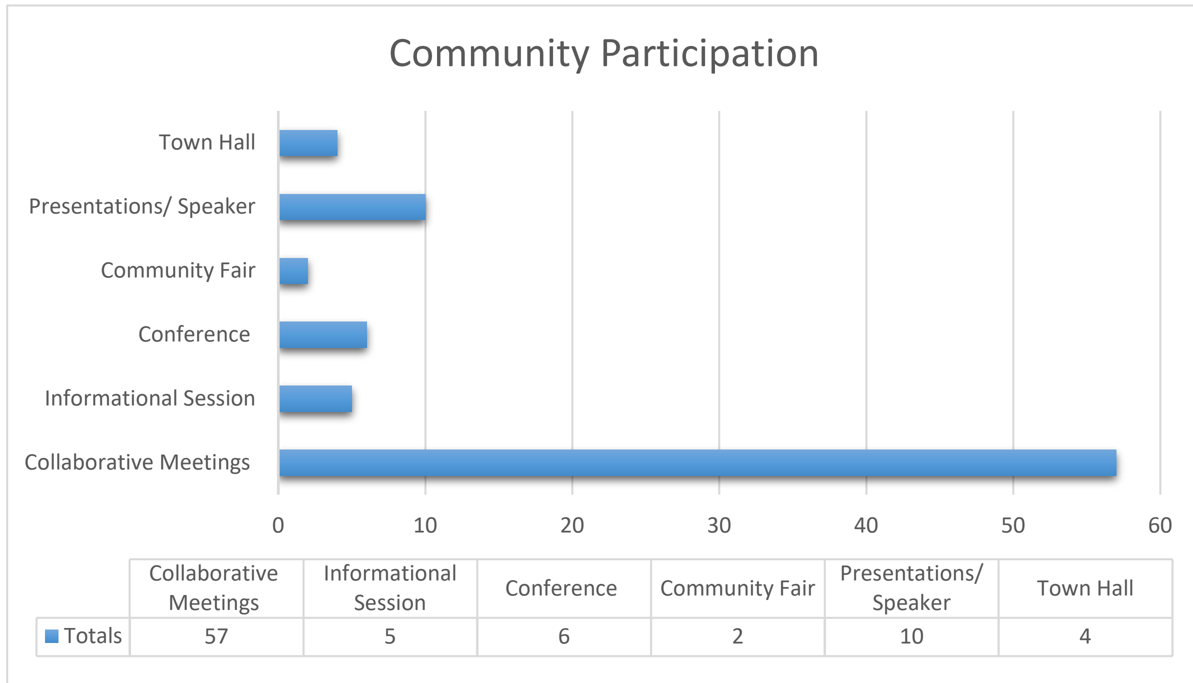
In-Kind Donations

In-Kind Donation Type	Number of Donations	Donated Amount	Cities Targeted
Farmworker Organizations	2	950	Oxnard
Community Events	3	4,950	Oxnard
Total Donated Amount	5,900		

D. Community Meetings

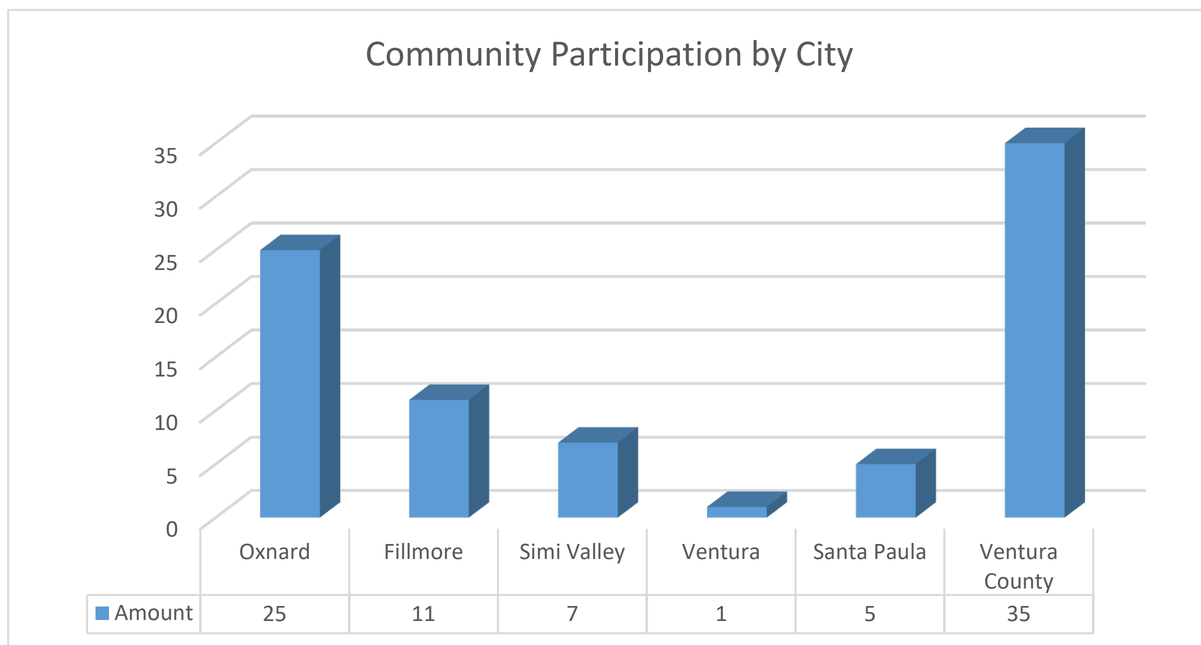
The Community Relations team actively participates in collaborative meetings and informational sessions via virtual platforms. The purpose of these meetings is to connect with our community partners and engage in dialogue to bring awareness and services to the most vulnerable Medi-Cal population. Over the past fiscal year, the team participated in 84 collaborative meetings, Informational sessions, and conferences. Below you can find more information about our participation efforts.

Overview of Community Participation



	Collaborative Meetings	Informational Session	Conference	Community Fair	Presentations/ Speaker	Town Hall
Totals	57	5	6	2	10	4

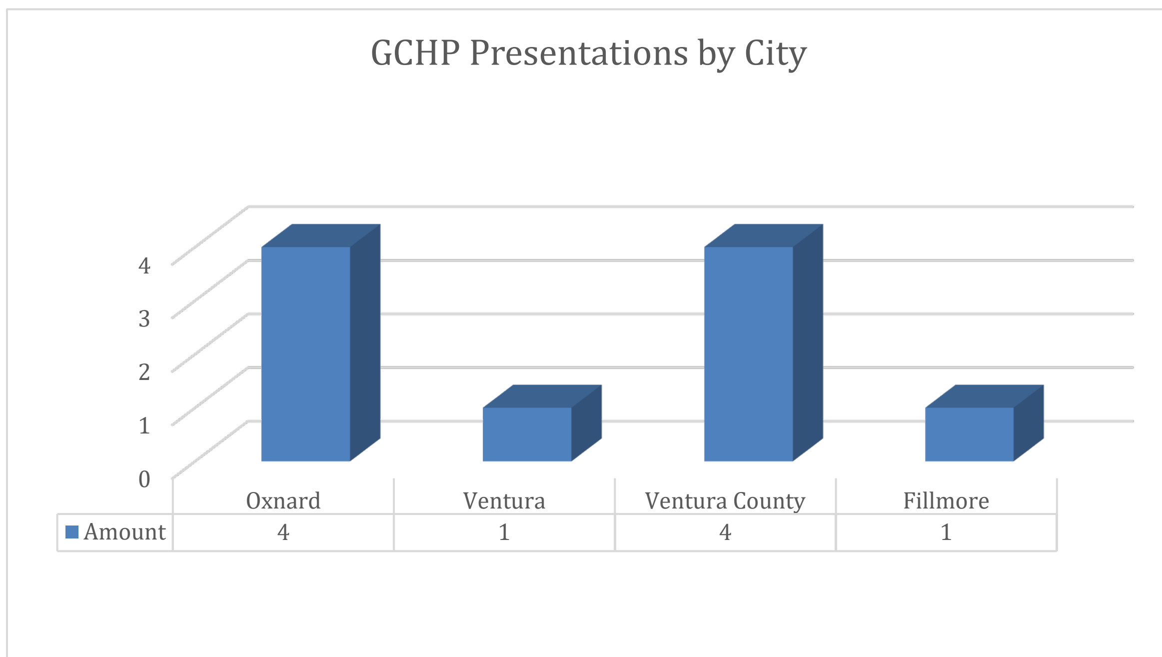
Community Participation by City



	Oxnard	Fillmore	Simi Valley	Ventura	Santa Paula	Ventura County
Amount	25	11	7	1	5	35

Speakers Bureau

The purpose of the Speakers Bureau is to educate and inform the public, partners, and external groups about GCHP's services and upcoming initiatives. Below you will find a table summarizing our presentations in the community during FY 2020-21.



II. Provider Network Operations:

A. Membership

Membership numbers were unavailable due to the data warehouse issues that GCHP is experiencing related to the claims system conversion.

Administrative Member Details

Category	May 2021
Total Administrative Members	40,904
Share-of-Cost	1,657
Long-Term Care	721
BCCTP	81
Hospice (REST-SVS)	xx
Out-of-Area (Not in Ventura)	614
Other Health Care	
Duals (A, AB, ABD, AD, B, BD)	25,275
Commercial OHI (Removing Medicare, Medicare Retro Billing and Null)	xx

Category	June 2021
Total Administrative Members	32,866
Share-of-Cost	1,601
Long-Term Care	728
BCCTP	78
Hospice (REST-SVS)	93
Out-of-Area (Not in Ventura)	212
Other Health Care	
Duals (A, AB, ABD, AD, B, BD)	25,544
Commercial OHI (Removing Medicare, Medicare Retro Billing and Null)	xx

NOTE:

- “xx” indicates the information is not available due to the challenges experienced with the system conversion.
- The total number of members will not add up to the total admin members, as members can be represented in multiple boxes. For example, a member can be both Share of Cost and Out of Area. They are counted in both of those boxes.

METHODOLOGY

The criteria used to identify members for this report was vetted and confirmed in collaboration with the Member Services Department. Admin members for this report were identified as anyone with active coverage with the benefit code ADM01. Additional criteria used is:

1. Share of Cost (SOC-AMT) > zeros
   a. AID Code is not 6G, 0P, 0R, 0E, 0U, H5, T1, T3, R1 or 5L
2. LTC members identified by AID codes 13, 23, and 63.
3. BCCTP members identified by AID codes 0M, 0N,0P, and 0W.
4. Hospice members identified by the flag (REST-SVS) with values of 900, 901, 910, 911, 920, 921, 930, or 931.
5. Out-of-Area members were identified by the following zip codes:
   a. Ventura Zip Codes include: 90265, 91304, 91307, 91311, 91319-20, 91358-62, 91377, 93000-12, 93015-16, 93020-24, 93030-36, 93040-44, 93060-66, 93094, 93099, 93225, 93252
   b. If no residential address, the mailing address is used for this determination
6. Other commercial insurance was identified by a current record of commercial insurance for the member.

B. Provider Contracting Update:

GCHP works with providers through:

1. **Agreements:** Newly negotiated contracts between GCHP and a provider.
2. **Amendments:** Updates to existing Agreements.
3. **Interim Letters of Agreement (LOA):** Agreements created for providers who have applied for Medi-Cal enrollment but have not been approved. Once Medi-Cal enrollment has been approved and the provider has been credentialed by GCHP, the provider will enter into an Agreement with GCHP**.** Also used for Out-of-Area providers who are Medi-Cal enrolled to meet DHCS Out-of-Network contracting requirements.
4. **Letters of Agreement (LOA):** Member-specific negotiated agreements with non-contracted GCHP providers.

From June 1-30, 2021, the following contracting actions were taken:

Contract Amendments - Total: 5		
Provider	**Specialty**	**Action Taken**
Premier Physical Therapy and Associates	Physical Therapy	Update to the rate sheet to remove local codes for evaluations

Provider	Specialty	Action Taken
California Managed Imaging Medical Group	Radiology	Termination of the Interim LOA
Two Trees Physical Therapy Interim LOA	Physical Therapy	Termination of two therapists; addition of three therapists
Ventura Orthopedic Medical Group Inc., Interim LOA	Physical Therapy	Termination of one therapist; addition of one therapist
LA Laser Center PC Interim LOA	Specialist Group	Addition of one physician
Interim Letters of Agreement (LOA) – Total: 1		
Provider	**Specialty**	**Action Taken**
Vinod Valiveti, MD, Inc.	Geriatric Internal Medicine	Attending physician in charge of GCHP patients admitted into five of our contract SNFs.
Letters of Agreement (LOA) – Total: 6		
Provider	**Specialty**	**Action Taken**
Foundation Medicine	Genetic Testing	LOA for member in need of genetic testing for cancer. This is a new test and is only available at this lab.
Foundation Medicine	Genetic Testing	LOA for member with esophageal cancer. MD is requesting FoundationOne Liquid CDx.
Maclay Health Center	SNF	LOA for member who is LTC resident at facility. Member has declined with self-feeding and fine motor control. LOA is for OT and ST.
Maclay Health Center	SNF	LOA for member who is LTC resident at facility. Member went to hospital from June 23-25. Member has declined with self-feeding and fine motor control. LOA is for new order for OT and ST.

Provider	Specialty	Action Taken
UCSF Medical Group	Hospital	LOA for member with malignant neoplasm or adrenal gland. Member is being referred for administration of Azedra.
Accredo Health	Home Infusion	Home infusion therapy for member diagnosed with primary pulmonary hypertension.

Network Operations Department Projects

Project	Status
BetterDoctor: BetterDoctor is a product that performs outreach to providers to gather and update provider demographic information. This is an ongoing initiative.	Network Operations continues to meet weekly with Quest Analytics. In June 2021, the team verified demographic information from BetterDoctor: 1. 4,300 provider records were audited.
Provider Contracting and Credentialing Management System (PCCM): Referred to as eVIPs, this software will allow consolidation of contracting, credentialing and provider information management activities. The project is scheduled to be implemented in the third quarter of 2021.	The Network Operations team is working on the following processes: 1. Desk-level Procedures 2. Dynamic Import Utility (DIU) - Roster Import Training 3. Data Corrections / Maintenance 4. eApply Overview 5. eSearch Overview 6. Reporting requirements review and revisions 7. UAT Testing complete 8. UAT Testing for Provider Directory

Project	Status
Provider Contracting Projects:	Provider Contracting participated in the following projects in June 2021: 1. DSR Health Law Public Records Act (PRA) Request 2. Alternative Access Standards (AAS) Validation 3. 2021 Annual Network Certification Preliminary Findings

Provider Additions: June 2021 – Total 22

Provider Type	In-Area Providers	Out-of-Area Providers
Midlevel	2	1
PCP	1	0
Specialist	8	10
Specialist-Hospitalist	0	0
Total	11	11

Provider Terminations: June 2021 – Total 7

Provider Type	In-Area Providers	Out-of-Area Providers
Midlevel	0	0
PCP	1	0
Specialist	6	0
Specialist-Hospitalist	0	0
Total	7	0

The 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.

C. Compliance

Delegation Oversight

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

1. Monitoring / reviewing routine submissions from subcontractor
2. Conducting onsite audits
3. Issuing a Corrective Action Plan (CAP) when deficiencies are identified

**Ongoing monitoring denotes the 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 action plans issued by GCHP during the audit period. DHCS continues to emphasize the high level of responsibility plans have in oversight of delegates.

The following table includes audits and CAPs that are open and closed. Closed audits are removed after they are reported to the Commission. The table reflects changes in activity from June 11 – July 9, 2021.

Delegate	Audit Year/Type	Audit Status	Date CAP Issued	Date CAP Closed	Notes
Conduent	2017Annual Claims Audit	Open	12/28/2017	Under CAP	Issue will not be resolved until new claims platform conversion
Beacon	2020 Annual Claims Audit	Open	4/21/2020	Under CAP	
Beacon	2021 Annual Claims Audit	Open	5/06/2021	Under CAP	
Conduent	2020 Call Center Audit	Open	1/20/2021	Under CAP	CAP issued 1/20/2021

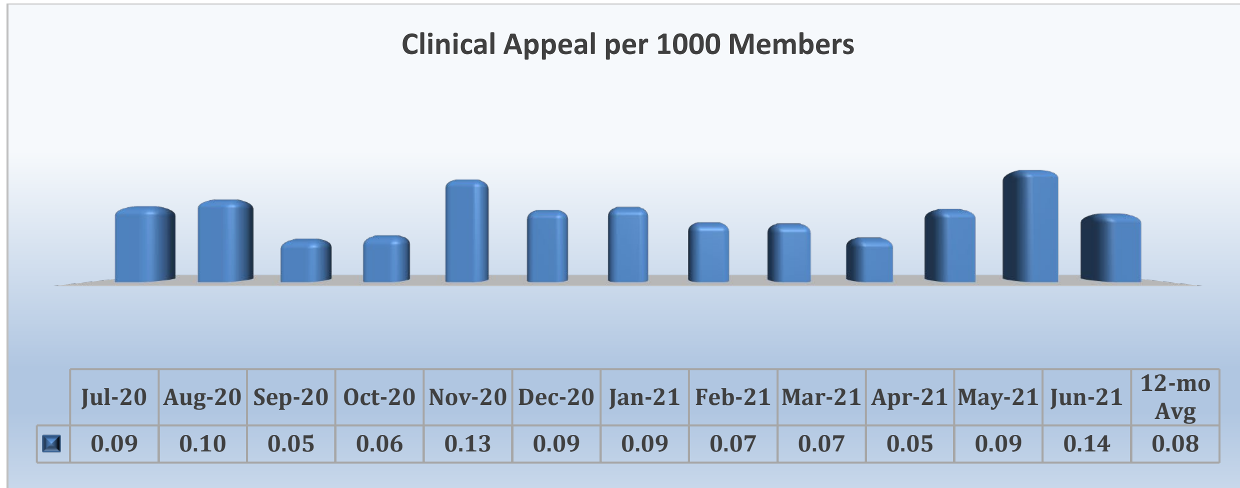
Delegate	Audit Year/Type	Audit Status	Date CAP Issued	Date CAP Closed	Notes
VTS	2021 Call Center Audit	Open	5/21/2021	Under CAP	
CHLA	2021 Annual Credentialing Recredentialing Audit	Open	N/A	N/A	In progress
COH	2021 Annual Credentialing Recredentialing Audit	Open	N/A	N/A	In progress
Cedars Sinai	2021 Annual Credentialing Recredentialing Audit	Scheduled	N/A	N/A	Beginning later in July 2021
Privacy & Security CAPs					
Delegate	**CAP Type**	**Status**	**Date CAP Issued**	**Date CAP Closed**	**Notes**
Conduent	2020 Annual Vendor Security Risk Assessment	Closed	9/22/2020	7/09/2021	
Conduent	Call Center Recordings Website	Open	1/06/2021	N/A	
Operational CAPs					
Delegate	**CAP Type**	**Status**	**Date CAP Issued**	**Date CAP Closed**	**Notes**
Conduent	February 2021 Service Level Agreements	Open	4/15/2021	N/A	
Conduent	IKA Inventory, KWIK Queue, APL 21-002	Open	4/28/2021	N/A	IKA Inventory and KWIK Queue findings closed
Conduent	HSP Provider Portal	Open	4/29/2021	N/A	
Conduent	Call Center Stats and System Edits	Open	5/25/2021	N/A	

Delegate	CAP Type	Status	Date CAP Issued	Date CAP Closed	Notes
Conduent	IVR System Dropped Calls	Open	5/27/2021	N/A	
Conduent	May 2021 Service Level Agreements	Open	7/07/2021	N/A	

D. GRIEVANCE AND APPEALS

Member Grievances per 1,000 Members
The data show GCHP's volume of grievances is low in comparison to the number of enrolled members. The 12-month average of enrollees is 222,384, with an average annual grievance rate of .15 grievances per 1,000 members.

In June 2021, there were 33 member grievances. The top reason was "Quality of Care" due to a delay in care.



	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	12-mo Avg
	0.09	0.10	0.05	0.06	0.13	0.09	0.09	0.07	0.07	0.05	0.09	0.14	0.08

Clinical Appeals per 1,000 Members
The data comparison volume is based on the 12-month average of .08 appeals per 1,000 members.

In June 2021, GCHP received 31 clinical appeals:

1. 11 were overturned
2. 12 were upheld
3. Six are still in review
4. Two were withdrawn

RECOMMENDATION:

Receive and file

AGENDA ITEM NO. 10

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Margaret Tatar, Chief Executive Officer

DATE: July 26, 2021

SUBJECT: Return to Work Report

VERBAL PRESENTATION

Gold Coast Health Plan[SM]
A Public Entity

AGENDA ITEM NO. 11

TO: Ventura County Medi-Cal Managed Care Commission

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

DATE: July 26, 2021

SUBJECT: Chief Medical Officer (CMO) Report

Chronic Disease Self-Management Education

Chronic Disease Self-Management Education ("CDSME") programs provide members with tools to help them better manage chronic conditions such as diabetes, heart disease, arthritis, chronic pain, and depression. People living with chronic conditions account for 75% of healthcare expenditures in the United States. This disease burden profile will exacerbate with the rapid aging of the American population. The number of Americans with chronic conditions is projected to increase by 37% (i.e., 46 million people) from 2000 to 2030.

CDSME programs originally developed by Stanford University have been proven to help members better manage their chronic conditions, improve their quality of life, and lower health care costs. They accrue cost savings through decreased emergency department visits and hospitalizations.

The Gold Coast Health Plan Health ("GCHP") Health Education Cultural and Linguistic ("HECL") Department CDSME program is offered in English and Spanish and is available on a virtual or telephonic basis. Participants in the six-week course learn skills to manage their conditions on a day-to-day basis: exercise, healthy eating, symptom management, weight loss, and communication skills. Core self-management skills taught include action planning, problem-solving and decision making. Eighty-nine GCHP members have completed the program since the beginning of the pandemic. About 30% (27/89) were Spanish-speaking. The following are some highlight of what members are saying about their experiences with the course.

"The books were great" Members who attend the CDSMP receive a free book titled, "Living a Healthy Life with Chronic Conditions" and other materials. The member successfully attended all six sessions and found the classes to be helpful in learning how to manage health conditions. The member stated that attending the classes helped develop his communication skills and is learning to be patient and have conversations without conflict.

"Taking action" Learning to act is an important step to developing healthy lifestyle changes. The second member attended five of the six CDSMP telephonic sessions. During the post-survey, the member disclosed that both co-leaders were excellent at facilitating and explaining the materials, easy to follow, and enjoyed the follow-up calls. After attending the

Return to Agenda

classes, the member stayed busy by reading, exercising, eating healthier, and is applying the action plan to everyday life activities such as cleaning out the garage in small tasks rather than viewing it as a big project.

"Feeling grateful for the help" The member was surprised to receive a call from the Health Navigator and asked, "Why are you calling me?" After explaining the reason for the call and building trust, the member agreed to enroll in the program. The member ended up attending all six classes and was grateful for the initial call. The member found the program to be helpful and especially enjoyed learning about healthy lifestyle changes at a gradual pace. The member was extremely thankful and grateful for the help and learning new skills.

Pediatric Return to Care Campaign

To promote pediatric preventive services and close care gaps resulting from the decline in well-care screenings during the COVID-19 pandemic, GCHP launched a "Return to Care" campaign to encourage the parents/guardians of 0-4 year old members to schedule the pediatric preventive appointments to address gaps related to well child visits, immunizations and blood lead screening.

GCHP contracted with Cotiviti (previously HMS® Eliza®) a health engagement vendor, to conduct the outreach calls. The call agent informed the parent/guardian which screenings need to be completed and helped with scheduling an appointment with the child's primary care practitioner through a three-way call.

The campaign targeted approximately 10,000 pediatric members, and the outreach calls were fielded between late April through July 2021. Preliminary data shows that as a result of these calls, 537 new appointments were scheduled. Additional follow-up calls to members with whom initial attempts did not result in a connection will be made in the second week of July. The campaign also collected member consent for future IVR or text message outreach campaigns. To date, 2,568 members opted in for future outreach (only 147 members did not opt in).

Utilization Update

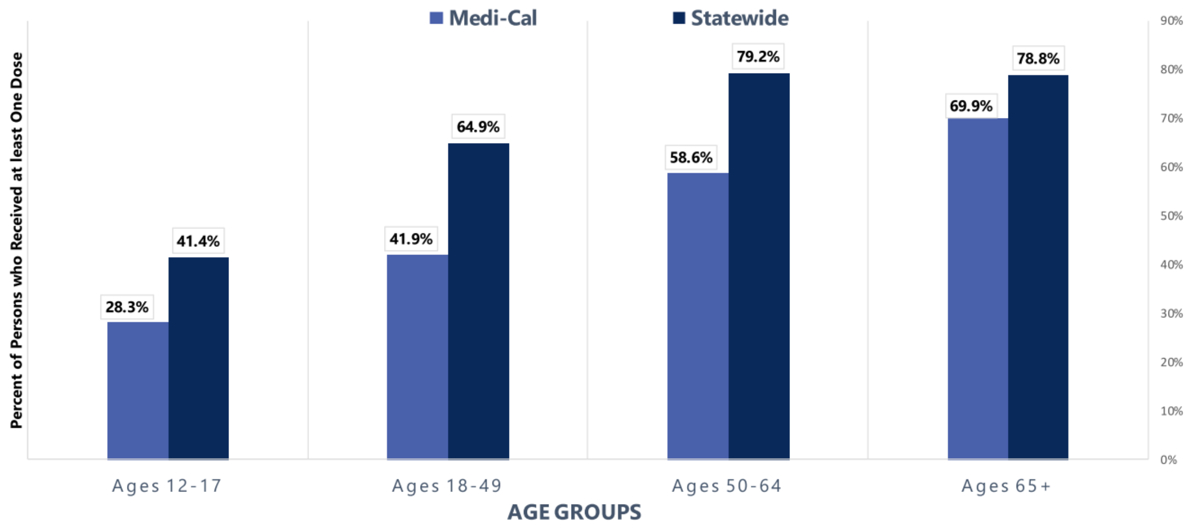
COVID-19

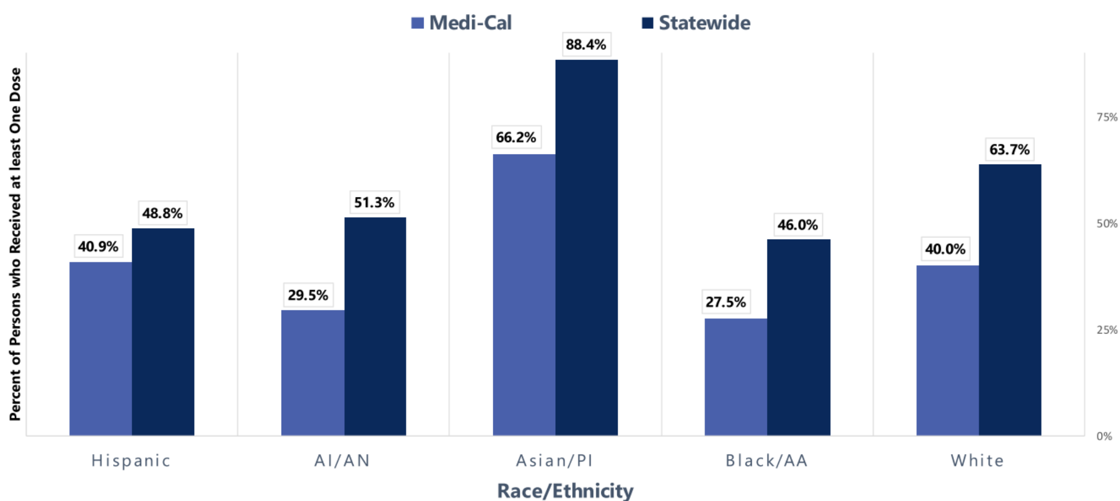
GCHP has detected only 1 additional COVID-19 related admission since last month. Per the Centers for Disease Control and Prevention ("CDC") the level of community transmission in Ventura County is low and the number of cases has dropped by 87% in the first week of July. Testing volume dropped by 28% in the same period. New COVID-19 hospital admissions increased by 72% during this period with a 2% increase in use of ICU beds.

DHCS recently published data on COVID vaccination rates for Medi-Cal recipients. As of June 27, 2021, the percentage of Medi-Cal beneficiaries with at least one dose of COVID vaccine was lower than the vaccination rate for the general population. In Ventura County,

over 69% of the population is vaccinated but only about 45% of the Medi-Cal population is vaccinated. Medi-Cal vaccination rates for members in 65 and over age range most closely matched the general population (69.9 v 78.8%) while rates for members in the 18-49 year old age group were most disparate (64.9 v 41.9%). Medi-Cal vaccination rates for Native Americans, Asians, African Americans, and Whites all differed from the general population by about 20%. The vaccination rate for Hispanic Medi-Cal members differed from the general population by about 8%.

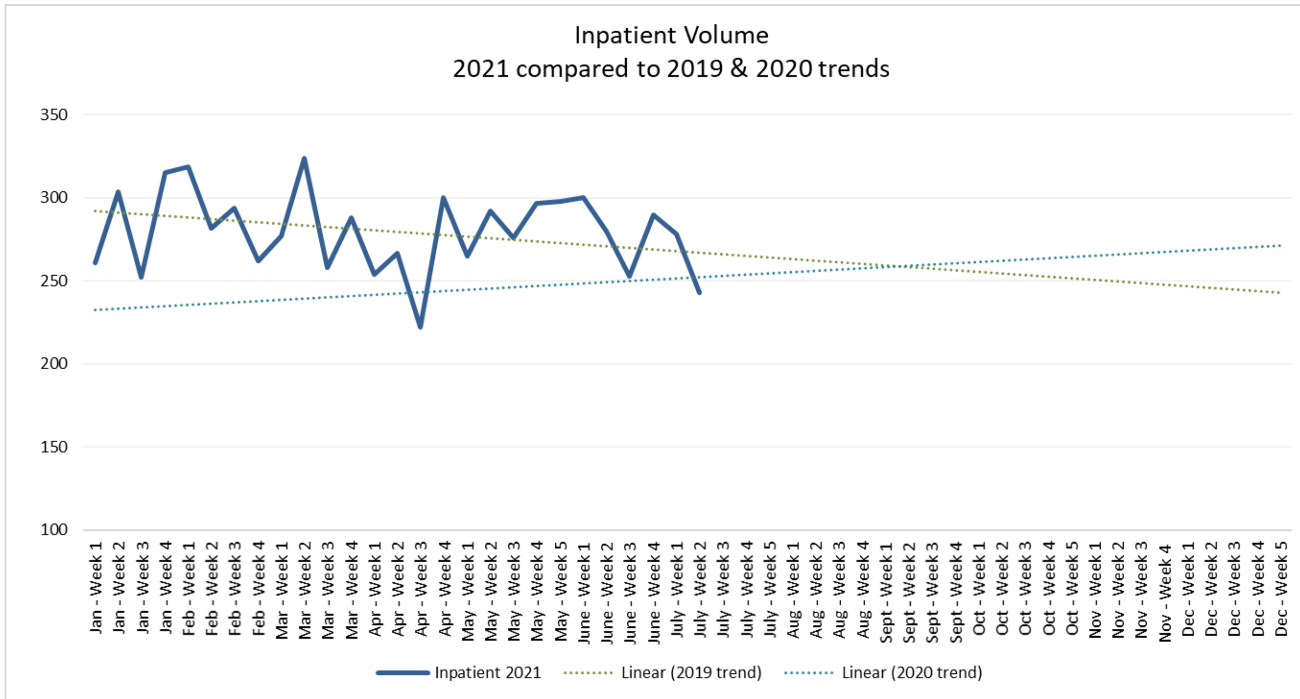
GCHP staff continue to collaborate with providers and community organizations to promote vaccinations for our members.



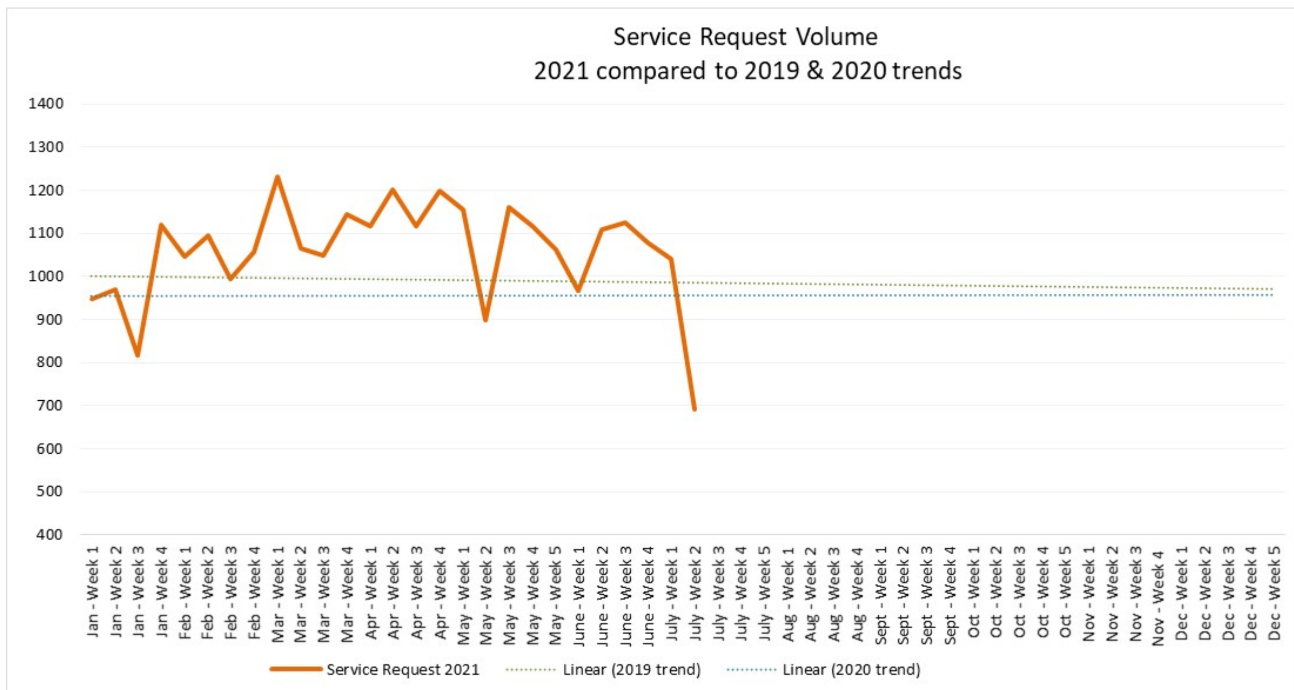


Inpatient and Outpatient Service Requests

Inpatient volume for CY2021 is closely mirroring pre-COVID-19 CY2019 trends. Inpatient requests for Q2 CY2021 are up by 27% compared with Q2 CY2020.



Outpatient service request for Q2 CY2021 are up by 31% compared with Q2 CY2020. This reflects increased membership and pent up demand for services



Pharmacy Hot Topics

Medi-Cal Rx

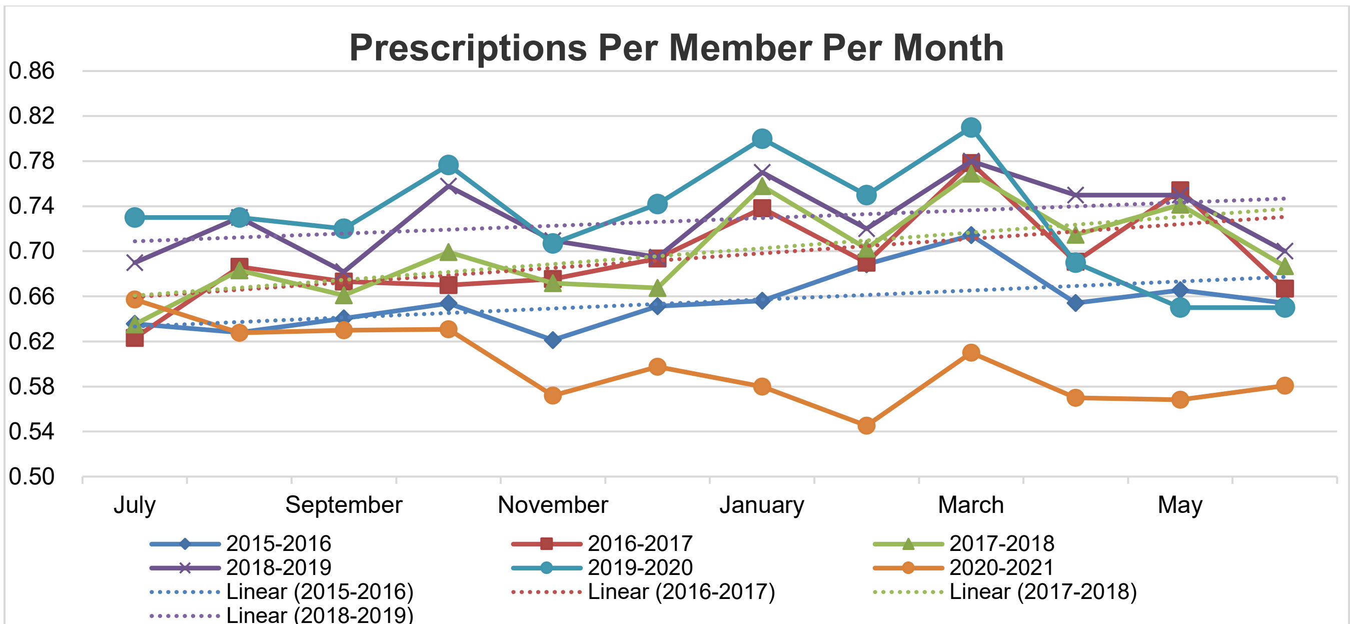
Medi-Cal Rx is currently on an indefinite hold by DHCS. Further information is expected to be released and information will be shared verbally with the commission if available at the July commission meeting.

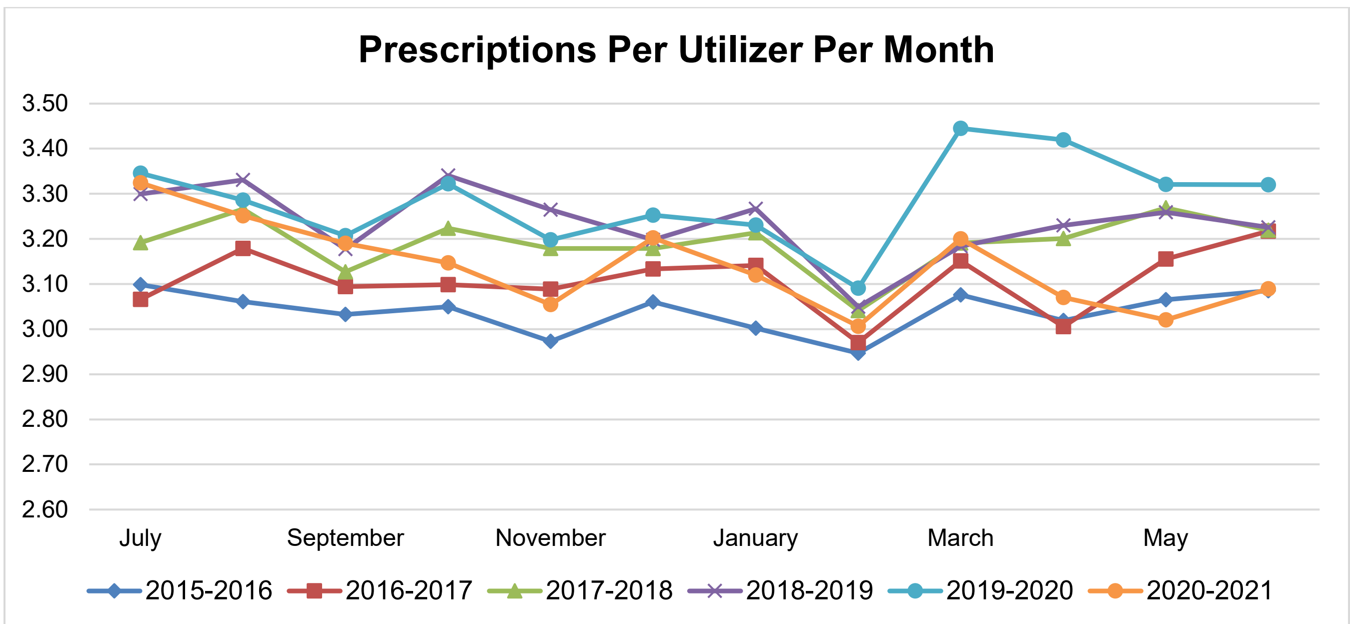
Pharmacy Benefit Cost Trends

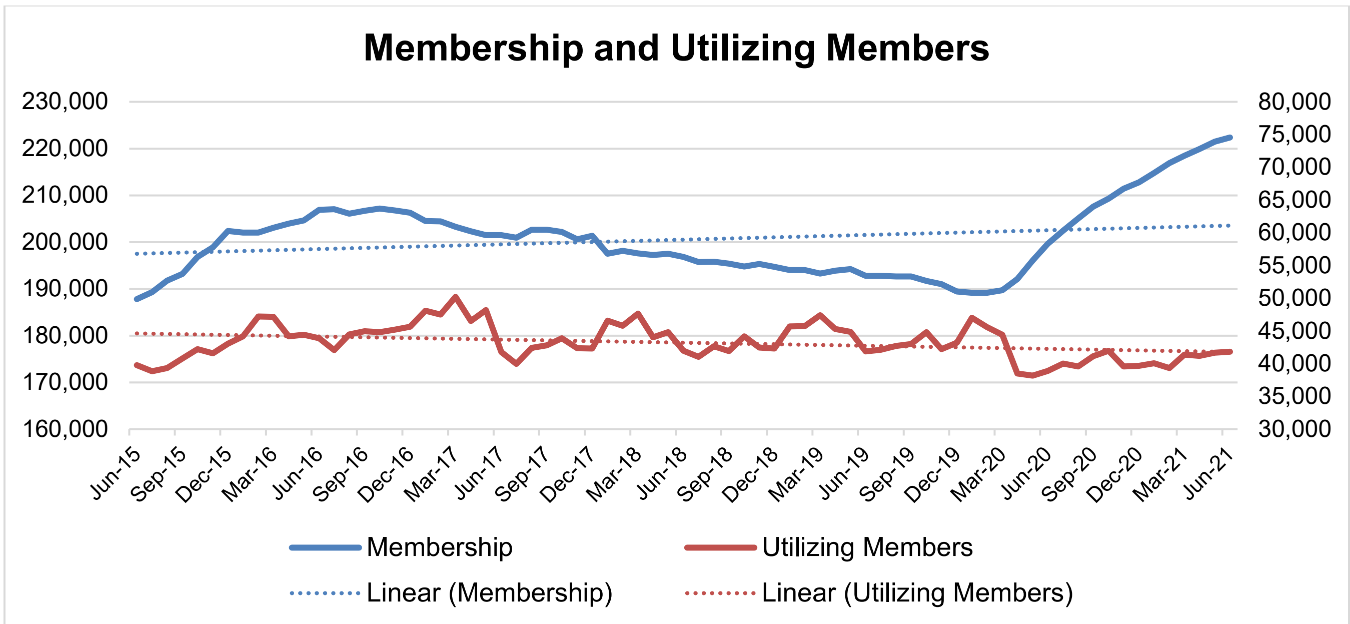
Gold Coast Health Plan's (GCHP) pharmacy trend shows in overall price increase of 9.38% year over year for June. When looking at the per member per month costs (PMPM), the PMPM has decreased approximately 10.8% since its peak in March 2020. Pharmacy trend is impacted by unit cost increases, utilization, and the drug mix. Pharmacy costs were predicted to experience double digit increases (>10%) each year from now until 2025. The impact of COVID-19 and the benefit changes to allow up to a 90-day supply of maintenance medications have created a 3 month cyclic trend of higher expenditures in one month and lower in the following two months as noticed from December 2020 through June with peaks in December, March and June. This cyclic trend is expected to continue as long as there are significant fills of 90 day supply medications.

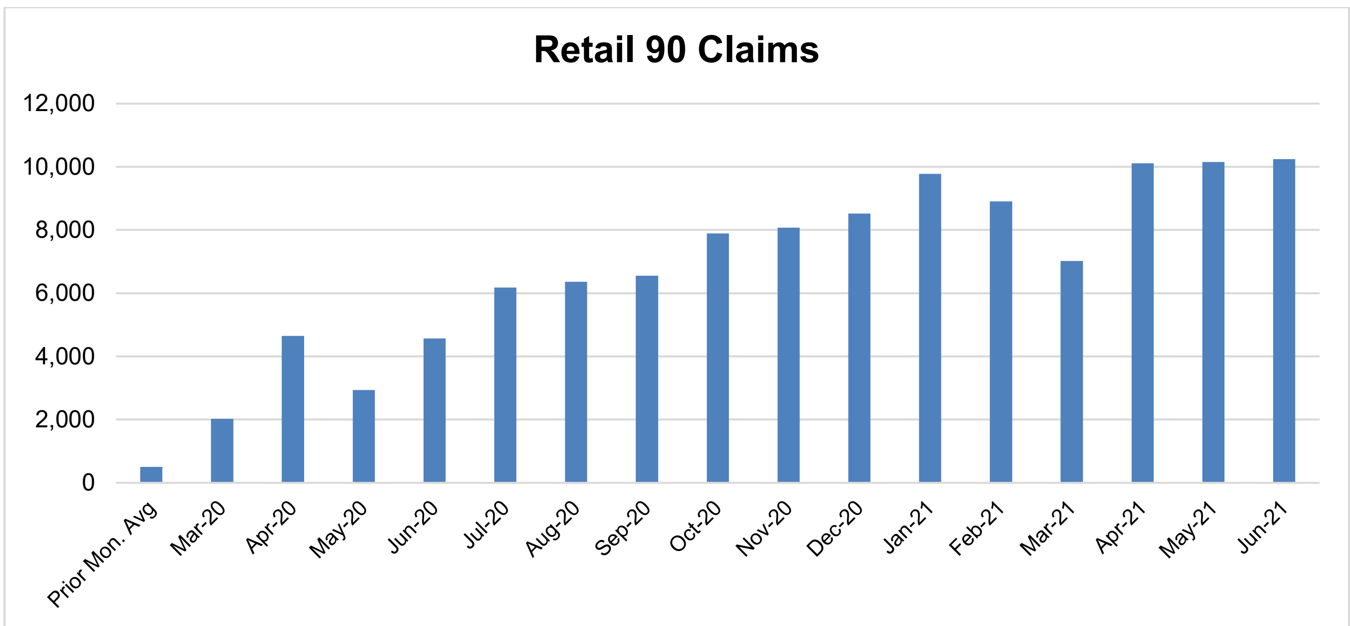
GCHP Annual Trend Data

Utilization Trends:
Through March 2020, GCHP's utilization was increasing as demonstrated by the number of members using prescriptions and the number of prescriptions each member is using while GCHP's total membership continued to decline. However, the impact of COVID-19 has caused an increase in membership and the utilization of extended day supplies which suppress the view of increased utilization. The graph showing prescriptions per utilizer gives a new view of the increased utilization. GCHP will be continuously monitoring the impact of COVID-19 and the increased membership.

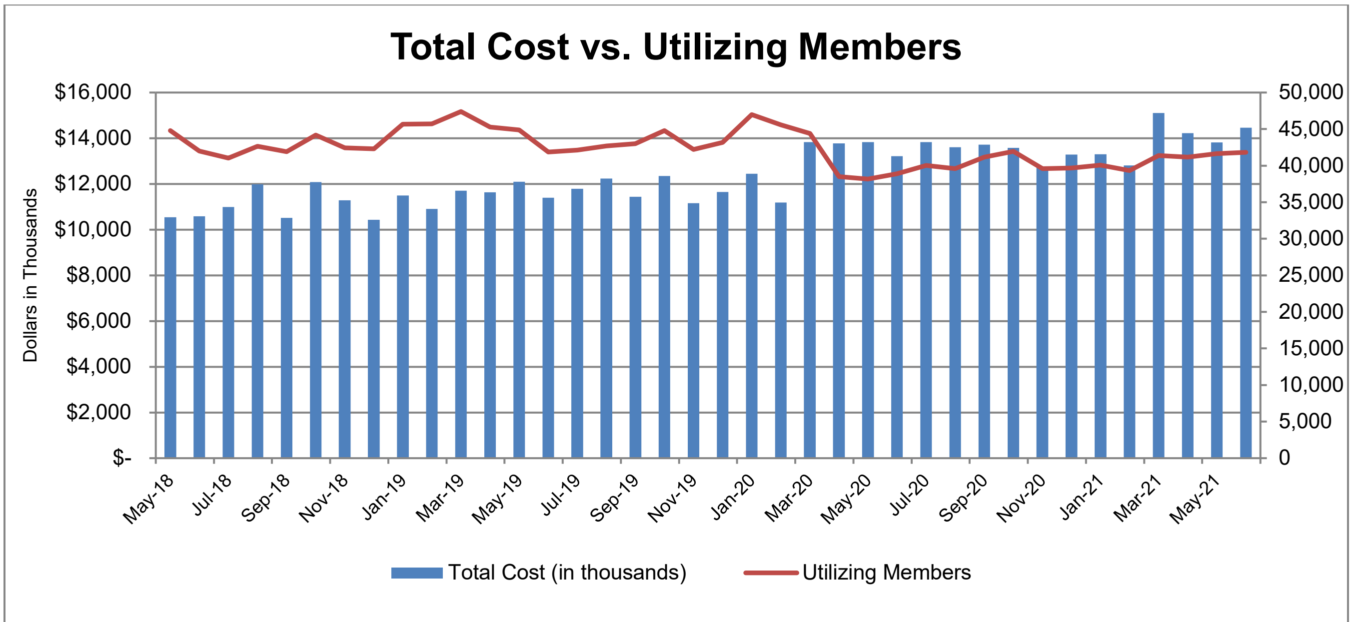

Prescriptions Per Member Per Month
0.86
0.82
0.78
0.74
0.70
0.66
0.62
0.58
0.54
0.50
July
September
November
January
March
May
2015-2016
2016-2017
2017-2018
2018-2019
2019-2020
2020-2021
Linear (2015-2016)
Linear (2016-2017)
Linear (2017-2018)
Linear (2018-2019)

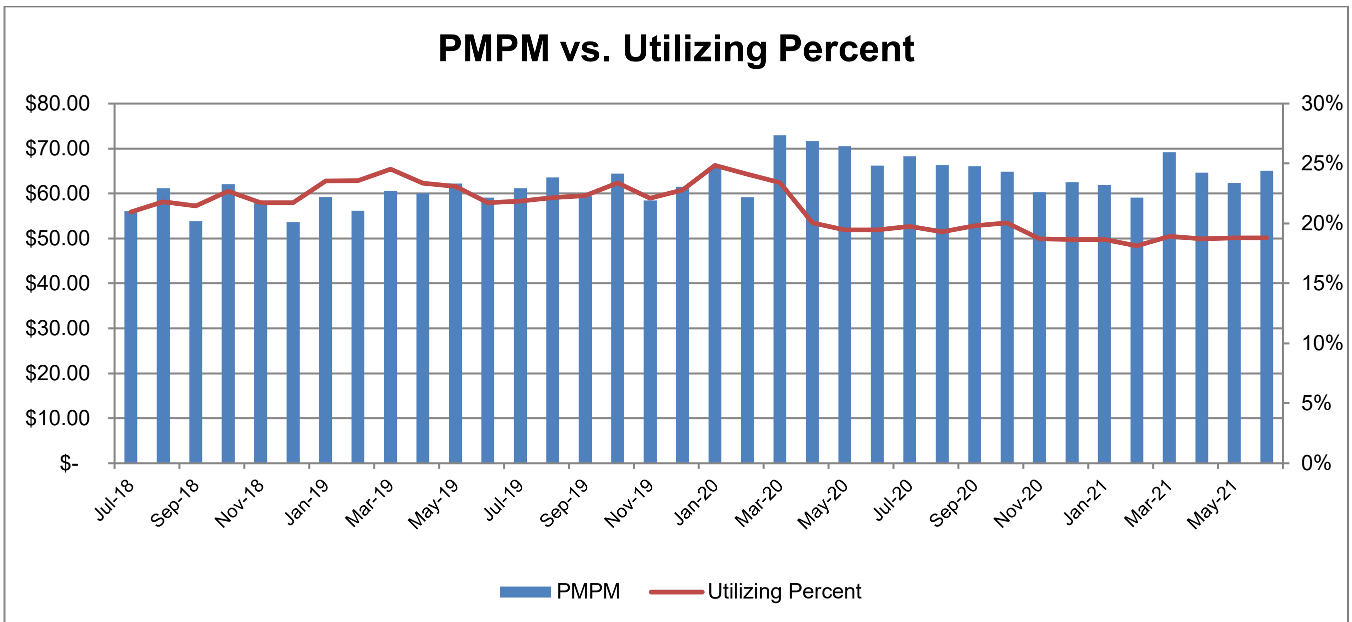

Prescriptions Per Utilizer Per Month
3.50
3.40
3.30
3.20
3.10
3.00
2.90
2.80
2.70
2.60
July
September
November
January
March
May
2015-2016
2016-2017
2017-2018
2018-2019
2019-2020
2020-2021

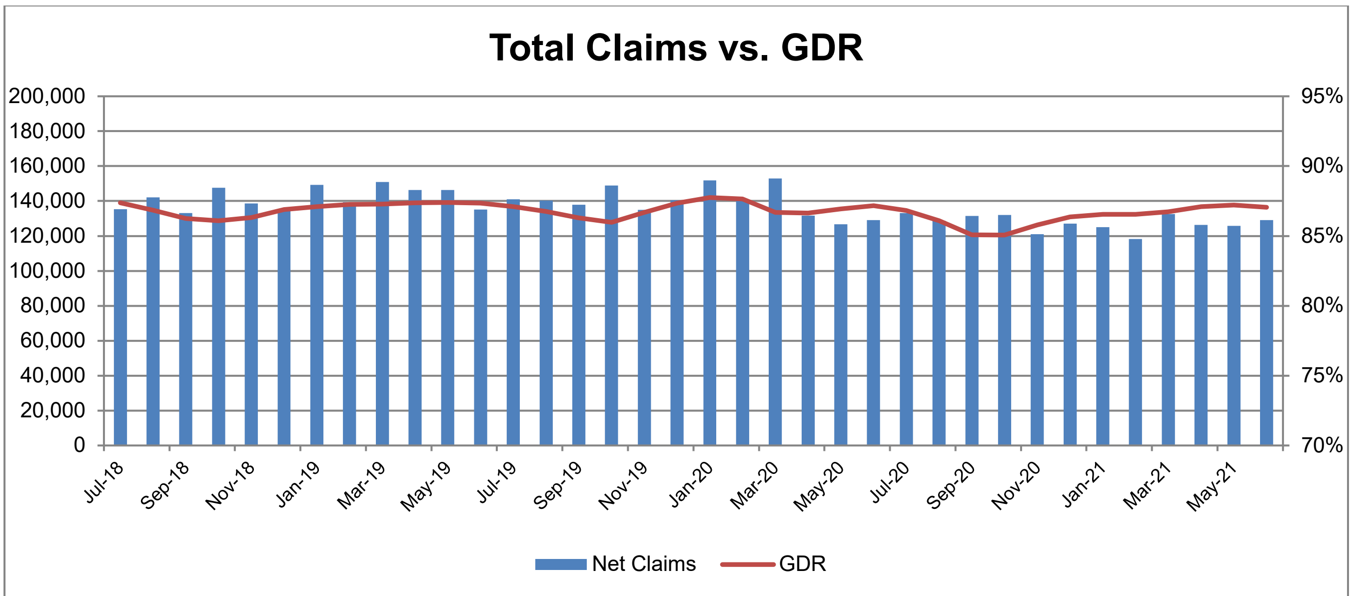

Membership and Utilizing Members
230,000
220,000
210,000
200,000
190,000
180,000
170,000
160,000
80,000
75,000
70,000
65,000
60,000
55,000
50,000
45,000
40,000
35,000
30,000
Jun-15
Sep-15
Dec-15
Mar-16
Jun-16
Sep-16
Dec-16
Mar-17
Jun-17
Sep-17
Dec-17
Mar-18
Jun-18
Sep-18
Dec-18
Mar-19
Jun-19
Sep-19
Dec-19
Mar-20
Jun-20
Sep-20
Dec-20
Mar-21
Jun-21
Membership
Utilizing Members
Linear (Membership)
Linear (Utilizing Members)


Retail 90 Claims
12,000
10,000
8,000
6,000
4,000
2,000
0
Prior Mon. Avg
Mar-20
Apr-20
May-20
Jun-20
Jul-20
Aug-20
Sep-20
Oct-20
Nov-20
Dec-20
Jan-21
Feb-21
Mar-21
Apr-21
May-21
Jun-21

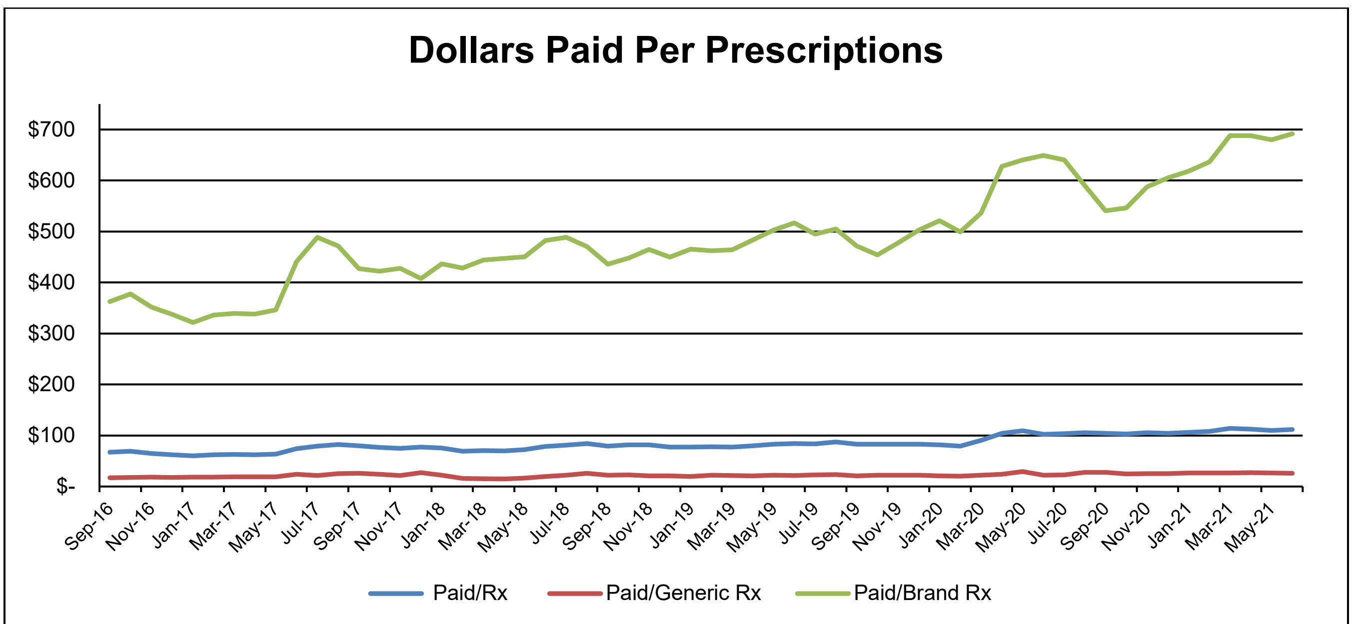
Pharmacy Monthly Cost Trends:





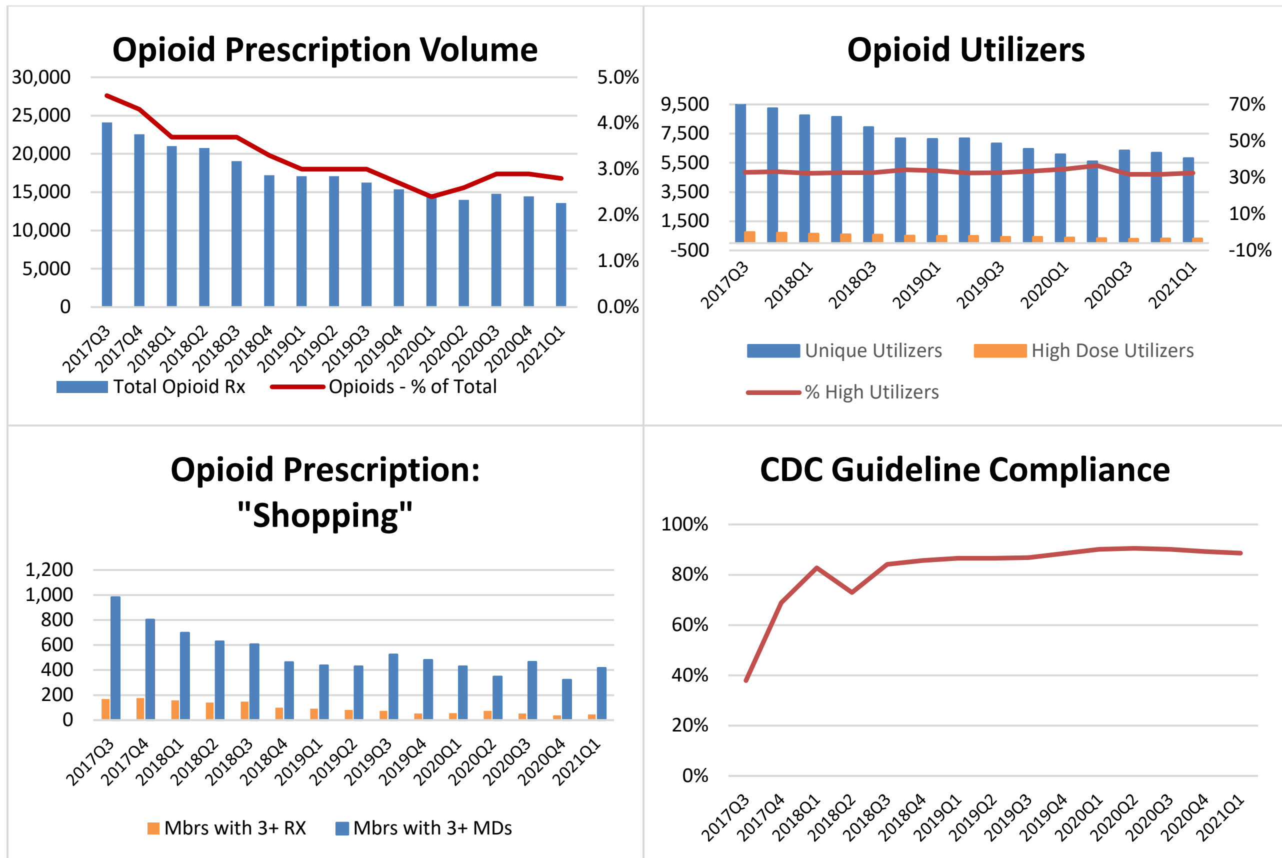


*Claim totals prior to June 2017 are adjusted to reflect net claims.



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.
*Statistics are unchanged from the last meeting and will be updated upon receipt of the next report showing data through June 2021.

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 June 2021. The data has been pulled during the first two weeks of May which increases the likelihood of adjustments. Minor changes, of up to 10% of the script counts, may occur to the data going forward due to the potential of claim reversals, claim adjustments from audits, and/or member reimbursement requests.

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AGENDA ITEM NO. 12

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Ted Bagley, Interim Chief Diversity Officer

DATE: July 26, 2021

SUBJECT: Interim Chief Diversity Officer (CDO) Report

Actions:

I. Community Relations

- Met with Ventura County School District concerning diversity within the executive ranks.
- Completed formal presentation on Health Equity with P.A.C. Purpose was to continue to get feedback on community concerns.

II. Case Investigations

No new cases submitted during the month of June/July. There was one call to the Hotline from one of our members who refused to give their contact information so we have been unable to follow up on her concern. The concern centered around a state practice and not one of Gold Coast Health Plan. The call came through the Compliance hotline and not the Diversity call center.

III. Diversity Activities

- The Diversity, Equity and Inclusion team conducted a Lunch-N-Learn session to celebrate Juneteenth. This was a celebration of slaves Independence Day or Freedom Day. The event commemorates the abolishment of slavery on June 19, 1865 and more specifically the emancipation of enslaved African Americans throughout the Confederate States. The session was conduced by Carolyn Harris, Manager Procurement and Ted Bagley, CDO.

- Accumulating contact names and community groups to participate in a summer summit on Health Equity and Inclusion. Target late third quarter.

- Our Public Relations Manager, Susanna Enriquez, published as part of our weekly CEO communications, the contact numbers for Compliance and Diversity hotlines to ensure that our employees can get their concerns heard.

- The Diversity Team completed the re-write and update of the charter governing the activities of the Diversity, Equity and Inclusion Council.

- Attended the 10th anniversary of Gold Coast Health Plan. The event was coordinated by the HR organization and was a drive-through occasion. The event was well attended by the employees and the senior team.

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AGENDA ITEM NO. 13

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Michael Murguia, Executive Director of Human Resources

DATE: July 26, 2021

SUBJECT: Human Resources (H.R.) Report

Human Resources Activities

Through our Employee Survey Committee, we continue to develop strategies to address issues identified in our Employee Survey taken by all employees in late 2019. Once I arrived, I organized a team of volunteers from throughout the organization of both non-exempt and exempt staff. Our focus areas have been:

-Leadership and management credibility
-Communication
-Recognition

Most recently as a recommendation to strengthen our engagement our Employee Survey team created a sub committee to focus on recognition. Today we have our Gold bars award system which is an employee nominated system to thank and identify employees who exude our values. Beyond this recognition for some reason all other initiatives have disappeared. So, we created a sub committee to design and recommend other initiatives to not only recognize employees but also give a monetary recognition which is quite common in many non- profit organizations. Committee members were Charu Chhabra, Lorraine Carrillo, Shannon Robledo, Susana Enriquez, Marlin Wiley, and Edgar Santos

This team was a combination of teams from the Employee Survey Action committee and Diversity and Inclusiveness Council

These recommendations were reviewed with our legal Counsel and approved to be within our operating guidelines. We have reviewed them with Margaret Tatar and the Executive staff and received unanimous support. Last week. We also reviewed these recommendations with our Directors and received unanimous support. The high-level categories will be part of our employee Recognition program:

Above & Beyond Annual Individual Awards

- Executive Leadership select from manager nominations
- $150 gift card and tangible award
- Held during July Employee Appreciation Lunch

Annual Employee Committee Awards

- Annual Luncheon
- Raffle gift cards and certificate

Quarterly Surprise Platinum Awards

- Department leaders nominate Platinum Award recipients covered in All Staff meetings
- $25 Gift Card and certificate

Gold Bar Awards (exists today)

- Peer to Peer
- Recognition at all-staff meetings
- No monetary award- shout out instead

Over the next 30 days we will be implementing our communications and implementation strategy to inform the rest of our plan. This is a continued effort towards our overall Human Resources strategy "Best Place to Work"

Facilities / Office Updates

GCHP Facilities' team is dedicated to planning a return to the office when conditions allow. The team continues to meet and evaluate:

- Protocols for the flow of employees who visit the office for supplies, printing, and other business-related activities
- Protocols for our new entrance and exit process requiring temperature checks and registration in our Proxyclick system is working very well
- Protocols for a return to the office, including taking temperatures
- Making any necessary modifications to improve air quality inside the buildings