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

**Regular Meeting**
**Monday, April 26, 2021, 2:00 p.m.**
**Gold Coast Health Plan, 711 East Daily Drive, Community Room**
**Camarillo, CA 93010**
**Executive Order N-25-20**
**Conference Call Number: 805-324-7279**
**Conference ID Number: 261 878 785#**
**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 March 22, 2021.**

Staff: Maddie Gutierrez, MMC, Clerk to the Commission

RECOMMENDATION: Approve the minutes of March 22, 2021.

**2. Resolution Extension through May 24, 2021**

Staff: Scott Campbell, General Counsel

RECOMMENDATION: Adopt Resolution No. 2021-004 to extend the duration of authority empowered in the CEO through May 24, 2021.

**3. Resolution 2021-005 Violence Against Minority Communities**

Staff: Ted Bagley, Chief Diversity Officer
Scott Campbell, General Counsel

RECOMMENDATION: Staff requests the Commission approve Resolution 2021-005.

**4. Resolution Adopting an Amended Conflict of Interest Code Pursuant to the Political Reform Act of 1974**

Staff: Scott Campbell, General Counsel

RECOMMENDATION: It is recommended that the Commission adopt Resolution No. 2021-006 adopting the amended Conflict of Interest Code pursuant to the Political Reform Act of 1974.

**5. Investment Policy**

Staff: Kashina Bishop, Chief Financial Officer

RECOMMENDATION: Staff requests that the Commission approve the Investment Policy for a one-year period.

## UPDATES

**6. Strategic Planning Quarterly Update**

Staff: Marlen Torres, Executive Director of Strategy & External Affairs

RECOMMENDATION: Receive and file the update.

**7. Go-Live Update**

Staff: Eileen Moscaritolo, HMA Consultant
Conduent Representatives

RECOMMENDATION: Receive and file the update.

**8. HSP MediTrac Update**

Staff: Eileen Moscaritolo, HMA Consultant

RECOMMENDATION: Receive and file the update.

## PRESENTATIONS

**9. Cal-AIM/In Lieu of Services (ILOS)/Enhanced Care Management (ECM) Presentation**

Staff: Marlen Torres, Executive Director of Strategy & External Affairs
Pauline Preciado, Senior Director of Population Health & Equity

RECOMMENDATION: Receive and file the presentation.

## FORMAL ACTION

**10. Quality Improvement Committee 2021 First Quarter Report**

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

RECOMMENDATION: Approve the 2021 QI Program Description and 2021 QI Work Plan as presented. Receive and file the complete report as presented.

**11. March 2021 Financials**

Staff: Kashina Bishop, Chief Financial Officer

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

**12. Conduent Contract Amendment**

Staff: Cathy Deubel Salenko, Health Counsel

## REPORTS

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

Staff: Margaret Tatar, Chief Executive Officer

RECOMMENDATION: Receive and file the report.

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

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

RECOMMENDATION: Receive and file the report.

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

Staff: Ted Bagley, Chief Diversity Officer

RECOMMENDATION: Receive and file the report.

**16. Executive Director of Human Resources (H.R.) Report**

Staff: Michael Murguia, Executive Director of Human Resources

RECOMMENDATION: Receive and file the report.

## CLOSED SESSION

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

**18. PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
Title: Chief Executive Officer

## ADJOURNMENT

Unless otherwise determined by the Commission, the next meeting will be held at 2:00 P.M. on May 24, 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: April 26, 2021

SUBJECT: Meeting Minutes of March 22, 2021 Regular Commission Meeting

## RECOMMENDATION:

Approve the minutes.

## ATTACHMENT:

Copy of Minutes for the March 22, 2021 Regular Commission Meeting.

# Ventura County Medi-Cal Managed Care Commission (VCMMCC) dba Gold Coast Health Plan (GCHP) March 22, 2021 Regular Meeting Minutes

## CALL TO ORDER

Commission Chair Dee Pupa called the meeting to order via teleconference at 2:04 pm. The Clerk was in the Community Room located at Gold Coast Health Plan, 711 East Daily Drive, Camarillo, California.

## ROLL CALL

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

Absent: Commissioners Antonio Alatorre, Theresa Cho, M.D., Andrew Lane, and Jennifer Swenson

**Commissioner Cho arrived at the meeting at 2:15 pm. Commissioner Alatorre arrived at the meeting at 2:36 pm.**

Attending the meeting for GCHP were Margaret Tatar, Chief Executive Officer, Nancy Wharfield, MD., Chief Medical Officer, Ted Bagley, Interim Chief Diversity 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, Eileen Moscaritolo, HMA Consultant, and Robert Franco, Chief Compliance Officer.

Additional staff participating on the call: Vicki Wrighster, Dr. Anne Freese, Rachel Lambert, Helen Miller, Jamie Louwerens, Dr. Lupe Gonzalez, Kim Timmerman, Pauline Preciado, Luis Aguilar, Paula Cabral, Sandi Walker, Nicole Kanter, Susana Enriquez, Jeff Yarges, and David Tovar.

Ana Rangel, Interpreter.

Additional participants were members from the County of Ventura: Robert O'Reilly, Barry Zimmerman, and Angel Garcia.

## PUBLIC COMMENT

None.

**CONSENT**

1. **Approval of Ventura County Medi-Cal Managed Care Regular Minutes of February 22, 2021.**

   Staff: Deborah Munday, Associate Clerk of the Board

   RECOMMENDATION: Approve the minutes of February 22, 2021

2. **Resolution Extension through April 26, 2021**

   Staff: Scott Campbell General Counsel

   RECOMMENDATION: Adopt Resolution 2021-003 to extend the duration of authority empowered in the CEO through April 26, 2021.

Commissioner Espinosa motioned to approve agenda items 1 and 2. Commissioner Underwood seconded.

Agenda Item No. 1 Vote:

AYES: Commissioners Laura Espinosa, Dr. Sevet Johnson, Gagan Pawar, M.D., Dee Pupa, Supervisor Carmen Ramirez, and Scott Underwood, M.D.

RECUSED: Commissioner Shawn Atin.

NOES: None.

ABSENT: Commissioners Antonio Alatorre, Theresa Cho, M.D., Andrew Lane, and Jennifer Swenson.

Commissioner Pupa declared the motion carried.

Agenda Item No. 2 Vote:

AYES: Commissioners Shawn Atin, Laura Espinosa, Dr. Sevet Johnson, Gagan Pawar, M.D., Dee Pupa, Supervisor Carmen Ramirez, and Scott Underwood, M.D.

NOES: None.

ABSENT: Commissioners Antonio Alatorre, Theresa Cho, M.D., Andrew Lane, and Jennifer Swenson.

Commissioner Pupa declared the motion carried.

**FORMAL ACTION**

**3. Approval of Revised 2021 Meeting Dates for Executive Finance, and December Strategic Planning.**
**Request Direction from Commission for 2021 After Hours/Evening Meetings for the Community.**

Staff: Scott Campbell, General Counsel
Maddie Gutierrez, Clerk to the Commission

RECOMMENDATION: Approve the revised 2021 meeting dates for the Executive Finance Committee to review financials prior to regular Commission meetings, and approve moving the Strategic Planning meeting to December 16, in order not to conflict with the Board of Supervisors meeting.

Staff also requests direction from the Commission on scheduling meeting dates for the after-hours/evening Commission meetings for calendar year 2021.

General Counsel, Scott Campbell, reviewed the Change of dates for the Exec. Finance Committee meeting. The Exec. Finance Committee requested the change to review financials prior to the Commission meeting. The meetings will be held one (1) week prior to Commission meetings.

Commissioner Pupa motioned to approve agenda item 3, revision of meeting dates for Executive Finance Committee. Commissioner Espinosa seconded.

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

NOES: None.

ABSENT: Commissioners Antonio Alatorre, Andrew Lane, and Jennifer Swenson

Commissioner Pupa declared the motion carried.

General Counsel, Scott Campbell stated the originally scheduled date for the Strategic Planning meeting (December 14, 2021) conflicts with the Ventura County Board of Supervisors meeting and in the past, there have been attendance issues due to this conflict. The request is to move the Strategic Planning meeting to December 16, 2021.

Mr. Campbell noted there are three (3) bills pending to make virtual meetings permanent in California. Supervisor Ramirez asked if Mr. Campbell had information on whether these meetings would be optional or if they must be virtual. Mr. Campbell

responded there while there is always an option for virtual meetings, at least one of the new laws being considered would make virtual meetings mandatory. The bills are still pending.

Commissioner Espinosa motioned to approve the change to the Strategic Planning meeting date to December 16, 2021. 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 Scott Underwood, M.D.

NOES: None.

ABSENT: Commissioners Andrew Lane and Jennifer Swenson

Commissioner Pupa declared the motion carried.

General Counsel, Scott Campbell stated the March evening Commission was postponed. He is requesting direction from the Commission on whether to have the August evening Commission meeting as scheduled or to postpone.

Commissioner Atin motioned to approve the August Commission meeting to 6:00 p.m. for the public to participate.

Commissioner Johnson stated she would like to have the evening meeting in August. Commissioner Atin also agreed to the August date.

The Clerk asked for clarification on the location of the evening meeting. The next evening meeting was to be held in Oxnard or Santa Paula. Commissioner Espinosa stated that if the meeting was to be held at a location, she would like for it to be held in Santa Paula. If the meeting is to be virtual, then she agrees to have the meeting at 6PM in August.

Commissioner Espinosa motioned if the meeting is to be held live it would be held in Santa Paula in the evening in August, starting at 6:00 p.m.. Commissioner Cho 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 Scott Underwood, M.D.

NOES: None.

ABSENT: Commissioners Andrew Lane and Jennifer Swenson

Commissioner Pupa declared the motion carried.

**4. Member Auto-Assignment to a Primary Care Physician Policy**

Staff: Scott Campbell, General Counsel
Cathy Deubel Salenko, Health Care Counsel

RECOMMENDATION: Staff recommends the Commission ratify the current Policy and the Policy amended in 2021 that is pending DHCS approval. The Current Policy is effective until DHCS approves the 2021 Policy, which will be effective on DHCS approval.

Eileen Moscaritolo, HMA Consultant, stated the Commission adopted the Member Auto-Assignment to a Primary Care Physician Policy in 2011. Cathy Salenko, Health care Counsel, stated this policy has been amended several times since then, but the amendments were not presented to Commission for approval. GCHP amended the policy to make corrections and non-substantive revisions as well as added a section to reference a recent update in reporting requirements which has been submitted to DHCS for approval.

Commissioner Atin asked if there were recent changes. Cathy Salenko stated this had not been presented to the Commission and the organization felt this policy needed to be presented. CEO Margaret Tatar stated this item is presented to exercise best practice.

Commissioner Atin motioned to approve agenda item 4. Commissioner Johnson 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 Scott Underwood, M.D.

NOES: None.

ABSENT: Commissioners Andrew Lane and Jennifer Swenson

Commissioner Pupa declared the motion carried.

**5. Provider Contracting and Credentialing Management ("PCCM") System Implementation**

Staff: Eileen Moscaritolo, HMA Consultant
Nancy Wharfield, Chief Medical Officer

RECOMMENDATION: GCHP staff recommend the Commission approve and delegate to the CEO the authority to execute agreement amendments and/or change orders with Symplr with a new NTE amount of $1,924,005 for the duration of the five-year agreement.

HMA Consultant, Eileen Moscaritolo, stated this is a request for additional funding to complete an in-progress provider contracting, credentialing and provider data management system implementation.

In October of 2018 GCHP implemented systems and did an RFP, the Symplr product was chosen and the contract was signed. This year there are two (2) major projects; one is the Conduent HSP project, the date has been changed several times. The PCCM has resulted in a date change until June for the Go-Live date. The Plan has required an increased level of effort associated with the implementation of the project which requires an estimated additional cost of $332,000 for this fiscal year for the PCCM project. Ms. Moscaritolo noted that we are still under budget for the overall project and it is being monitored closely. This is a five (5) year contract, part is a start-up cost for implementation and the remaining years will be maintenance and fees we will be paying the vendor.

Commissioner Espinosa asked for clarification on whether it was four (4) month remaining on the contract or four (4) years. Ms. Moscaritolo stated there were four (4) years remaining. The implementation will be done in June. Ms. Moscaritolo stated the authority to procure was granted in October 2018, but the vendor was not chosen. Commissioner Espinosa asked where are the five (5) years calculated from. Sr. Director of IT, Helen Miller stated she did not recall the exact date, years 2, 3, 4 and 5, those years start when the vendor goes live, the vendor charges when we Go-Live. Commissioner Atin asked about the billing error. Ms. Moscaritolo stated it was a time and material contract, with the extension of the HSP Conduent system we realized the vendor underbilled. Commissioner Espinosa asked if the total five (5) years begins in June 2021, the date of implementation. Ms. Moscaritolo stated that after we Go-Live will be when the maintenance fees will kick in. Commissioner Espinosa asked when we will get another agenda item for an extension. We did not go-live and the contract doesn't run until we do. Ms. Moscaritolo stated authority was received to get the system in 2018, when the software was procured we went into an implementation phase and at the Plan we call that Year One (1), and it has gone longer than one (1) year. We are scheduled to Go-Live the second week in June. The reason we have been delayed is due to the other system implementation that has had a date change three times. When we align is when the vendor starts maintenance fees. Commissioner Espinosa noted we have already been charged over $1 million, but fees have not begun yet.

Commissioner Atin motioned to approve agenda item 5. 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 Scott Underwood, M.D.

NOES: Commissioner Laura Espinosa.

ABSENT: Commissioners Andrew Lane and Jennifer Swenson

Commissioner Pupa declared the motion carried.

**6. February 2021 Financial Statements**

Staff: Kashina Bishop, Chief Financial Officer

RECOMMENDATION: Staff recommends that the Commission approve the February 2021 financial package.

Chief Financial Officer, Kashina Bishop reviewed the February 2021 financial statements.

There is a net gain of $4.3 million for the month of February with a fiscal year to date net gain of $3.6 million. TNE is at 227% of the minimum required. Medical loss ratio is 93.9 % and administrative ration is 5.5%

The target for our Solvency Action Plan (SAP) is 400-500% of required. We are currently at 227%. In August our TNE was at 192%. Currently we have a total annual savings of $17.4 – 20.4 million. CFO Bishop reviewed next steps for the Solvency Action Plan, which included categories, current focus, and annualized impact in savings. She noted the Net Premium revenue is $597.4 million which is over budget by $50.8 million and 9%. The revenue for Proposition 56 is $18.5 million. She also noted a favorable CY 2021 rates and inclusion of the pharmacy component. Supervisor Ramirez asked about the drop in June 2020. CFO Bishop stated it did not drop, the blue line on the graph was budget. The Membership trends graph was reviewed. Membership is increasing and currently at 217,000 members.

CFO Bishop noted FYTD health care costs are approximately $39.0 million over budget. Directed payments are over budget by $17.6 million, pharmacy expense is over budget by $22.9. Inpatient Medical Expenses are under budget by $4.3 million or 4%. Long term care is over budget by $3,2 million. Outpatient expenses are under budget by $3.1 million. Emergency Room Expenses are under by $6.1 million and Mental & Behavioral health is over budget by $3.2 million. Chief Medical Officer, Nancy Wharfield, M.D., noted a portion of ER use is inappropriate use. Supervisor Ramirez asked if there was community information regarding utilization of the Emergency Room. CMO Wharfield stated besides regular appointments with doctors, there is urgent care.

Supervisor Ramirez motioned to approve agenda item 6. Commissioner Johnson 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 Scott Underwood, M.D.

NOES: None.

ABSENT: Commissioners Andrew Lane and Jennifer Swenson

Commissioner Pupa declared the motion carried.

**7. Pharmacy Benefits Manager (PBM) Contract Amendment**

Staff: Nancy Wharfield, Chief Medical Officer
Anne Freese, PharmD., Director of Pharmacy

Director of Pharmacy, Dr. Anne Freese, stated Medi-Cal Rx is now on an indefinite delay from the State. The State is reviewing conflict avoidance and we will now need to adjust our contract with Optum.

We will add rates for additional services to maintain current structure. Flexibility if needed is based on the information from the State. The fiscal impact is that pharmacy costs will stay with GCHP. Pricing will be like now. Commissioner Pupa stated she appreciated Optum's flexibility to be accommodating.

Commissioner Espinosa motioned to approve agenda item 7. 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 Scott Underwood, M.D.

NOES: None.

ABSENT: Commissioners Andrew Lane and Jennifer Swenson

## UPDATES

**8. Compliance Overview**

Staff: Robert Franco, Chief Compliance Officer

RECOMMENDATION: Accept and file the update.

Chief Compliance Officer, Robert Franco, reviewed the following items in his presentation: Seven (7) elements of an effective compliance program, the GCHP Compliance Organization, GCHP Compliance accomplishments 2020 and GCHP Goals for 2021.

CCO Franco noted there will be updates to the Commission. He noted an internal workgroup was established to strengthen GCHP's internal controls. The internal

control process was introduced during the 2020 Strategic Planning Retreat along with a comprehensive list of controls that had been addressed in 2020. The next steps are to establish Internal Controls workgroup meeting cadence, level set with internal Business Areas to provide standard updates, prioritization of issues, improvements and execution and quarterly updates to Executive Finance and Commission.

Commissioner Johnson stated she appreciated the changing culture and thanked CCO Franco. Commissioner Pupa thanked CCO Franco for all the good work and stated it was nice to have him give a presentation. Commissioner Pupa stated she has attended leadership meetings and has seen a transformation. She noted staff was more comfortable in the meetings.

Supervisor Ramirez motioned to approve agenda item 8. Commissioner Johnson 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 Scott Underwood, M.D.

NOES: None.

ABSENT: Commissioners Andrew Lane and Jennifer Swenson

## REPORTS

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

Staff: Margaret Tater, Chief Executive Officer

RECOMMENDATION: Receive and file the report.

Chief Executive Officer, Margaret Tatar, announced that the Biden administration has issued guidance pursuant to the 2019 guide of the Public Charge Rule would no longer be enforced.

CEO Tatar introduced Marlen Torres, Executive Director of Strategy & External Affairs. Ms. Torres gave information listed under federal and state updates as well as key legislative bills as of February 2021. She reviewed information on America's Rescue Plan under the federal budget and the Strike Team which provides assistance for skilled nursing during the pandemic and one (1) year after. She noted sponsorship opportunities are available.

The Network Operations team has reached out to providers twice a week by phone and email to determine pandemic-related closures or impacts to member access.

In Compliance, CCO Franco tracks reviews and audits. AmericasHealth Plan (AHP) is on track.

Commissioner Pupa noted the Plan is doing lots of work and the projects are big. CEO Tatar noted projects are on track.

## 10. 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 report released on the cost of homelessness in Ventura County. A link was provided to view the full report.

CMO Wharfield reviewed the utilization update and measures as well as COVID related admissions. Currently the most recent number of admissions due to COVID is 522 in Ventura County. Commissioner Pawar asked if patients that were lost due to COVID were tracked. CMO Wharfield stated that information goes to Public Health and there is an incomplete picture of deaths related to COVID. She did not have GCHP member numbers.

Dr. Anne Freese, Director of Pharmacy reviewed graphs. She noted the graphs are typical over the past several months. Every three (3) months graphs peak and drop. Prior to COVID, prescriptions were issued differently, and the shift is now ninety (90) day supplies of medication. Commissioner Cho asked what accounts for the change in Rx per member per month. Dr. Freese state prescriptions were one-month supplies and it has changed to three-month supplies. Not all prescriptions are picked up at the same time. Dr. Freese noted an increased trend with 90-day meds instead of 30-day meds and therefore an increase in dollars. In March 2021, the increase due to the 90-day supply will level off. The cost of drugs is increasing, and price increases can be seen in January and July.

## 11. Chief Diversity Officer (CDO) Report

Staff: Ted Bagley, Interim Chief Diversity Officer

RECOMMENDAITON: Receive and file the report.

Chief Diversity Officer, Ted Bagley stated he is meeting with the County on the Health Equity Initiative. He is working with Sr. Executive Director of Strategy & External Affairs, Marlen Torres and Sr. Director of Population Health, Pauline Preciado. They are gathering data and will present their findings. CDO Bagley stated he had already met with PAC and plans to meet with CAC members in April.

Supervisor Ramirez stated she represented Ventura County at the Southern California Associate of Governments (SCAG) for eight (8) years and they worked on racial equality, housing, employment, and education. Supervisor Ramirez asked if the Commission would speak out regarding hate crimes. CDO Bagley stated the organization should make a statement. He will work on a resolution draft and present it to the Commission. Commissioner Espinosa requested the statement be strong. Supervisor Ramirez stated people are being impacted and we should not wait. CDO Bagley will create a first draft and present it to General Counsel and the CEO.

**12. Executive Director of Human Resources (HR) Report**

Staff: Michael Murguia, Executive Director of Human Resources

RECOMMENDATION: Receive and file the report.

Executive Director of Human Resources, Michael Murguia reviewed HR activities, the department has launched a compensation and benefits study with is estimated to be complete by May 2021. A Return to Work Strategy meeting was held with Executive Staff with future meeting focus will be to continue to provide a high level of service to our members while ensuring a safe and healthy work environment for staff.

Mr. Murguia noted the Facilities staff continues to meet and evaluate protocols for employees who go to the office for supplies, printing, or other business-related reasons. There is a new protocol for entrance and exit to the buildings which includes temperature checks and registration.

Commissioner Atin motioned to receive and file agenda items 9-12. Commissioner Espinosa seconded.

AYES: Commissioners 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: Commissioners Antonio Alatorre, Shawn Atin and Scott Underwood, M.D.

Commissioner Pupa declared the motion carried.

**The Commission went into Closed Session at 4:02 pm.**

## CLOSED SESSION

**13. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) Section 54956.9: One case.

## ADJOURNMENT

Commissioner Pupa adjourned the meeting at 4:25 pm. With no reportable action in Closed Session.

Approved:

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Maddie Gutierrez, MMC
Clerk to the Commission

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# AGENDA ITEM NO. 2

**TO:** Ventura County Medi-Cal Managed Care Commission

**FROM**: Scott Campbell, General Counsel

**DATE:** April 26, 2021

**SUBJECT:** Adopt a Resolution to Renew Resolution No. 2021-003, 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. 2021-004-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 4, 2020, Governor Newsom issued Executive Order N-60-20, declaring that California is prepared to move into the early phase of "Stage 2" of California's Roadmap to Pandemic Resilience to permit the gradual reopening of lower risk businesses and open spaces commencing on Friday, May 8, 2020, with modifications. As the state moves forward with reopening of certain businesses and spaces, Executive Order N-60-20 directs the State Public Health Officer to establish criteria and procedures, as set forth in the order, to determine whether and how local jurisdictions may implement local measures that depart from statewide directives.

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

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.

Following the Commission's adoption of Resolution No. 2020-003, the State has permitted new specified businesses and recreation areas to reopen subject to modifications designed to implement social distancing and prevent the further spread of the disease. To help guide businesses and outdoor recreation areas as they reopen, the State Public Health Officer issues individual reopening protocols for each industry that is permitted to reopen. The individual protocols require these spaces to implement industry-specific safety measures to help combat COVID-19.

In line with the State's directives, the County Health Officer updated its May 7, 2020 order again on May 20th, May 22nd, May 29th, and June 11, 2020. As with the previous County Health Officer orders, the June 11th order permits specified new industries to re-open in line with the State's directives.

In the following weeks however, the State and County Health Department reported a sharp increase in new confirmed COVID-19 cases and hospitalizations. Evidence demonstrates that the timing of these increases is in line with the reopening of "high risk" businesses where individuals may congregate with members who are not part of the same household and remove their face coverings to eat and drink. The uptick in cases prompted the County Health Officer to issue an order on July 2, 2020, ("July 2nd Order") to require the closure of bars, and the temporary closure of County beaches in anticipation of large crowds that were expected and did gather during the Fourth of July weekend.

On July 13, 2020, the State Public Health Officer issued a state-wide order to require the immediate closure of: (1) indoor and outdoor operations of bars, pubs, brewpubs and breweries; and (2) indoor operation of restaurant dining, movie theaters, zoos, museums, cardrooms, wineries and tasting rooms. The order also imposes more stringent requirements on specified counties, including Ventura County that have appeared on the State's monitoring list for three consecutive days to prohibit the indoor operations of: gyms and fitness centers, places of worship, protests, offices for non-critical infrastructure sectors, personal care services, hair salons, barbershops, and malls. Also on July 13, 2020, the County Health Officer issued an order, requiring the closure of indoor operations of the following establishments: gyms and fitness centers, worship services, protests, offices for non-essential sectors, personal care services (e.g., nail salons, body waxing, and tattoo parlors), hair salons and barbershops, and malls.

On July 16, 2020, the County Health Officer amended its July 2nd Order to permit bars that serve food, wineries, and wine tasting rooms to reopen provided that they operate outdoors and abide by applicable State orders and guidance, and additional local requirements set forth in the County order.

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 and more recently on March 22, 2021 by adopting Resolution No. 2021-003. Resolution No. 2021-003 expires today, April 26, 2021.

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. The framework is entitled, "California's Plan for Reducing COVID-19 and Adjusting Permitted Sector Activities to Keep Californians Healthy and Safe". Under this framework, every county in California is assigned to a tier based on how prevalent COVID-19 is in each county and the extent of community spread—Purple (Widespread), Red (Substantial), Orange (Moderate) and Yellow (Minimal). The color of each respective tier indicates what sectors may reopen.

When ICU bed capacity was rapidly decreasing throughout California, the Governor issued a State Regional Stay at Home Order on December 3, 2020, that triggered greater restrictions on a region consisting of multiple counties depending on that region's ICU hospital bed availability. Once a region had less than 15 percent ICU availability, all counties within the region were required to follow the State Regional Stay at Home Order within 24 hours for at least three weeks.

On January 5, 2021, the State Public Health Officer issued a new order intended to reduce pressure on strained hospital systems and redistribute the responsibility of medical care across the state so patients can continue to receive lifesaving care. To preserve services, the public health order requires some non-essential and non-life-threatening surgeries to be delayed in counties with 10 percent or less of ICU capacity under the Regional Stay at Home Order where the regional ICU capacity is at 0 percent.

Recent state and county public health data demonstrates that the rate of COVID-19 community transmission, hospitalizations and testing positivity rates have substantially declined. Additionally, there now exists at least three COVID-19 vaccines proven to help combat the disease and that are being made available to the public in phases. As a result, state health orders have loosened COVID-19 related restrictions to allow a growing number of establishments to resume operations. If the current positive trends continue, Governor Newsom has indicated that on June 15, 2021, most restrictions will be lifted. The CEO and Human Resources Director are evaluating how this will impact the Plan's back to work plans.

On January 25, 2021, the California Department of Public Health ended the Regional Stay at Home Order, lifting the order for all regions statewide, including Southern California. This action allowed all counties to return to the Blueprint for a Safer Economy framework which uses color-coded tiers to indicate which activities and businesses can open based on local case rates and test positivity. As of the date of this report, Ventura County is in the Orange

tier—two tiers down from the date the most recent Resolution renewing the emergency authority empowered in the CEO was adopted.

Although cases are declining and vaccines are progressively being made available to the general public, the disease can still spread rapidly through person-to-person contact and those in close proximity. Additionally. the rate is still very high and more contagious variants are present in the County.

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 May 24, 2021, the next regularly scheduled Commission meeting. As mentioned above, pursuant to Resolution No. 2020-002, the Plan's Local Emergency proclamation shall remain effective through the duration of the Governor's State of Emergency proclamation or when the Commission terminates its declaration of Local Emergency, whichever occurs last.

**FISCAL IMPACT:**

None.

**RECOMMENDATION:**

1. Adopt Resolution No. 2021-004 to extend the duration of authority empowered in the CEO through May 24, 2021.

**ATTACHMENT**:

1. Resolution No. 2021-004.

**RESOLUTION NO.2021-004**

**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. 2021-003 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 and 2021-003 remain 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 and March 22, 2021, by adopting Resolution No. 2021-003. Resolution No. 2021-003 expires today, April 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, under this framework, every county in California is assigned to a tier based on how prevalent COVID-19 is in each county and the extent of community spread—Purple (Widespread), Red (Substantial), Orange (Moderate) and Yellow (Minimal) and the color of each respective tier indicates what sectors may reopen; and

WHEREAS, when Intensive Care Unit ("ICU") bed capacity rapidly decreasing throughout California, the Governor issued a State Regional Stay at Home Order on December 3, 2020, that triggered greater restrictions on a region consisting of multiple counties depending on that region's ICU hospital bed availability. Once a region had less than 15 percent ICU availability, all counties within the region were required to follow the State Regional Stay at Home Order within 24 hours for at least three weeks; and

WHEREAS, on January 5, 2021, the State Public Health Officer issued an order intended to reduce pressure on strained hospital systems and redistribute the responsibility of medical care across the state so patients can continue to receive lifesaving care. To preserve services, the public health order requires some non-essential and non-life-threatening surgeries to be delayed in counties with 10 percent or less of ICU capacity under the Regional Stay at Home Order where the regional ICU capacity is at 0 percent; and

WHEREAS, on January 25, 2021, the California Department of Public Health ended the Regional Stay at Home Order, lifting the order for all regions statewide, including Southern California. This action allowed all counties to return to the Blueprint for a Safer Economy framework which uses color-coded tiers to indicate which activities and businesses can open based on local case rates and test positivity. Ventura County is in the Orange tier—two tiers down from the date the most recent Resolution renewing the emergency authority empowered in the CEO was adopted; and

WHEREAS, unless renewed by the Commission, the delegation of authority empowered in the CEO, pursuant to Resolution No. 2021-003 shall expire today, April 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 May 24, 2021, the next regularly scheduled Commission meeting; and

WHEREAS, although cases are declining and vaccines are progressively being made available to the general public the disease can spread rapidly through person-to-person contact and those in close proximity. Additionally. the rate is still very high and more contagious variants are present in the 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. On May 4, 2020, California Governor, Gavin Newsom issued Executive order N-60-20, to modify its state-wide Safer at Home order and allow the state to move into Stage 2 of the reopening process to permit certain low risk businesses and open spaces to open with modifications. Executive Order N-60-20, also directs the State Public Health Officer to establish and criteria and procedures, as set forth in the order to determine how local jurisdictions may implement public health measures that depart from state-wide directives of the State Public Health Officer.

Section 7. 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, and more recently on March 22, 2021, by adopting Resolution No. 2021-003. Resolution No. 2021-003 expires today, April 26, 2021.

Section 8. The Commission now seeks to renew and reiterate the authority granted to the CEO approved in Resolution No. 2021-003 through May 24, 2021.

Section 9. Unless renewed by the Commission, the delegation of authority empowered in the CEO, pursuant to this Resolution shall expire on May 24, 2021.

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

AYE:

NAY:

ABSTAIN:

ABSENT:

_____
Chair:

Attest:

_____
Clerk of the Commission

**AGENDA ITEM NO. 3**

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Ted Bagley, Interim Chief Diversity Officer

DATE: April 26, 2021

SUBJECT: Resolution No. 2021-005 Gold Coast Health Plan Resolution Against Hate Crimes

**SUMMARY:**

Gold Coast Health Plan's governing board, the Ventura County Medi-Cal Managed Care Commission, staff to prepare and issue a resolution condemning violence against the Asian American and Pacific Islander (AAPI) communities given recent incidents directed as this community. The resolution also condemned acts of discrimination against other communities of color. This item brings that resolution, with more specificity about how African Americans, Hispanics, Native Americans and others communities have been subject to racial discrimination. "The Commission is proud of the contribution from minority groups across the country and condemns any and all discriminatory actions taken against them," the resolution reads.

The resolution further condemns "leaders and voices in the community who stoke racist and xenophobic ideals that tend to increase fear, hatred and superiority against people of perceived difference."

**RECOMMENDATION:**

Staff requests the Commission approve Resolution 2021-005.

**ATTACHMENTS:**

*Resolution No. 2021-005*

# RESOLUTION NO.2021-005

**The following resolution is being issued by the Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan ("Commission") in recognition of the atrocities befalling minority communities in this county as well as in the United States of America.**

It is resolved that the Commission vehemently denounces the recent and increased acts of racism and intolerance perpetrated against Asians and people of color in our country. Asian Americans, Pacific Islanders and other people of color have increasingly been targets of xenophobic and racist sentiments by leaders, including misinformation in reference to COVID-19 pandemic and its geographic origin: Asian Americans have unfortunately joined African Americans, Hispanics, Native Americans and other minorities as targets of discrimination in recent years.

**Whereas,** our country was founded on immigrants' labor and the promise of being a haven of acceptance for people of all races and cultures. Immigrants have enriched our way of life and strengthened the basic fabric of this great country;

**Whereas,** our Declaration of Independence and Constitution define America as a nation embracing equality, unalienable rights including life, liberty and the pursuit of happiness with a government by and for the people;

**Whereas,** Commission condemns the latest events of violence and disorder arising from the Atlanta shooting where eight innocent Americans were gunned down needlessly. We further believe that residents of this Country, no matter their race, creed, color, ethnicity, gender, sexual preference, religion, age or residency status should be free from violence, discrimination, racism and intolerance;

**Whereas,** we condemn leaders and voices in the community who stoke racist and xenophobic ideals that tend to increase fear, hatred and superiority against people of perceived difference. We further resolve that language such as "go back to your country", "invaders", and labeling the pandemic based on cultural origins has no place in our county;

**Whereas,** the Commission values those who are not racist and encourages everyone to promote anti-racist actions and ideals;

**Whereas**, there is no place in Ventura County for the toxic combination of white supremacy, classism, racism, and any violence based upon a person's race, gender, religion or sexual identity;

**Whereas**, the Asian and Pacific Islander, as well as African American, Hispanic, Native American and other communities have long and deep roots in the United States and their experiences remind us of both proud and painful chapters of our shared history. The Commission is proud of the contribution from minority groups across the country and condemns any and all discriminatory actions taken against them;

**Whereas**, American patriotism is defined not by race. gender, sexual orientation, religion or ethnicity but by devotion to the constitutional ideals of equality, liberty, inclusion, dignity and democracy and by service to our communities and our collective struggles for the common good;

**NOW, THEREFORE,** the Commission reiterates its condemnation of all racist acts committed in this Country and specifically in Ventura County, as well as those committed based upon the race, religion, gender and sexual identity of residents in the County of Ventura and our nation.

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

AYE:

NAY:

ABSTAIN:

ABSENT:

_____
Chair:

Attest:

_____
Clerk of the Commission

Gold Coast Health Plan℠
A Public Entity

www.goldcoasthealthplan.org

# AGENDA ITEM NO. 4

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Scott Campbell, General Counsel

DATE: April 26, 2021

SUBJECT: Resolution Adopting an Amended Conflict of Interest Code Pursuant to the Political Reform Act of 1974

## SUMMARY:

Pursuant to Section 87306.5 of the Political Reform Act (the "Act"), the County Board of Supervisors requires that Gold Coast Health Plan to amend the Plan's Code pursuant to the Act, if necessary.

During the review process, staff found that amendments to the Plan's Conflict of Interest Code are necessary. A redlined version of the proposed amended Code is attached.

## RECOMMENDATION:

It is recommended that the Commission adopt Resolution No. 2021-006 adopting the amended Conflict of Interest Code pursuant to the Political Reform Act of 1974.

The Political Reform Act of 1974, Government Code section 81000 et seq. (the "Act"), requires all public agencies to adopt and maintain a Conflict of Interest Code. The Act further requires that agencies regularly review and update their Codes as necessary when directed by the code-reviewing body or when change is necessitated by changed circumstances (Sections 87306 and 87306.5). The Board of Supervisors is the Plan's code-reviewing body and directed that the Code be reviewed as required under the Act. During this review, staff found that amendments to the Code are necessary.

Attached is a redlined version of the proposed amended Code showing that the proposed revisions are based on the establishment and recognition of new positions that must be designated, to delete positions that no longer exist or participate in decision-making, revise titles of existing positions and clarifies real property disclosure.

Attachment: Legislative Version of Proposed Amended Conflict of Interest Code.

# NOTICE OF INTENTION TO AMEND THE CONFLICT OF INTEREST CODE OF THE VENTURA COUNTY MEDI-CAL MANAGED CARE COMMISSION, DOING BUSINESS AS THE GOLD COAST HEALTH PLAN

NOTICE IS HEREBY GIVEN that the Commission members of the Ventura County Medi-Cal Managed Care Commission, doing business as the Gold Coast Health Plan (the "Plan") intends to amend the Plan's Conflict of Interest Code (the "Code") pursuant to Government Code Section 87306.

The Appendix of the Code designates those employees, members, officers, and consultants who make or participate in the making of decisions and are subject to the disclosure requirements of the Plan's Code. The Plan's proposed amendment is to include new positions that must be designated, delete positions that no longer exist or participate in decision-making, revise titles of existing positions and clarifies real property disclosure.

The proposed amended Code will be considered by the Commission on April 26, 2021, at 2:00 p.m. at Gold Coast Health Plan, 711 E. Daily Drive, Suite 106, Camarillo, California. Any interested person may be present and comment at the public meeting or may submit written comments concerning the proposed amendment. Any comments or inquiries should be directed to the attention of Maddie Gutierrez, Clerk to the Commission, Gold Coast Health Plan, 711 E. Daily Drive, Suite 106, Camarillo, CA, 93010-6082; 805-437-5512. Written comments must be submitted no later than April 26, 2021, at 2:00 p.m.

The proposed amended Code may be reviewed at, and copies obtained from, the office of the Clerk to the Commission.

**LEGISLATIVE VERSION SHOWS CHANGES MADE**

# CONFLICT OF INTEREST CODE

# OF THE

# VENTURA COUNTY MEDI-CAL MANAGED CARE COMMISSION DBA GOLD COAST HEALTH PLAN

**(Amended ~~October 29, 2018~~ April 26, 2021)**

The Political Reform Act (Gov. Code § 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. § 18730 that contains the terms of a standard conflict of interest code which can incorporated by reference in an agency's code. After public notice and hearing Section be18730 may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This incorporation page, Regulation 18730 and the attached Appendix designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the **Gold Coast Health Plan (the "Plan").**

All officials and designated positions required to submit a statement of economic interests shall file their statements with the **Clerk to the Commission** as the Plan's Filing Officer. The **Clerk to the Commission** shall make and retain a copy of all statements filed by Members of the Commission and the Chief Executive Officer, and forward the originals of such statements to the Clerk of the Ventura County Board of Supervisors. The **Clerk to the Commission** shall retain the original statements filed by all other designated

positions and make all retained statements available for public inspection and reproduction during regular business hours. (Gov. Code Section 81008.)

# APPENDIX

## CONFLICT OF INTEREST CODE

## OF THE

## GOLD COAST HEALTH PLAN

**(Amended ~~October 29, 2018~~ April 26, 2021)**

## PART "A"

### OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

District Officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18700.3(b), are NOT subject to the District's Code, but are subject to the disclosure requirements of the Act. (Government Code Section 87200 et seq.). [Regs. § 18730(b)(3)] These positions are listed here for informational purposes only.

It has been determined that the positions listed below are officials who manage public investments[1]:

Commissioners
Chief Financial Officer

[1] Individuals holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by § 87200.

# DESIGNATED POSITIONS

## GOVERNED BY THE CONFLICT OF INTEREST CODE

| DESIGNATED EMPLOYEES' TITLE OR FUNCTION | DISCLOSURE CATEGORIES ASSIGNED |
|---|---|
| Associate Chief Medical Officer | 4 |
| Associate Clerk of the Board/Sr. Executive Assistant | 4 |
| Chief Administrative Officer | 5 |
| Chief Compliance Officer | 1, 2 |
| Chief Diversity Officer | 6 |
| Chief Executive Officer | 1, 2 |
| Chief Medical Officer | 4 |
| Chief Operating Officer | 4, 6 |
| Clerk of the Board/Sr. Executive Assistant | 4 |
| Contracts Manager | 4 |
| Director, Care Management | 4 |
| Director, Compliance | 5 |
| Director, Financial Analysis | 4 |
| Director, Finance | 1, 2 |
| ~~Director, Government & Community Relations~~ **[Duties now being handled by Executive Director, Strategy and External Affairs]** | ~~1~~ |
| Director, Health Education, Cultural & Linguistic Services | 5 |
| Director, Medical | 5 |
| Director, Network Operations | 5 |
| Director, Operations | 4 |
| Director, Pharmacy | 5 |
| Director, Quality Improvement | 5 |
| Director, Strategy & Enterprise Analytics | 4 |
| Director, Utilization Management | 4 |
| Executive Director, Health Services | 5 |
| Executive Director, Human Resources & Facilities | 5 |

| DESIGNATED EMPLOYEES' TITLE OR FUNCTION | DISCLOSURE CATEGORIES ASSIGNED |
|---|---|
| Executive Director, Strategy & External Affairs | 5 |
| Manager, Care Management | 5 |
| Manager, Claims Transactions | 5, 6 |
| Manager, Business Solutions | 5 |
| Manager, Decision Support Services | 5 |
| Manager, Facilities | 4 |
| Manager, Grievance and Appeals | 5 |
| Manager, Human Resources | 5, 6 |
| Manager, Information Security | 5 |
| Manager, IT Infrastructure & Operations | 5 |
| Manager, Member Services | 5 |
| Manager, Operations Support Services | 4 |
| Manager, Procurement Operations and Sourcing | 4 |
| Manager, Project Management Organization | 5 |
| Manager, Quality Improvement | 5 |
| Manager, Quality Improvement Project | 5 |
| Manager, Utilization Management | 4 |
| Privacy Officer | 5 |
| Procurement Officer | 4 |
| Project Manager (ALL) | 5 |
| Purchasing Coordinator | 4 |
| Senior Corporate Attorney | 4 |
| Senior Director, Information Technology | 5 |
| Senior Director, Network Management | 5 |
| Senior Director, Operations | 4 |
| Senior Director, Population Health and Equity | 4 |
| Sr. Manager, Communications & Marketing | 4 |
| Supervisor, Claims | 6 |

| DESIGNATED EMPLOYEES' TITLE OR FUNCTION | DISCLOSURE CATEGORIES ASSIGNED |
|---|---|
| **MEMBERS OF BOARDS, COMMITTEES AND COMMISSIONS** | |
| Provider Advisory Committee | 4 |
| Consultants and New Positions[2] | |

[2] Individuals providing services as a Consultant defined in Regulation 18700.3 or in a new position created since this Code was last approved that makes or participates in making decisions shall disclose pursuant to the broadest disclosure category in this Code subject to the following limitation:

The Chief Executive Director may determine that, due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. A clear explanation of the duties and a statement of the extent of the disclosure requirements must be in a written document. (Gov. Code Sec. 82019; FPPC Regulations 18219 and 18734.) The Chief Executive Director's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. (Gov. Code Sec. 81008.)

# PART "B"

## DISCLOSURE CATEGORIES

The disclosure categories listed below identify the types of economic interests that the designated position must disclose for each disclosure category to which he or she is assigned. "Investment" means financial interest in any business entity (including a consulting business or other independent contracting business) and are reportable if they are either located in, doing business in, planning to do business in, or have done business during the previous two years in the jurisdiction of the Agency.

**Category 1:** All investments and business positions in business entities, and sources of income including gifts, loans and travel payments, that are located in, do business in, or own real property within the jurisdiction of the Agency, including any leasehold, beneficial or ownership interest or option to acquire property.

**Category 2:**
All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of the Agency.

**Category 3:** All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are engaged in land development, construction or the acquisition or sale of real property within the jurisdiction of the Agency.

**Category 4:** All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the Agency.

**Category 5:** All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the designated position's department, unit or division.

**Category 6:** All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, if such entities or sources have filed claims against the Agency in the past 2 years, or have a claim pending before the Agency.

# CONFLICT OF INTEREST CODE

# OF THE

# VENTURA COUNTY MEDI-CAL MANAGED CARE COMMISSION DBA GOLD COAST HEALTH PLAN

**(Amended April 26, 2021)**

The Political Reform Act (Gov. Code § 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. § 18730 that contains the terms of a standard conflict of interest code which can incorporated by reference in an agency's code. After public notice and hearing Section be18730 may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This incorporation page, Regulation 18730 and the attached Appendix designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the **Gold Coast Health Plan (the "Plan").**

All officials and designated positions required to submit a statement of economic interests shall file their statements with the **Clerk to the Commission** as the Plan's Filing Officer. The **Clerk to the Commission** shall make and retain a copy of all statements filed by Members of the Commission and the Chief Executive Officer, and forward the originals of such statements to the Clerk of the Ventura County Board of Supervisors. The **Clerk to the Commission** shall retain the original statements filed by all other designated positions and make all retained statements available for public inspection and reproduction during regular business hours. (Gov. Code Section 81008.)

# APPENDIX

## CONFLICT OF INTEREST CODE

## OF THE

## GOLD COAST HEALTH PLAN

**(Amended April 26, 2021)**

## PART "A"

### OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

District Officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18700.3(b), are NOT subject to the District's Code, but are subject to the disclosure requirements of the Act. (Government Code Section 87200 et seq.). [Regs. § 18730(b)(3)] These positions are listed here for informational purposes only.

It has been determined that the positions listed below are officials who manage public investments[1]:

Commissioners
Chief Financial Officer

[1] Individuals holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by § 87200.

# DESIGNATED POSITIONS

## GOVERNED BY THE CONFLICT OF INTEREST CODE

| DESIGNATED EMPLOYEES' TITLE OR FUNCTION | DISCLOSURE CATEGORIES ASSIGNED |
|---|---|
| Associate Chief Medical Officer | 4 |
| Associate Clerk of the Board/Sr. Executive Assistant | 4 |
| Chief Administrative Officer | 5 |
| Chief Compliance Officer | 1, 2 |
| Chief Diversity Officer | 6 |
| Chief Executive Officer | 1, 2 |
| Chief Medical Officer | 4 |
| Chief Operating Officer | 4, 6 |
| Clerk of the Board/Sr. Executive Assistant | 4 |
| Contracts Manager | 4 |
| Director, Care Management | 4 |
| Director, Compliance | 5 |
| Director, Finance | 1, 2 |
| Director, Financial Analysis | 4 |
| Director, Health Education, Cultural & Linguistic Services | 5 |
| Director, Medical | 5 |
| Director, Network Operations | 5 |
| Director, Operations | 4 |
| Director, Pharmacy | 5 |
| Director, Quality Improvement | 5 |
| Director, Strategy & Enterprise Analytics | 4 |
| Director, Utilization Management | 4 |
| Executive Director, Health Services | 5 |
| Executive Director, Human Resources & Facilities | 5 |
| Executive Director, Strategy & External Affairs | 5 |
| Manager, Business Solutions | 5 |

| DESIGNATED EMPLOYEES' TITLE OR FUNCTION | DISCLOSURE CATEGORIES ASSIGNED |
|---|---|
| Manager, Care Management | 5 |
| Manager, Claims Transactions | 5, 6 |
| Manager, Decision Support Services | 5 |
| Manager, Facilities | 4 |
| Manager, Grievance and Appeals | 5 |
| Manager, Human Resources | 5, 6 |
| Manager, Information Security | 5 |
| Manager, IT Infrastructure & Operations | 5 |
| Manager, Member Services | 5 |
| Manager, Operations Support Services | 4 |
| Manager, Procurement Operations and Sourcing | 4 |
| Manager, Project Management Organization | 5 |
| Manager, Quality Improvement | 5 |
| Manager, Quality Improvement Project | 5 |
| Manager, Utilization Management | 4 |
| Privacy Officer | 5 |
| Procurement Officer | 4 |
| Project Manager (ALL) | 5 |
| Purchasing Coordinator | 4 |
| Senior Corporate Attorney | 4 |
| Senior Director, Information Technology | 5 |
| Senior Director, Network Management | 5 |
| Senior Director, Operations | 4 |
| Senior Director, Population Health and Equity | 4 |
| Sr. Manager, Communications & Marketing | 4 |
| Supervisor, Claims | 6 |

| DESIGNATED EMPLOYEES' TITLE OR FUNCTION | DISCLOSURE CATEGORIES ASSIGNED |
|---|---|
| **MEMBERS OF BOARDS, COMMITTEES AND COMMISSIONS** | |
| Provider Advisory Committee | 4 |
| Consultants and New Positions[2] | |

[2] Individuals providing services as a Consultant defined in Regulation 18700.3 or in a new position created since this Code was last approved that makes or participates in making decisions shall disclose pursuant to the broadest disclosure category in this Code subject to the following limitation:

The Chief Executive Director may determine that, due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. A clear explanation of the duties and a statement of the extent of the disclosure requirements must be in a written document. (Gov. Code Sec. 82019; FPPC Regulations 18219 and 18734.) The Chief Executive Director's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. (Gov. Code Sec. 81008.)

# PART "B"

## DISCLOSURE CATEGORIES

The disclosure categories listed below identify the types of economic interests that the designated position must disclose for each disclosure category to which he or she is assigned. "Investment" means financial interest in any business entity (including a consulting business or other independent contracting business) and are reportable if they are either located in, doing business in, planning to do business in, or have done business during the previous two years in the jurisdiction of the Agency.

**Category 1:** All investments and business positions in business entities, and sources of income including gifts, loans and travel payments, that are located in, do business in, or own real property within the jurisdiction of the Agency, including any leasehold, beneficial or ownership interest or option to acquire property.

**Category 2:**
All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of the Agency.

**Category 3:** All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are engaged in land development, construction or the acquisition or sale of real property within the jurisdiction of the Agency.

**Category 4:** All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the Agency.

**Category 5:** All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the designated position's department, unit or division.

**Category 6:** All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, if such entities or sources have filed claims against the Agency in the past 2 years, or have a claim pending before the Agency.

(Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations.)

**§ 18730. Provisions of Conflict of Interest Codes.**

(a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in the Appendix referred to below constitute the adoption and promulgation of a conflict of interest code within the meaning of Section 87300 or the amendment of a conflict of interest code within the meaning of Section 87306 if the terms of this regulation are substituted for terms of a conflict of interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Sections 81000, et seq. The requirements of a conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Section 87100, and to other state or local laws pertaining to conflicts of interest.

(b) The terms of a conflict of interest code amended or adopted and promulgated pursuant to this regulation are as follows:

(1) Section 1. Definitions.

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (Regulations 18110, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

(2) Section 2. Designated Employees.

The persons holding positions listed in the Appendix are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on economic interests.

(3) Section 3. Disclosure Categories.

This code does not establish any disclosure obligation for those designated employees who are also specified in Section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their economic interests pursuant to article 2 of chapter 7 of the Political Reform Act, Sections 87200, et seq.

In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict of interest code for another agency, if all of the following apply:

(A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;

(B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Section 87200; and

(C) The filing officer is the same for both agencies.1

Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix specify which kinds of economic interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those economic interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in the Appendix. It has been determined that the economic interests set forth in a designated employee's disclosure categories

are the kinds of economic interests which he or she foreseeably can affect materially through the conduct of his or her office.

(4) Section 4. Statements of Economic Interests: Place of Filing.

The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code.2

(5) Section 5. Statements of Economic Interests: Time of Filing.

(A) Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

(B) Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.

(C) Annual Statements. All designated employees shall file statements no later than April 1. If a person reports for military service as defined in the Servicemember's Civil Relief Act, the deadline for the annual statement of economic interests is 30 days following his or her return to office, provided the person, or someone authorized to represent the person's interests, notifies the filing officer in writing prior to the applicable filing deadline that he or she is subject to that federal statute and is unable to meet the applicable deadline, and provides the filing officer verification of his or her military status.

(D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

(5.5) Section 5.5. Statements for Persons Who Resign Prior to Assuming Office.

Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or leaving office statement.

(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

(1) File a written resignation with the appointing power; and

(2) File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

(6) Section 6. Contents of and Period Covered by Statements of Economic Interests.

(A) Contents of Initial Statements.

Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

(B) Contents of Assuming Office Statements.

Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.

(C) Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later, or for a board or commission member subject to Section 87302.6, the day after the closing date of the most recent statement filed by the member pursuant to Regulation 18754.

(D) Contents of Leaving Office Statements.

Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

(7) Section 7. Manner of Reporting.

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) Investment and Real Property Disclosure.

When an investment or an interest in real property3 is required to be reported,4 the statement shall contain the following:

1. A statement of the nature of the investment or interest;

2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;

3. The address or other precise location of the real property;

4. A statement whether the fair market value of the investment or interest in real property equals or exceeds $2,000, exceeds $10,000, exceeds $100,000, or exceeds $1,000,000.

(B) Personal Income Disclosure. When personal income is required to be reported,5 the statement shall contain:

1. The name and address of each source of income aggregating $500 or more in value, or $50 or more in value if the income was a gift, and a general description of the business activity, if any, of each source;

2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was $1,000 or less, greater than $1,000, greater than $10,000, or greater than $100,000;

3. A description of the consideration, if any, for which the income was received;

4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;

5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

(C) Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported,6 the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;

2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than $10,000.

(D) Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

(E) Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

(8) Section 8. Prohibition on Receipt of Honoraria.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests.

(B) This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

(C) Subdivisions (a), (b), and (c) of Section 89501 shall apply to the prohibitions in this section.

(D) This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Section 89506.

(8.1) Section 8.1. Prohibition on Receipt of Gifts in Excess of $500.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more than $500 in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests.

(B) This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

(C) Subdivisions (e), (f), and (g) of Section 89503 shall apply to the prohibitions in this section.

(8.2) Section 8.2. Loans to Public Officials.

(A) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.

(B) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(C) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected

officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.

(D) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(E) This section shall not apply to the following:

1. Loans made to the campaign committee of an elected officer or candidate for elective office.

2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans from a person which, in the aggregate, do not exceed $500 at any given time.

4. Loans made, or offered in writing, before January 1, 1998.

(8.3) Section 8.3. Loan Terms.

(A) Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of his or her election to office through the date he or she vacates office, receive a personal loan of $500 or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.

(B) This section shall not apply to the following types of loans:

1. Loans made to the campaign committee of the elected officer.

2. Loans made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans made, or offered in writing, before January 1, 1998.

(C) Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

(8.4) Section 8.4. Personal Loans.

(A) Except as set forth in subdivision (B), a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.

2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:

a. The date the loan was made.

b. The date the last payment of $100 or more was made on the loan.

c. The date upon which the debtor has made payments on the loan aggregating to less than $250 during the previous 12 months.

(B) This section shall not apply to the following types of loans:

1. A loan made to the campaign committee of an elected officer or a candidate for elective office.

2. A loan that would otherwise not be a gift as defined in this title.

3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.

4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.

5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

(C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

(9) Section 9. Disqualification.

No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

(A) Any business entity in which the designated employee has a direct or indirect investment worth $2,000 or more;

(B) Any real property in which the designated employee has a direct or indirect interest worth $2,000 or more;

(C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating $500 or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;

(D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

(E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating $500 or more provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

(9.3) Section 9.3. Legally Required Participation.

No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The

fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

(9.5) Section 9.5. Disqualification of State Officers and Employees.

In addition to the general disqualification provisions of section 9, no state administrative official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

(A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or

(B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value $1,000 or more.

(10) Section 10. Disclosure of Disqualifying Interest.

When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

(11) Section 11. Assistance of the Commission and Counsel.

Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Section 83114 and Regulations 18329 and 18329.5 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

(12) Section 12. Violations.

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Sections 81000-91014. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Section 87100 or 87450 has occurred may be set aside as void pursuant to Section 91003.

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[1] Designated employees who are required to file statements of economic interests under any other agency's conflict of interest code, or under article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Section 81004.

[2] See Section 81010 and Regulation 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

[3] For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

[4] Investments and interests in real property which have a fair market value of less than $2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

[5] A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

[6] Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

Note: Authority cited: Section 83112, Government Code. Reference: Sections 87103(e), 87300-87302, 89501, 89502 and 89503, Government Code.

HISTORY

1. New section filed 4-2-80 as an emergency; effective upon filing (Register 80, No. 14). Certificate of Compliance included.

2. Editorial correction (Register 80, No. 29).

3. Amendment of subsection (b) filed 1-9-81; effective thirtieth day thereafter (Register 81, No. 2).

4. Amendment of subsection (b)(7)(B)1. filed 1-26-83; effective thirtieth day thereafter (Register 83, No. 5).

5. Amendment of subsection (b)(7)(A) filed 11-10-83; effective thirtieth day thereafter (Register 83, No. 46).

6. Amendment filed 4-13-87; operative 5-13-87 (Register 87, No. 16).

7. Amendment of subsection (b) filed 10-21-88; operative 11-20-88 (Register 88, No. 46).

8. Amendment of subsections (b)(8)(A) and (b)(8)(B) and numerous editorial changes filed 8-28-90; operative 9-27-90 (Reg. 90, No. 42).

9. Amendment of subsections (b)(3), (b)(8) and renumbering of following subsections and amendment of Note filed 8-7-92; operative 9-7-92 (Register 92, No. 32).

10. Amendment of subsection (b)(5.5) and new subsections (b)(5.5)(A)-(A)(2) filed 2-4-93; operative 2-4-93 (Register 93, No. 6).

11. Change without regulatory effect adopting Conflict of Interest Code for California Mental Health Planning Council filed 11-22-93 pursuant to title 1, section 100, California Code of Regulations (Register 93, No. 48). Approved by Fair Political Practices Commission 9-21-93.

12. Change without regulatory effect redesignating Conflict of Interest Code for California Mental Health Planning Council as chapter 62, section 55100 filed 1-4-94 pursuant to title 1, section 100, California Code of Regulations (Register 94, No. 1).

13. Editorial correction adding History 11 and 12 and deleting duplicate section number (Register 94, No. 17).

14. Amendment of subsection (b)(8), designation of subsection (b)(8)(A), new subsection (b)(8)(B), and amendment of subsections (b)(8.1)-(b)(8.1)(B), (b)(9)(E) and Note filed 3-14-95; operative 3-14-95 pursuant to Government Code section 11343.4(d) (Register 95, No. 11).

15. Editorial correction inserting inadvertently omitted language in footnote 4 (Register 96, No. 13).

16. Amendment of subsections (b)(8)(A)-(B) and (b)(8.1)(A), repealer of subsection (b)(8.1)(B), and amendment of subsection (b)(12) filed 10-23-96; operative 10-23-96 pursuant to Government Code section 11343.4(d) (Register 96, No. 43).

17. Amendment of subsections (b)(8.1) and (9)(E) filed 4-9-97; operative 4-9-97 pursuant to Government Code section 11343.4(d) (Register 97, No. 15).

18. Amendment of subsections (b)(7)(B)5., new subsections (b)(8.2)-(b)(8.4)(C) and amendment of Note filed 8-24-98; operative 8-24-98 pursuant to Government Code section 11343.4(d) (Register 98, No. 35).

19. Editorial correction of subsection (a) (Register 98, No. 47).

20. Amendment of subsections (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 5-11-99; operative 5-11-99 pursuant to Government Code section 11343.4(d) (Register 99, No. 20).

21. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 12-6-2000; operative 1-1-2001 pursuant to the 1974 version of Government Code section 11380.2 and Title 2, California Code of Regulations, section 18312(d) and (e) (Register 2000, No. 49).

22. Amendment of subsections (b)(3) and (b)(10) filed 1-10-2001; operative 2-1-2001. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 2).

23. Amendment of subsections (b)(7)(A)4., (b)(7)(B)1.-2., (b)(8.2)(E)3., (b)(9)(A)-(C) and footnote 4. filed 2-13-2001. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 7).

24. Amendment of subsections (b)(8.1)-(b)(8.1)(A) filed 1-16-2003; operative 1-1-2003. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District,

nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2003, No. 3).

25. Editorial correction of History 24 (Register 2003, No. 12).

26. Editorial correction removing extraneous phrase in subsection (b)(9.5)(B) (Register 2004, No. 33).

27. Amendment of subsections (b)(2)-(3), (b)(3)(C), (b)(6)(C), (b)(8.1)-(b)(8.1)(A), (b)(9)(E) and (b)(11)-(12) filed 1-4-2005; operative 1-1-2005 pursuant to Government Code section 11343.4 (Register 2005, No. 1).

28. Amendment of subsection (b)(7)(A)4. filed 10-11-2005; operative 11-10-2005 (Register 2005, No. 41).

29. Amendment of subsections (a), (b)(1), (b)(3), (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 12-18-2006; operative 1-1-2007. Submitted to OAL pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2006, No. 51).

30. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 10-31-2008; operative 11-30-2008. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2008, No. 44).

31. Amendment of section heading and section filed 11-15-2010; operative 12-15-2010. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of*

*Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2010, No. 47).

32. Amendment of section heading and subsections (a)-(b)(1), (b)(3)-(4), (b)(5)(C), (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) and amendment of footnote 1 filed 1-8-2013; operative 2-7-2013. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2013, No. 2).

33. Amendment of subsections (b)(8.1)-(b)(8.1)(A), (b)(8.2)(E)3. and (b)(9)(E) filed 12-15-2014; operative 1-1-2015 pursuant to section 18312(e)(1)(A), title 2, California Code of Regulations. Submitted to OAL for filing and printing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2014, No. 51).

34. Redesignation of portions of subsection (b)(8)(A) as new subsections (b)(8)(B)-(D), amendment of subsections (b)(8.1)-(b)(8.1)(A), redesignation of portions of subsection (b)(8.1)(A) as new subsections (b)(8.1)(B)-(C) and amendment of subsection (b)(9)(E) filed 12-1-2016; operative 12-31-2016 pursuant to Cal. Code Regs. tit. 2, section 18312(e). Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision,

April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2016, No. 49).

35. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 12-12-2018; operative 1-11-2019 pursuant to Cal. Code Regs., tit. 2, section 18312(e). Submitted to OAL for filing and printing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2018, No. 50).

**RESOLUTION NO. 2021 – 006**

**RESOLUTION OF THE VENTURA COUNTY MEDI-CAL MANAGED CARE COMMISSION, DOING BUSINESS AS THE GOLD COAST HEALTH PLAN, AMENDING THE CONFLICT OF INTEREST CODE**

**WHEREAS**, the State of California enacted the Political Reform Act of 1974, Government Code section 81000 et seq. (the "Act"), which contains provisions relating to conflicts of interest which potentially affect all officers, employees and consultants of the Ventura County Medi-Cal Managed Care Commission, doing business as the Gold Coast Health Plan (the "Plan") and requires all public agencies to adopt and promulgate a Conflict of Interest Code; and

**WHEREAS**, the Board of Directors adopted a Conflict of Interest Code (the "Code") on October 29, 2018, in compliance with the Act; and

**WHEREAS**, subsequent changed circumstances within the Plan have made it advisable and necessary pursuant to Sections 87306 and 87307 of the Act to amend and update the Plan's Code; and

**WHEREAS**, the potential penalties for violation of the provisions of the Act are substantial and may include criminal and civil liability, as well as equitable relief which could result in the Plan being restrained or prevented from acting in cases where the provisions of the Act may have been violated; and

**WHEREAS**, notice of the time and place of a public meeting on, and of consideration by the Commission of, the proposed amended Code was provided each affected designated position and publicly posted for review at the offices of the Plan; and

**WHEREAS**, a public meeting was held upon the proposed amended Code at a regular meeting of the Commission on April 26, 2021, at which all present were given an opportunity to be heard on the proposed amended Code.

**BE IT RESOLVED** by the Members of the Ventura County Medi-Cal Managed Care Commission, doing business as the Gold Coast Health Plan as follows:

Section 1. The Commission does hereby adopt the proposed amended Conflict of Interest Code, a copy of which is attached hereto;

Section 2. The Conflict of Interest Code shall be on file with the Clerk to the Commission and available to the public for inspection and copying during regular business hours;

Section 3. The Conflict of Interest Code shall be submitted to the Board of Supervisors of the County of Ventura for approval and said Code shall become effective immediately after the Board of Supervisors approves the proposed amended Code as submitted.

Section 4. All previous Conflict of Interest Codes of the Plan shall be rescinded as of the effective date of the said proposed code as approved by the County of Board of Supervisors.

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

AYE:
NAY:
ABSTAIN:
ABSENT:

_____
Chair

Attest:

_____
Clerk to the Commission

**AGENDA ITEM NO. 5**

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Kashina Bishop, Chief Financial Officer

DATE: April 26, 2021

SUBJECT: Investment Policy

**SUMMARY:**

California Government Code requires the Investment Policy ("Policy") be reviewed and approved by the Gold Coast Health Plan ("GCHP") Commission on an annual basis. The CFO is responsible for providing the Policy to the Executive Finance Committee. The Executive Finance Committee is responsible for recommending the Policy to the GCHP Commission for final approval. The last time the Policy was approved by the Commission was in 2015. GCHP staff has added this to the Executive Finance and Commission calendars and noted the annual requirement to ensure future compliance.

The GCHP Policy conforms to California Government Code section 53600 et seq., as well as customary standards of prudent investment management. The primary investment objectives are as follows:

1. Safety of Principal
2. Liquidity
3. Total Return

There have been non-substantive amendments to the Policy to improve language and maintain consistency with requirements under Government Code.

**FISCAL IMPACT:**

None

**RECOMMENDATION:**

Staff requests that the Commission approve the Investment Policy for a one-year period.

**ATTACHMENTS:**

Gold Coast Health Plan Investment Policy

| Title: Gold Coast Health Plan Investment Policy | Policy Number: **FI-XXX** |
|---|---|
| Department: Finance | Effective Date: |
| CEO Approved: | Revised: |

**Purpose:**

This Investment Policy ("Policy") sets forth the investment guidelines for all operating and surplus funds of Gold Coast Health Plan ("GCHP"). The Investments may only be made as authorized by this Policy. The GCHP Policy conforms to the California Government Code section 53600 et seq., as well as customary standards of prudent investment management. Irrespective of these policy provisions, should the provisions of the California Government Code or any other applicable law be or become more restrictive than those contained herein, such provisions will be considered immediately incorporated into this Policy. GCHP shall also comply with investment requirements contained within contracts that the GCHP may have with any government funding agencies, and such requirements shall be considered incorporated into this Policy.

**Policy:**

## I. OBJECTIVES

GCHP's investment objectives, in order of priority, are as follows:

1. Safety of Principal - Safety of principal is the foremost objective of GCHP. Each investment transaction shall seek to ensure that the risks of capital losses are minimized, including risks arising from institutional default, broker-dealer default, or erosion of market value of securities. GCHP shall seek to preserve principal by mitigating the two types of risk, credit risk and market risk, to the extent reasonable under the circumstances.

2. Liquidity - Liquidity is the second most important objective of GCHP. The portfolio shall contain investments for which there is a secondary market or which otherwise offer the flexibility to be sold or liquidated within a reasonable amount time as set forth in this Policy with minimal risk of loss of either the principal or interest based upon then prevailing rates.

3. Total Return –GCHP's portfolio shall be designed to earn a competitive rate of return (i.e., yield) within the confines of the California Government Code, this Policy, and adopted procedural structures.

The length of term for all investments shall be commensurate with the short, medium, and long-term cash flow needs of GCHP. Market risk, the risk of market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by matching maturity dates, to the extent possible, with GCHP's expected cash flow draws. It is explicitly recognized herein, however, that in a diversified portfolio, occasional losses are inevitable and must be considered within the context of the overall investment return. Consideration will be given to debt securities that would trigger capital gains or losses as market interest rates fluctuate.

## II. PRUDENCE

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (California Government Code section 53600.3) and shall be applied in the context of managing an overall portfolio.

Pursuant to California Government Code section 53600.3, the "prudent investor" standard is as follows, "[w]hen investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

## III. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal and professional business activities that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. GCHP's officers and employees involved in the investment process are not permitted to have any material financial interests in financial institutions, including state or federal credit unions, that conduct business with GCHP, and they are not permitted to have any personal financial or investment holdings that could be materially related to the performance of GCHP's investments.

## IV. DELEGATION OF AUTHORITY

Authority to manage GCHP's investment program is derived from California Government Code section 53600, et seq. Management responsibility for the investment program is vested in the solely in the Ventura County Medi-Cal Managed Care Commission ("Commission") dba Gold Coast Health Plan. However, the Commission at its discretion may delegate to GCHP's Chief Financial Officer ("CFO") the authority to invest, reinvest, purchase, acquire, exchange and sell investments in accordance with the Policy. Further, the CFO may recommend an independent licensed Investment Advisor ("Advisor") and/or the investment department ("Trust Department") with the current bank relationship (collectively the "Advisors"), to assist in managing the investment portfolio based upon this Policy. The Advisor must comply with this Policy and ensure that the investment objectives are met.

The CFO shall be responsible for all actions undertaken and shall establish a system of controls to regulate the activities of one or more Advisors and subordinate investment staff.

The CFO and/or Advisor/s shall mitigate risk by following these guidelines:

A. Pre-qualifying financial institutions with which it will do business through the utilization of Moody's Credit Review Service, Standard and Poor's Financial Institutions Ratings, and Moody's Commercial Paper Record.

B. Diversifying the portfolio so that the failure of any one issuer or backer will not place any undue financial burden on the GCHP. Spreading investments over different investment types minimizes the impact a singular industry/investment class can have on the portfolio. Spreading investments over multiple credits/issuers within an investment type minimizes the credit exposure of the portfolio to any single firm/institution.

C. Monitor all GCHP investments on a daily basis to anticipate and respond appropriately to a significant reduction in the credit worthiness of a depository.

D. Structuring GCHP's portfolio so that securities mature at times to meet GCHP's ongoing cash needs. Spreading investments over various maturities minimizes the risk of portfolio depreciation due to a rise in interest rates. An unforeseen liquidity need allows no options if “all your eggs are in one basket.”

E. Restructure of the GCHP's portfolio to minimize the loss of market value or cash flow.

F. Constructing a portfolio that will consist of securities with active secondary and resale markets. Any investment for which no secondary market exists, such as time deposits, shall not exceed 375 days and no investment shall have a maturity of more than 5 years (to minimize capital losses).

## V. GUIDELINES FOR INVESTMENT

The CFO shall maintain and instruct Advisors to adhere to these investment protocols:

A. Liquidity

The GCHP's portfolio will be structured so that securities will mature at or about the same time as cash is needed to meet demands and in accordance with the economic projections mentioned above.

B. Yield

The CFO and Advisors shall always attempt to obtain a competitive rate of return on any investment type consistent with the required safety, liquidity, and other parameters of this Policy, departmental procedures, and the laws of the State of California.

C. Internal Controls

The CFO shall establish a system of internal controls, which shall be documented in writing. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, as well as unanticipated changes in financial markets.

D. Safekeeping of Securities

To protect against potential losses caused by the collapse of individual securities dealers, all securities owned by the GCHP, including collateral on repurchase agreements shall be held in safekeeping by a Trust Department, acting as agent for the GCHP under the terms of a custody agreement executed by the bank and the GCHP CFO. All trades executed between GCHP and a dealer will settle on a delivery vs. payment basis with a custodial bank. All security transactions engaged in by the CFO be countersigned by a second Finance Department official or employee, who the CFO has authorized to countersign security transactions.

E. Rating

With the exception of Local Agency Investment Fund ("LAIF"), insured deposits, and U.S. Finance and Government Agency issues, investments shall be placed only in those instruments and institutions rated favorably as determined by GCHP's CFO with the assistance of Moody's Commercial Paper Record, Moody's Credit Report, and the S & P Financial Institutions Ratings Service.

If the rating of any depository drops during the course of time with which the GCHP has placed an investment, the investment will be matured at the earliest possible convenience.

If anyone security rating drops below A-1 or P-1 resulting in a split rating, the investment will be sold if no significant loss of principal is involved or matured at the earliest possible convenience. These sales must be approved by the CFO.

F. Financial Benchmarks

GCHP's portfolio shall be designed to attain a market-average rate of return through budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. The performance benchmark for the investment portfolio will be based upon the average yield on the U.S. Treasury security that most closely corresponds to the portfolios weighted average maturity ("WAM") and duration. These performance measures will be determined by the GCHP's CFO with the assistance of an Advisor and will be reviewed by the Executive Finance Committee on a semi-annual basis.

G. Periodic Review of the Investment Policy

The CFO is responsible for providing the Executive Finance Committee with this recommended Policy. The Executive Finance Committee is responsible for recommending the Policy to the GCHP Commissioners for final approval. This Policy shall be reviewed and approved by the GCHP Commissioners at a public meeting on an annual basis pursuant to section 53646(a)(2) of the Code.

H. Collateralization

Collateralization is required on two types of investments: bank deposits in excess of the current insurance limit and repurchase agreements.

Bank deposits in excess of $250,000, or the current prevailing U.S. government insurance guarantee, may only be invested with financial institutions which participate in the California Local Agency Security Program ("LASP") administered by the California Department of Financial Institutions. LASP provides for collateral requirements, oversight and monitoring, and reporting by financial institutions.

Collateral is also required for repurchase agreements. The market value of securities that underlie a repurchase agreement shall not be allowed to fall below 102% of the value of the repurchase agreement and the value shall be adjusted no less than quarterly. Securities that can be pledged for collateral shall consist only of securities permitted in this policy.

I. Securities Lending

Investment securities shall not be lent to an Investment Manager, broker or any other entity.

J. Leverage

The investment portfolio, or investment portfolios, cannot be used as collateral to obtain additional investable funds.

K. Other Investments

Any investment not specifically referred to herein will be considered a prohibited investment.

L. Underlying Nature of Investments

GCHP shall not make investments in organizations which have a line of business that is visibly in conflict with the interests of public health (which shall be defined by the GCHP Commissioners). Furthermore, GCHP shall not make investments in organizations with which it has a business relationship through contracting, purchasing or other arrangements.

M. Derivatives

Investments in derivative securities are not allowed, except as to U.S. Finance STRIPS.

N. Investments

Investments shall be made in the securities presented on Exhibit 1.

## VI. REPORTING AND REVIEW

The CFO is responsible for directing GCHP's investment program and for compliance with this Policy pursuant to the delegation of authority to invest funds or to sell or exchange securities. The CFO shall make a quarterly report to the Executive Finance Committee, and the GCHP Commissioners. The report shall include the following information:

1. Investment type, issuer, date of maturity, par value and dollar amount invested in all securities, and investments and monies held by GCHP;

2. A description of the funds, investments and programs (including lending programs) managed by contracted parties;

3. A market value as of the date of the report and the source of the valuation;

4. A statement of compliance with this Policy or an explanation for non-compliance; and

5. A statement of the ability or inability to meet expenditure requirements for six months, as well as an explanation of why money is or will not be available as provided for in the statutory law governing the reporting requirements.

Additional Procedures Performed by CFO

1. The Operating Funds and Board-Designated (allocated) Reserve Funds targeted average maturities will be established and reviewed periodically.

2. Investment diversification and portfolio performance will be reviewed semi- annually to ensure that risk levels and returns are reasonable and that investments are diversified in accordance with this Policy.

## VII. QUALIFICATIONS OF BROKERS, DEALERS, AND FINANCIAL INSTITUTIONS

The CFO shall transact business with Advisors, broker/dealer or with direct issuers, broker/dealers licensed by the State, National, or State chartered bank or savings institutions and primary government dealers designated by the Federal Reserve. Each approved broker/dealer must possess an authorizing certificate from the California Commissioner of Corporations as required by Section 25210 of the California Corporations Code. The firms they represent must:

1. be recognized as a Primary Dealer by the Federal Reserve Bank of New York, or

2. be a State member of a national or state chartered bank, or

3. be a primary or regional dealer qualified under Securities and Exchange Commission (SEC) Rule 15c3-1 (Uniform Net Capital Rule).

Any Advisor or broker/dealer interested in conducting business with GCHP must have an office within the State of California and is required to fill out an extensive questionnaire maintained by the CFO. This questionnaire is then reviewed and approved by the Finance Committee and upon acceptance, permits GCHP to deal with the broker/dealer. Before engaging in investment transactions with any Advisor or broker/dealer, the CFO shall have received a signed Certification Form ("Form"). This Form shall attest that the Advisor or broker/dealer responsible for GCHP's portfolio, has reviewed this Policy. That the individual understands the Policy; and, intends to present investment recommendations and transactions to GCHP that are appropriate under the terms and conditions of this Policy.

No broker/dealer may have made political contributions greater than the limits expressed in Rule G-37 of the Municipal Securities Rule Making Body to the CFO, Board of Supervisors, or candidate for those offices.

The Finance staff shall investigate dealers with which it will conduct business in order to determine: if the firm is adequately capitalized and meets the Federal Reserve's minimum capital requirements for broker/dealer operations, makes markets in securities appropriate to GCHP's Policy, the individual covering the account has a minimum of three years dealing with large institutional accounts, and receives three favorable recommendations from other short-term cash portfolio managers.

GCHP may engage the support services of Advisors in regard to its investment program, so long as it can be clearly demonstrated that these services produce a net financial or necessary financial protection of the GCHP financial resources. Advisors shall follow this Policy, State law and other such written instructions as provided by the Treasurer.

## VIII. DUTIES AND RESPONSIBILITIES OF THE EXECUTIVE FINANCE COMMITTEE:

A. The CFO with or without the assistance of an Advisor and staff are responsible for the day-to-day management of GCHP's investment portfolio. The GCHP's Commissioners are responsible for approval of GCHP's Investment Policy. The Finance Committee shall not make or direct the GCHP staff to make any particular investment, purchase any particular investment product, or do business with any particular investment companies or brokers. It shall not be the purpose of the Executive Finance Committee to advise on particular investment decisions of GCHP.

B. The duties and responsibilities of the Executive Finance Committee shall consist of the following:

1. Review any changes to GCHP's Investment Policy before consideration by the GCHP's Commissioners and recommend revisions, as necessary.

2. Review semi-annually GCHP's investment portfolio for conformance to the GCHP Investment Policy diversification and maturity guidelines, and make recommendations as appropriate.

3. Perform such additional duties and responsibilities as may be required from time to time by specific action and direction of the GCHP's Commissioners.

4. Interview Advisors chosen by the CFO and propose the Advisor of choice to the GCHP's Commissioners for contracting.

**Attachments:**

**Exhibit 1:**

Investment of Surplus: California Government Code Section §§53600-53610
Deposit of Funds: California Government Code Section §§53630-53686

**References:**

Investment of Surplus: California Government Code Section §§53600-53610
Deposit of Funds: California Government Code Section §§53630-53686
U.S. Bankruptcy Code

| | |
|---|---|
| Title: Gold Coast Health Plan Investment Policy | Policy Number: **FI-XXX** |
| Department: Finance | Effective Date: |
| CEO Approved: | Revised: |

**Revision History**:

| Review Date | Revised Date | Approved By |
|---|---|---|
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## EXHIBIT 1

**Investment of Surplus: California Government Code Section §§53600-53610**
**Deposit of Funds: California Government Code Section §§53630-53686**

## 1. INVESTMENT DESCRIPTION

### 1.1 Federal Agencies

The purchase of federal agency debentures and mortgage-backed securities with a final maturity not exceeding five years from the date of purchase shall be limited to issues of the Federal Farm Credit Banks, Federal Home Loan Banks, Federal Home Loan Mortgage Corp. (Freddie Mac), Student Loan Marketing Association (Sallie Mae), Tennessee Valley Authority (TVA), the Federal National Mortgage Corporation (Fannie Mae), Federal Agricultural Mortgage Corporation (Farmer Mac), or other federal agencies. TVA notes shall be limited to $300 million. The maximum maturity of any one agency investment shall not exceed 1150 days.

### 1.2 Commercial Paper

Commercial Paper is a short term unsecured promissory note issued to finance short term credit needs. Commercial Paper eligible for investment must be of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided for by Standard and Poor's Corporation or Moody's Investors Service, Inc. Eligible paper is further limited to issuing corporations that are organized and operating within the United States and have total assets in excess of $500 million and an "A" or higher rating for the issuer's debt, other than commercial paper, if any, as provided for by Moody's Investors Service, Inc. or Standard and Poor's Corporation. Purchases of eligible Commercial Paper may not exceed 270 days to maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation. Purchases of Commercial Paper may not exceed 40 percent of the GCHP's surplus money that may be invested. No more than 10 percent of the GCHP's surplus money available for investing may be invested in the outstanding paper of any single issuing corporation. The CFO shall establish a list of approved Commercial Paper issuers in which investments may be made.

### 1.3 Medium-Term Notes and Deposit Notes

Medium-term notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States, with a final maturity not exceeding five years from

the date of purchase, and rated in the top three note rates categories (Moody's designates AAA, A2, A, Standard & Poor's designates (AAA, AA, A). The aggregate investment in medium-term corporate notes may not exceed 20 percent of the GCHP's total portfolio or have a maturity of longer than 24 months, and no more than 10 percent of the total investment assets in the commercial paper and the medium-term notes of any single issuer.

### 1.4 U. S. Government

United States Treasury bills, notes, bonds, or certificates of indebtedness, or those for which the full faith and credit of the United States Government are pledged for the payment of principal and interest. There shall be no limitation as to the percentage of the portfolio which can be invested in this category. The maturity of a security is limited to a maximum of three years.

### 1.5 Bankers Acceptances

A bankers' acceptance is a draft or bill of exchange accepted by a bank or trust company and brokered to investors in the secondary market. Bankers' acceptances may be purchased for a period of up to 180 days and in an amount not to exceed 40 percent of surplus funds with no more than 30 percent of the surplus funds in the bankers' acceptances of any one commercial bank. The CFO shall establish a list of those banks deemed most credit worthy for the investment in bankers' acceptances.

### 1.6 Negotiable Certificates of Deposit

Negotiable Certificates of Deposit ("NCD"s) are issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank (Yankee Certificates of Deposit) .against funds deposited for a specified period of time and earn specified or variable rates of interest. The CFO may invest up to 30 percent of surplus funds in NCDs. NCDs shall be limited to those institutions rated "AA" or better by Moody's and "AA" or better by Standard and Poor's C.D. Rating Service.

NCDs differ from other Certificates of Deposit in that they are liquid securities which are traded in secondary markets. The maximum term to maturity of any NCD shall be 6 months. The CFO shall establish a list of eligible financial institutions which will be eligible for investment.

This Policy prohibits investment of GCHP funds, or funds in the custody of GCHP, in negotiable certificates of deposit issued by a state or federal credit union if a member of the Commission, or a person with investment decision-making authority in the

CFO's office, budget office, auditor-controller's office, or treasurer's office of GCHP also serves on the board of directors, or any committee appointed by the Commission, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

### 1.7 Certificates of Deposit

Certificates of Deposit are deposits by the CFO in commercial banks or savings and loan associations within the State of California and pass the same ratings criteria as outlined under the above mentioned section "Negotiable Certificates of Deposit." Local institutions shall receive preference for deposits up to $250,000 if competitive rates are offered. These investments are non-negotiable. The maximum term to maturity shall not exceed 375 days and shall be insured by the FDIC.

### 1.8 Repurchase agreements

The GCHP may invest in repurchase agreements with a final termination date not exceeding one year collateralized by U.S. Treasury obligations, Federal Agency securities, or Federal Instrumentality securities listed above, with the maturity of the collateral not exceeding ten years and with banks and dealers of primary dealer status recognized by the Federal Reserve with which the GCHP has entered into a repurchase contract which specifies terms and conditions of repurchase agreements. The maturity of repurchase agreements shall not exceed one-year. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the transaction and shall be adjusted no less than quarterly. Collateral shall be held in GCHP's custodian bank, as safekeeping agent, the investments and repurchase agreements shall be in compliance if the value of the underlying securities is brought up to 102% no later than the next business day.

In order to conform with provisions of the U.S. Bankruptcy Code which provide for the liquidation of securities held as collateral for repurchase agreements, the only securities acceptable as collateral shall be certificates of deposit, commercial paper, eligible bankers' acceptances, or securities that are direct obligations of, or that are fully guaranteed as to principal and interest by the United States or any agency of the United States. Furthermore, this collateral shall not exceed five years to maturity.

There shall be a $75 million dollar limitation in repurchase agreements entered into with any one institution.

### 1.9 Local Agency Investment Fund

The Local Agency Investment Fund ("LAIF") is a fund controlled by the State and pursuant to California Government Code section 16429.1. GCHP may determine the

length of time for which its investments will be on deposit in the LAIF account. The LAIF account pays interest quarterly. There shall be no limitation as to the percentage of the portfolio which can be invested in this category, unless a limitation is established by LAIF.

### 1.10 County Pooled Investment Funds

GCHP may invest funds with the Ventura County Treasurer ("County") that are not required for immediate needs, pursuant to California Government Code section 53684. GCHP may withdraw the funds in accordance with criteria established by the County for withdrawals from the County Treasury. The County Treasury apportions interest quarterly. The CFO may invest up to 20 percent of surplus funds in the County Treasury.

### 1.11 California Asset Management Program ("CAMP")

CAMP is a California Joint Powers Authority ("JPA") established in 1989 to provide California public agencies with professional investment services and is permitted pursuant to California Government Code section 53601(p). The aggregate investment pool shall not exceed 10 percent of the total portfolio.

### 1.12 Money Market Funds

Money Market Funds registered under the Investment Company Act of 1940 that (1) are "no-load" (meaning no commission or fee shall be charged on purchases or sales of shares); (2) strive to maintain a net asset value per share of $1.00; (3) invest only in the securities and obligations authorized in the applicable California statutes; (4) have a rating of at least two of the following: AAAm by Standard and Poor's, Aaa by Moody's or AAA/V1+ by Fitch; and (5) retain an investment advisor registered or exempt from registration with the SEC with no less than five years' experience managing money market funds with assets under management in excess of $500,000,000. No more than 10 percent of the GCHP's total portfolio may be invested in money market funds of any one issuer, and the aggregate investment in money market funds shall not exceed 20 percent of the total portfolio.

### 1.13 Ineligible Investments

Investments not described above as authorized investments or not identified in the following schedule are ineligible for purchase. The Policy specifically prohibits the investment of any funds in common stock, financial futures, options, inverse floaters, range notes, or mortgage-derived, interest-only strips. No investment will be made that has either (1) an embedded option or characteristic which could result in a loss of principal if the investment is held to maturity, or (2) an embedded option or characteristic which could seriously limit accrual rates or which could result in zero accrual periods. The limitation in California Government Code section 53601.6 does

not apply to investments in shares of beneficial interest issued by diversified management companies registered under the Investment Company Act of 1940 that are authorized pursuant to California Government Code section 53601(I).

## 2. PARTIAL INVESTMENTS REFERENCE SCHEDULE:

| Authorized Investment | Govt. Code | Maximum Percentage | Maximum Maturity | Minimum Quality* | Other Constraints |
|---|---|---|---|---|---|
| U.S Treasury Obligations | 53601(b) | No Limit | 5 Years | None | Notes, bonds, bills |
| Federal Agencies | 53601(f) | No Limit | 5 Years | None | Federal agency or U.S. government sponsored enterprise obligations, participations, or other instruments |
| State Obligations (CA and others) | 53601(c) and (d) | No Limit | 5 Years | Underlying A, A-1 | • Registered state warrants, treasury notes or bonds of California<br>• Registered treasury notes or bonds from any of the other 49 states |
| California Local Agency Bonds | 53601(e) | No Limit | 5 Years | Underlying A, A-1 | Bonds, notes, warrants or other evidence of indebtedness of any local agency within California |
| Corporate Medium-Term Notes | 53601(k) | • 30% of portfolio<br>• 10% single issuer (incl. commercial paper) | 5 Years | A | Issued by<br>• Domestic corporations or<br>• Depository institutions licensed by the United States of any state and operating in the United States |

| **Authorized Investment** | **Govt. Code** | **Maximum Percentage** | **Maximum Maturity** | **Minimum Quality*** | **Other Constraints** |
|---|---|---|---|---|---|
| Negotiable Certificates of Deposit | 53601(i) | • 30% of portfolio<br>• 5% single issuer | 5 Years | A | • Issued by nationally or state-chartered banks; savings or federal associations; state of federal credit unions; or federally licensed or state licensed branches of foreign banks. And<br>• Per 53638 deposits may not exceed bank shareholder equity; total net worth of depository savings or federal association; unimpaired capital and surplus of a credit union; unimpaired capital and surplus of industrial loan companies |

| **Authorized Investment** | **Govt. Code** | **Maximum Percentage** | **Maximum Maturity** | **Minimum Quality*** | **Other Constraints** |
|---|---|---|---|---|---|
| Supranationals | 53601(q) | • 15% of portfolio<br>• 5% single issuer | 5 Years | "AA' rating category or its equivalent or better | U.S. dollar denominated senior unsecured unsubordinated obligations issued by or unconditionally guaranteed by:<br>• International Bank for Reconstruction and Development<br>• International Finance Corporation<br>• Inter-American Development Bank |
| Bankers' Acceptances | 53601(g) | • 40% of portfolio<br>• 30% single issuer | 180 Days | A-1 | |

| **Authorized Investment** | **Govt. Code** | **Maximum Percentage** | **Maximum Maturity** | **Minimum Quality*** | **Other Constraints** |
|---|---|---|---|---|---|
| Commercial Paper (Non-Pooled Funds) | 53601(h)(2)(c) | • 25% of portfolio<br>• 10% of the outstanding commercial paper from a single issuer | 270 Days or less | A-1 | • Corporation must be organized and operating within the United States; have assets in excess of $500 million; and have at least an A rating on its long term debt, if any; or<br>• Corporation must be organized within the United States as a special purpose corporation, trust, or limited liability company; have program wide credit enhancements including, but not limited to over collateralization, letters of credit or a surety bond. |
| Repurchase Agreements | 53601(j) | 30% of base portfolio value | 1 year | N/A | • Subject to a Master Repurchase Agreement with a Primary Dealer approved by the Commission;<br>• Comply with Government Code 53601(j) |

| | | | | | |
|---|---|---|---|---|---|
| Bank Deposits – Collateralized or FDIC Insured | 53630 et seq. | No Limit | 5 Years | Satisfactory rating from national bank rating service from CRA review | • Amounts up to $250,000 per institution are insured by the FDIC<br>• Amounts over the insurance limit must be placed with financial institutions participating in the California Local Agency Security Program, providing for collateralization of public funds<br>• Per 53638 deposits may not exceed bank shareholder equity; total net worth of depository savings or federal association; unimpaired capital and surplus of a credit union; unimpaired capital and surplus of industrial loan companies<br>• Treasurer may waive collateral for the portion of nay deposits insured pursuant to federal law<br>• The use of private sector |

| **Authorized Investment** | **Govt. Code** | **Maximum Percentage** | **Maximum Maturity** | **Minimum Quality*** | **Other Constraints** |
|---|---|---|---|---|---|
| | | | | | entities authorized by 53601.8 to assist in the placement of deposits are NOT permitted |
| Local Agency Investment Fund ("LAIF") | 16429.1 et seq. | As permitted by LAIF | N/A | N/A | |
| County Pooled Investment Funds | 27133 | • 20% of portfolio | N/A | None | |
| Joint Powers Authority Pool | 53601(p) | • 15% of portfolio<br>• 10% from single pool or maximum allowed by JPA whichever is less | N/A | None | JPA must be:<br>• Organized pursuant to Section 6509.7;<br>• Invest in securities in 53601 subdivisions (a) to (o); and<br>• Retain investment advisor register or exempt from advisor register or exempt from registration with the SEC, with at least 5 year's experience, and has assets under management in excess of $500 million. |

| Authorized Investment | Govt. Code | Maximum Percentage | Maximum Maturity | Minimum Quality* | Other Constraints |
|---|---|---|---|---|---|
| Money Market Funds | 53601(l) | • 20% of portfolio, no more than 10% in any one fund | N/A | Fund must either have the highest ranking by not less than 2 NRSROs | Retain an investment adviser registered or exempt from registered or exempt from registration with the SEC with 5 years' experience managing money market funds in excess of $500 million |
| Mutual Funds | 53601(l) | • 20% of portfolio<br>• 10% from single mutual fund company | N/A | Fund must either have the highest ranking by not less than 2 NRSROs | • Fund must invest in securities that comply with the investment restrictions of 53601(a) through (k) and (n) through (o); and<br>• Retain an investment adviser registered or exempt from registration with the SEC with 5 years' experience managing money market funds in excess of $500 million. |

**AGENDA ITEM NO. 6**

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Marlen Torres, Executive Director, Strategy and External Affairs

DATE: April 26, 2021

SUBJECT: Strategic Plan Quarterly Update

**SUMMARY:**

On January 26, 2021, the Commission approved the Strategic Plan FY 2021-22. Key objectives and tactics are listed below:

**Strategic Plan Objectives**

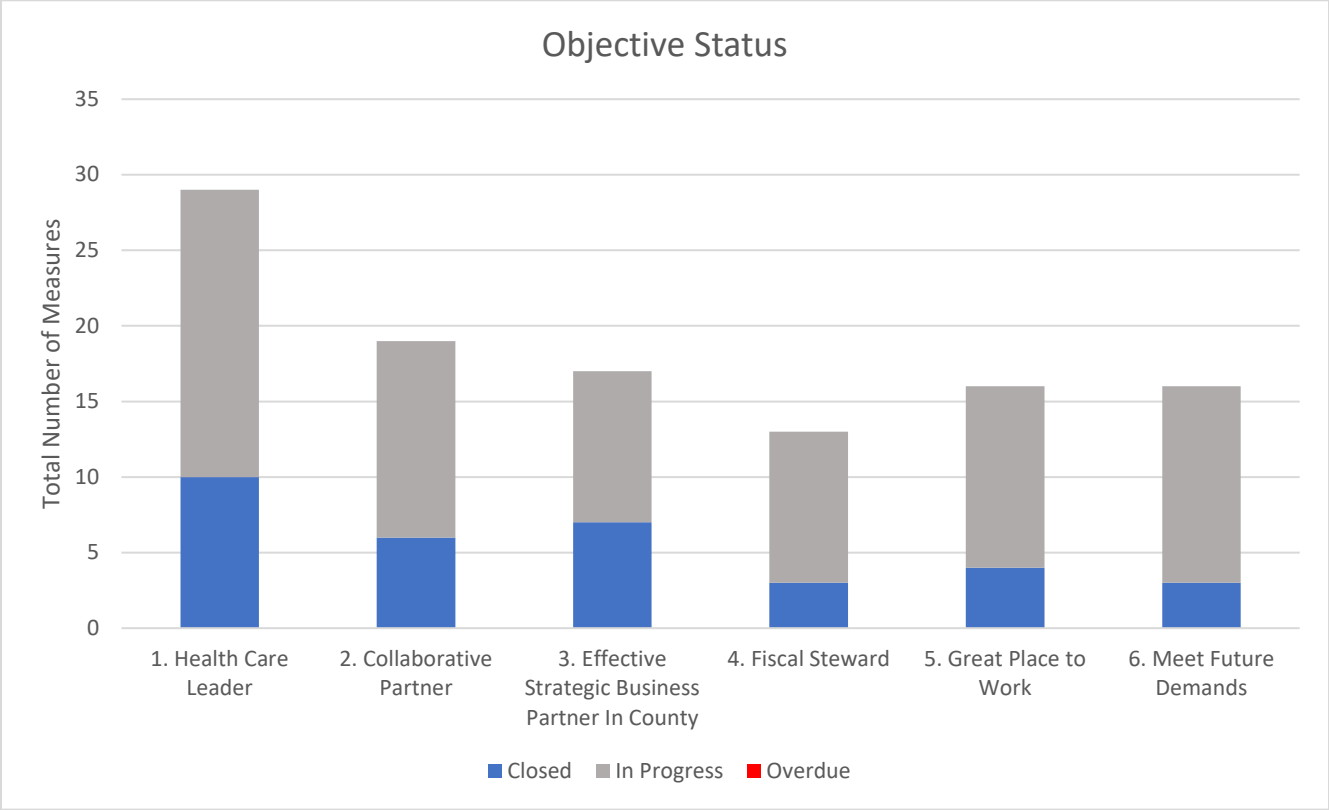
1. GCHP will be a health care leader delivering quality health outcomes to our members.
2. GCHP will be a collaborative community partner.
3. GCHP will be an effective strategic business partner in Ventura County.
4. GCHP will demonstrate responsible fiscal stewardship of public funds.
5. GCHP will be considered a great place to work.
6. GCHP will be positioned to best meet the future demands of providing quality health care and exceptional service for our members.

**Strategic Plan Tactics**

1. Clear outcomes, achievement of which GCHP reports regularly to the Commission, Community Advisory Committee (CAC), and Provider Advisory Committee (PAC).
2. Strong focus on GCHP mission and commitment as a County Organized Health System (COHS).
3. Continued focus on Equity and Diversity, building on the success of GCHP's appointment of a Chief Diversity Officer (CDO) and GCHP's commitment to addressing social determinants of health.
4. Continued focus and discipline relating to the Commission's expectation for GCHP's successful management of the Solvency Action Plan.
5. Continued focus on ongoing improvement to internal controls and efficacy of plan management.

6. Continued focus on quality as evidenced by GCHP's successful work in this area in collaboration with our Ventura County providers.
7. Successful system conversion.
8. Successful collaboration with DHCS in connection with the transition of the pharmacy benefit from the plans to DHCS.
9. Successful implementation of the plan-to-plan agreement with AmericasHealth Plan

**Progress Made by Objectives:**




There is a total of 34 identified goals and 109 measures in the strategic plan that aim to achieve the six identified objectives and nine tactics. The graph above provides a progress update GCHP has made to complete the specified measures. A total of 33 measures have been completed, 77 measures are in progress, and zero measures are overdue.

**Completed Goals and Measures:**

The table below outlines the completed goals identified in the strategic plan through March 2021.

| Objective | Tactic | Completed Goal | Completed Measures |
|---|---|---|---|
| Objective 1:<br>GCHP will be a health care leader delivering quality health outcomes to our members. | Tactic 6:<br>Continued focus on quality as evidenced by GCHP's successful work in this area in collaboration with our Ventura County providers. | Establish an Annual Provider Quality Awards Event | 1. Host inaugural awards event. |
| Objective1:<br>GCHP will be a health care leader delivering quality health outcomes to our members | Tactic 6:<br>Continued focus on quality as evidenced by GCHP's successful work in this area in collaboration with our Ventura County providers. | GCHP will achieve outcomes in the 50th percentile in all measures of MCAS | 1. Implement gap closure program<br>2. Implement INDICES provider portal for providers<br>3. Leverage quality forum for clinic system best practices<br>4. Increase member incentive opportunities and budget accordingly |
| Objective 2:<br>GCHP will be a collaborative community partner | Tactic 2:<br>Strong focus on GCHP mission and commitment as a County Organized Health System (COHS). | Analyze CalAIM proposal and work with key Ventura County stakeholders on next steps | 1. Analyze requirements for CalAIM initiatives<br>2. Identify key CalAIM collaboration stakeholders<br>3. Establish internal and external workgroup participants and schedules<br>4. Conduct meetings with county stakeholders in preparation for Cal-AIM implementation |

| Objective | Tactic | Completed Goal | Completed Measures |
|---|---|---|---|
| Objective 3:<br>GCHP will be an effective strategic business partner in Ventura County | Tactic 1:<br>Clear outcomes, achievement of which GCHP reports regularly to the Commission, Community Advisory Committee (CAC), and Provider Advisory Committee (PAC). | Optimize communications with and responsiveness to GCHP Commission | 1. Packet updates<br>2. CAC and PAC annual presentation |
| Objective 4:<br>GCHP will demonstrate responsible fiscal stewardship of public funds | Tactic 4:<br>Continued focus and discipline relating to the Commission's expectation for GCHP's successful management of the Solvency Action Plan. | Reduce interest paid on claims by 10% | 1. Implement reporting and metrics in claims queues to reduce interest related to delays in payments<br>2. Identify pass through opportunities and reporting for errors and omissions<br>3. Identify reporting and agreement from external vendor to capture errors and omissions which impact interest and overpayments |
| Objective 5:<br>GCHP will be considered a great place to work | Tactic 2:<br>Strong focus on GCHP mission and commitment as a COHS. | Conduct employee survey | 1. Employee survey completed<br>2. Shared results with Commission<br>3. Developed action plan(s) based on survey results to address culture improvement opportunities identified by the survey |

**DISCUSSION QUESTIONS:**

1. What type of information does the Commission want to see included in the Strategic Plan update?
2. Would displaying a dashboard be helpful when looking at the progress update?
3. How often does the Commission want to receive an update?

**NEXT STEPS:**

Staff will preset an update to Commission in the July/August timeframe at which time staff will suggest that the Commission Strategic Plan Ad Hoc Committee be reconvened in preparation of the annual Commission Strategic Planning Retreat on December 16, 2021.

**RECOMMENDATION:**

Receive and file

**ATTACHMENTS:**

Strategic Plan Quarterly Update

Gold Coast Health Plan℠
A Public Entity

# Strategic Plan Update

April 26, 2021

Marlen Torres
Executive Director, Strategy and External Affairs

Integrity
Accountability
Collaboration
Trust
Respect



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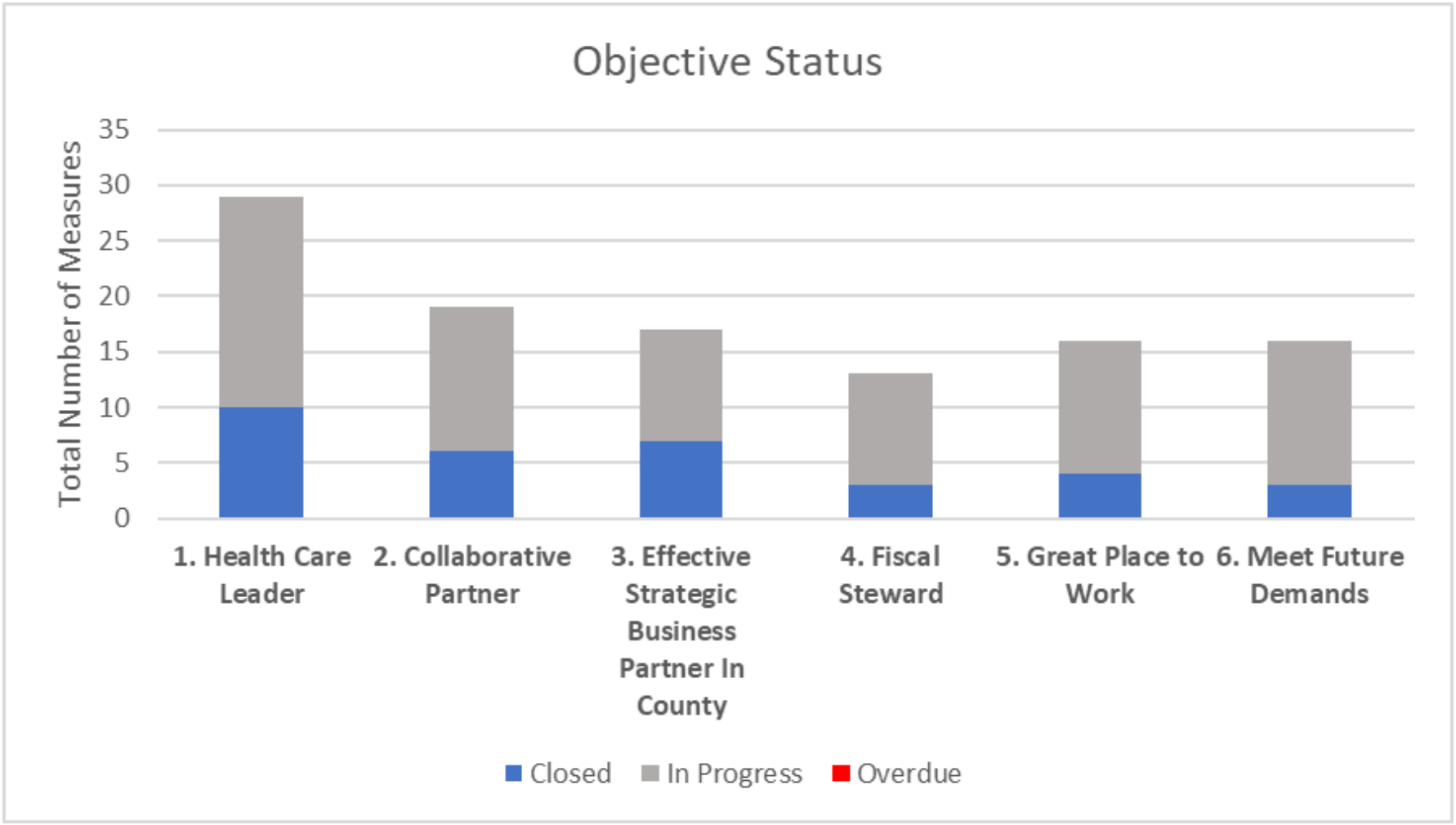
# Overall Progress Made



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# Major Initiatives In Progress

**I. Solvency Action Plan**

A. Total Annual Savings $17.4-20.4 million

B. Tangible Net Equity at 246 percent

C. Phase 2 will be temporarily on hold due to the following fundamental initiatives

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

**II. System Conversion**

A. Go Live on May 3, 2021

**III. CalAIM**

A. Enhanced Care Managed/In Lieu of Services Model of Care due on July 1, 2021

B. GCHP staff has begun planning for CalAIM

**IV. Pharmacy Rx**

A. On hold per DHCS

**V. Implement AHP Plan to Plan**

A. Ready to Go Live once the State approves



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# Discussion Questions

1. What type of information does the Commission want to see included in the Strategic Plan update?

2. Would displaying a dashboard be helpful when looking at the progress update?

3. How often does the Commission want to receive an update?



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## AGENDA ITEM NO. 7

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Eileen Moscaritolo, HMA Consultant
Conduent Representatives

DATE: April 26, 2021

SUBJECT: Go-Live Update

# VERBAL PRESENTATION

**AGENDA ITEM NO. 8**

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Eileen Moscaritolo, HMA Consultant

DATE: April 26, 2021

SUBJECT: HSP MediTrac Update

# PowerPoint With Verbal Presentation

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# HSP Medi-Trac Update

## April 26, 2021

## Eileen Moscaritolo, HMA Consultant

Integrity

Accountability

Collaboration

Trust

Respect

# HSP Medi-Trac

- HSP MediTrac Managed Care System
  - Upcoming go live 5/3/2021
    - Go live weekend
    - Post go live support
    - Ongoing communications
  - Provider Engagement
    - Webinars
    - Provider Portal roll out



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# Questions?



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**AGENDA ITEM NO. 9**

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Marlen Torres, Executive Director, Strategy & External Affairs
Pauline Preciado, Senior Director, Population Health & Equity

DATE: April 26, 2021

SUBJECT: **Cal-AIM: General Overview**
**Upcoming Enhanced Care Management (ECM) / In Lieu of Services (ILOS) Requirements and Implementation**

# PowerPoint with Verbal Presentation

**ATTACHMENTS:**
Cal-AIM: General Overview
Upcoming Enhanced Care Management (ECM) / In Lieu of Services (ILOS) Requirements and Implementation

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# CalAIM Enhanced Care Management (ECM) / In Lieu of Services (ILOS) Commission Meeting

April 26, 2021


Marlen Torres
Executive Director, Strategy and External Affairs

Pauline Preciado
Senior Director, Population Health & Equity


Integrity
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Respect

# Agenda

1. CalAIM Overview
    a. Previous Approach
    b. Stakeholder Communication
    c. Initiatives Timeline

2. What: ECM and ILOS

3. How and When: Implementation of ECM and ILOS

4. Current State and Implementation Approach

5. Program Timeline Review

6. Questions



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# Previous Approach

- Created internal workgroup made up of the leadership team
- Held meetings with Ventura County Leadership:

| | |
|---|---|
| Ventura  County Health Care Agency | Ventura County Public Health |
| Ventura County Area Agency on Aging | Ventura County Medical Center |
| Ventura County Human Services Agency | Ventura County Ambulatory Care |
| Whole Person Care Lead | Ventura County Probation |
| Ventura County Behavioral Health | |

- Held meetings with health care leadership in Ventura County:

| | |
|---|---|
| Clinicas del Camino Real | Ventura County Health Care Agency |
| Ventura County Medical Center | Los Robles Medical Center |
| Adventist Hospital | St. John's Hospital |
| Community Memorial Hospital | |



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# Stakeholder Communication

**Internal Workgroup**

- Give regular updates at Exec Team and Directors meetings
- Share information via CalAIM Teams site
- Convene workgroup as necessary to get updates from business owners

**Commission**

- Give an update on ECM/ILOS in April/May 2021 Commission meeting
- Update Commission on CalAIM on a monthly basis (CEO Update) and when giving a Strategic Plan quarterly update

**VC Leadership**

- Convene meeting in April/May 2021
- Break into smaller subgroups to carry out workgroup and report to larger group on a monthly basis.

**DHCS**

- Provide ECM/ILOS Model of Care by July 1, 2021
- GCHP is giving DHCS feedback on all draft documents



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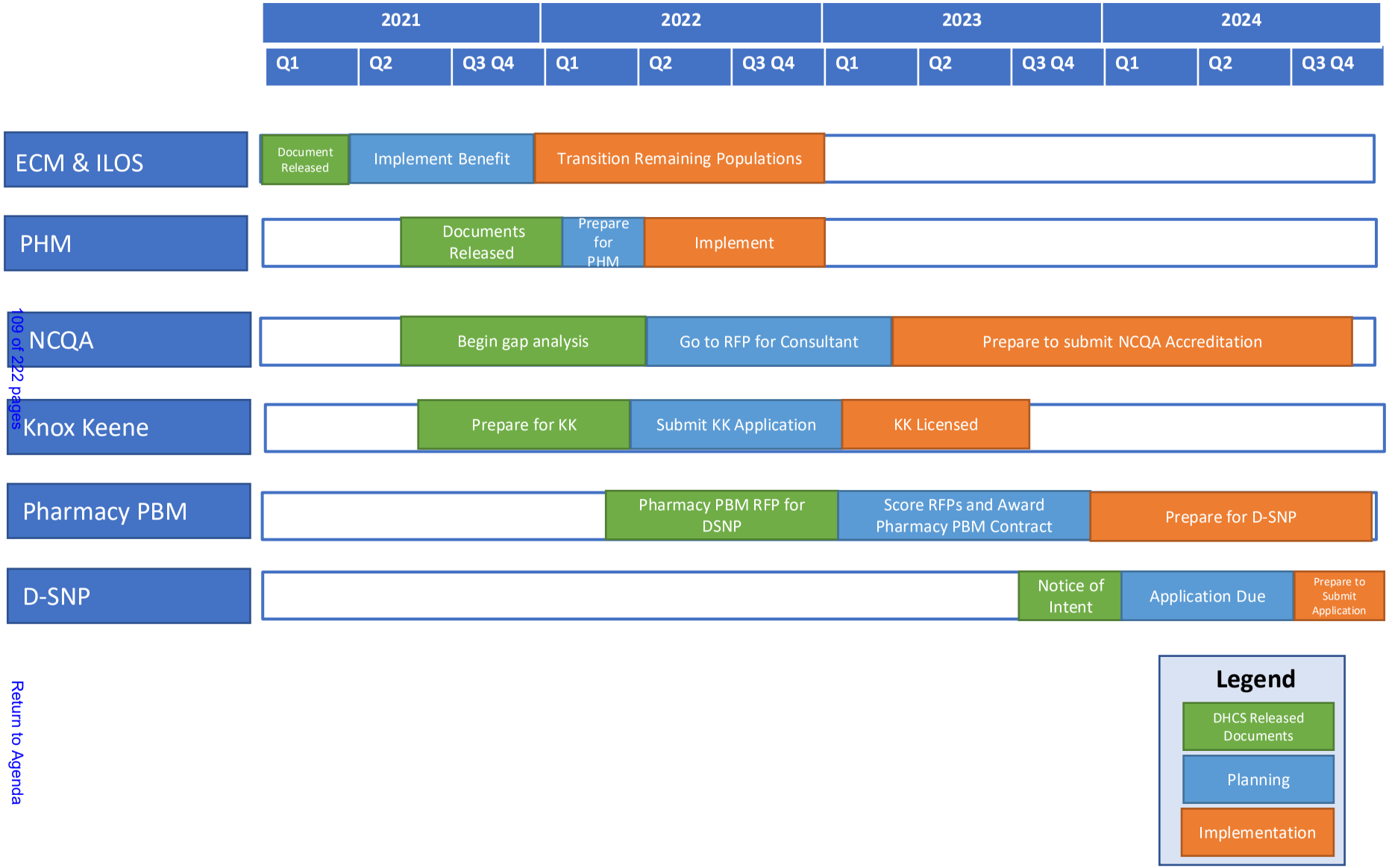
# CalAIM Implementation Timeline



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# ECM/ILOS: What

A. Enhanced Care Management (ECM) benefit is designed to provide a whole-person approach to care that addresses the clinical and non-clinical needs of high-cost and/or high-need Medi-Cal beneficiaries.
   1. Systemic coordination of services
   2. Primarily community based, interdisciplinary
   3. High touch and comprehensive

B. In Lieu of Services (ILOS), as identified by DHCS, are flexible wrap-around services that Managed Care Plans can integrate into their population health strategy and are provided as a substitute to, or to avoid, other covered services
   1. Complementary services with ECM benefits
   2. Addresses Social needs and/or social determinants of health (SDOH)



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# ECM/ILOS: How and When

HOW:

1. DHCS urges plans to contract with Whole Person Care entities to deliver ECM and ILOS
2. DHCS also urges plans to select *all* ILOS services that it will offer to them to offer to enrollees
3. DHCS has already provided plans with template contract terms for contracts with the entities that will delivery ECM and ILOS
4. GCHP has provided comments to DHCS on the template contract terms, which GCHP shared with the Commission

WHEN:

1. DHCS has submitted its CMS waiver documents to stakeholders for a comment period
2. DHCS will then submit the waiver to CMS for approval
3. DHCS has committed to providing the plans with ECM and ILOS rates in May 2021
4. DHCS anticipates a phased in approach to EMC and ILOS implementation:
   - Phase I: Jan. 1, 2022
   - Phase II: July 1, 2022
   - Phase III: Jan. 1, 2023



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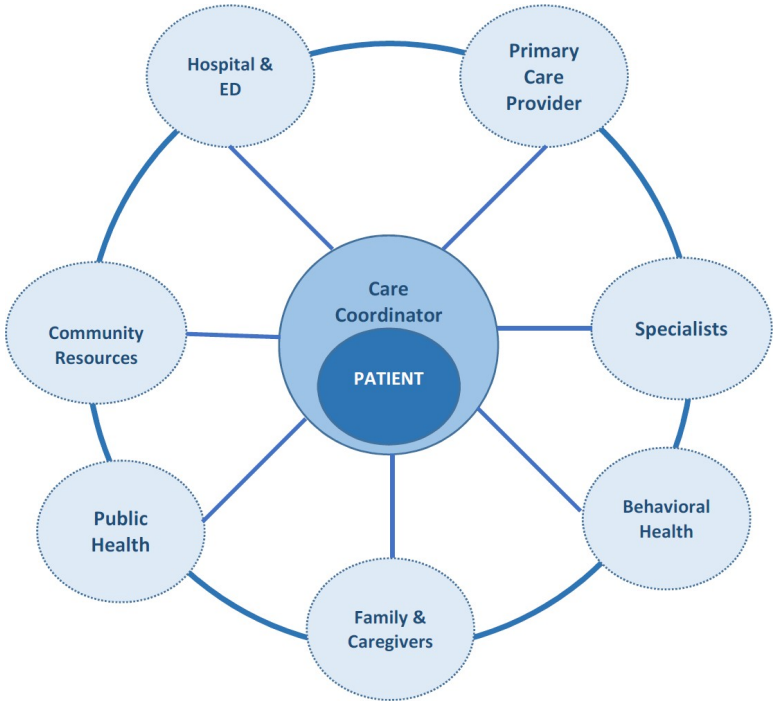
# WPC Model




VENTURA COUNTY
HEALTH CARE AGENCY

**Intensive, multi-disciplinary care coordination**

- (Medical, mental health, alcohol and drug, social services)

**Frequent check-ins from community health workers**

- (Help navigating the system, addressing barriers, building capacity for self-management)

**Field-based services (at home or in the community)**

- (RN, BH Clinician, Alcohol and Drug Treatment Specialist)



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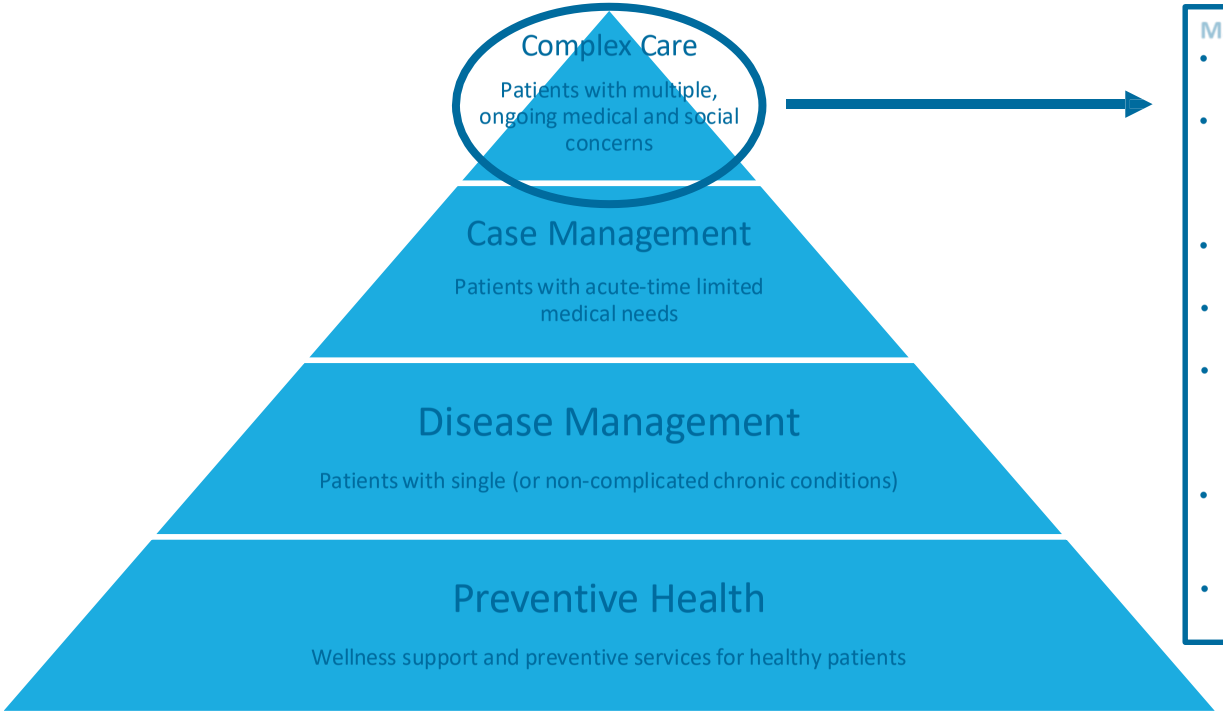
# Types of Care Management




Mandatory ECM Populations:

- **High utilizers with frequent hospital or emergency room visits/admissions;**
- **Individuals at risk for institutionalization with Serious Mental Illness, children with Serious Emotional Disturbance or Substance Use Disorder with co-occurring chronic conditions;**
- Individuals at risk for institutionalization, eligible for long-term care;
- Nursing facility residents who want to transition to the community;
- Children or youth with complex physical, behavioral, developmental, and oral health needs (i.e. CCS, foster care, youth with Clinical High-Risk syndrome, or first episode of psychosis); and
- **Individuals experiencing homelessness, chronic homelessness or at-risk of becoming homeless**
- Re-entry of individuals transitioning from incarceration

VENTURA COUNTY
HEALTH CARE AGENCY



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# Enhanced Care Management (ECM):Target Populations

| Seven Enhanced Care Management Target Populations | |
|---|---|
| ** **Individuals experiencing homelessness**, chronic homelessness or who are at risk of becoming homeless. | **Individuals at risk** for institutionalization who are **eligible for long-term care services.** |
| ** **High utilizers with frequent hospital admissions,** short-term skilled nursing facility stays, or emergency room visits. | **Nursing facility residents** who want to transition to the community. |
| **Individuals at risk for institutionalization with serious mental illness (SMI), children with serious emotional disturbance (SED) or substance use disorder (SUD)** with co-occurring chronic health conditions | **Individuals transitioning from incarceration** who have significant complex physical or behavioral health needs requiring immediate transition of services to the community. |
| **Children or youth with complex physical, behavioral, developmental and oral health needs**(e.g., California Children Services, foster care, youth with clinical high-risk syndrome or first episode of psychosis). | ** WPC populations in Ventura County |



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# In Lieu of Services (ILOS)

***** ILOS are optional for Plans to provide & optional beneficiaries *****

| DHCS list of Thirteen *In Lieu of Services* | | |
|---|---|---|
| Housing Transition Navigation Services | Personal Care and Homemaker Services | Asthma Remediation |
| Housing Deposits | Respite Services | Meals/Medically Tailored Meals |
| Housing Tenancy and Sustaining Services | Day Habilitation Programs | Sobering Centers |
| Short-Term Post-Hospitalization Housing | Nursing Facility Transition/Diversion to Assisted Living Facilities, such as Residential Care Facilities for the Elderly (RCFE) and Adult Residential Facilities (ARF) | Environmental Accessibility Adaptations (Home Modifications) |
| Recuperative Care (Medical Respite) | | |



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# Proposed In Lieu of Services

| Benefit | Description | Does it exist in Ventura County? | Recommended GCHP Service |
|---|---|---|---|
| **Services to Address Homelessness and Housing** | | | |
| Housing depositsa | Funding for one-time services necessary to establish a household, including security deposits to obtain a lease, first month's coverage of utilities, or first and last month's rent required prior to occupancy. | Yes, through Continuum of Care | Possible |
| Housing transition navigation servicesa | Assistance with obtaining housing. This may include assistance with searching for housing and completing housing applications, as well as developing an individual housing support plan. | Yes, through Continuum of Care | Possible |
| Housing tenancy and sustaining servicesa | Assistance with maintaining stable tenancy once housing is secured. This may include interventions for behaviors that may jeopardize housing, such as late rental payment and services, to develop financial literacy. | Yes, through Continuum of Care | Possible |



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# Proposed In Lieu of Services

| Benefit | Description | Does it exist in Ventura County? | Recommended GCHP Service |
|---|---|---|---|
| **Services for Long-Term Well-Being in Home-Like Settings** | | | |
| Asthma remediationb | Physical modifications to a beneficiary's home to mitigate environmental asthma triggers. | No* | Possible |
| Day habilitation programs | Programs provided to assist beneficiaries with developing skills necessary to reside in home-like settings, often provided by peer mentor-type caregivers. These programs can include training on use of public transportation or preparing meals. | Possible, need to conduct further research | Possible |
| Environmental accessibility adaptions | Physical adaptations to a home to ensure the health and safety of the beneficiary.These may include adaptations ramps and grab bars | Yes, wheelchair ramps organized through Community Based Organizations. | Possible |
| Meals/medically tailored meals | Meals delivered to the home that are tailored to meet beneficiaries' unique dietary needs, including following discharge from a hospital. | Yes (The Ventura County Area Agency on Aging has meals for seniors) | Possible |
| Nursing facility transition/diversion to assisted living facilitiesc | Services provided to assist beneficiaries transitioning from nursing facility care to community settings or prevent beneficiaries from being admitted to nursing facilities. | Possible, need to conduct further research | Yes |
| Nursing facility transition to ahome | Services provided to assist beneficiaries transitioning from nursing facility care tohome settings in which they are responsible for living expenses. | Possible, need to conduct further research | Yes |
| Personal care and homemaker servicesd | Services provided to assist beneficiaries with daily living activities, such as bathing, dressing, housecleaning, and grocery shopping. | Yes, IHSS | Possible (need to understand IHSS overlap) |



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# Proposed In Lieu of Services

| Benefit | Description | Does it exist in Ventura County? | Recommended GCHP Service |
|---|---|---|---|
| **Recuperative Services** | | | |
| Recuperative care (medical respite) | Short-term residential care for beneficiaries who no longer require hospitalization, but still need to recover from injury or illness. | Yes | Yes |
| Respite | Short-term relief provided to caregivers of beneficiaries who require intermittent temporary supervision. | Yes (California Children Services) | Yes |
| Short-term post-hospitalization housinga | Settings in which beneficiaries can continue receiving care for medical, psychiatric, or substance use disorder needs immediately after exiting a hospital. | Yes, (Ventura County Behavioral Health) | Possible |
| Sobering centers | Alternative destinations for beneficiaries who are found to be intoxicated and would otherwise be transported to an emergency department or jail. | No | Need to conduct research |

a Restricted to use once in a lifetime, unless managed care plan can demonstrate cost-effectiveness of providing a second time.
b New benefit introduced this year. Restricted to lifetime maximum amount of $5000, unless beneficiary's condition changes dramatically.
c Includes residential facilities for the elderly and adult residential facilities.
d Does not include services already provided in the In-Home Supportive Services program.
*Existed Previously between GCHP and VCPH

Legislative Analyst's Office. (2021, March). *The 2021–22 Budget: CalAIM: Equity Considerations*. https://lao.ca.gov/reports/2021/4402/CalAIM-Equity-031221.pdf

The title is *The 2021–22 Budget: CalAIM: Equity Considerations and it can be found at* https://lao.ca.gov/reports/2021/4402/CalAIM-Equity-031221.pdf



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# ECM Model of Care: Person-Centered Approach


**Intensive, multi-disciplinary care coordination**

- (Medical, mental health, alcohol and drug, social services)

**Skilled Community Health Workers**

- Address SDOH barriers
- Health Navigation Assistance
- Building capacity for self-management

**Field-based services (at home or in the community)**

- Immediate and Accessible care to Medical, Behavioral and community services
- Comprehensive assessments to identify needs



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# ECM Phases

## 1/1/2022
*(Phase 1- WPC Populations)*

### Homeless Population
Individuals experiencing homelessness, chronic homelessness or who are at risk of becoming homeless.

### High utilizers
Individuals with frequent hospital admissions, short-term skilled nursing facility stays or emergency room visits.

## 7/1/2022
*(Phase 2- All ECM populations x Incarceration populations)*

### At risk SMI, SUD, and children with (SED) populations
Serious mental illness (SMI), children with serious emotional disturbance (SED) or substance use disorder (SUD) with co-occurring chronic health conditions.

### Children or youth with complex Needs
Physical, behavioral, developmental and oral health needs e.g., California Children Services, foster care, youth with clinical high-risk syndrome or first episode of psychosis).

### Individuals at risk for institutional-ization
Individuals who *are eligible for long-term care services*

### High Risk Nursing facility residents
Residents who want to transition to the community

## 1/1/2023
*(Phase 3- All ECM Populations)*

### Individuals transitioning from incarceration
Who have significant complex physical or behavioral health needs requiring immediate transition of services to the community.

# GCHP Current State and Implementation Plan



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# GCHP Current State and Implementation Plan

## Current State in Ventura County:

- 1115 Waiver WPC Pilot Program led by the Health Care Agency (HCA)
- Payment Methodology & Rates: Expected May 2021 from DHCS
- Currently assessing County ILOS Landscape

## GCHP Implementation Plan

- Develop Model of Care in accordance with DHCS requirements
- Finalize workflows and referral policies and procedures with County
- Socialize template contract requirements with County of Ventura
- Conduct readiness review process for ECM and ILOS
- Secure approval from DHCS on Model of Care and applicable policies and procedures
- Pursue contract with *County of Ventura*
- Phase I Go Live Date: Jan. 1, 2022



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# Division of Responsibilities

| Function | GCHP | ECM Provider |
|---|---|---|
| Data Mining | xx | |
| Outreach | | xx |
| Member Consent | | xx |
| Determine Eligibility for ECM | | xx |
| Discharge ECM | | xx |
| ECM Authorization | xx | |
| ECM Vendor Oversight | xx | |
| Reporting to MCP | | xx |
| TCM Exclusion | | xx |
| Reporting to DHCS | xx | |
| Payment for ECM | xx | |
| DHCS Program Compliance Oversight | xx | |
| Approval for ILOS Services | xx | |
| Oversight for ILOS Services | xx | |
| Payment for ILOS | xx | |
| Grievance & Appeals | xx | |



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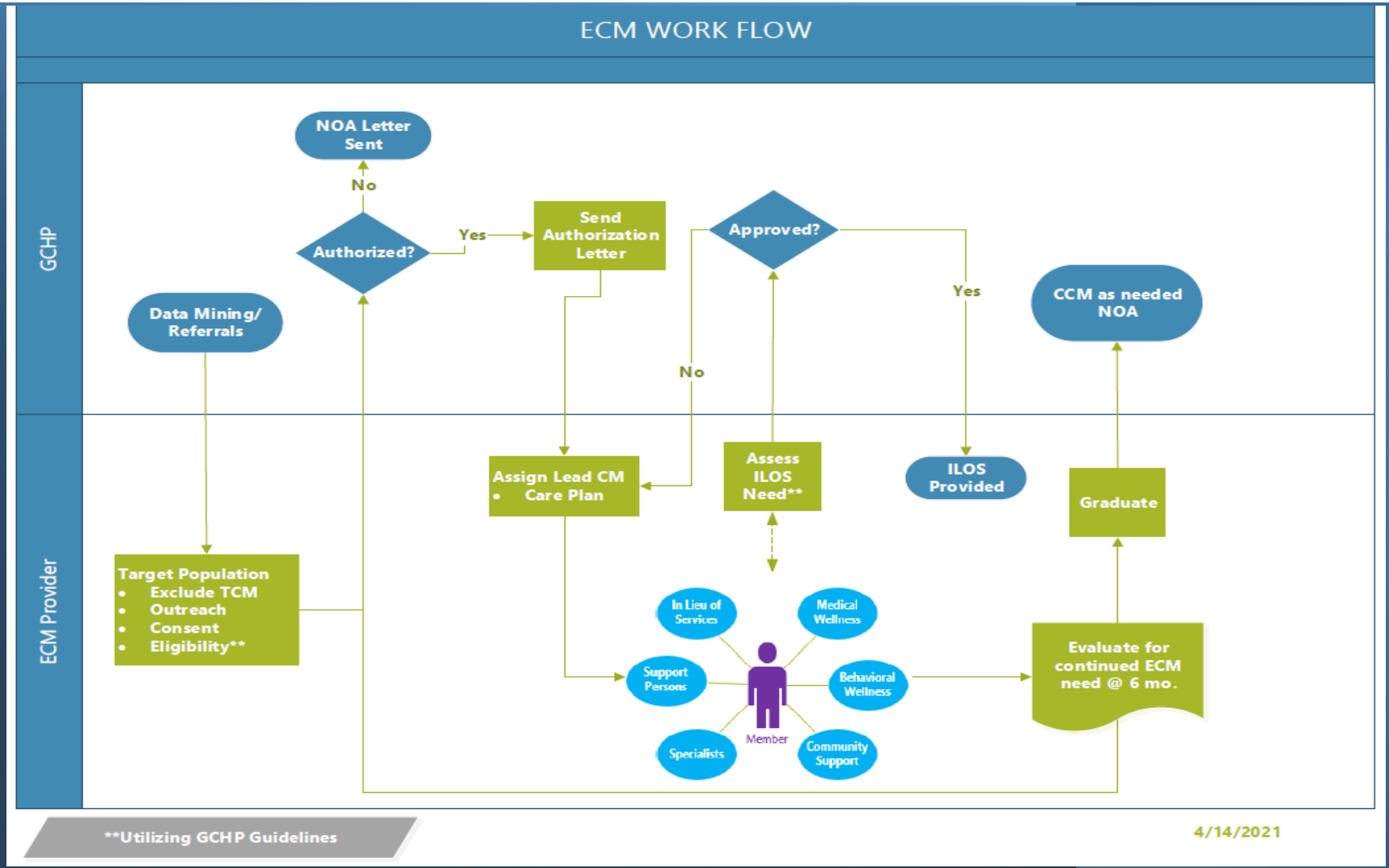




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# Project Timeline Review



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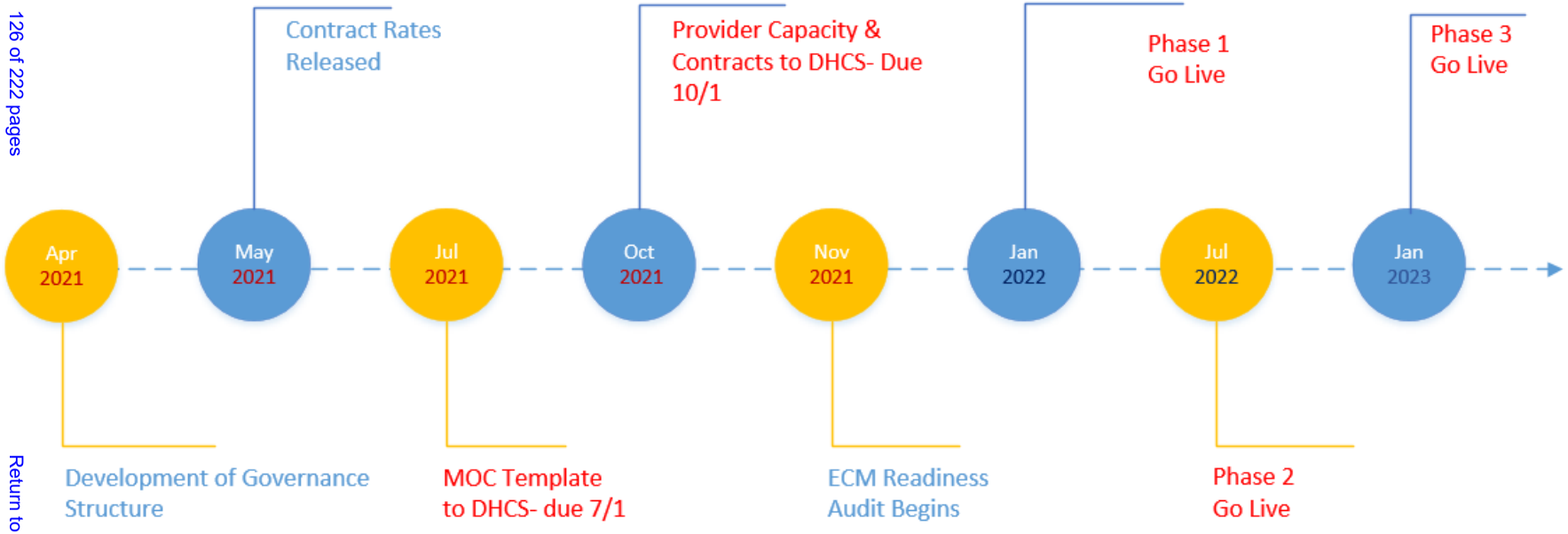
# Project Milestones



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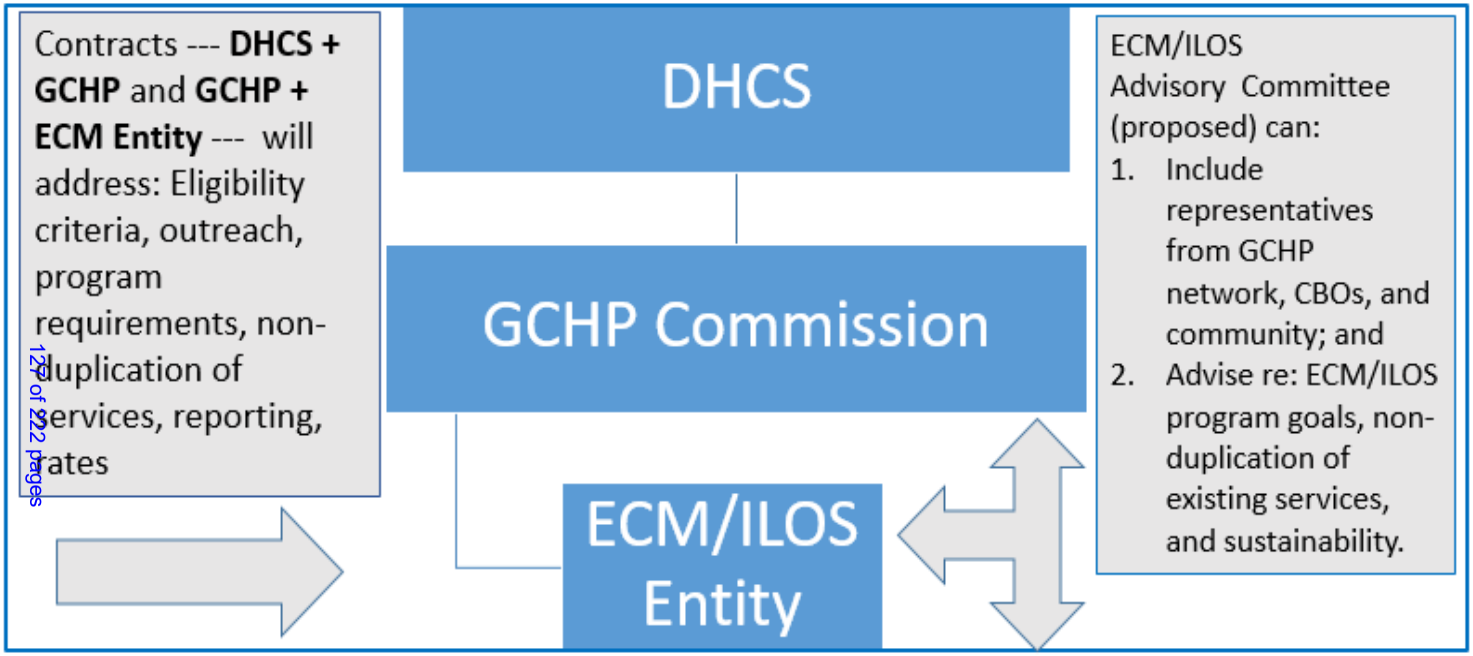
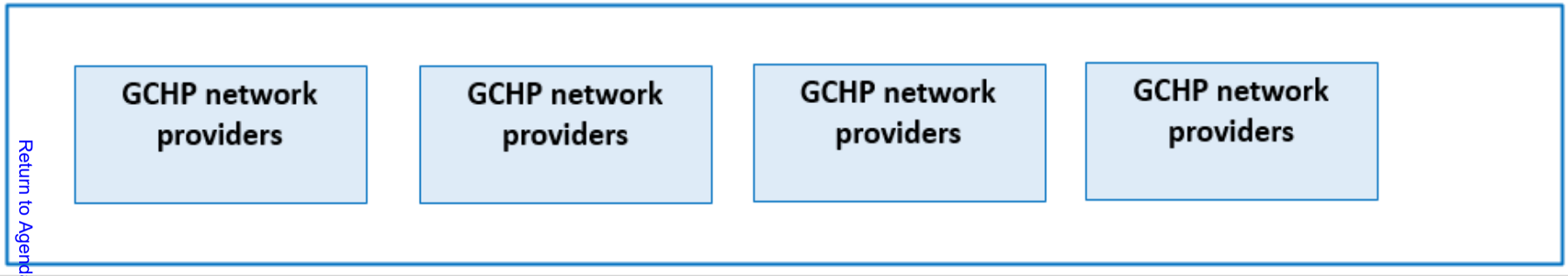
# Proposed Governance Structure: Role of Advisory Committee




**Other community Advisory Committees to be aligned for the Medi-Cal Community:**

1. **CIE**
2. **HIE**



# Questions



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# AGENDA ITEM NO. 10

TO: Ventura County Medi-Cal Managed Care Commission

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

DATE: April 26, 2021

SUBJECT: Quality Improvement Committee 2021 First Quarter Report

**SUMMARY:**

The Department of Health Care Services (DHCS) requires Gold Coast Health Plan (GCHP) to implement an effective quality improvement system and to ensure that the governing body routinely receives written progress reports from the Quality Improvement Committee (QIC).

The attached PPT report contains a summary of activities of the QIC and its subcommittees.

**APPROVAL ITEMS:**

- 2021 QI Program Description
- 2021 QI Work Plan

**RECOMMENDATION:**

Approve the 2021 QI Program Description and 2021 QI Work Plan as presented. Receive and file the complete report as presented.

If the Commission desires to review the 2021 QI Program Description and 2021 QI Work Plan, they are available via request to the Gold Coast Health Plan Clerk of the Commission.

Gold Coast Health Plan℠
A Public Entity

# Quality Improvement Committee Report Q1 2021

Monday, April 26, 2021

Kimberly Timmerman, MHA, CPHQ
Director, Quality Improvement

Integrity
Accountability
Collaboration
Trust
Respect



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

# Quality Improvement Update


- Strategy Update
- 2021 QI Program Description
- 2021 QI Work Plan
- DHCS Preventive Services Report

# 2021 Quality Improvement Strategy



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**2021 Quality Improvement Work Plan**

✓ Assessed priorities to determine focus areas based on low performance, presence of disparities/health equity, DHCS focus areas, and COVID-19 return to care

**Provider Report Cards/Care Gap Reports**

✓ Continue access to Inovalon INDICES® Provider Dashboards for monthly rate monitoring and member-level gaps in care reports

✓ Initiate distribution of "themed" care gap reports – Women's Health, Immunizations, Child/Adolescent Well Care, Behavioral Health

**Improvement Projects**

- 2020-2022 PIP: Health Equity – Cervical Cancer Screening
- 2020-2022 PIP: Adolescent Well Care Visits
- 2020-2021 Improvement Project: Asthma Medication Ratio
- 2020-2021 COVID-19 Quality Improvement Plan

**QI Collaboration Meetings** – February, July, October

# 2021 Quality Improvement Strategy

- **Member Outreach Programs**
  - HMS Eliza – Live Agent Outbound Calls and appointment facilitation - Pediatric Well Care Visits to address care gaps: Childhood Immunizations (CIS), Well Child Visits (W30/WCV), Lead Screening (LSC)  April-July 2021
  - Child/Adolescent Well Care Member Incentive (ages 3-21): $15 gift card
  - Cervical Cancer Screening Member Incentive: $25 gift card





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# 2021 QI Program Description Update

**Key purpose**:

- Seek continual refinement to QI approach to improve and sustain performance through prioritization, implementation, and analysis of performance improvement initiatives
- Assess required updates per DHCS regulatory, contractual and NCQA accreditation requirements
- Update content per organizational changes to ensure alignment
- Annual review/approval of QI Program Description and Work Plan by QIC and Commission



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# 2021 QI Program Description Updates

| Section | Substantive Updates |
| --- | --- |
| II. Mission, Vision, Values | Updated continuous quality improvement description |
| III. Purpose and Scope | Added 7 priorities from the DHCS QI Strategy |
| VII. Key Program Initiatives | Business owners updated CM, UM and Inclusion/Diversity sections |
| IX. Annual Work Plan | Updated verbiage describing QI Work Plan |
| XI. Quality Committees and Subcommittees | Updated committee membership and responsibilities |



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# 2021 QI Work Plan Updates



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# Objective 1: Improve Quality and Safety of Clinical Care Services

| 2021 Metrics Retained (10) | Rationale |
|---|---|
| Practice Guidelines | Ongoing metric |
| Tobacco Cessation: Increase awareness of benefits of tobacco cessation in member population identified as smoking | DHCS focus |
| Initial Health Assessment (IHA): Increase rates of IHA/IHEBA completion by provider sites | DHCS focus |
| Adverse Childhood Experience (ACE) Screening | DHCS focus |
| Blood Lead Screening in Children | DHCS focus |
| Asthma Medication Ratio | MCAS and performance focus |
| Cervical Cancer Screening | MCAS and performance focus |
| Chlamydia Screening in Women | MCAS and performance focus |
| Childhood Immunization Status – Combo 10 | MCAS and performance focus |
| Developmental Screening in the First Three Years of Life | MCAS and performance focus |



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# Objective 1: Improve Quality and Safety of Clinical Care Services

| 2021 Metrics Retired (5) | Rationale |
|---|---|
| Well-Child Visits in the First 15 Months of Life | NCQA retired measure. Replaced with W30. |
| Well-Child Visits in the 3rd, 4th, 5th and 6th Years of Life | NCQA retired measure. Replaced with AWC. |
| Adolescent Well-Care Visits | NCQA retired measure. Replaced with AWC. |
| Adolescent Well-Care Visits (Age 12-21) PIP | HSAG canceled PIP on 06/30/21 due to COVID-19 |
| Cervical Cancer Screening Disparity PIP | HSAG canceled PIP on 06/30/21 due to COVID 19 |



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# Objective 1: Improve Quality and Safety of Clinical Care Services

| 2021 New Metrics Added (8) | Rationale |
|---|---|
| Child and Adolescent Well-Care Visits (WCV) | Added to MCAS. Replaced W34 & AWC. |
| Well-Child Visits in the First 30 Months of Life (W30) | Added to MCAS. Replaced W15. |
| COVID-19 | Advance Prevention Focus |
| Behavioral Health | Advance Prevention Focus |
| AMR IP | New 2020-2021 DHCS IP |
| COVID QIP | New 2020-2021 DHCS IP |
| Child and Adolescent Well-Care Visits (Age 12-17) PIP | New 2020-2022 PIP Cycle |
| Cervical Cancer Screening Disparity PIP | New 2020-2022 PIP Cycle |



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# Objective 2: Improve Quality and Safety of Non-Clinical Care Services

| 2021 Metrics | Status |
|---|---|
| Cultural & Linguistic Needs and Preferences: Practitioner Availability | No changes |
| Primary & Specialty Care Access | |
| After Hours Availability | |
| Network Adequacy | |
| Provider Satisfaction | |



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# Objective 3: Improve Member Safety

| 2021 Metrics | Status |
|---|---|
| Facility Site Monitoring | No changes |
| Credentialing/Recredentialing | **New activity**<br>• Collaborate with Symplr and internal partners on software configuration and launch to achieve efficiencies in the credentialing process |
| Pharmacy: Reduction in Potential Unsafe Opioid Prescriptions | **Updated goals**<br>• Prevent increases in the following related to opioid use in GCHP members<br>  ○ Total number of users<br>  ○ Total number of high dose users<br>  ○ Concurrent users of benzodiazepines<br>  ○ Concurrent users of antipsychotics<br>**Updated activities**<br>• Retrospective Review and Provider Intervention Related to opioid use<br>**Updated metrics**<br>• Achieve outcomes similar to prior year and less than a 5% increase in each category. |



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# Objective 4: Assess and Improve Member Experience

| 2021 Metrics | Status |
|---|---|
| Member Access & Satisfaction | No changes |
| Call Center Monitoring | |

# Objective 5: Ensure Organizational Oversight of Delegated Activities

| 2021 Metrics | Status |
|---|---|
| Delegation Oversight of Delegated Activities | **Updates Goals**<br>• Completion of Delegation Oversight including:<br>○ Credentialing<br>○ Quality Improvement<br>○ Utilization Management<br>○ Members' Rights<br>○ Claims<br>○ Call Center<br>○ Cultural and Linguistics - ***new***<br><br>**Updated Metrics – *new***<br>• 100% of all audits completed, CAPs closed and reported to Compliance Committee and QIC |



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# DHCS Preventive Services Report
# MY 2019/RY 2020



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# DHCS Preventive Services Report

- Released by DHCS February 2021
- Based on MY 2019/RY 2020 administrative data
- MCP Rate Report on Preventive Screening Measures
  - Lead Screening in Children (LSC)
  - Well-Child Visits in the First 30 Months of Life
    - Rate 1: 6+ well-child visits in the first 15 months
    - Rate 2: 2+ well-child visits between 15-30 months
  - Child & Adolescent Well-Care Visits
    - Rate 1: Age 3-6
    - Rate 2: Age 7-11
    - Rate 3: Age 12-21
    - Rate 4: Total (Age 3-21)



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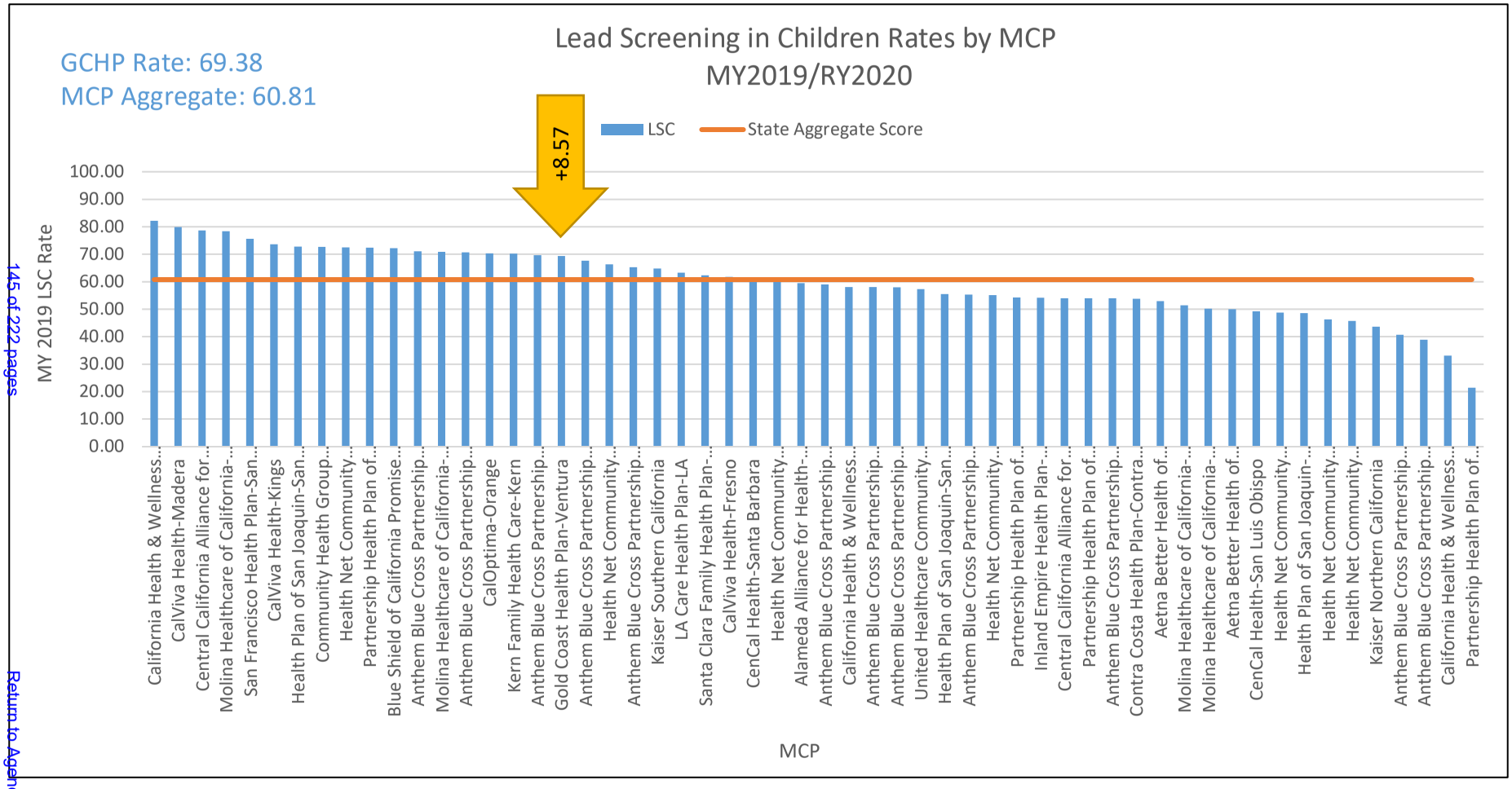
# Lead Screening in Children

*One or more blood lead test by the child's second birthday.*



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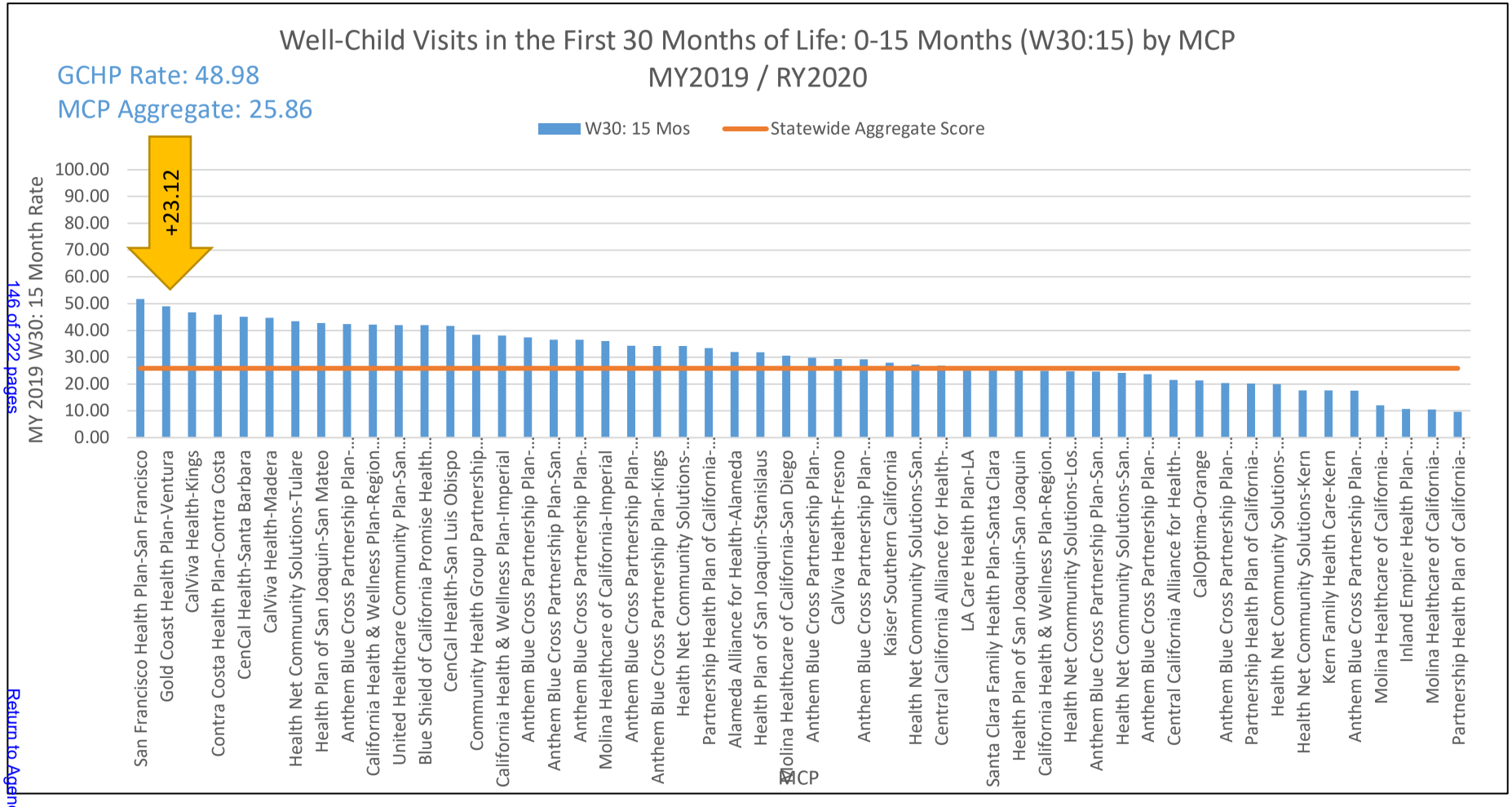
# Well-Child Visits in the First 30 Months of Life: 0-15 Months

*Six+ well-child visits by 15 months of age.*



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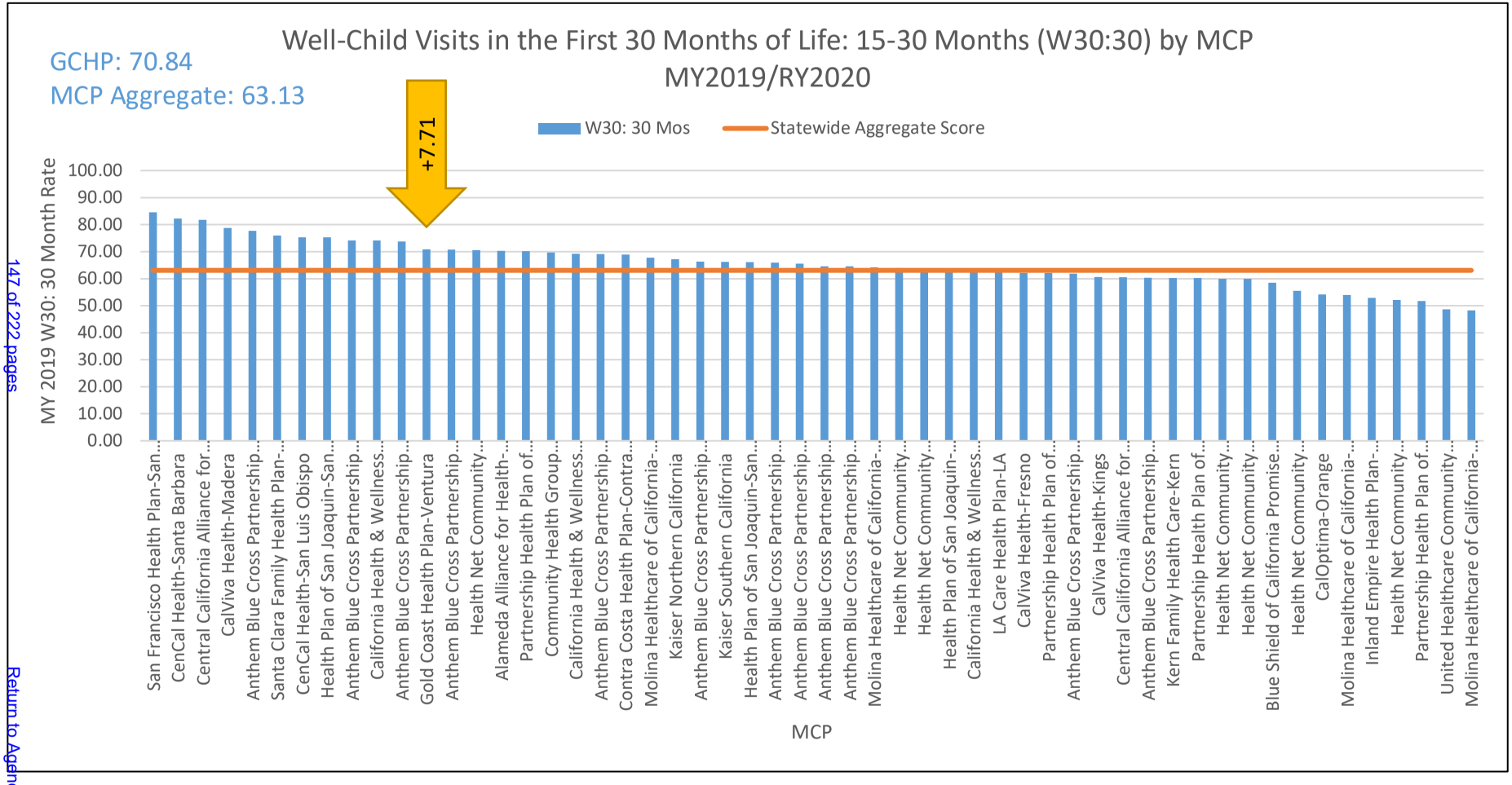
# Well-Child Visits in the First 30 Months of Life: 15-30 Months

*2+ well-child visits by 30 months of age*



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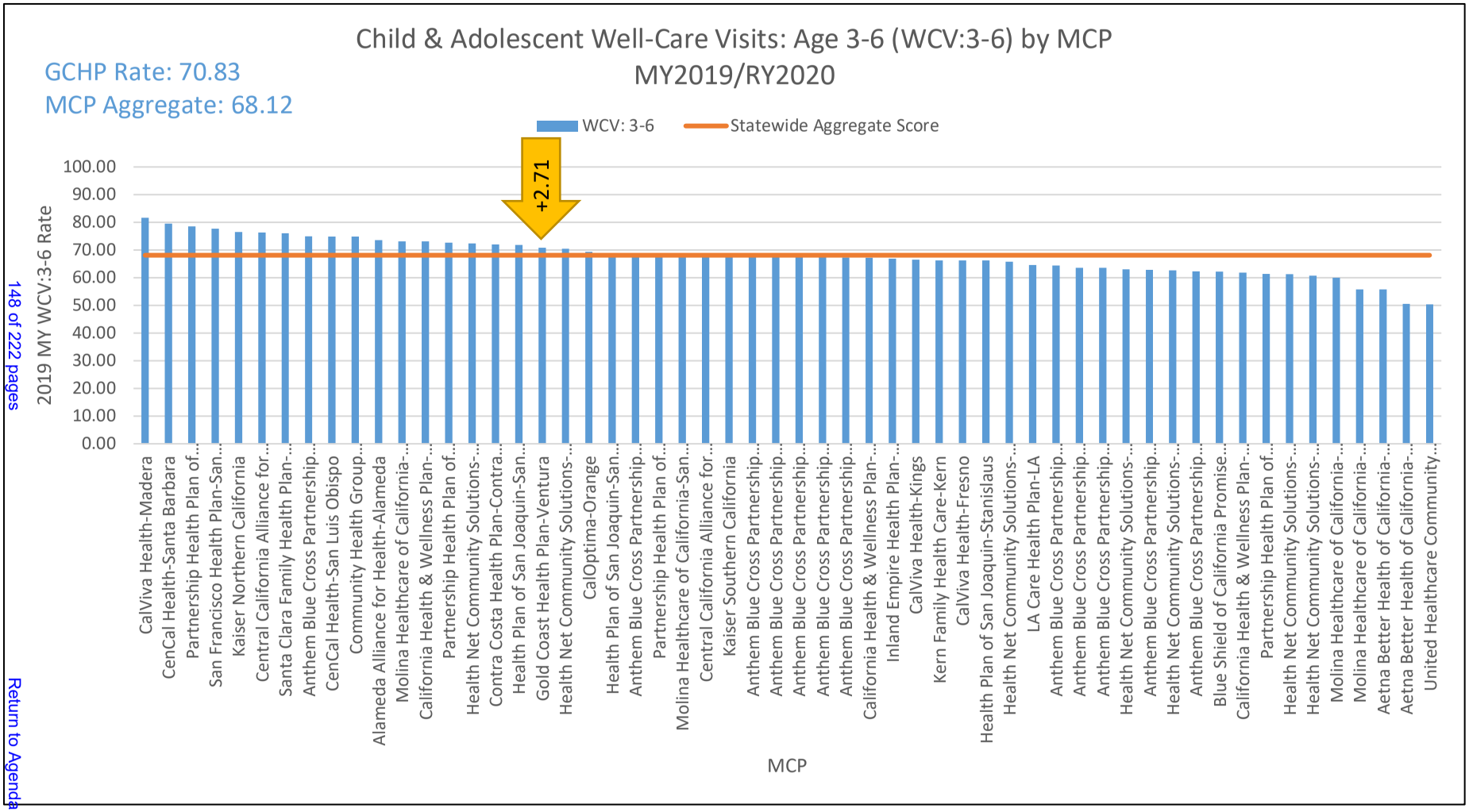
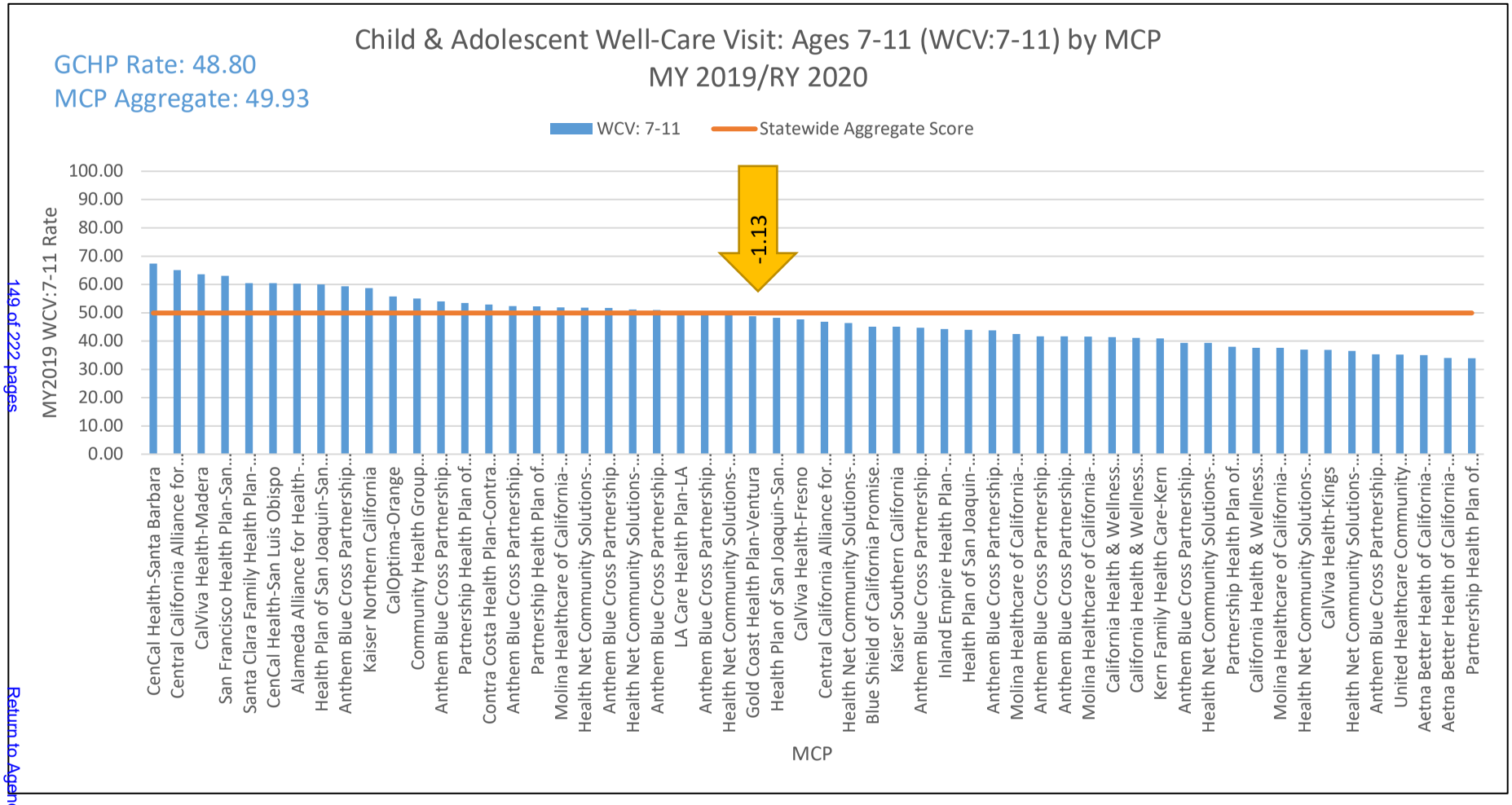
# Child & Adolescent Well-Care Visits: Age 3-6

*1 well-care visit during the measurement year*



# Child & Adolescent Well-Care Visits: Age 7-11

*1 well-care visit during the measurement year*



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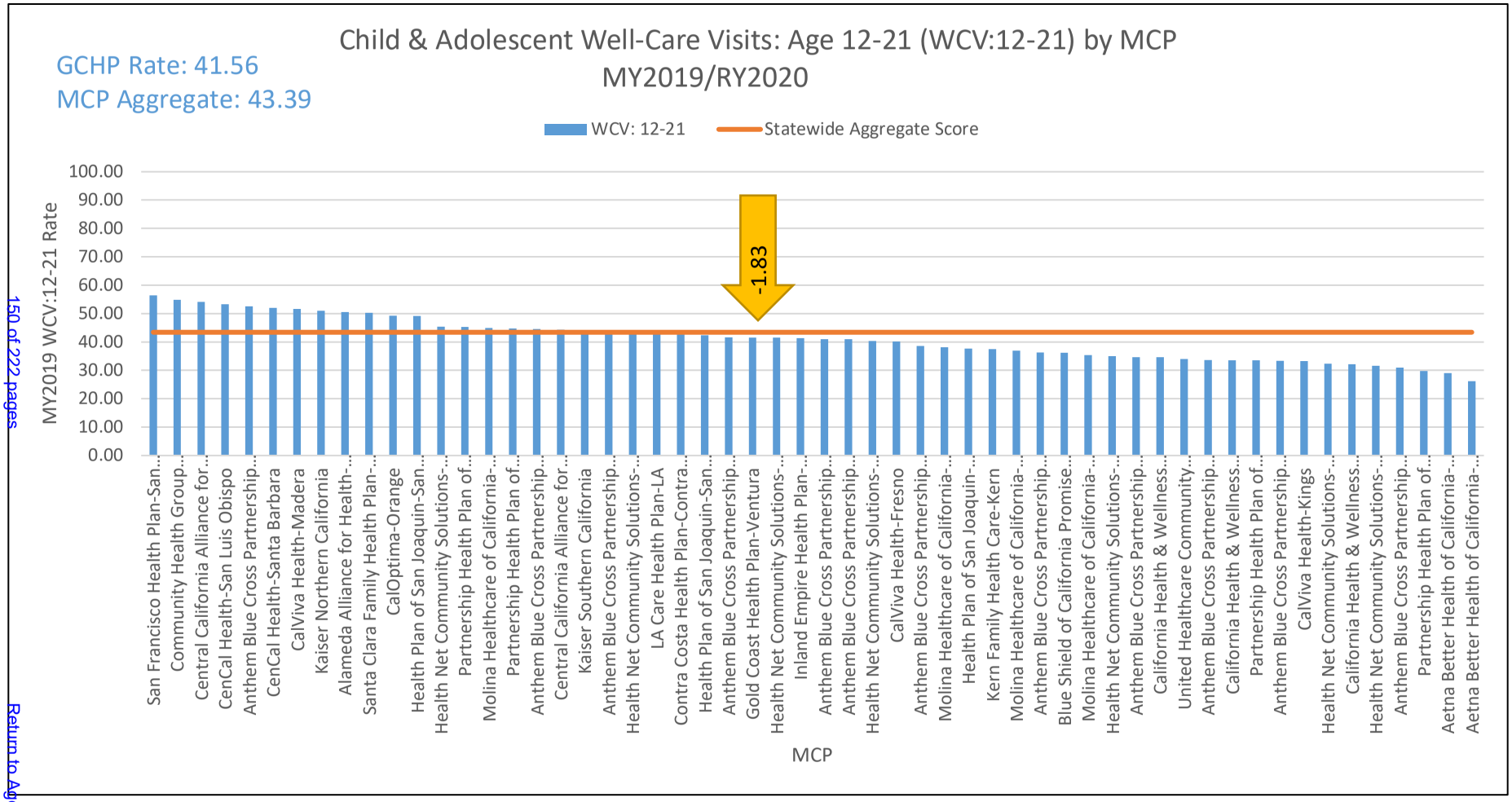
# Child & Adolescent Well-Care Visits: Age 12-21

*1 well-care visit during the measurement year*



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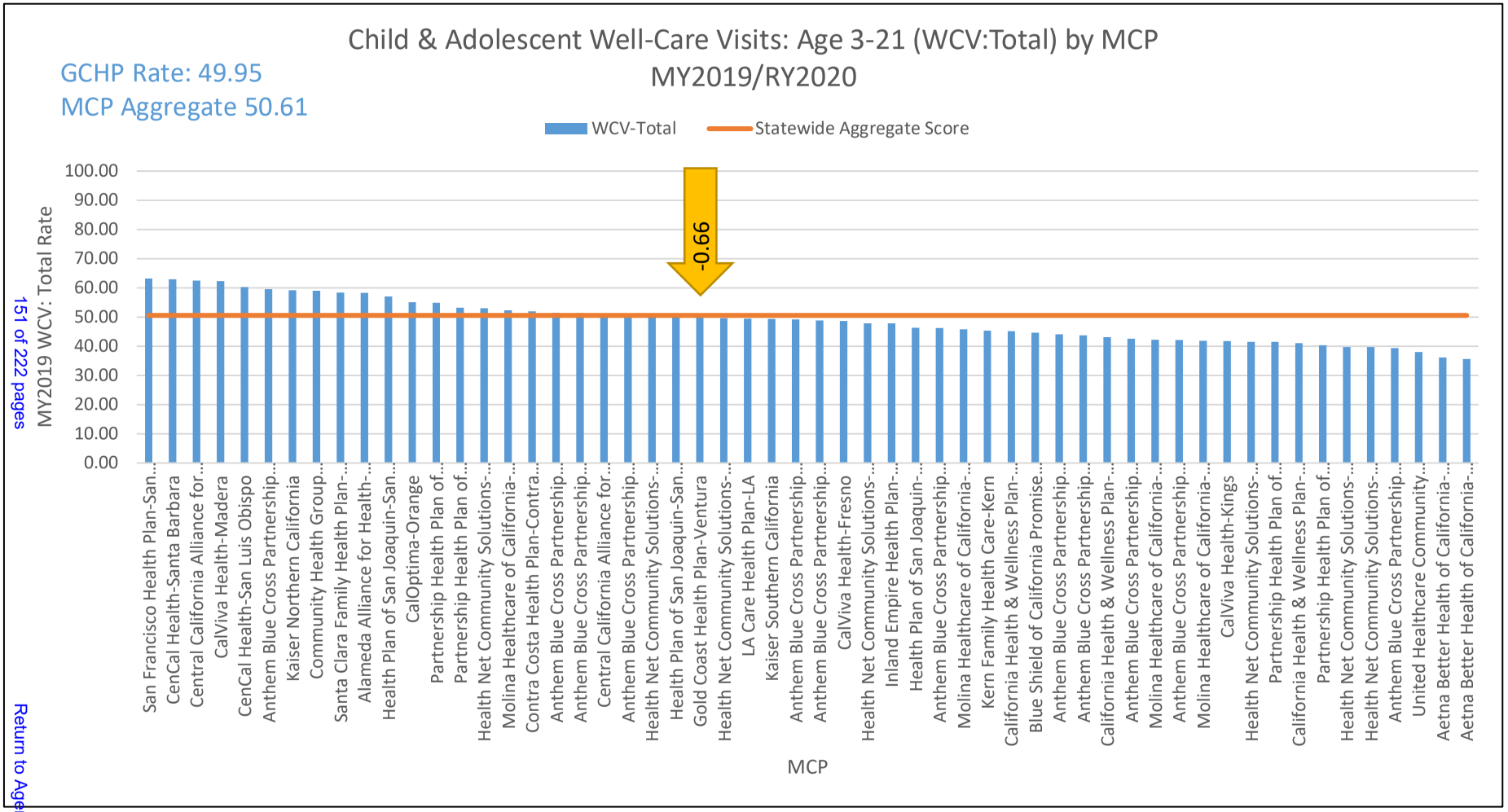
# Child & Adolescent Well-Care Visits: Total (3-21)

*1 well-care visit during the measurement year*



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# Summary:
# MY 2019/RY 2020 DHCS Preventive Services Report
# GCHP-MCP Compare

| Measure | GCHP Rate MY19 | MCP Aggregate | Rate Difference |
|---|---|---|---|
| LSC | 69.38 | 60.81 | + 8.57 |
| W30: Age 0-15 Months | 48.98 | 25.86 | +23.12 |
| W30: Age 15-30 Months | 70.84 | 63.13 | + 7.71 |
| WCV: Age 3-6 Years | 70.83 | 68.12 | + 2.71 |
| WCV: Age 7-11 | 48.80 | 49.93 | - 1.13 |
| WCV: Age 12-21 | 41.56 | 43.39 | - 1.83 |
| WCV: Total Age 3-21 | 49.95 | 50.61 | - 0.66 |



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# Questions?

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**Recommendation:**

Approve the 2021 QI Program Description and 2021 QI Work Plan

*Thank you*



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# AGENDA ITEM NO. 11

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Kashina Bishop, Chief Financial Officer

DATE: April 26, 2021

SUBJECT: March 2021 Fiscal Year to Date Financials

## SUMMARY:

Staff is presenting the attached March 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 March 2021 FYTD financial package, 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 $6.6 million for the month of March 2021, bringing the FYTD net gain to $10.2 million. This is a significant improvement from the budget projections that had indicated an anticipated loss of ~$13 million in the first nine months of the fiscal year. The improvement from budget projections is attributed to increased revenue due to changes in prior year membership estimates and favorable CY2021 rates, administrative savings, and medical expense estimates that are currently less than budget by a narrow margin.

### Solvency Action Plan (SAP) Update:

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 |
| | Consideration of across the board reductions | 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.

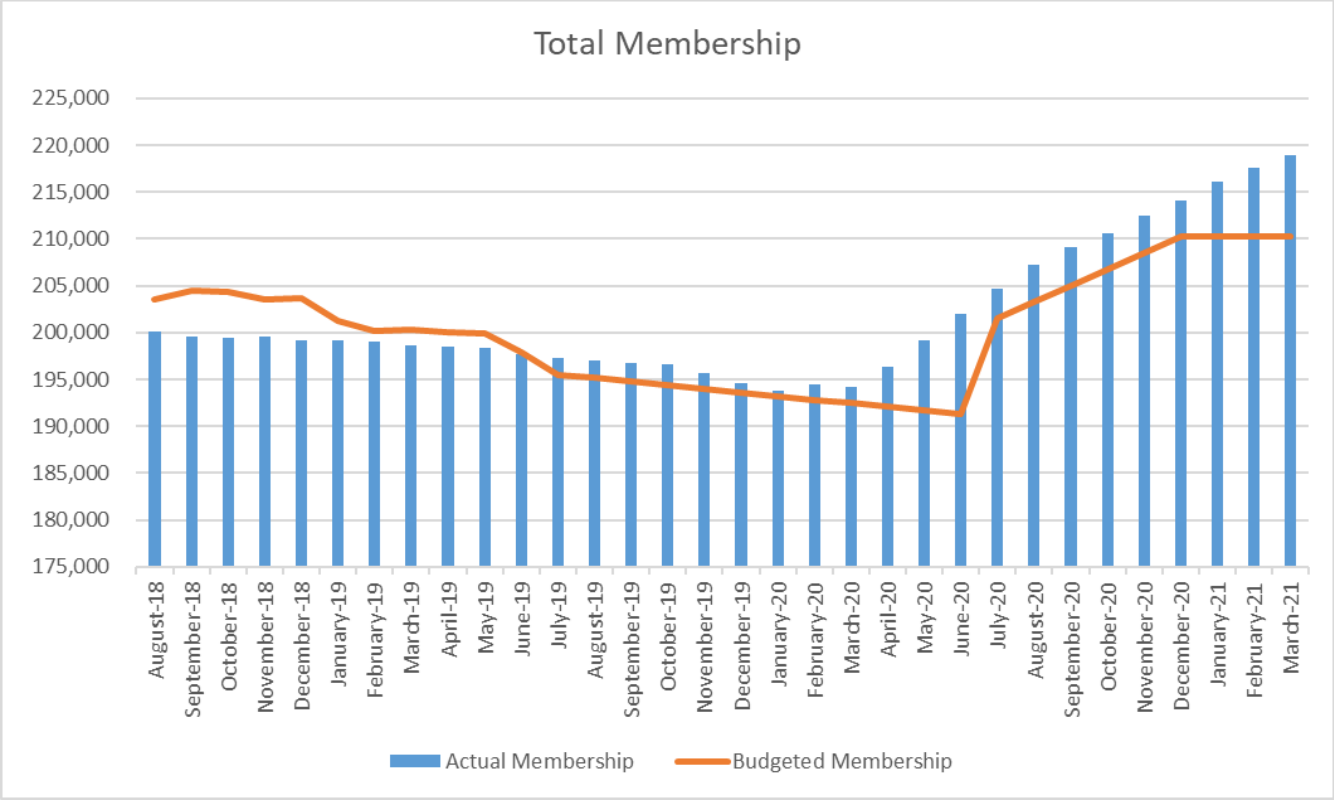
**Financial Report:**

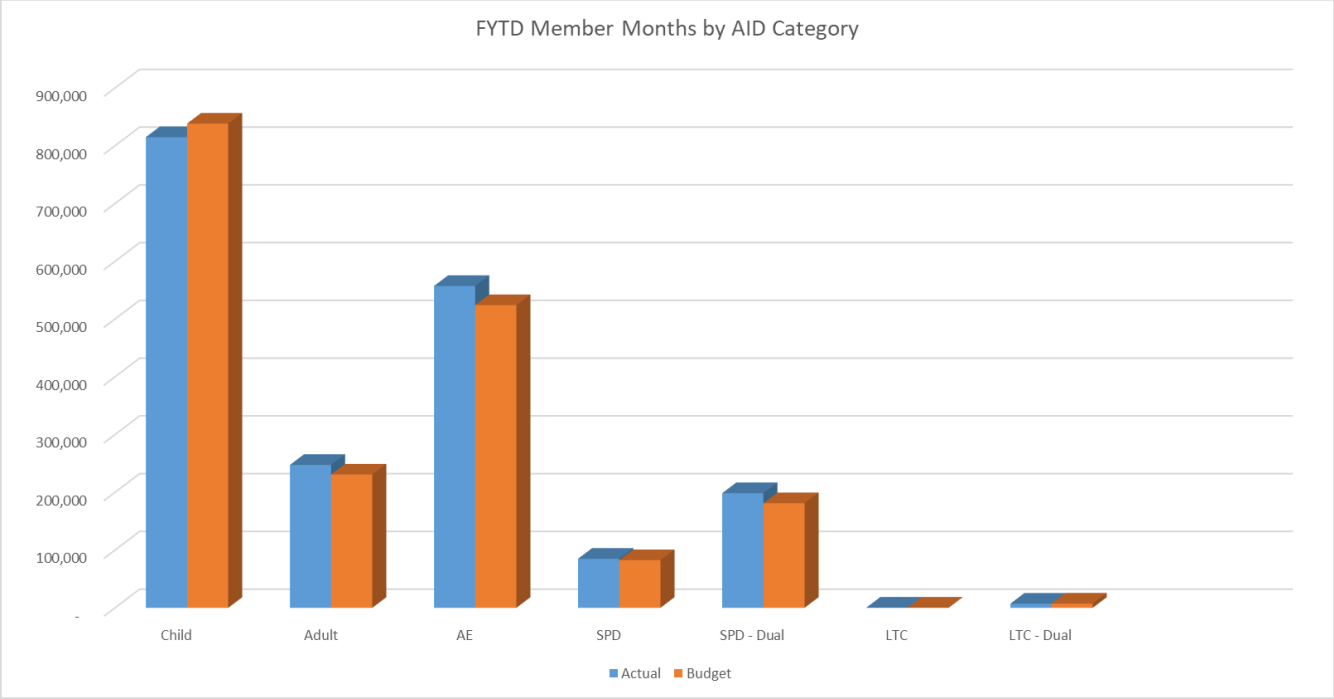
GCHP experienced a net gain of $6.6 million for the month of March 2021.

**March 2021 FYTD Highlights:**

1. Net gain of $10.2 million, a $22.8 million favorable budget variance.
2. FYTD net revenue is $677.0 million, $70.0 million over budget.
3. FYTD Cost of health care is $630.6 million, $52.3 million over budget.
4. The medical loss ratio is 93.1% of revenue, 2.1% less than the budget.
5. FYTD administrative expenses are $36.7 million, $5.4 million under budget.
6. The administrative cost ratio is 5.4%, 1.9% under budget.
7. Current membership for March is 218,091.
8. Tangible Net Equity is $87.5 million which represents approximately 35 days of operating expenses in reserve and 246% 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 $677.0 million; a $70.0 million and 12% favorable budget variance. The primary drivers of the budget variance are revenue associated with directed payments, CY2021 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 $630.6 million; a $52.3 million and 9% unfavorable budget variance.

Notable variances from the budget are as follows:

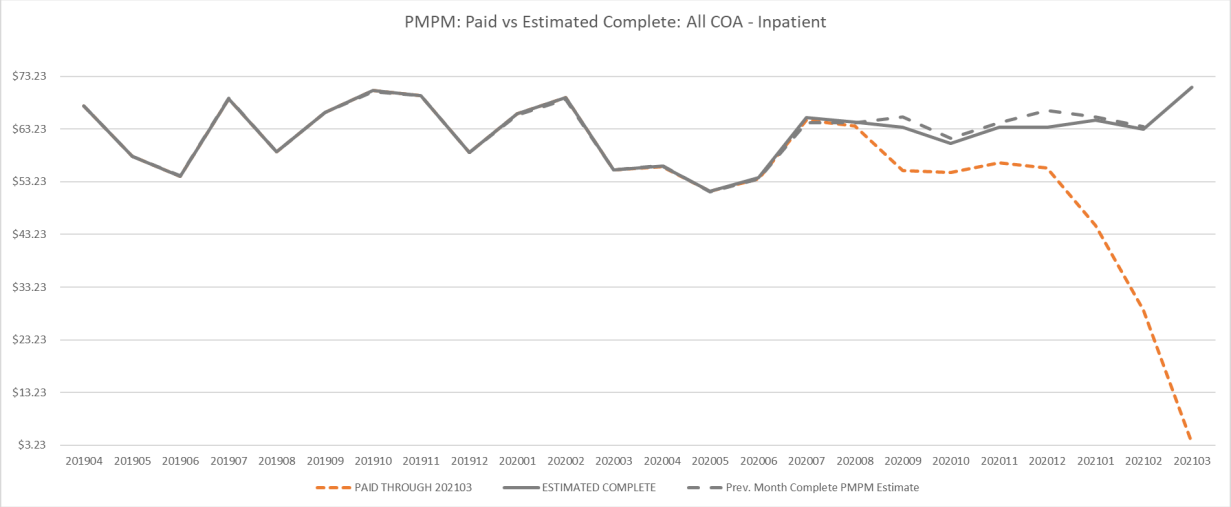
1. Directed payments for Proposition 56 are over budget by $19.8 million. GCHP did not budget for Proposition 56 expenses as the May revise of the State budget had removed funding for Proposition 56. The State budget in June ultimately included Proposition 56 funding. GCHP receives funding to offset the expense.

2. Pharmacy is over budget by $37.8 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.

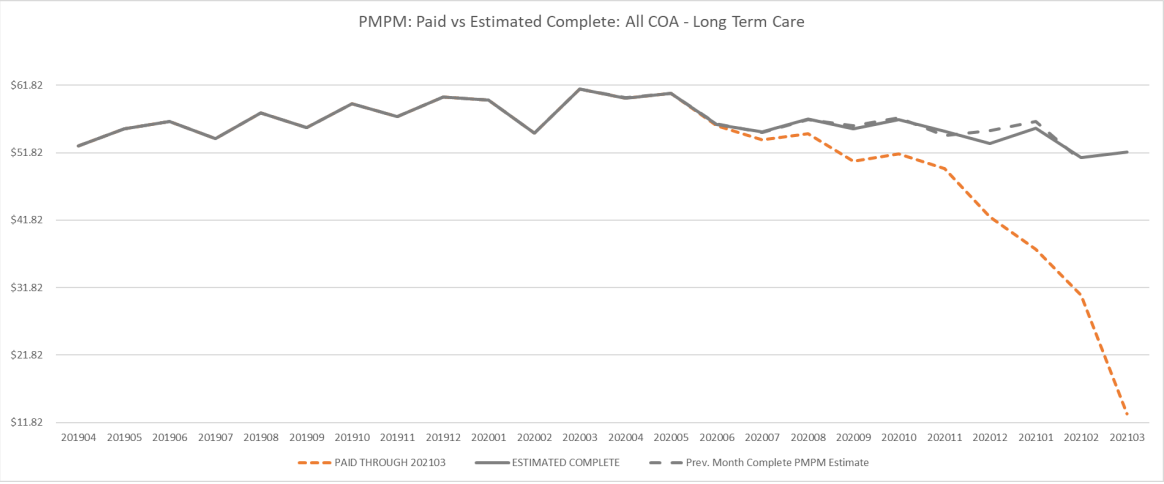
3. Laboratory and Radiology expense are over budget by $2.6 million due to COVID testing. DHCS has recognized the increased cost for lab and radiology and increased the CY 2021 rates accordingly.

4. Home & Community Based Services are over budget by $2.6 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.

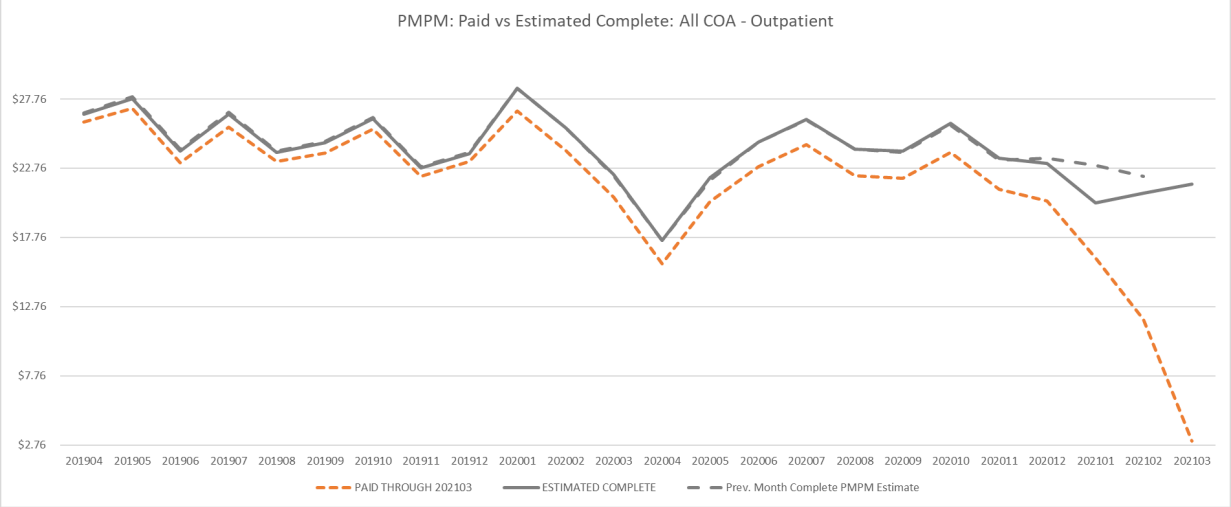
5. Inpatient hospital costs are under budget by $5.4 million (4%) due to decreased utilization from COVID-19 and the increase in membership.



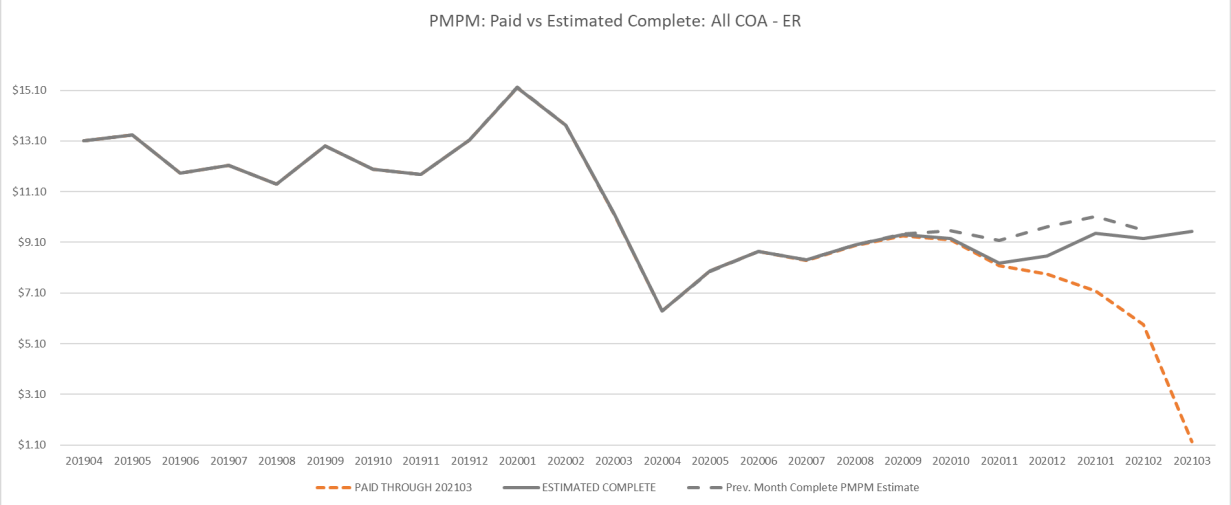

6. Long term care (LTC) expenses are over budget by $3.7 million (4%). The State increased facility rates by 10% effective March 1, 2020 through the emergency. The full impact was mitigated through the Solvency Action Plan and the reduction of LTC contractual rates to 100% of the Medi-Cal fee schedule. DHCS has recognized the increased cost and increased the CY 2021 rates accordingly.



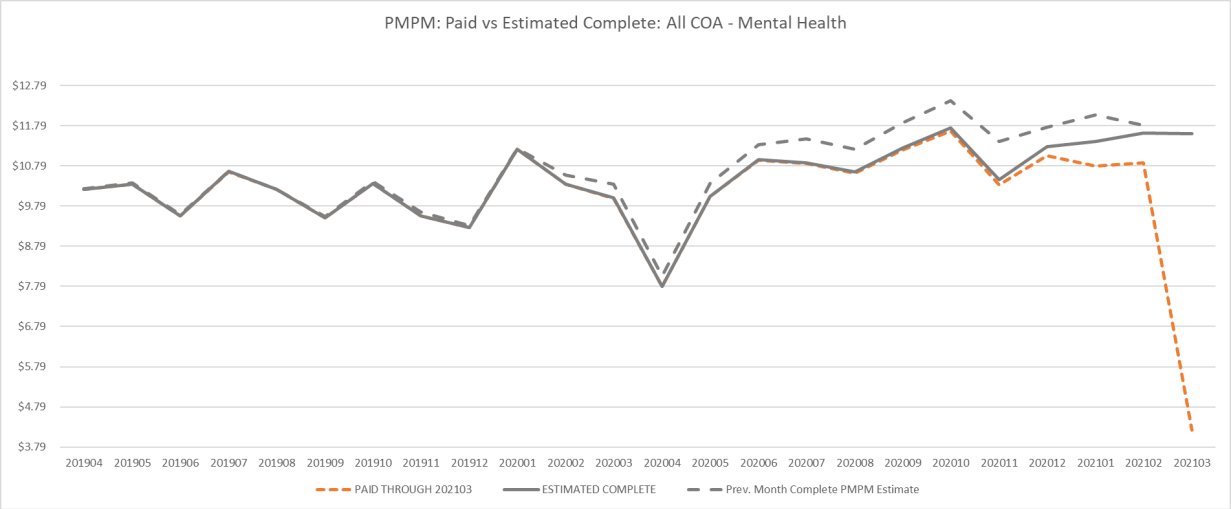
7. Outpatient expenses are under budget by $5.2 million (11%) due to COVID-19 and the increased membership.



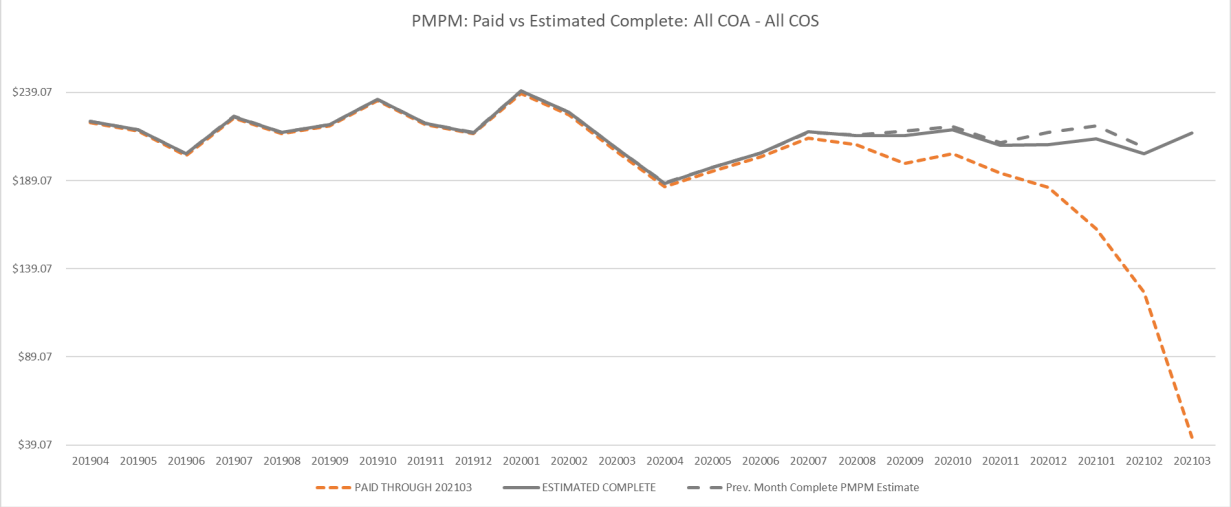

8. Emergency Room expenses are under budget by $7.5 million (30%) due to decreased utilization associated with COVID-19.




9. Mental and behavioral health services are over budget by $3.6 million (19%) due to additional services being provided during the pandemic.



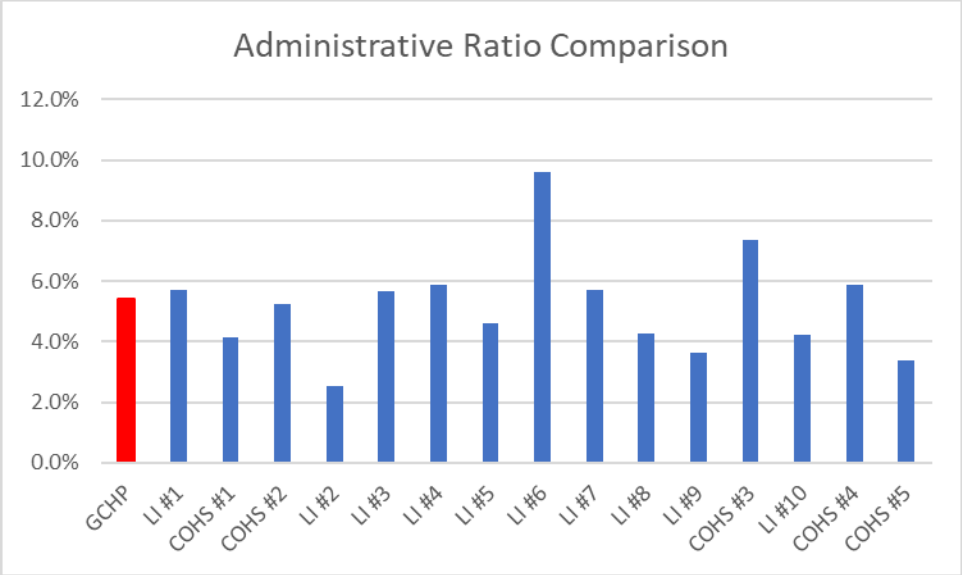

10. Total fee for service health care pmpm costs excluding capitation and pharmacy, and considering date of service, are under budget by $12.02 PMPM (5.3%).




**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, as indicated in the below chart.




For the fiscal year to date through March, administrative costs were $36.7 million and $5.4 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 March 31, the Plan had $181.8 million in cash and short-term investments. The investment portfolio included Ventura County Investment Pool $43.3 million; LAIF CA State $206,750; the portfolio yielded a rate of 2.5%.

Medi-Cal Receivable

At March 31, the Plan had $94.1 million in Medi-Cal Receivables due from the DHCS.

**RECOMMENDATION:**

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

**ATTACHMENT:**

March 2021 Financial Package

Gold Coast Health Plan℠
A Public Entity

**FINANCIAL PACKAGE**
For the month ended March 31, 2021

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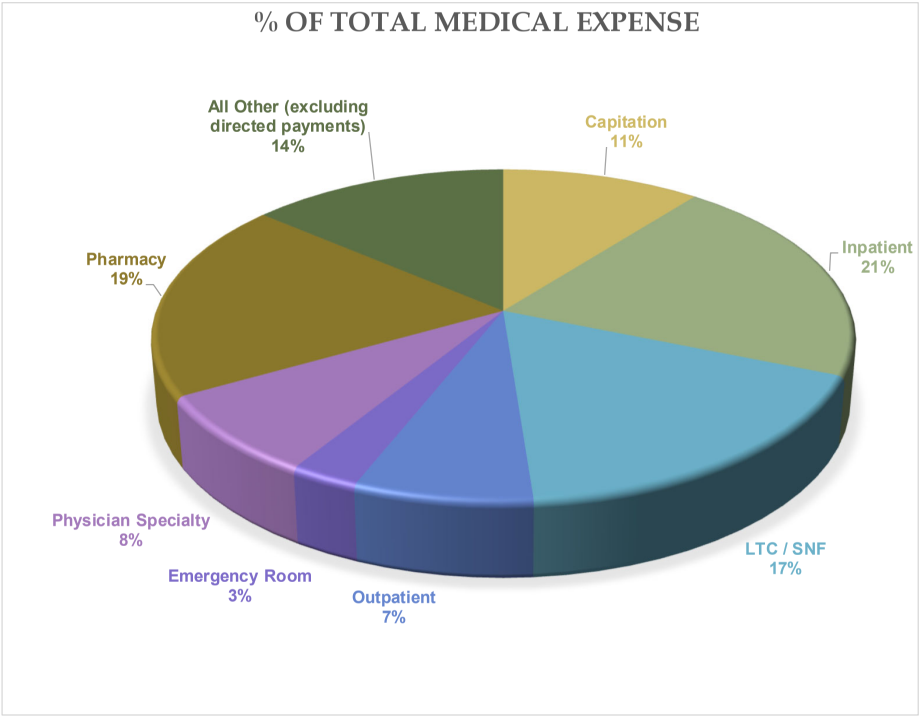
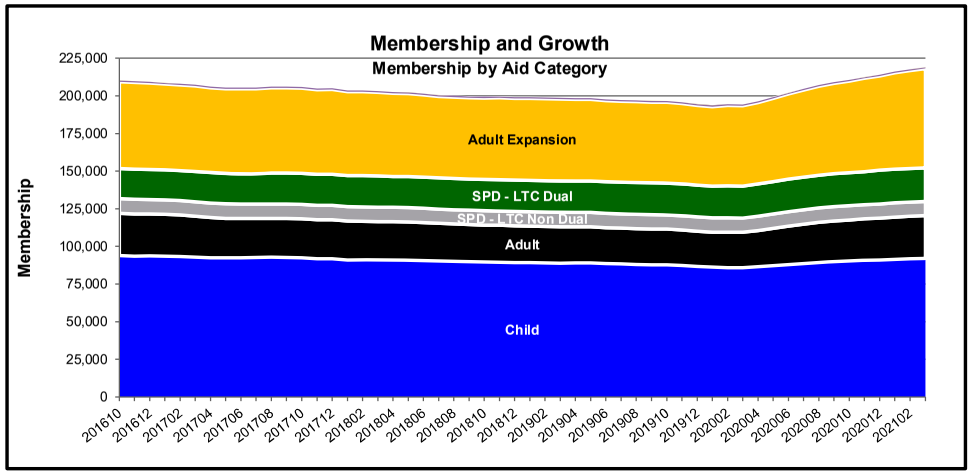
## Gold Coast Health Plan

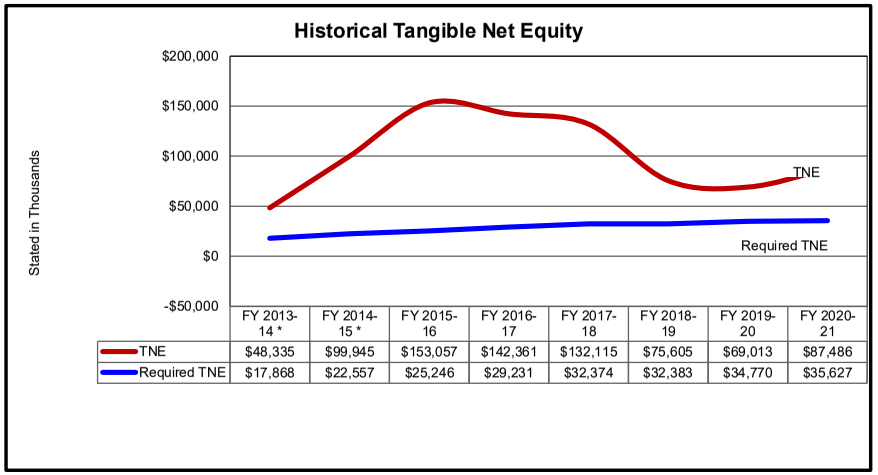
***Executive Dashboard as of March 31, 2021***

| | FYTD 20/21 Budget* | FYTD 20/21 Actual | FY 19/20 Actual | FY 18/19 Actual |
|---|---|---|---|---|
| Average Enrollment | 207,322 | 210,442 | 196,012 | 198,140 |
| PMPM Revenue | $ 319.57 | $ 357.47 | $ 348.73 | $ 299.23 |
| **Medical Expenses** | | | | |
| Capitation | $ 33.67 | $ 34.17 | $ 24.93 | $ 23.90 |
| Inpatient | $ 69.11 | $ 66.45 | $ 65.19 | $ 62.09 |
| LTC / SNF | $ 54.60 | $ 56.72 | $ 59.20 | $ 56.06 |
| Outpatient | $ 26.13 | $ 23.44 | $ 25.81 | $ 25.88 |
| Emergency Room | $ 12.99 | $ 9.06 | $ 11.97 | $ 12.14 |
| Physician Specialty | $ 26.03 | $ 25.58 | $ 27.63 | $ 26.71 |
| Pharmacy | $ 42.58 | $ 62.67 | $ 61.05 | $ 56.60 |
| All Other *(excluding directed payments)* | $ 31.99 | $ 44.37 | $ 41.07 | $ 38.20 |
| Total Per Member Per Month | $ 297.10 | $ 322.46 | $ 316.86 | $ 301.58 |
| Medical Loss Ratio | 95.3% | 93.1% | 94.6% | 102.0% |
| Total Administrative Expenses | $ 42,075,978 | $ 36,721,269 | $ 50,821,685 | $ 46,655,880 |
| % of Revenue | 7.3% | 5.4% | 6.2% | 6.6% |
| TNE | $ 50,232,476 | $ 87,485,598 | $ 71,272,142 | $ 75,604,948 |
| Required TNE | $ 27,745,713 | $ 35,626,856 | $ 34,685,521 | $ 32,382,791 |
| % of Required | 181% | 246% | 205% | 233% |

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




| | FY 2013-14 * | FY 2014-15 * | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
|---|---|---|---|---|---|---|---|---|
| TNE | $48,335 | $99,945 | $153,057 | $142,361 | $132,115 | $75,605 | $69,013 | $87,486 |
| Required TNE | $17,868 | $22,557 | $25,246 | $29,231 | $32,374 | $32,383 | $34,770 | $35,627 |



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## STATEMENT OF FINANCIAL POSITION

| | 03/31/21 | 02/28/21 | 01/31/21 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current Assets:** | | | |
| **Total Cash and Cash Equivalents** | **138,373,872** | **106,772,924** | **144,110,772** |
| **Total Short-Term Investments** | **43,473,227** | **43,441,526** | **43,409,825** |
| Medi-Cal Receivable | 94,091,006 | 109,370,411 | 90,173,253 |
| Interest Receivable | 134,656 | 145,355 | 156,071 |
| Provider Receivable | 875,437 | 951,352 | 1,301,727 |
| Other Receivables | 6,670,713 | 7,625,070 | 6,670,713 |
| **Total Accounts Receivable** | **101,771,811** | **118,092,188** | **98,301,764** |
| Total Prepaid Accounts | 1,752,703 | 1,480,851 | 1,842,980 |
| Total Other Current Assets | 153,789 | 153,789 | 153,789 |
| **Total Current Assets** | **285,525,402** | **269,941,279** | **287,819,130** |
| **Total Fixed Assets** | **1,284,137** | **1,327,072** | **1,370,008** |
| **Total Assets** | **$ 286,809,538** | **$ 271,268,351** | **$ 289,189,138** |
| **LIABILITIES & NET ASSETS** | | | |
| **Current Liabilities:** | | | |
| Incurred But Not Reported | $ 78,532,144 | $ 80,477,902 | $ 76,265,360 |
| Claims Payable | 25,955,386 | 22,860,140 | 16,283,531 |
| Capitation Payable | 16,759,214 | 16,626,226 | 16,548,187 |
| Physician Payable | 19,780,353 | 20,776,690 | 19,767,166 |
| DHCS - Reserve for Capitation Recoup | 6,027,259 | 6,068,585 | 6,068,815 |
| Accounts Payable | 253,467 | 1,582,942 | 25,485 |
| Accrued ACS | 3,138,523 | 1,568,665 | 4,721,851 |
| Accrued Provider Reserve | 1,207,370 | 1,137,972 | 1,069,161 |
| Accrued Pharmacy | 19,868,361 | 19,855,515 | 13,065,074 |
| Accrued Expenses | 5,456,758 | 3,244,600 | 49,262,305 |
| Accrued Premium Tax | 19,409,220 | 12,939,480 | 6,469,740 |
| Accrued Payroll Expense | 1,915,041 | 2,223,150 | 2,066,213 |
| **Total Current Liabilities** | **198,303,095** | **189,361,866** | **211,612,890** |
| **Long-Term Liabilities:** | | | |
| Other Long-term Liability-Deferred Rent | 1,020,845 | 1,027,039 | 1,033,233 |
| **Total Long-Term Liabilities** | **1,020,845** | **1,027,039** | **1,033,233** |
| **Total Liabilities** | **199,323,941** | **190,388,906** | **212,646,123** |
| **Net Assets:** | | | |
| Beginning Net Assets | 77,323,271 | 77,323,271 | 77,323,271 |
| Total Increase / (Decrease in Unrestricted Net Assets) | 10,162,327 | 3,556,175 | (780,256) |
| **Total Net Assets** | **87,485,598** | **80,879,445** | **76,543,015** |
| **Total Liabilities & Net Assets** | **$ 286,809,538** | **$ 271,268,351** | **$ 289,189,138** |

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**
**FOR MONTH ENDED March 31, 2021**

| | March 2021 | March 2021 Year-To-Date | | Variance | Variance | March 2021 Year-To-Date | | Variance |
|---|---|---|---|---|---|---|---|---|
| | Actual | Actual | Budget | Fav / (Unfav) | % | Actual | Budget | Fav / (Unfav) |
| **Membership (includes retro members)** | 216,861 | 1,893,982 | 1,865,896 | 28,086 | 2% | PMPM - FYTD | | |
| **Revenue** | | | | | | | | |
| Premium | $ 87,568,830 | $ 739,071,260 | $ 607,038,106 | $ 132,033,154 | 22% | $ 390.22 | $ 325.33 | $ 64.89 |
| Reserve for Cap Requirements | (1,500,000) | (3,800,000) | - | (3,800,000) | 0% | (2.01) | - | (2.01) |
| MCO Premium Tax | (6,469,740) | (58,227,660) | - | (58,227,660) | 0% | (30.74) | - | (30.74) |
| **Total Net Premium** | **79,599,090** | **677,043,600** | **607,038,106** | **70,005,494** | **12%** | **357.47** | **325.33** | **32.14** |
| **Other Revenue:** | | | | | | | | |
| Miscellaneous Income | 1,565 | 2,033 | - | 2,033 | 0% | 0.00 | - | 0.00 |
| **Total Other Revenue** | 1,565 | 2,033 | - | 2,033 | 0% | 0.00 | - | 0.00 |
| **Total Revenue** | **79,600,654** | **677,045,633** | **607,038,106** | **70,007,527** | **12%** | **357.47** | **325.33** | **32.14** |
| **Medical Expenses:** | | | | | | | | |
| Capitation (PCP, Specialty, Kaiser, NEMT & Vision) | 7,392,537 | 64,722,513 | 63,953,087 | (769,426) | -1% | 34.17 | 34.27 | 0.10 |
| FFS Claims Expenses: | | | | | | | | |
| Inpatient | 14,262,592 | 125,853,357 | 131,268,590 | 5,415,233 | 4% | 66.45 | 70.35 | 3.90 |
| LTC / SNF | 10,626,358 | 107,423,287 | 103,721,256 | (3,702,031) | -4% | 56.72 | 55.59 | (1.13) |
| Outpatient | 3,589,582 | 44,386,006 | 49,636,667 | 5,250,662 | 11% | 23.44 | 26.60 | 3.17 |
| Laboratory and Radiology | 651,413 | 6,219,737 | 3,582,506 | (2,637,231) | -74% | 3.28 | 1.92 | (1.36) |
| Directed Payments - Provider | 2,275,631 | 19,830,018 | - | (19,830,018) | 0% | 10.47 | - | (10.47) |
| Emergency Room | 1,324,667 | 17,159,695 | 24,683,846 | 7,524,150 | 30% | 9.06 | 13.23 | 4.17 |
| Physician Specialty | 5,011,703 | 48,449,615 | 49,436,931 | 987,316 | 2% | 25.58 | 26.50 | 0.91 |
| Primary Care Physician | 1,281,821 | 13,329,438 | 11,775,318 | (1,554,120) | -13% | 7.04 | 6.31 | (0.73) |
| Home & Community Based Services | 1,844,281 | 17,704,822 | 15,078,177 | (2,626,645) | -17% | 9.35 | 8.08 | (1.27) |
| Applied Behavioral Analysis/Mental Health Service | 2,631,484 | 22,683,476 | 19,040,750 | (3,642,725) | -19% | 11.98 | 10.20 | (1.77) |
| Pharmacy | 14,946,826 | 118,701,561 | 80,886,759 | (37,814,801) | -47% | 62.67 | 43.35 | (19.32) |
| Provider Reserve | 69,398 | 949,314 | 866,250 | (83,064) | -10% | 0.50 | 0.46 | (0.04) |
| Other Medical Professional | 378,900 | 2,781,737 | 3,421,203 | 639,467 | 19% | 1.47 | 1.83 | 0.36 |
| Other Medical Care | 45,553 | 76,867 | - | (76,867) | 0% | 0.04 | - | (0.04) |
| Other Fee For Service | 955,365 | 7,060,290 | 6,361,541 | (698,749) | -11% | 3.73 | 3.41 | (0.32) |
| Transportation | 400,158 | 2,789,918 | 1,503,470 | (1,286,447) | -86% | 1.47 | 0.81 | (0.67) |
| Total Claims | 60,295,732 | 555,399,136 | 501,263,264 | (54,135,871) | -11% | 293.24 | 268.64 | (24.60) |
| Medical & Care Management Expense | 1,438,075 | 11,424,088 | 10,920,028 | (504,060) | -5% | 6.03 | 5.85 | (0.18) |
| Reinsurance | 328,919 | 2,456,305 | 2,155,110 | (301,195) | -14% | 1.30 | 1.16 | (0.14) |
| Claims Recoveries | (43,721) | (3,431,993) | - | 3,431,993 | 0% | (1.81) | - | 1.81 |
| Sub-total | 1,723,273 | 10,448,401 | 13,075,138 | 2,626,737 | 20% | 5.52 | 7.01 | 1.49 |
| **Total Cost of Health Care** | **69,411,542** | **630,570,050** | **578,291,489** | **(52,278,560)** | **-9%** | **332.93** | **309.93** | **(23.01)** |
| **Contribution Margin** | **10,189,112** | **46,475,584** | **28,746,617** | **17,728,967** | **62%** | **24.54** | **15.41** | **9.13** |
| **General & Administrative Expenses:** | | | | | | | | |
| Salaries, Wages & Employee Benefits | 2,192,705 | 18,569,065 | 19,798,073 | 1,229,008 | 6% | 9.80 | 10.61 | 0.81 |
| Training, Conference & Travel | 3,055 | 13,868 | 122,947 | 109,079 | 89% | 0.01 | 0.07 | 0.06 |
| Outside Services | 2,053,814 | 18,702,006 | 18,885,208 | 183,202 | 1% | 9.87 | 10.12 | 0.25 |
| Professional Services | 226,800 | 3,570,764 | 2,658,638 | (912,126) | -34% | 1.89 | 1.42 | (0.46) |
| Occupancy, Supplies, Insurance & Others | 625,622 | 5,243,581 | 7,034,944 | 1,791,363 | 25% | 2.77 | 3.77 | 1.00 |
| Care Management Reclass to Medical | (1,438,075) | (11,424,089) | (10,920,028) | 504,061 | -5% | (6.03) | (5.85) | 0.18 |
| G&A Expenses | 3,663,921 | 34,675,195 | 37,579,782 | 2,904,587 | 8% | 18.31 | 20.14 | 1.83 |
| Project Portfolio | (52,602) | 2,046,074 | 4,496,196 | 2,450,122 | 54% | 1.08 | 2.41 | 1.33 |
| **Total G&A Expenses** | **3,611,319** | **36,721,269** | **42,075,978** | **5,354,709** | **13%** | **19.39** | **22.55** | **3.16** |
| **Total Operating Gain / (Loss)** | **6,577,793** | **9,754,314** | **(13,329,361)** | **23,083,676** | **-173%** | **5.15** | **(7.14)** | **12.29** |
| **Non Operating** | | | | | | | | |
| Revenues - Interest | 28,359 | 406,926 | 675,000 | (268,074) | -40% | 0.21 | 0.36 | (0.15) |
| Gain/(Loss) on Sale of Asset | - | 1,086 | - | 1,086 | 0% | 0.00 | - | 0.00 |
| **Total Non-Operating** | **28,359** | **408,012** | **675,000** | **(266,988)** | **-40%** | **0.21** | **0.36** | **(0.15)** |
| **Total Increase / (Decrease) in Unrestricted Net Assets** | **$ 6,606,152** | **$ 10,162,327** | **$ (12,654,361)** | **$ 22,816,688** | **-180%** | **$ 5.36** | **$ (6.78)** | **$ 12.15** |



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

| | Adult | | | | Child | | | | Adult Expansion | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Budget | Actual | Variance | % | Budget | Actual | Variance | % | Budget | Actual | Variance | % |
| Inpatient | $ 127.76 | $ 120.46 | $ (7.30) | -6% | $ 5.89 | $ 4.90 | $ (0.99) | -17% | $ 115.89 | $ 103.03 | $ (12.86) | -11% |
| Outpatient | 45.38 | 38.95 | (6.43) | -14% | $ 4.33 | 2.41 | (1.92) | -44% | $ 38.39 | 36.00 | (2.39) | -6% |
| ER | 17.37 | 14.57 | (2.80) | -16% | $ 10.05 | 4.49 | (5.56) | -55% | $ 16.73 | 13.90 | (2.83) | -17% |
| LTC | 8.07 | 16.44 | 8.37 | 104% | $ 0.31 | 0.46 | 0.15 | 50% | $ 22.62 | 22.34 | (0.28) | -1% |
| PCP | 6.55 | 9.10 | 2.55 | 39% | $ 5.84 | 4.93 | (0.91) | -16% | $ 5.76 | 7.41 | 1.65 | 29% |
| Specialty | 45.29 | 43.74 | (1.55) | -3% | $ 4.15 | 4.75 | 0.60 | 14% | $ 41.44 | 38.45 | (2.99) | -7% |
| Pharmacy | 60.76 | 98.85 | 38.09 | 63% | $ 7.74 | 9.98 | 2.24 | 29% | $ 73.38 | 107.73 | 34.35 | 47% |
| Mental Health/ABA | 5.59 | 6.63 | 1.04 | 19% | $ 8.94 | 11.09 | 2.15 | 24% | $ 5.62 | 6.21 | 0.59 | 11% |
| All Other | 10.52 | 12.68 | 2.16 | 20% | 1.32 | 2.17 | 0.85 | 65% | 12.50 | 14.47 | 1.97 | 16% |
| **Total** | $ 327.30 | $ 361.42 | $ 34.12 | 10% | $ 48.56 | $ 45.18 | $ (3.38) | -7% | $ 332.32 | $ 349.54 | $ 17.22 | 5% |
| FYTD Member Months | 230,831 | 246,977 | 16,146 | 7% | 838,385 | 804,526 | (33,859) | -4% | 524,106 | 551,587 | 27,481 | 5% |

| | Seniors and Persons with Disabilities (SPD) | | | | SPD - Dual | | | | Long Term Care (LTC) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Budget | Actual | Variance | % | Budget | Actual | Variance | % | Budget | Actual | Variance | % |
| Inpatient | $ 278.29 | $ 318.60 | $ 40.31 | 14% | $ 20.41 | $ 22.00 | $ 1.59 | 8% | $ 718.39 | $ 943.33 | $ 224.94 | 31% |
| Outpatient | 99.58 | 101.15 | 1.57 | 2% | 20.41 | 20.77 | 0.36 | 2% | 241.02 | 167.40 | (73.62) | -31% |
| ER | 28.23 | 21.85 | (6.38) | -23% | 1.93 | 1.38 | (0.55) | -29% | 16.69 | 13.94 | (2.75) | -16% |
| LTC | 152.37 | 145.18 | (7.19) | -5% | 97.30 | 89.08 | (8.22) | -8% | 7,887.21 | 9,211.80 | 1,324.59 | 17% |
| PCP | 14.91 | 23.07 | 8.16 | 55% | 4.52 | 4.14 | (0.38) | -8% | 11.22 | 4.61 | (6.61) | -59% |
| Specialty | 79.53 | 92.32 | 12.79 | 16% | 21.16 | 19.35 | (1.81) | -9% | 236.73 | 273.26 | 36.53 | 15% |
| Pharmacy | 205.38 | 340.49 | 135.11 | 66% | 3.51 | 6.51 | 3.00 | 85% | 227.85 | 240.95 | 13.10 | 6% |
| Mental Health/ABA | 76.95 | 81.38 | 4.43 | 6% | 1.19 | 1.26 | 0.07 | 6% | 3.61 | - | (3.61) | -100% |
| All Other | 77.37 | 86.17 | 8.80 | 11% | 52.05 | 72.51 | 20.46 | 39% | 535.61 | 294.58 | (241.03) | -45% |
| **Total** | $ 1,012.60 | $ 1,210.21 | $ 197.61 | 20% | $ 222.48 | $ 237.00 | $ 14.52 | 7% | $ 9,878.32 | $ 11,149.87 | $ 1,271.55 | 13% |
| FYTD Member Months | 82,503 | 92,286 | 9,783 | 12% | 181,125 | 186,092 | 4,967 | 3% | 306 | 458 | 152 | 50% |

| | LTC - Dual | | | |
|---|---|---|---|---|
| | Budget | Actual | Variance | % |
| Inpatient | $ 61.59 | 96.86 | $ 35.27 | 57% |
| Outpatient | 13.61 | 17.61 | 4.00 | 29% |
| ER | 0.72 | 7.73 | 7.01 | 968% |
| LTC | 7,413.24 | 7,487.47 | 74.23 | 1% |
| PCP | 0.55 | 4.49 | 3.94 | 717% |
| Specialty | 11.61 | 18.00 | 6.39 | 55% |
| Pharmacy | 0.05 | 19.21 | 19.16 | 37863% |
| Mental Health/ABA | 0.65 | 0.30 | (0.35) | -54% |
| All Other | 155.38 | 177.55 | 22.17 | 14% |
| **Total** | $ 7,657.39 | $ 7,829.22 | $ 171.83 | 2% |
| FYTD Member Months | 7,362 | 7,107 | (255) | -3% |

**FFS expenses budgeted based on CY 2019 PMPM data, with the following trend assumptions:**

Inpatient - 1% annual trend and known contractual changes.
ER - 1% annual trend and known contractual changes.
LTC - 2.5% estimated fee schedule change
Specialty Physician - 1% estimated fee schedule change
Mental Health/ABA - 2% annual increase due to utilization.
Pharmacy - 5% overall annual increase.
Home and Community Based Services - 2% annualized increase due to utilization.



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| STATEMENT OF CASH FLOWS | March 2021 | FYTD 20-21 |
|---|---|---|
| **Cash Flows Provided By Operating Activities** | | |
| Net Income (Loss) | $ 6,606,152 | $ 10,162,328 |
| **Adjustments to reconciled net income to net cash provided by operating activities** | | |
| Depreciation on fixed assets | 42,936 | 373,053 |
| Disposal of fixed assets | - | 9,684 |
| Amortization of discounts and premium | - | - |
| **Changes in Operating Assets and Liabilites** | | |
| Accounts Receivable | 16,320,378 | 8,098,309 |
| Prepaid Expenses | (271,852) | (929) |
| Accrued Expense and Accounts Payable | 2,179,156 | 4,293,759 |
| Claims Payable | 2,231,897 | 14,674,042 |
| MCO Tax liablity | 6,469,740 | (15,096,060) |
| IBNR | (1,945,758) | 26,762,806 |
| **Net Cash Provided by (Used in) Operating Activities** | 31,632,649 | 49,276,992 |
| | | |
| **Cash Flow Provided By Investing Activities** | | |
| Proceeds from Restricted Cash & Other Assets | | |
| Proceeds from Investments | (31,701) | (433,003) |
| Purchase of Investments plus Interest reinvested | - | - |
| Purchase of Property and Equipment | - | (56,546) |
| **Net Cash (Used In) Provided by Investing Activities** | (31,701) | (489,549) |
| | | |
| **Increase/(Decrease) in Cash and Cash Equivalents** | 31,600,948 | 48,787,443 |
| **Cash and Cash Equivalents, Beginning of Period** | 106,772,924 | 89,586,429 |
| **Cash and Cash Equivalents, End of Period** | 138,373,872 | 138,373,872 |

Gold Coast Health Plan℠
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# March 2021 Financial Statements

April 26, 2021

Kashina Bishop
Chief Financial Officer

Integrity
Accountability
Collaboration
Trust
Respect



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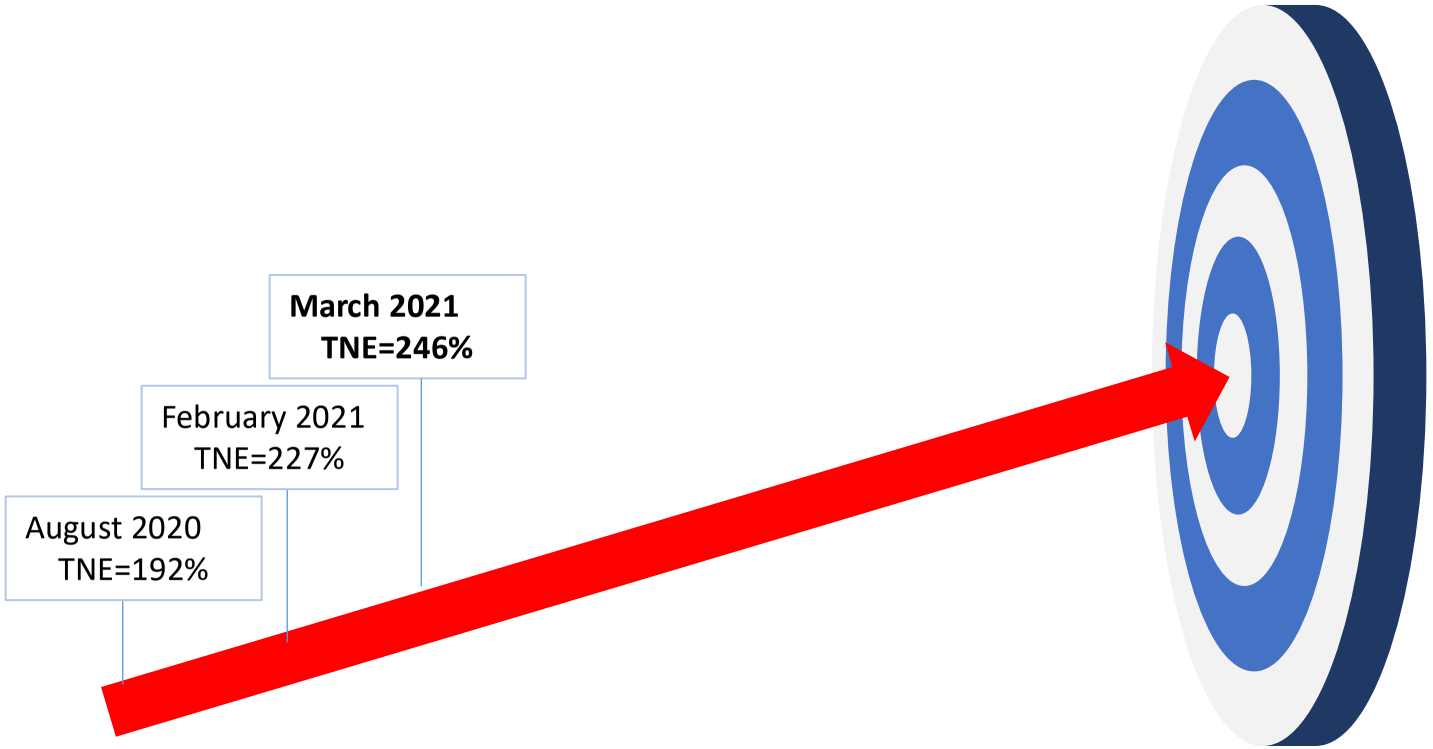
711 East Daily Drive, Suite 106, Camarillo, CA 93010 www.goldcoasthealthplan.org

# Financial Overview:

| | | |
|---|---|---|
|  | March NET GAIN | $ 6.6 M |
|  | FYTD NET GAIN | $10.2 M |
|  | TNE is $87.5 M and 246% of the minimum required | |
|  | MEDICAL LOSS RATIO | 93.1% |
|  | ADMINISTRATIVE RATIO | 5.4% |

# Solvency Action Plan

**Target:** TNE % = 400-500% of Required



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# Update on the Solvency Action Plan:

| 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** |



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# Change Control Document (CCD) Internal Control/Process Improvement

Significance: 75% of GCHP's expenses are processed through Conduent via capitation and fee for service claims payments (FYTD - $500.5 million). The communication tool utilized to make changes is a CCD.

Risks to mitigate:

1. Inability to oversight and measure Conduent CCD metrics against service level agreements.
2. Inability to oversight GCHP Provider system demographic and rate changes
3. Improper implementation of CCD.



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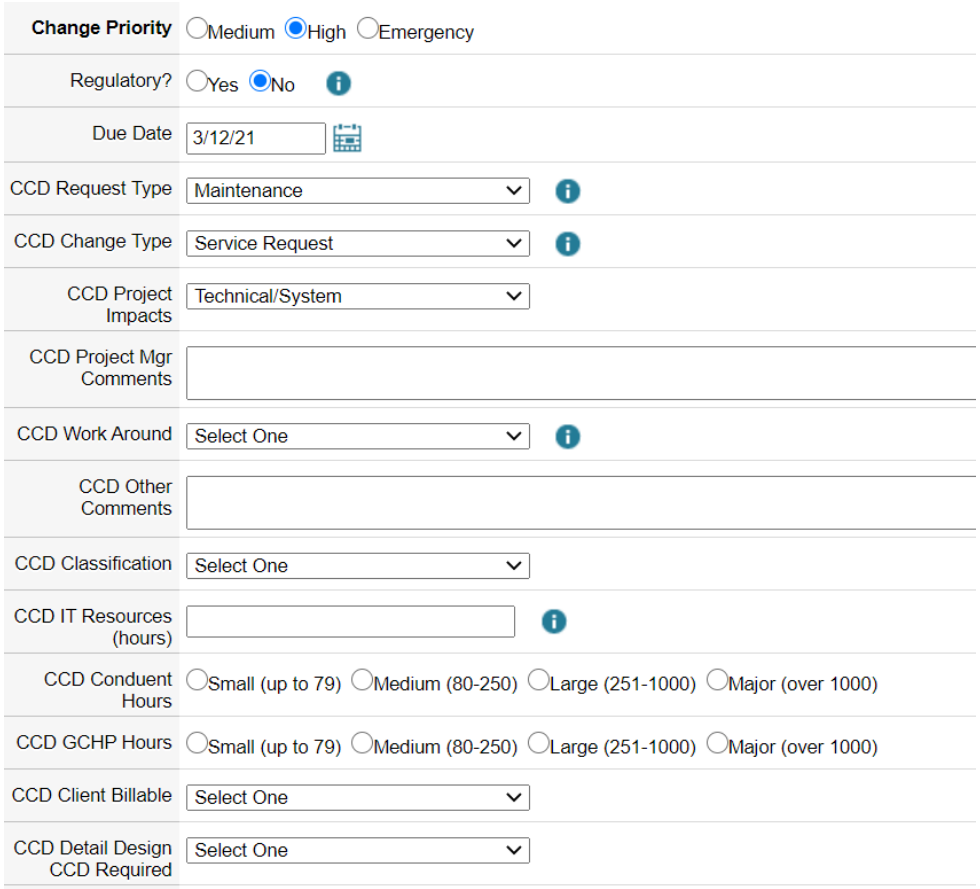
# Change Control Document (CCD) Internal Control/Process Improvement

1. New Automated Process



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# Change Control Document (CCD) Internal Control/Process Improvement

2. Creation of Change Control Boards with regularly scheduled meetings

- GCHP Internal Change Control Board
- Conduent Internal Change Control Board
- Joint Change Control Board



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# Revenue

Net Premium revenue is $677.0 million, over budget by $70.0 million and 12%.

- Revenue for Proposition 56 is $22.8 million.
- Revenue for the pharmacy add on is $40.9 million.
- Increase in revenue related to FY 19-20.
- Favorable CY 2021 rates.



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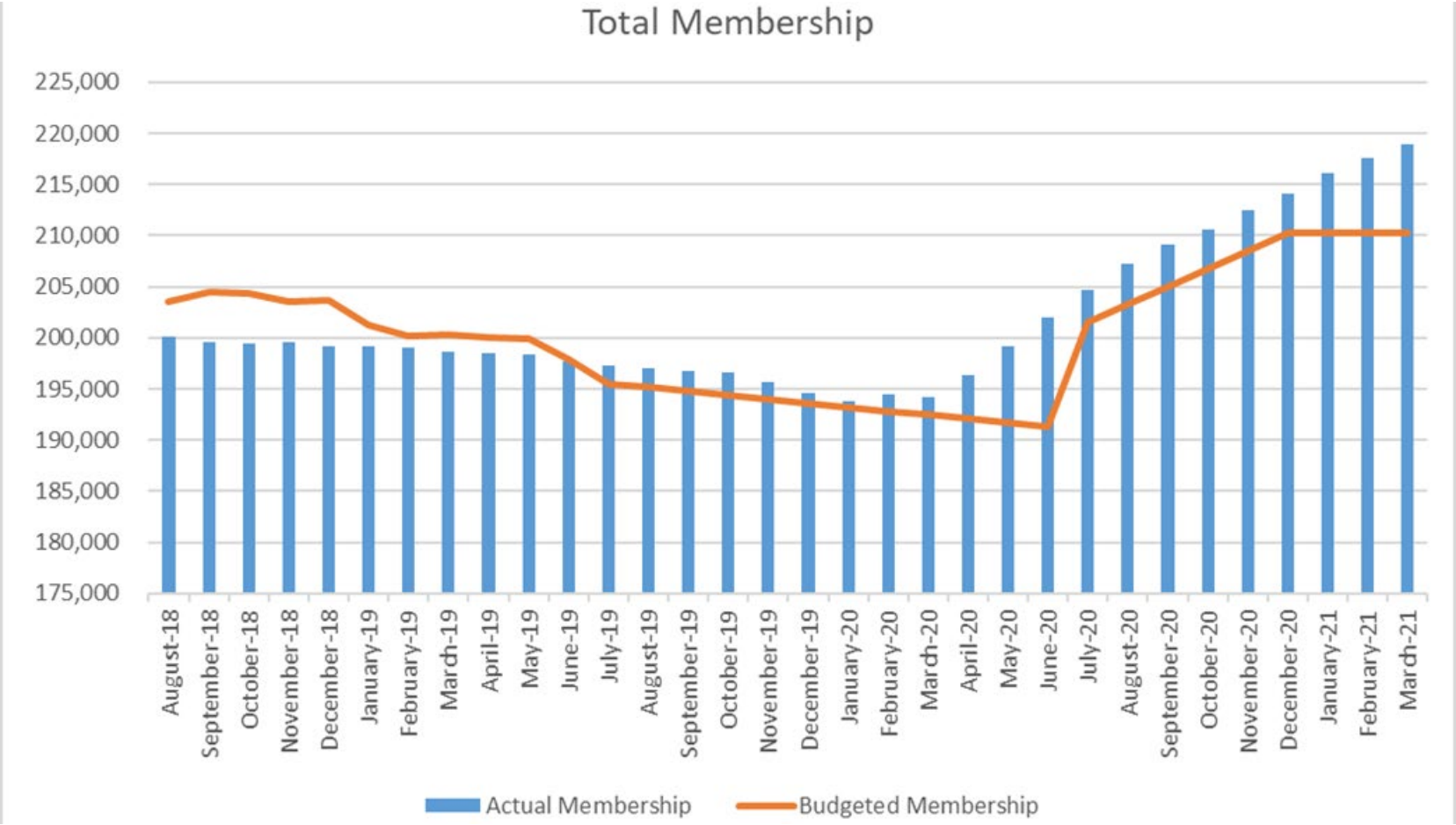
# Membership trends



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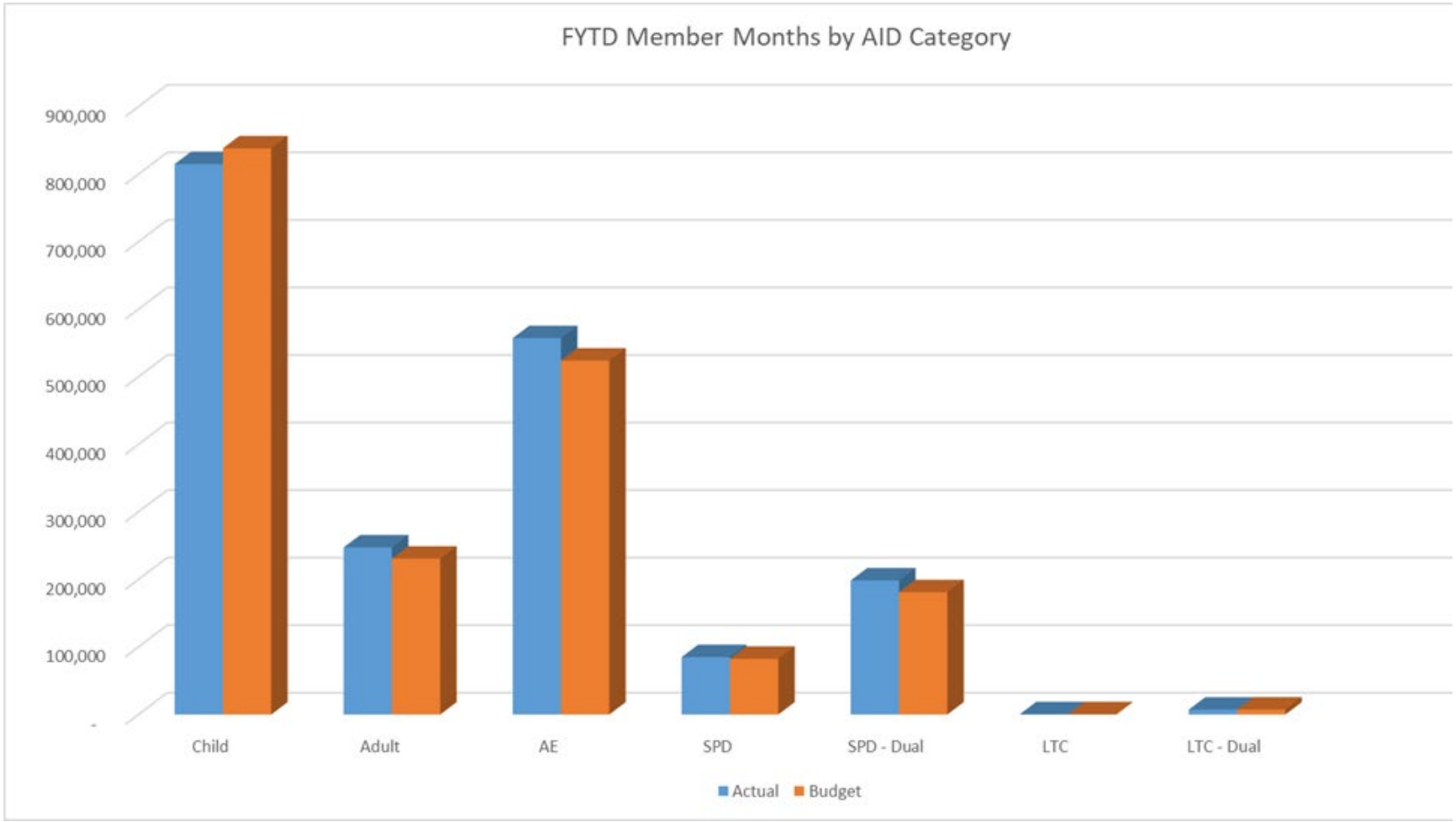
# Membership trends



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# Medical Expense

FYTD Health care costs are $561.2 million and $39.0 million over budget. Medical loss ratio is 93.9%, a 1.6% budget variance.

- Directed payments over budget by $19.8 M.
- Pharmacy expense over budget by $37.8 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.



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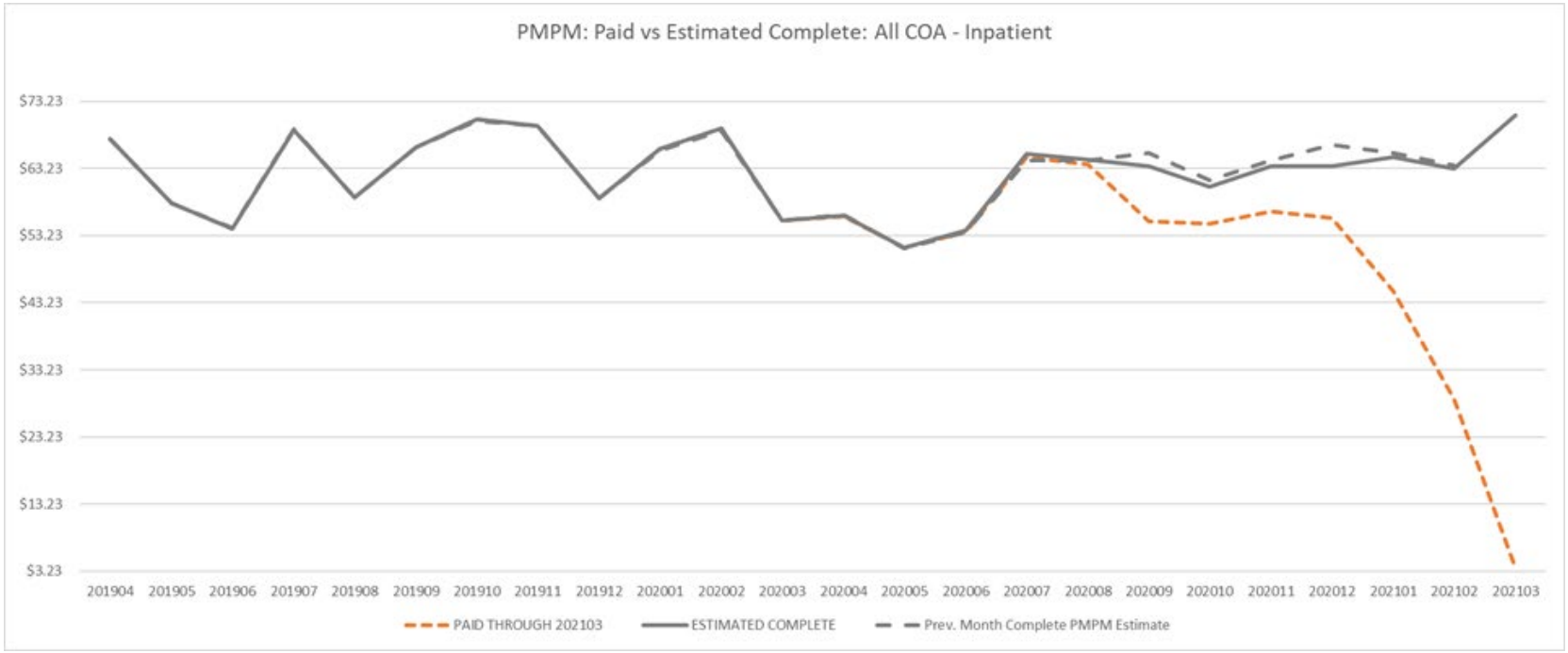
# Inpatient Medical Expenses: Under Budget by $5.4 Million (4%)



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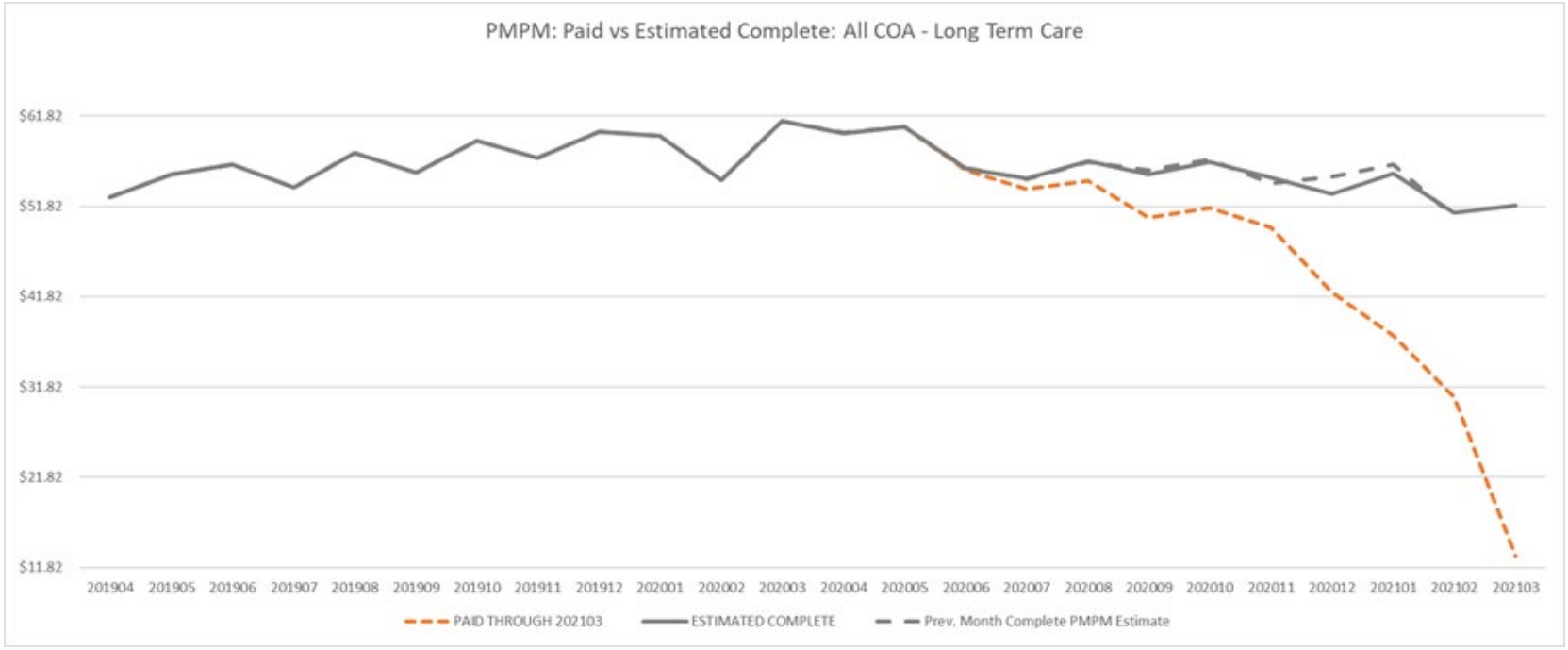
# Long Term Care Expenses: Over budget by $3.7 million (4%)



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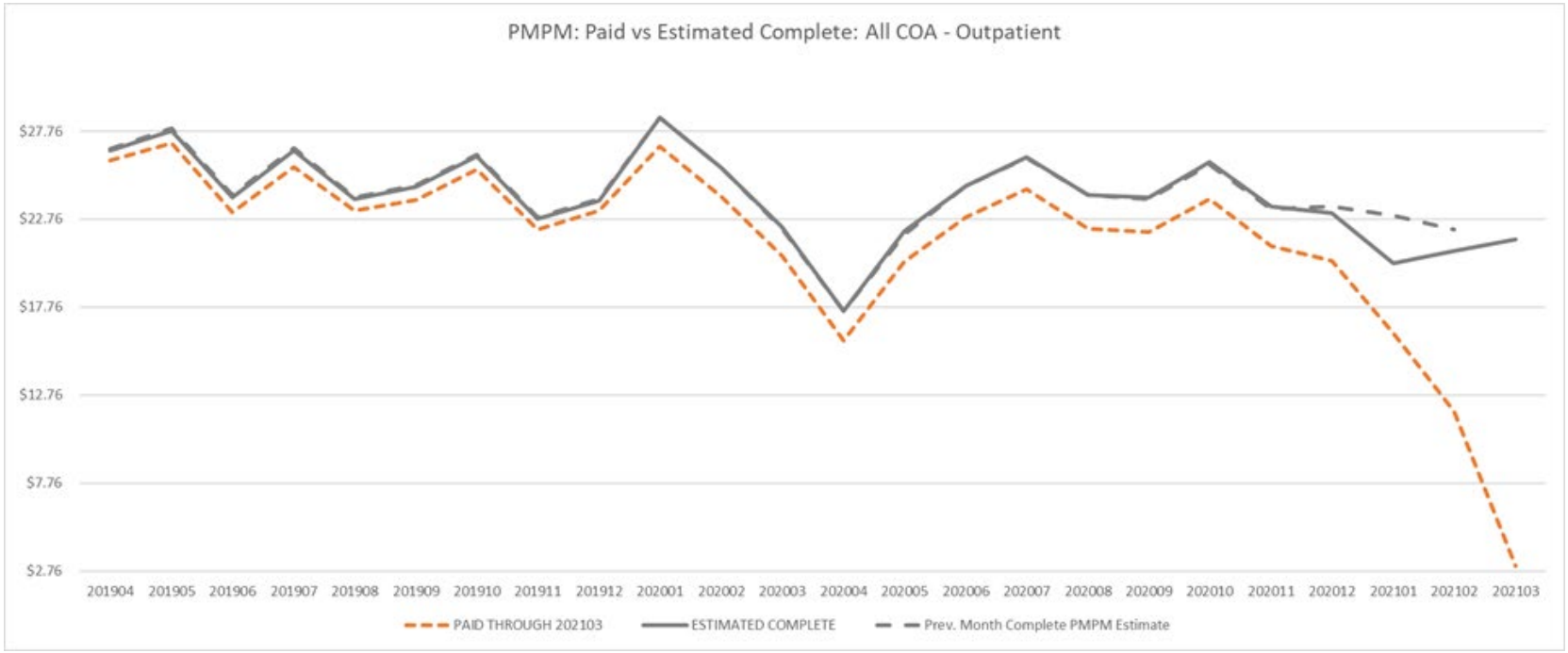
# Outpatient Expenses: Under budget by $5.2 million (11%)



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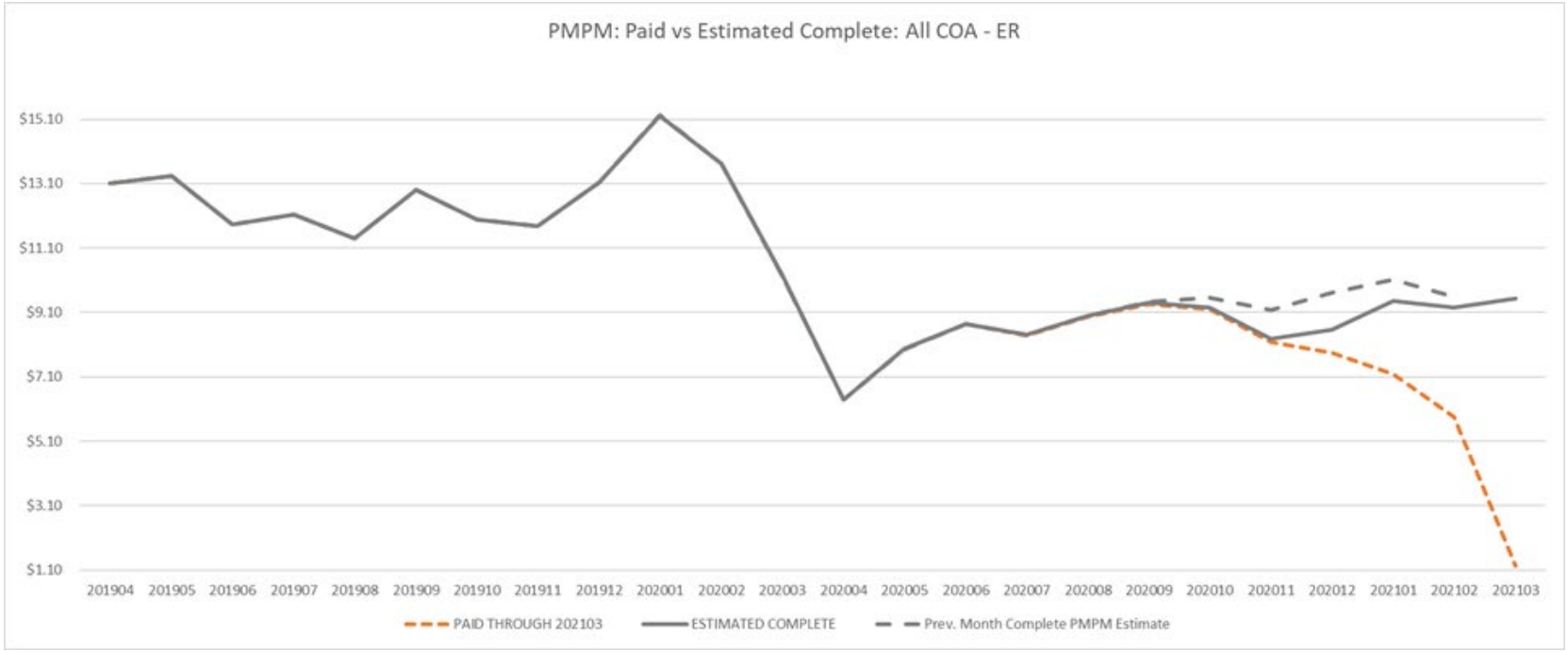
# Emergency Room Expenses: Under budget by $7.5 million (30%)



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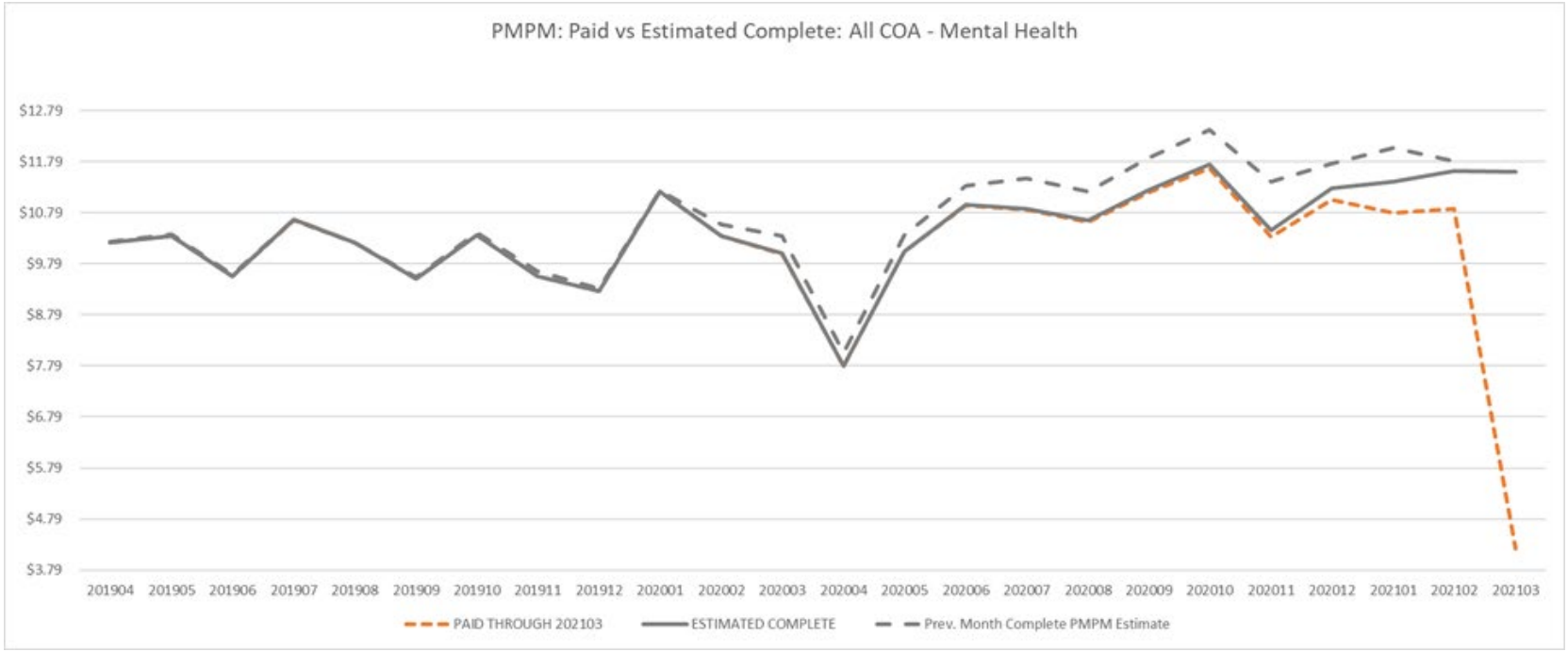
# Mental and Behavioral Health: Over budget by $3.6 million (19%)



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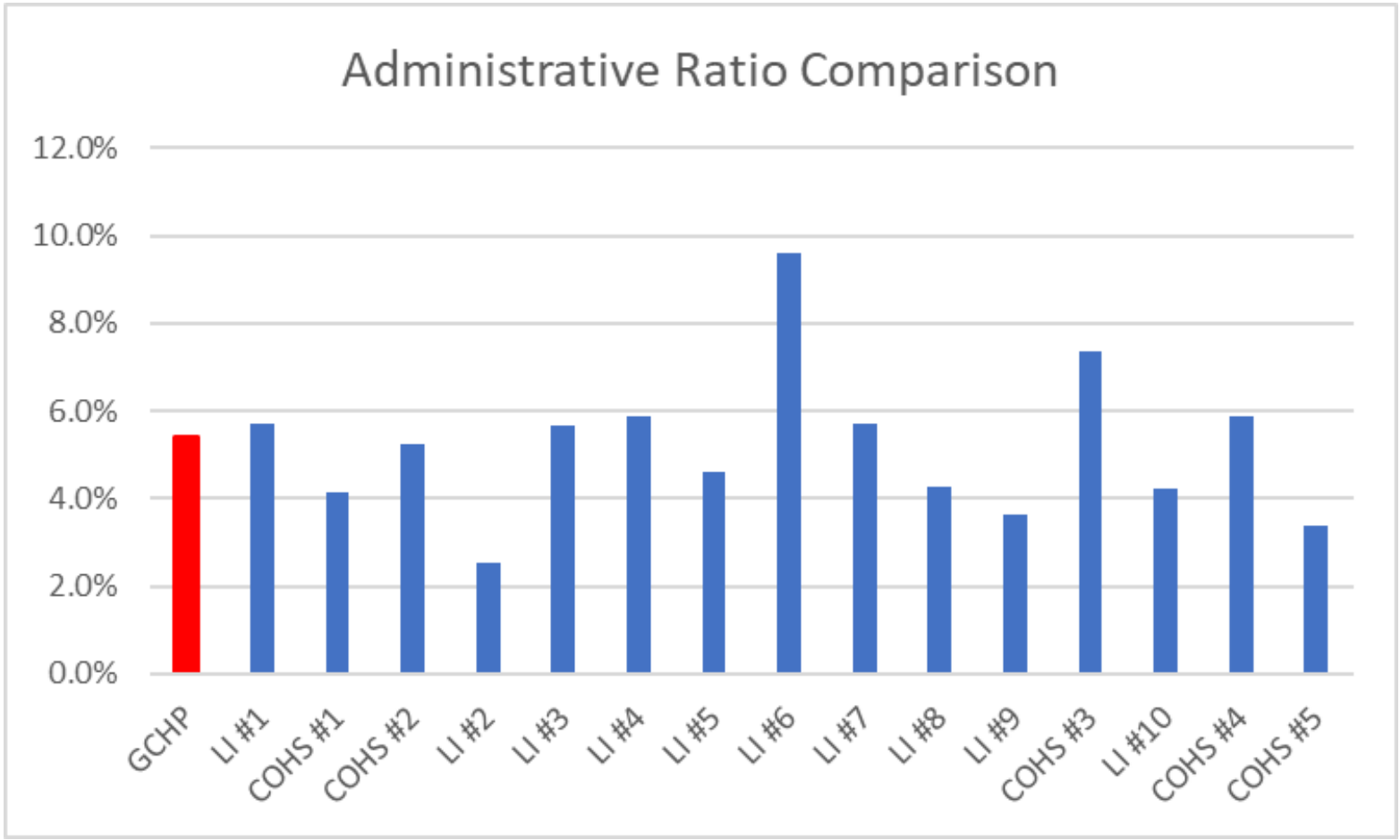
# Administrative Ratio Comparison



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# Financial Statement Summary

| | March 2021 | FYTD | FYTD Budget | Budget Variance |
|---|---|---|---|---|
| Net Capitation Revenue | $ 79,600,654 | $ 677,045,633 | $ 607,038,106 | $ 70,007,527 |
| Health Care Costs | 69,411,542 | 630,570,050 | 578,291,489 | 52,278,560 |
| **Medical Loss Ratio** | | **93.1%** | **95.3%** | |
| Administrative Expenses | 3,611,319 | 36,721,269 | 42,075,978 | (5,354,709) |
| **Administrative Ratio** | | **5.4%** | **7.3%** | |
| Non-Operating Revenue/(Expense) | 28,358 | 408,010 | 675,000 | (266,989) |
| Total Increase/(Decrease) in Net Assets | $ 6,606,152 | $ 10,162,326 | $ (12,654,361) | $ 22,816,687 |
| Cash and Investments | $ 181,847,099 | | | |
| GCHP TNE | $ 87,485,598 | | | |
| Required TNE | $ 35,626,856 | | | |
| **% of Required** | **246%** | | | |



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Questions?

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



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**AGENDA ITEM NO. 12**

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Cathy Deubel Salenko, Health Counsel

DATE: April 26, 2021

SUBJECT: Conduent Contract Amendment

# VERBAL PRESENTATION

# AGENDA ITEM NO. 13

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Margaret Tatar, Chief Executive Officer

DATE: April 26, 2021

SUBJECT: Chief Executive Officer Report

## California Advancing and Innovating Medi-Cal (CalAIM) Demonstration 30-Day Public Comment and Public Hearings

The Department of Health Care Services (DHCS) has begun a 30-day public comment period for the CalAIM Section 1115 demonstration (or waiver), starting on April 6 and ending on May 6.

DHCS is seeking federal approval to implement key provisions of the CalAIM initiative. CalAIM will move California's whole person care approach—first authorized by the Medi-Cal 2020 Section 1115 waiver—to a statewide level, with a clear focus on improving health and reducing health disparities and inequities. The broader multiyear system, program, and payment reforms included in CalAIM will allow California to take a population health, person-centered approach to providing services, with the goal of improving health outcomes for Medi-Cal and other low-income populations in the state.

The CalAIM Section 1115 demonstration proposal seeks to amend and renew the Medi-Cal 2020 Section 1115 waiver, approved by the Centers for Medicare & Medicaid Services (CMS) in December 2015 and ending on December 31, 2021. DHCS also plans to seek an amendment and renewal to expand the existing Specialty Mental Health Services (SMHS) Section 1915(b) waiver and consolidate Medi-Cal managed care, dental managed care, SMHS, and the Drug Medi-Cal Organized Delivery System (DMC-ODS) under a single 1915(b) waiver. Federal regulations require California to seek public comments on the Section 1115 demonstration prior to CMS submission.

Gold Coast Health Plan will be submitting a comment letter to DHCS and will keep the Commission updated on any new waiver developments.

## California State Senate Budget Proposal

Senate President pro Tempore, Toni G. Atkins, unveiled the Senate's budget proposal that aims to build a post-pandemic economy that extends prosperity for Californians and invests resources to address the state's most pressing needs in innovative and equitable ways.

The Senate's 'Build Back Boldly' proposal includes eight transformative proposals:

1. Help small business and non-profits bounce back.
2. Create a path to universal childcare and education.
3. Make debt-free college a reality.
4. Address homelessness, housing affordability, and home ownership.
5. Expand access and affordability of health care.
6. Invest in wildfire prevention and resilience.
7. Mitigate the impacts of drought.
8. Improve state systems.

The proposal also includes key subcommittee packages to address K-12 and higher education, public libraries, greenhouse gas and pollution reduction, safety net and aging and public health, equitable recovery, workforce investments, access to legal service resources, and justice reform.

The GCHP Government Affairs staff will provide further information in next month's Commission report, including an analysis of the May Revise.

**A. Federal:**

| Federal Administrative Actions | Implications |
|---|---|
| Secretary of Health and Human Services, Xavier Becerra.<br>Confirmed March 18, 2021<br>Mr. Becerra was first elected to the House of Representatives in 1992 and served until 2018 when he was elected as the California Attorney General. | No Impact to GCHP |
| Assistant Secretary of Health, Dr. Rachel Levine, MD.<br>Confirmed March 26, 2021<br>Dr. Levine was formerly a professor of pediatrics and psychiatry at the Penn State College of Medicine and served as the Pennsylvania physician general from 2015 to 2017. | No Impact to GCHP |
| Administrator of the Centers for Medicare & Medicaid Services, Chiquita Brooks-LaSure.<br>Nomination Pending Senate Approval.<br>Managing Director at Manatt Health. She also led the HHS transition team for President Biden. Ms. Brooks-LaSure was formerly the Deputy Director for policy at the Center for Consumer Information and Insurance Oversight within CMS. | No Impact to GCHP |

**B. State:**

| Key Legislative Bills | Implications |
|---|---|
| SB 56 (Durazo D) Medi-Cal: eligibility.<br>Introduced: Dec. 7, 2020<br>Status: March 22, 2021: Placed on the Appropriations Suspense File.<br><br>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. | Potential increase in GCHP membership. |
| AB 383 (Salas D) Mental health: older adults.<br>Introduced: Feb. 2, 2021<br>Status: Passed Ayes 7. Noes 0 Aging & L.T.C., Hearing in Health on April 20, 2021.<br><br>Summary: Would establish within DHCS an Older Adult Mental Health Services Administrator to oversee mental health services for older adults. | No direct implications for GCHP |
| AB 1131 (Wood D) Health information exchange (HIE).<br>Introduced: Feb. 18, 2021<br>Status: April 7, 2021: Passed Health, Ayes 13. Noes 1. Referred to Appropriation.<br><br>Summary: Would require, by Jan. 1, 2023, health plans, hospitals, medical groups, testing laboratories, and nursing facilities to contribute to, access, exchange, and make available data through the network of health information exchanges for every person as a condition of participation in a state health program, including Medi-Cal, Covered California, and CalPERS. The bill would expand the use of clinical and administrative data to build on implementing a statewide health information exchange. | This bill would create a statewide HIE, which would facilitate data sharing for GCHP related to its members. The HIE would support the electronic exchange of health information among, and aggregate and integrate data from, multiple sources within Ventura County's service area. |
| AB 32 Telehealth<br>Introduced: Dec. 7, 2020<br>Status: Feb. 16, 2021: Re-referred to Health.<br><br>This bill would require health care services furnished by an enrolled clinic through telehealth to be reimbursed by Medi-Cal on the same basis, to the same extent, and at the same payment rate as those services are reimbursed if furnished in person. | Potential to increase access to members and costs due to reimbursement at the same rate as in-person visits. |

| Key Legislative Bills | Implications |
|---|---|
| SB 17 Office of Racial Equity.<br>Introduced: Dec. 7, 2020<br>Status: Passed G.O. Committee, Ayes 9. Noes 3. Referred to Judiciary, hearing set for April 13, 2021.<br><br>Summary: This bill would establish an Office of Racial Equity, an independent public agency governed by a Racial Equity Advisory and Accountability Council. | No direct implications for GCHP. |

## C. Community Relations – Sponsorships

GCHP continues its support of organizations in Ventura County through its sponsorship program. Sponsorships are awarded to community-based organizations for their efforts to assist Medi-Cal members and vulnerable populations. In addition, this past month, GCHP provided an in-kind donation to Reiter Affiliated Companies. A total of 550 items were distributed to farmworkers. Below is a table summarizing sponsorships awarded this month.

| Organization | Description | Amount |
|---|---|---|
| Boys & Girls Club (BGC) of Santa Clara Valley | BGC provides childcare services and educational programs for children in the Santa Clara Valley. The sponsorship will go toward the organization's annual Golf Classic, a fundraising event benefiting the cities of Fillmore, Piru, and Santa Paula. | $1,000 |
| Turning Point Foundation | The Turning Point Foundation provides housing, rehabilitation, recovery, and supportive services to adults disabled by mental illness. The sponsorship will go toward their fundraising event "BETTER TOGETHER Community through Healing" to continue providing programs and services. | $2,500 |
| Children & Family Resource Services (CFRS) | CFRS is a non-profit organization that offers health safety and social support services to early childhood education and care programs. The sponsorship will go toward their annual conference, Bridges to Resilience, that helps to connect the tri-counties in strengthening trauma-informed care networks. | $2,500 |
| **TOTAL** | | $6,000 |

## D. Community Relations – Community Meetings

The Community Relations team actively participates in collaborative meetings, council meetings, and informational sessions via virtual platforms. These avenues help us gauge the needs of our members and the community, learn about what community organizations are doing to help low-income families, and engage with community partners. Below you can find more information about our efforts:

| Organization | Description | Date |
|---|---|---|
| Community Partner COVID-19 Vaccine Registration Workshop | The county's vaccine workshop focused on training community leaders on how to register their clients in the state's My Turn vaccine registration site. | March 18, 2021 |
| City of Santa Paula Senior Advisory Council | Santa Paula residents serve as advocates for persons aged 60 and over with a mission to bring awareness to issues that impact senior living and family caregivers. | April 1, 2021 |
| Partnership for Safe Families & Communities of Ventura County: Strengthening Families Collaborative Meeting | The Partnership for Safe Families & Communities of Ventura County is a non-profit organization providing inter-agency coordination, networking, advocacy, and public awareness. The collaborative meeting engages parents and community representatives in sharing resources, announcements, and community events. | April 7, 2021 |
| Circle of Care<br>One Step A la Vez | One Step A La Vez focuses on serving communities in the Santa Clara Valley by providing a safe environment for 13 to 19-year-olds and bridge the gaps of inequality while cultivating healthy individuals and community. Circle of Care is a monthly meeting with community leaders to share resources, network, and promote community events. | April 7, 2021 |
| Inter-Neighborhood Council Organization (INCO) meeting | The INCO serves as an advocacy group for each neighborhood in the City of Oxnard. The INCO helps the neighborhood councils communicate their concerns to the Oxnard City Council and address them. | April 7, 2021 |

| Organization | Description | Date |
|---|---|---|
| Multi-Unit Smoke-Free Task Force | The monthly task force meeting explores ways to engage the community to create a smoke-free environment in multi-unit housing for Ventura County residents. | April 8, 2021 |
| Roundtable on importance of vaccines in the Latinx community | State representatives discussed barriers and predispositions affecting the Latinx community in obtaining the COVID-19 vaccine. | April 9, 2021 |
| Simi Valley Council on Aging | The Council on Aging is an advisory body to the Simi Valley City Council that serves to support programs and services providing seniors with maximum independence, safety, and quality of life. | April 12, 2021 |
| Simi Valley Neighborhood Council | The Neighborhood Council offers residents an opportunity to voice their concerns, provide input to Simi Valley city officials, and develop ideas and recommendations on various topics. | April 13, 2021 |
| Future Leaders of America: Envisioning Smoke-Free Communities Forum | Future Leaders of America, an Oxnard-based organization, hosted a virtual forum to discuss the impacts of flavored tobacco and e-cigarettes on youth. | April 14, 2021 |
| **Total number of Community Meetings** | | 10 |

### E. Community Relations – Building Community Newsletter

The Building Community newsletter highlights GCHP's contributions to the community, along with services and resources available to members. In the upcoming newsletter, we are sharing information about California Advancing and Innovating Medi-Cal (CalAIM), the Population Needs Assessment (PNA), health equity, and various community resources. Click here to read previous issues of the newsletter.

# I. PLAN OPERATIONS

## A. Membership

| | VCMC | CLINICAS | CMH | PCP-OTHER | DIGNITY | ADMIN MEMBERS | NOT ASSIGNED | KAISER |
|---|---|---|---|---|---|---|---|---|
| Mar-21 | 84,132 | 41,686 | 31,496 | 4,965 | 6,036 | 16,028 | 3,927 | 6,326 |
| Feb-21 | 83,624 | 41,478 | 31,284 | 5,138 | 5,944 | 15,606 | 4,051 | 6,249 |
| Jan-21 | 83,016 | 41,247 | 31,110 | 5,128 | 5,841 | 14,941 | 4,363 | 6,156 |

**Notes:**

1. The 2020 Admin Member numbers will differ from the member numbers below as both reports represent different snapshots of eligibility.
2. Unassigned members are those who have not been assigned a PCP and have 30 days to choose one. If a member does not choose a PCP, GCHP will assign a PCP to the member.

**Administrative Member Details**

| Category | April 2021 |
|---|---|
| Total Administrative Members | 40,966 |
| Share of Cost | 1,672 |
| Long Term Care | 733 |
| BCCTP | 80 |
| Hospice (REST-SVS) | 128 |
| Out of Area (Not in Ventura) | 639 |
| Other Health Care | |
| DUALS (A, AB, ABD, AD, B, BD) | 25,147 |
| Commercial OHI (Removing Medicare, Medicare Retro Billing and Null) | 15,210 |

**NOTE:**
The total number of members will not add up to the total number of administrative members, as members can be represented in multiple boxes. For example, a member can be both Share of Cost and live Out of Area. They are counted in both of those boxes.

**METHODOLOGY**
Criteria to identify members for this report was vetted and confirmed in collaboration with the Member Services Department. Administrative members for this report were identified as anyone with active coverage with the benefit code ADM01. Additional criteria were as follows:

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 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:** 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 March 1-31, 2021, the following contracting actions were taken:

| **Contract Amendments - Total: 2** | | |
|---|---|---|
| **Provider** | **Specialty** | **Action Taken** |
| Lags Spine and Sportscare Medical Center | Physical Medicine, Rehabilitation & Pain Medicine | Amendment to add Oxnard location that was recently Medi-Cal enrolled. This location transitioned from an Interim LOA to the fully executed agreement. |
| **Provider** | **Specialty** | **Action Taken** |
| Multiple Providers | Primary Care Physician | Eleven Amendments to update the capitated reimbursement rate for Adult Expansion |

| Interim Letters of Agreement (LOA) – Total: 1 | | |
|---|---|---|
| **Provider** | **Specialty** | **Action Taken** |
| LA Laser Center PC, A Professional Med Corp dba Dermatology and Skin Cancer of Bakersfield | Pulmonary and Nephrology | Interim LOA in place to meet the DHCS Alternative Access. |
| **Letters of Agreement – Total: 4** | | |
| **Provider** | **Specialty** | **Action Taken** |
| Phillip Flesher, MD | Surgeon | LOA for Member having surgery at Cedars Sinai Medical Center. Physician is not contracted through the Cedars agreement. |
| Gladys Ng, MD | Urologist | LOA for member to receive three follow up visits at a non-par location under the UCLA agreement. |
| Accredo Health | Home Infusion | Home infusion therapy and nursing visits. |
| Beacon Dialysis Center | Dialysis | LOA for member traveling to New York and will require four dialysis treatments. |

**Network Operations Department Projects**

| Project | Status |
|---|---|
| BetterDoctor:<br>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 March 2021, the team verified demographic information from BetterDoctor:<br>1. 1,967 provider records were reviewed<br>2. 1,227 provider records were audited |
| Provider Contracting and Credentialing Management System (PCCM):<br>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 2nd Quarter of 2021. | The Network Operations team is working on the following processes:<br>1. Desk-level Procedures<br>2. Dynamic Import Utility (DIU) - Roster Import Training<br>3. Data Corrections / Maintenance<br>4. eApply Overview<br>5. eSearch Overview<br>6. Reporting requirements review and revisions<br>7. User Testing |

**Provider Additions: March 2021 – 33 Total**

| Provider Type | In-Area Providers | Out-of-Area Providers |
|---|---|---|
| Midlevel | 3 | 1 |
| PCP | 2 | 0 |
| Specialist | 16 | 11 |
| Specialist-Hospitalist | 0 | 0 |
| Total | 21 | 12 |

**Provider Terminations: March 2021 – 13 Total**

| Provider Type | In-Area Providers | Out-of-Area Providers |
|---|---|---|
| Midlevel | 2 | 1 |
| PCP | 3 | 0 |
| Specialist | 3 | 5 |
| Specialist-Hospitalist | 0 | 0 |
| Total | 8 | 5 |

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.

## B. 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 an issued CAP and/or audit results were unsatisfactory. 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,

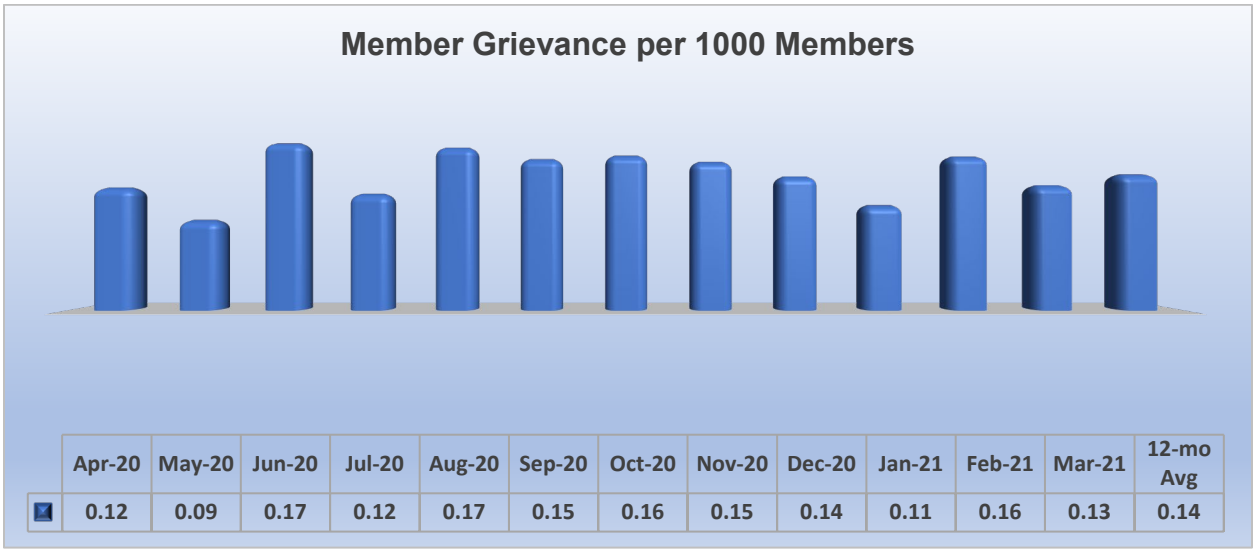
audit tools, audit methodology, and audits conducted, and corrective action plans issued by GCHP during the audit period. DHCS continues to emphasize the high level of responsibility plans have in oversight of delegates.

The Compliance audit table includes open Delegation Oversight Audits. Closed audits are removed after being reported to the Commission. The table reflects activity from March 1 – April 7, 2021.

| Delegate | Audit Year/Type | Audit Status | Date CAP Issued | Date CAP Closed | Notes |
|---|---|---|---|---|---|
| Conduent | 2017 Annual Claims Audit | Open | 12/28/2017 | | Issue will not be resolved until new claims platform conversion |
| VSP | 2019 Annual Claims Audit | Closed | 10/29/2019 | 04/01/21 | |
| VSP | 2020 Annual Claims Audit | Closed | 11/20/20 | 04/07/21 | |
| Beacon | 2020 Call Center Audit | Closed | 09/1/20 | 03/23/21 | CAP Closed as of March 23, 2021 |
| Beacon | 2020 Annual Claims Audit | Open | 04/21/2020 | Under Cap | |
| Conduent | 2020 Call Center Audit | Open | 12/7/20 | Pending Under CAP | CAP issued January 20, 2021 |
| VTS | 2020 Call Center Audit | Open | Pending | N/A | Audit Completed, CAP Pending |
| VCMC | 2021 Annual Credentialing Recredentialing Audit | Closed | 03/18/2021 | 04/7/2021 | CAP items resolved and audit closed 4/7/2021 |
| CMHS | 2021 Annual Credentialing Recredentialing Audit | Open | 03/10/2021 | Pending | CAP open, Audit will close upon remediation |

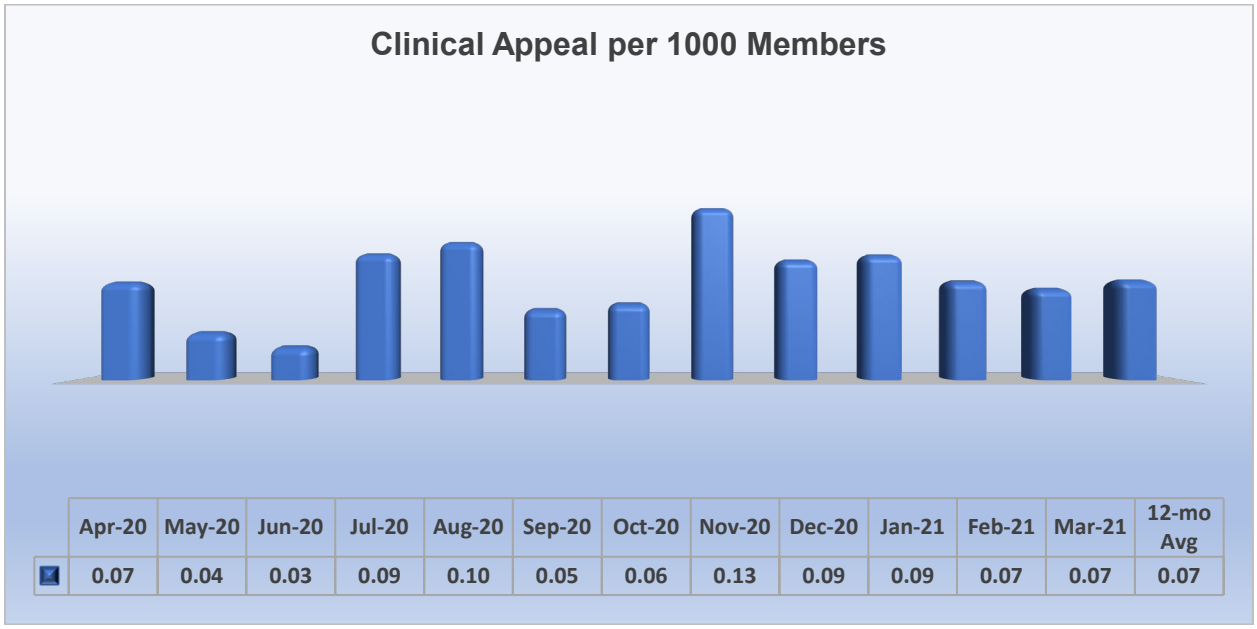
| Delegate | Audit Year/Type | Audit Status | Date CAP Issued | Date CAP Closed | Notes |
|---|---|---|---|---|---|
| CDCR | 2021 Annual Credentialing Recredentialing Audit | Closed | N/A | N/A | No findings, audit completed on 4/5/2021. |
| USC | 2021 Annual Credentialing Recredentialing Audit | Open | N/A | N/A | Desktop audit in process. |
| Conduent | July Information Security CAP | Open | 07/31/2020` | | CAP Open |
| Conduent | Vendor 2020 Annual Security Risk Assessment CAP | Open | 09/22/2020 | | CAP Open |
| Conduent | Call Recordings Website CAP | Open | 01/06/2021 | | CAP Open |

## Grievance and Appeals



**Member Grievances per 1,000 Members**
The data shows GCHP's volume of grievances is low in comparison to the number of members enrolled with the plan. The 12-month average of enrollees is 207,331 with an average annual grievance rate of .13 grievances per 1,000 members.

In March 2021, there were 28 member grievances. The top reason was "Quality of Care" due to a delay in care.




| | Apr-20 | May-20 | Jun-20 | Jul-20 | Aug-20 | Sep-20 | Oct-20 | Nov-20 | Dec-20 | Jan-21 | Feb-21 | Mar-21 | 12-mo Avg |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 0.07 | 0.04 | 0.03 | 0.09 | 0.10 | 0.05 | 0.06 | 0.13 | 0.09 | 0.09 | 0.07 | 0.07 | 0.07 |

**Clinical Appeals per 1,000 Members**
The data comparison volume is based on the 12-month average of .07 appeals per 1,000 members.

In March 2021, GCHP received 15 clinical appeals:

1. Ten were overturned
2. Four were upheld
3. One is still in review

**RECOMMENDATION:**

Receive and file

**AGENDA ITEM NO. 14**

TO: Ventura County Medi-Cal Managed Care Commission

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

DATE: April 26, 2021

SUBJECT: Chief Medical Officer Report

## Behavioral Health Integration ("BHI") Program Provider Convening

On March 26th, 2021, Gold Coast Health Plan ("GCHP") hosted our first Behavioral Health Integration ("BHI") Program Provider Convening. Through Proposition 56 funding, these programs aim to incentivize improvement in physical and behavioral health outcomes, care delivery efficiency and patient experience by expanding fully integrated care within managed care plan ("MCP") provider networks. Currently, GCHP oversees seven (7) BHI pilot programs led by five (5) of our leading Ventura County provider organizations: Dignity Health, Community Memorial Health System, Ventura County Behavioral Health, Clinicas del Camino Real, and Ventura County Health Care Agency. Each BHI project is defined by a target population, practice redesign components, and corresponding performance measures defined by the Department of Health Care Services ("DHCS").

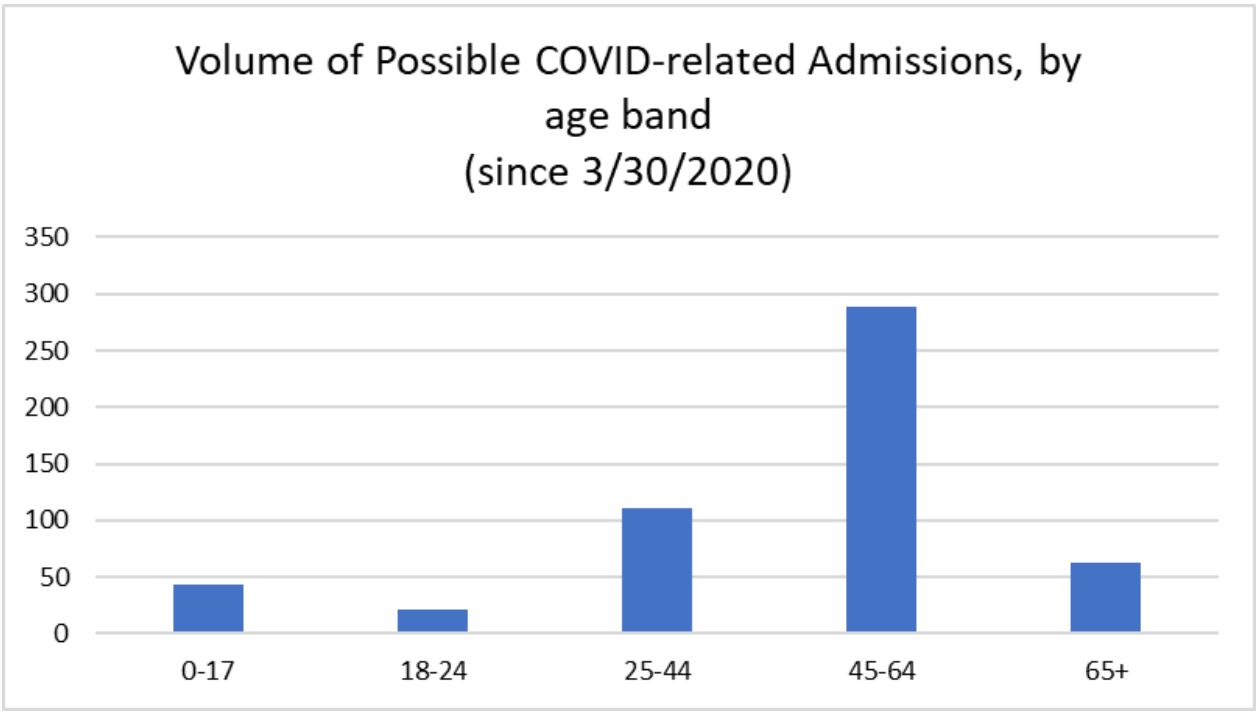
The virtual meeting was established to support the success of these programs and create a clinical forum to address system level challenges. During the meeting, program leaders had the opportunity to share their evidence-based pilot program design, discuss challenges, and strategize next steps. Additionally, GCHP was able to review all program reporting components to ensure clarity and compliance with DHCS program requirements.

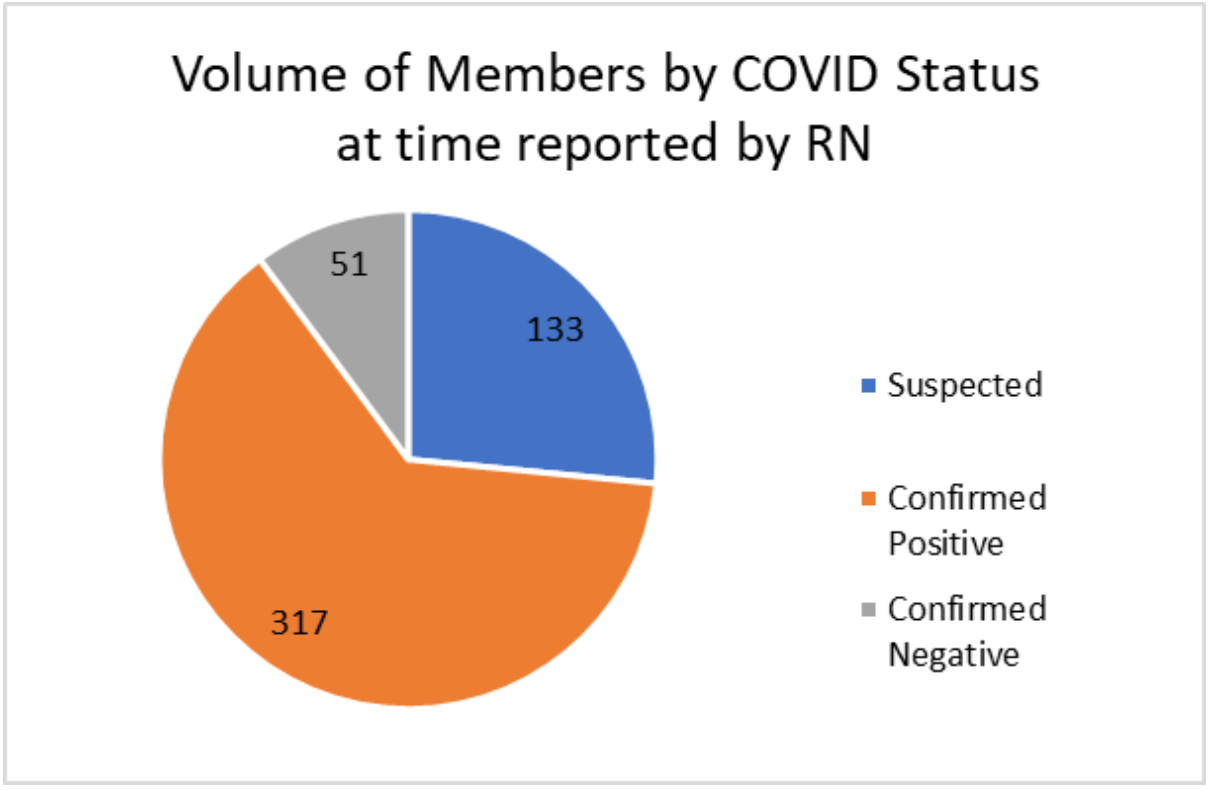
This meeting will be held quarterly and will support and nurture a clinical peer-to-peer learning environment across systems as we work collaboratively to improve mental health access.

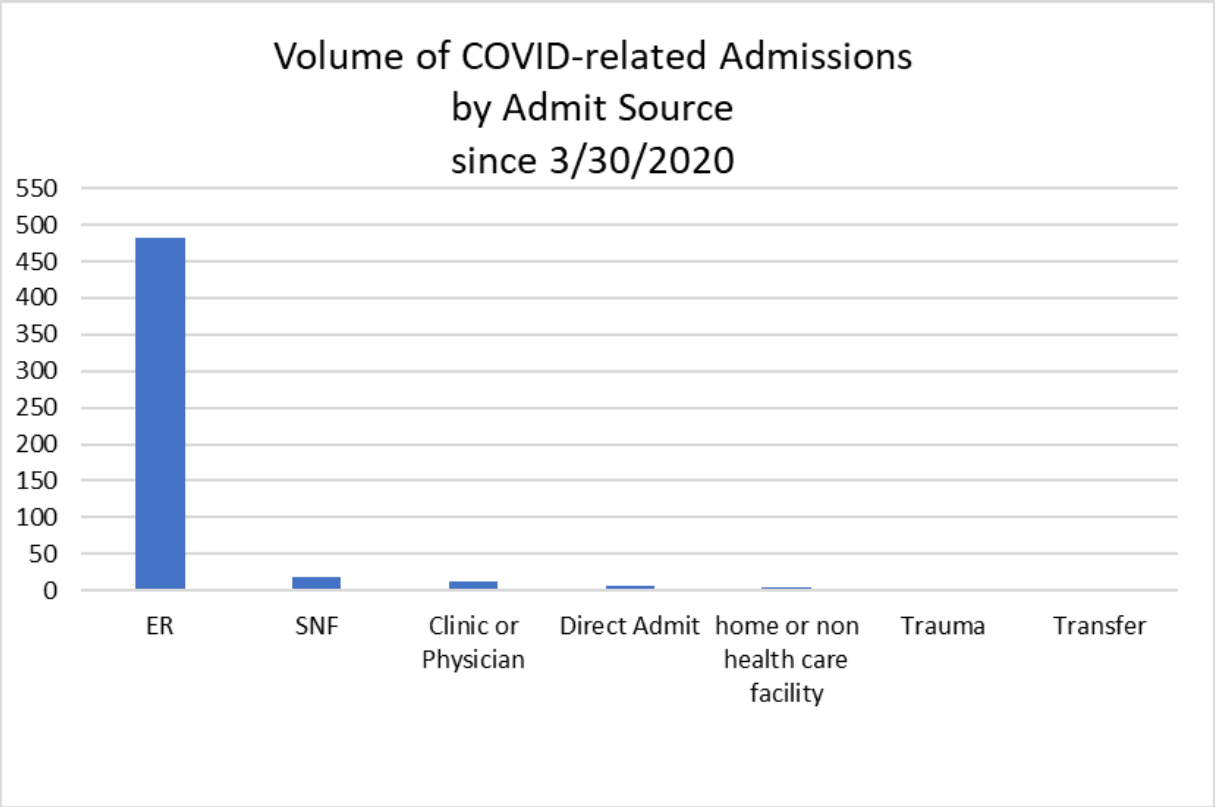
## Utilization Update

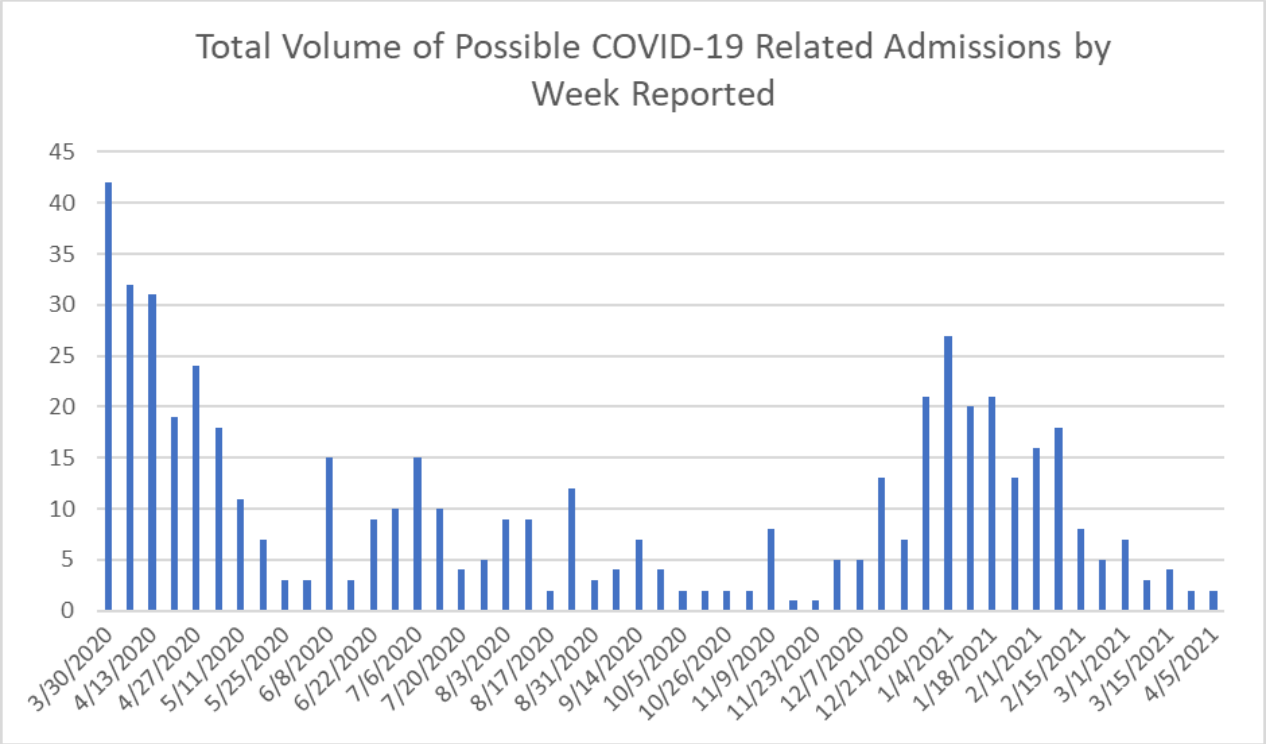
### COVID-19 Related Admissions

As of April 14, 2021, GCHP staff have reported 526 COVID-19 related hospital admissions to the DHCS. Most admissions continue to be for members in the 45-64 year old age group followed by the 25-44 year old age group. While final status of about a third of admissions is pending, about 60% of all admissions were confirmed positive for COVID-19 and about 10% were confirmed negative. Most admissions continue to come through the Emergency Department and the volume of admissions has generally been decreasing since a peak in early January 2021.


Volume of Possible COVID-related Admissions, by age band
(since 3/30/2020)
350
300
250
200
150
100
50
0
0-17
18-24
25-44
45-64
65+

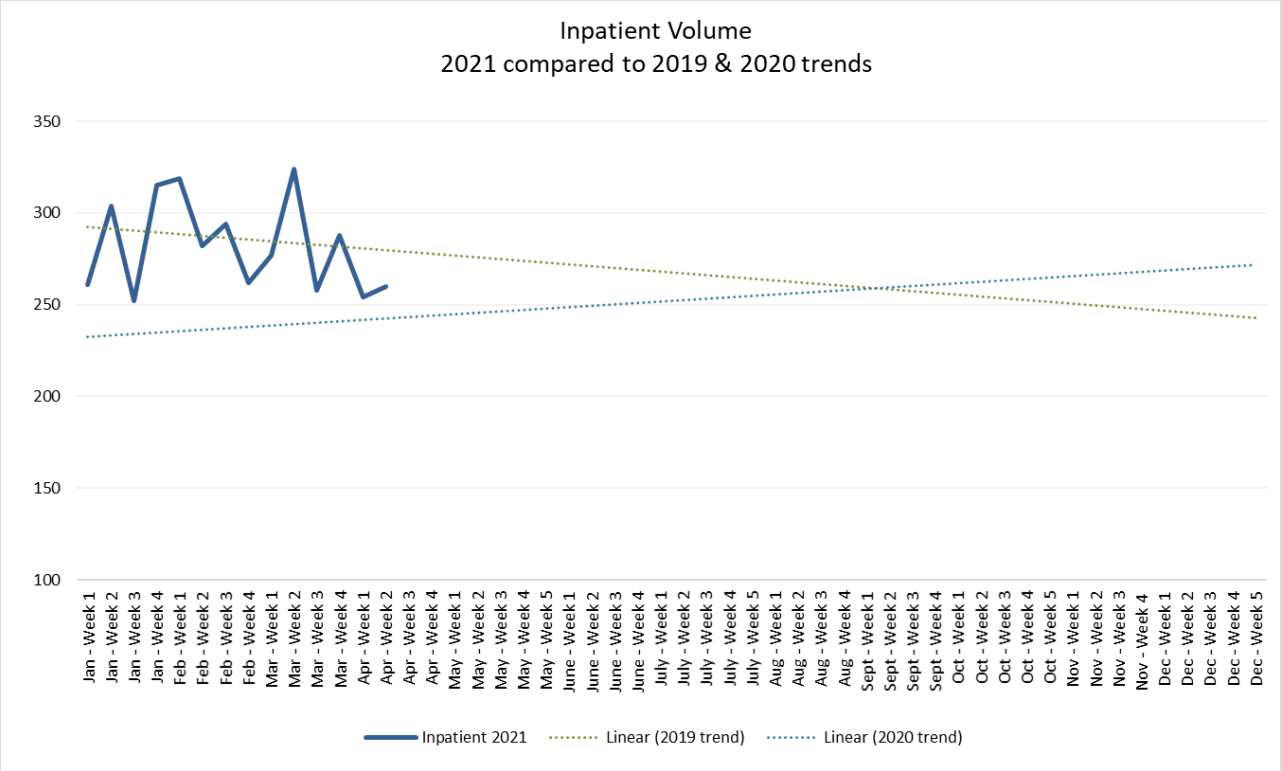

Volume of Members by COVID Status at time reported by RN
51
133
317
Suspected
Confirmed Positive
Confirmed Negative


Volume of COVID-related Admissions
by Admit Source
since 3/30/2020
550
500
450
400
350
300
250
200
150
100
50
0
ER
SNF
Clinic or Physician
Direct Admit
home or non health care facility
Trauma
Transfer


Total Volume of Possible COVID-19 Related Admissions by Week Reported
45
40
35
30
25
20
15
10
5
0
3/30/2020
4/13/2020
4/27/2020
5/11/2020
5/25/2020
6/8/2020
6/22/2020
7/6/2020
7/20/2020
8/3/2020
8/17/2020
8/31/2020
9/14/2020
10/5/2020
10/26/2020
11/9/2020
11/23/2020
12/7/2020
12/21/2020
1/4/2021
1/18/2021
2/1/2021
2/15/2021
3/1/2021
3/15/2021
4/5/2021

## Service Requests

Inpatient service requests through the first half of April 2021 are similar to 2019 trends. Inpatient requests for Q1 CY2020 were lower than normal due to COVID-19. Outpatient service requests are similar to Q1 trends for CY2019 and CY2020.

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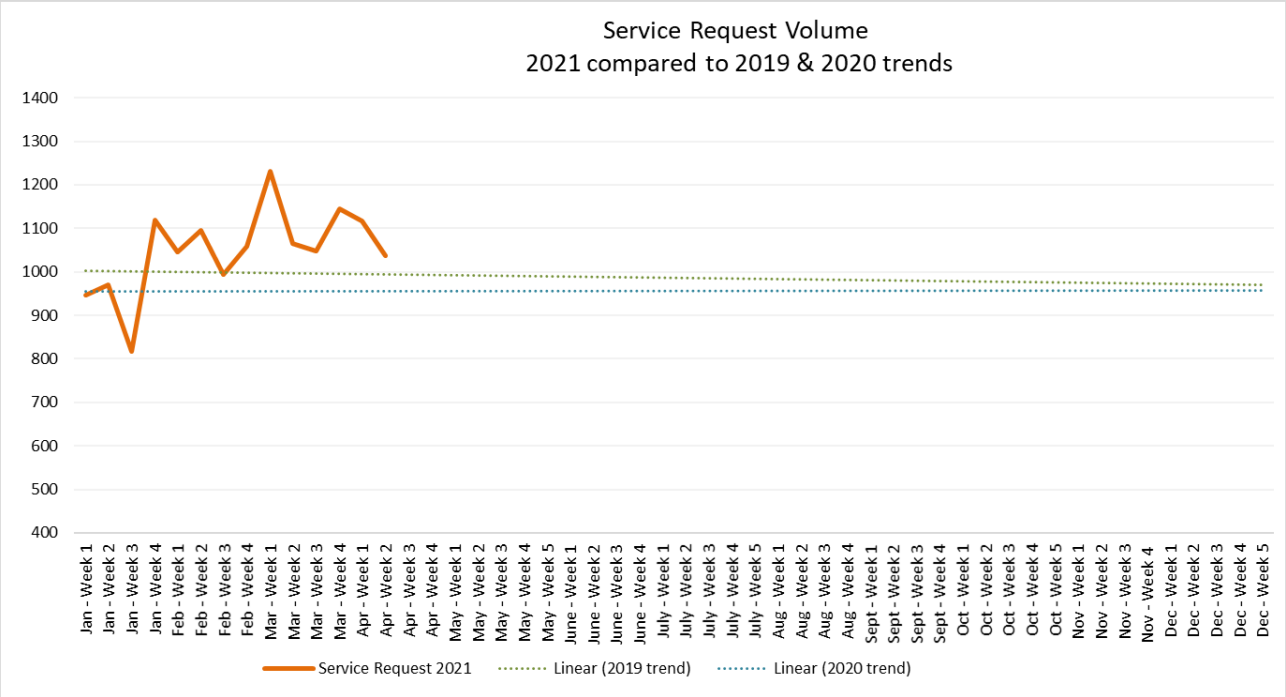


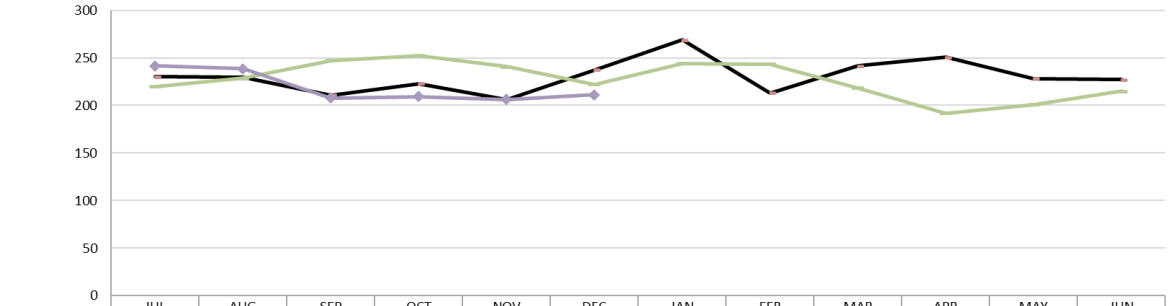

## Bed Days

Bed days/1000 members decreased by about 7.5% from CY 2019 (237) to CY2020 (219).

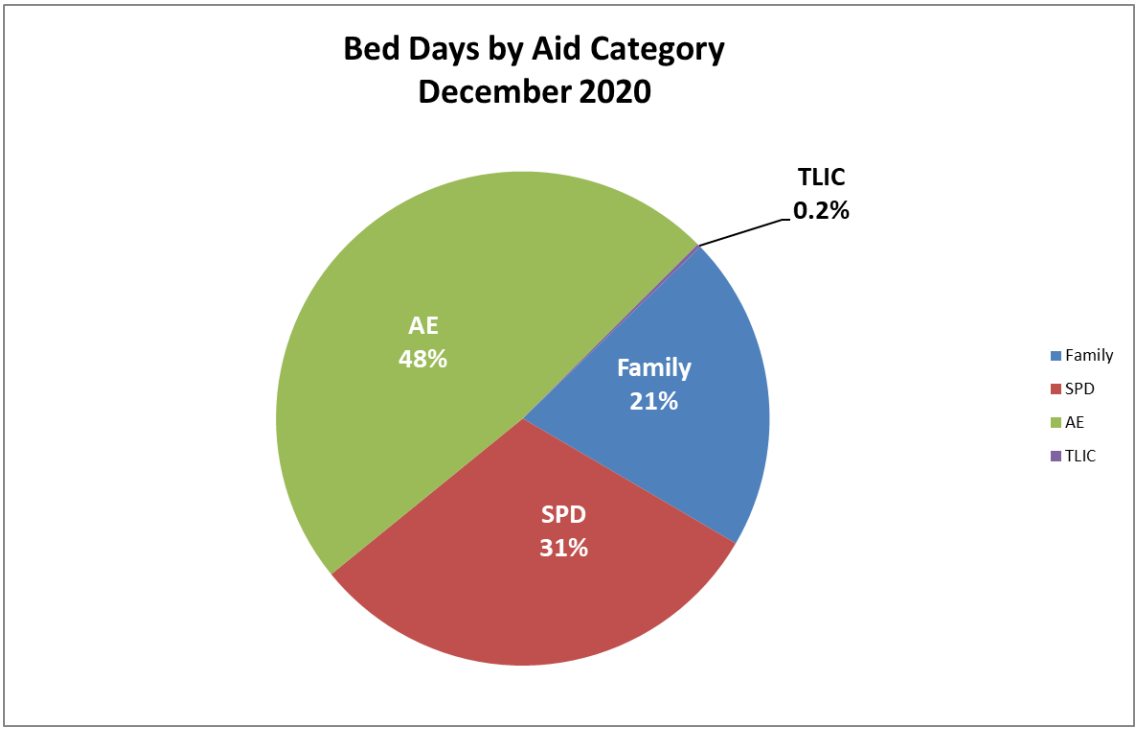
Bed days/1000 benchmark: While there is no Medi-Cal Managed Care Dashboard report of bed days/1000 members, review of available published data from other managed care plans averages 238/1000 members.

About half of bed days are utilized by Adult Expansion (“AE”) members (48%), followed by Seniors and Persons with Disabilities (“SPD”) (31%) and Family aid code groups (21%). Low income children (“TLIC”) utilization is less than 1% (0.2%). AE members represent about 33% of our population with approximately 48% of bed day utilization. SPDs represent 5% of membership with about 31% of bed day utilization.

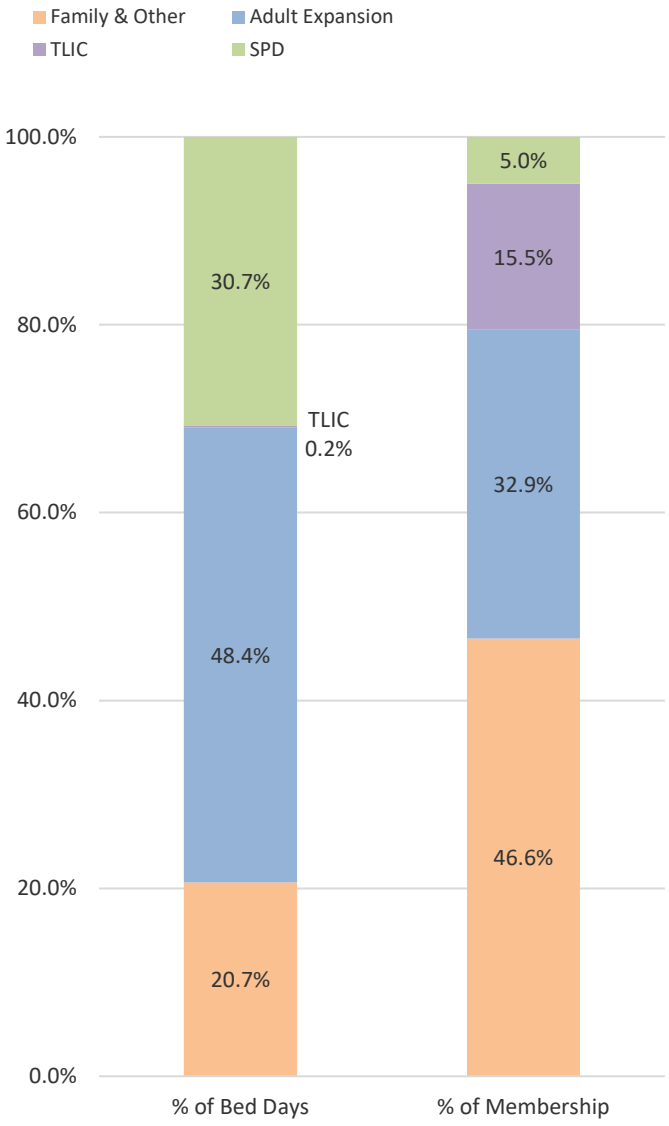
## Bed Days Per 1,000




| | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FY 2018-19 | 230 | 229 | 211 | 223 | 206 | 237 | 269 | 213 | 241 | 250 | 228 | 227 |
| FY 2019-20 | 220 | 229 | 247 | 252 | 241 | 222 | 244 | 243 | 218 | 192 | 201 | 215 |
| FY 2020-21 | 242 | 238 | 208 | 209 | 206 | 211 | | | | | | |



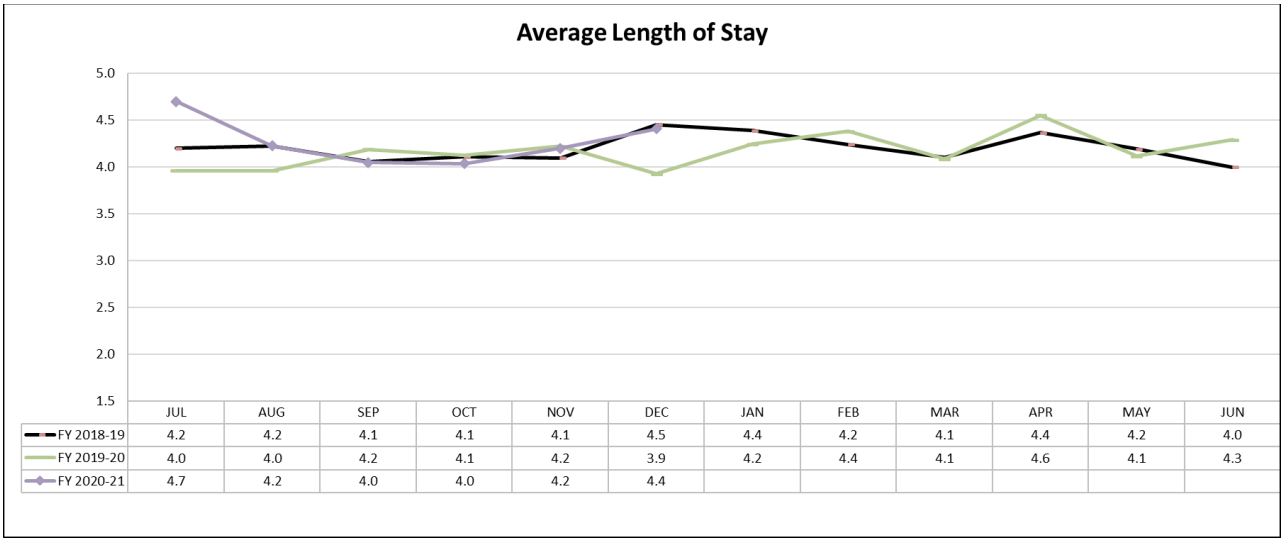
Comparison of Proportion of Days per Aid Group to Proportion of Membership per Aid Group
(December 2020 Acute days vs December 2020 Elig Members)
Non-Duals Only




## Average Length of Stay ("ALOS")

ALOS for CY2020 increased by nearly 5% from CY2019 (4.3 v 4.1). ALOS peaks were seen in July and December of CY2020 (4.7 and 4.4). This is consistent with national trends reflecting both COVID-19 surge conditions and decreased capacity for isolation beds in skilled nursing facilities ("SNFs").

Average length of stay benchmark: While there is no Medi-Cal Managed Care Dashboard report of ALOS, review of available published data from other managed care plans averages 5.

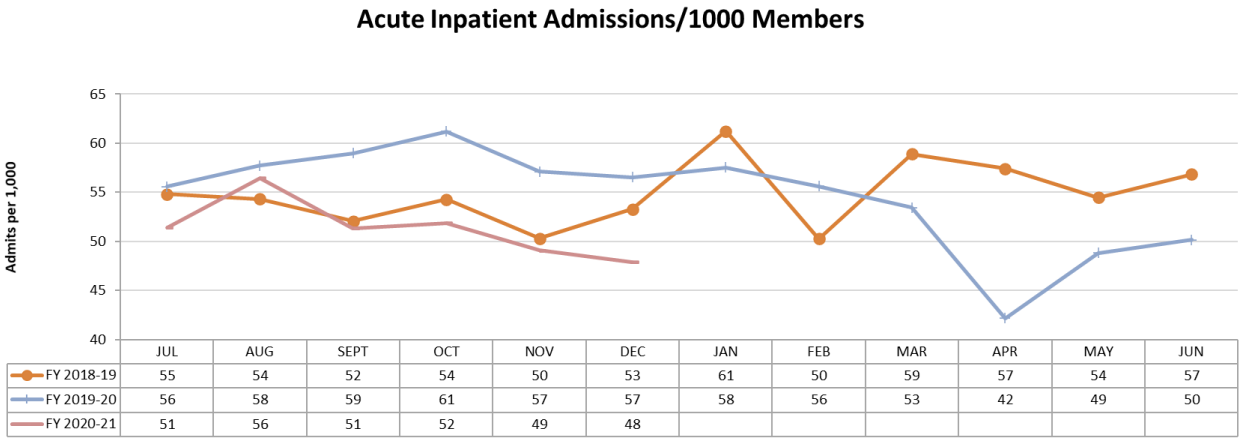



| | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FY 2018-19 | 4.2 | 4.2 | 4.1 | 4.1 | 4.1 | 4.5 | 4.4 | 4.2 | 4.1 | 4.4 | 4.2 | 4.0 |
| FY 2019-20 | 4.0 | 4.0 | 4.2 | 4.1 | 4.2 | 3.9 | 4.2 | 4.4 | 4.1 | 4.6 | 4.1 | 4.3 |
| FY 2020-21 | 4.7 | 4.2 | 4.0 | 4.0 | 4.2 | 4.4 | | | | | | |

## Admits/1000 Members

Admits/1000 members for CY2020 decreased by about 10% compared with CY2019 (51 v 57).

Admits/1000 members benchmark: The Medi-Cal plan average is 55/1000 members.

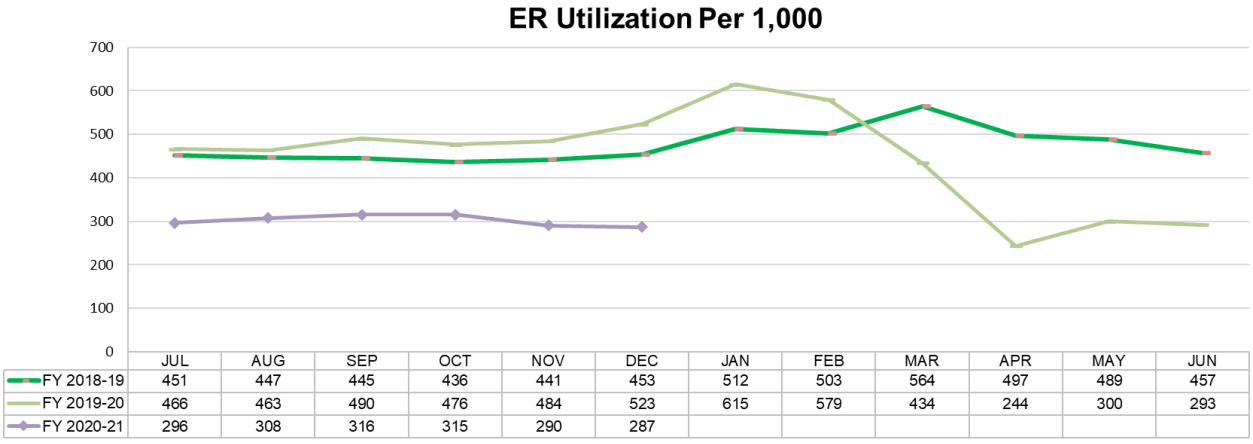



| | JUL | AUG | SEPT | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FY 2018-19 | 55 | 54 | 52 | 54 | 50 | 53 | 61 | 50 | 59 | 57 | 54 | 57 |
| FY 2019-20 | 56 | 58 | 59 | 61 | 57 | 57 | 58 | 56 | 53 | 42 | 49 | 50 |
| FY 2020-21 | 51 | 56 | 51 | 52 | 49 | 48 | | | | | | |

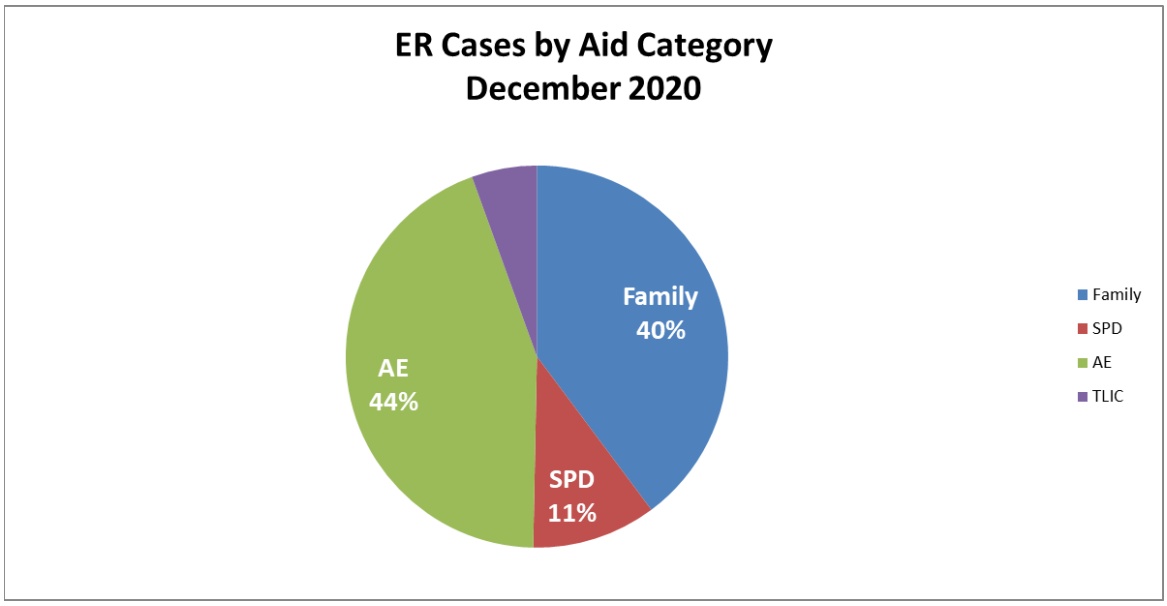
## ED Utilization/1000 Members

ED utilization/1000 members decreased by about 28% in from CY2019 to CY2020 (494 v 356) due to the pandemic. The AE aid code group represents 44% of ED visits followed by the Family aid code group (40%), SPD (11%), and TLIC (5%).

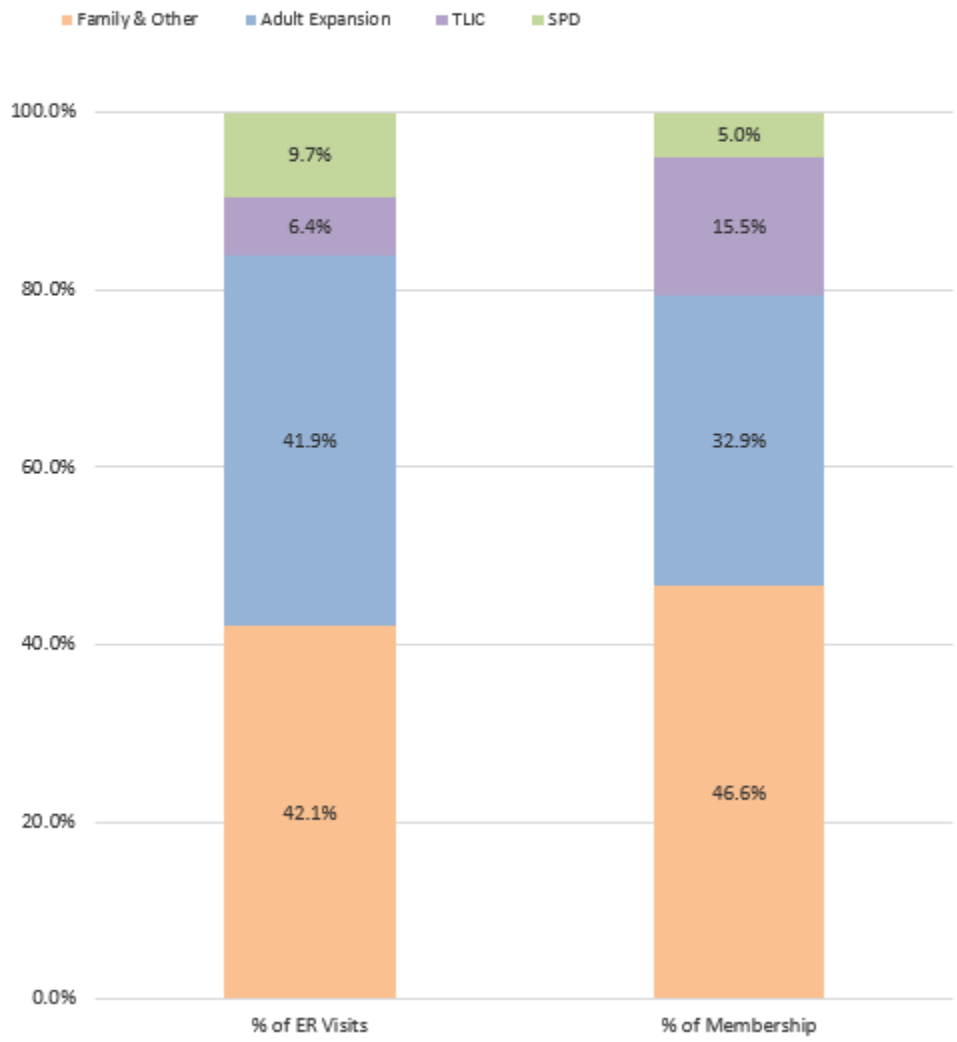
ED utilization benchmark: The MCAS mean for managed Medicaid plans for ED utilization/1000 members is 587.




| | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FY 2018-19 | 451 | 447 | 445 | 436 | 441 | 453 | 512 | 503 | 564 | 497 | 489 | 457 |
| FY 2019-20 | 466 | 463 | 490 | 476 | 484 | 523 | 615 | 579 | 434 | 244 | 300 | 293 |
| FY 2020-21 | 296 | 308 | 316 | 315 | 290 | 287 | | | | | | |

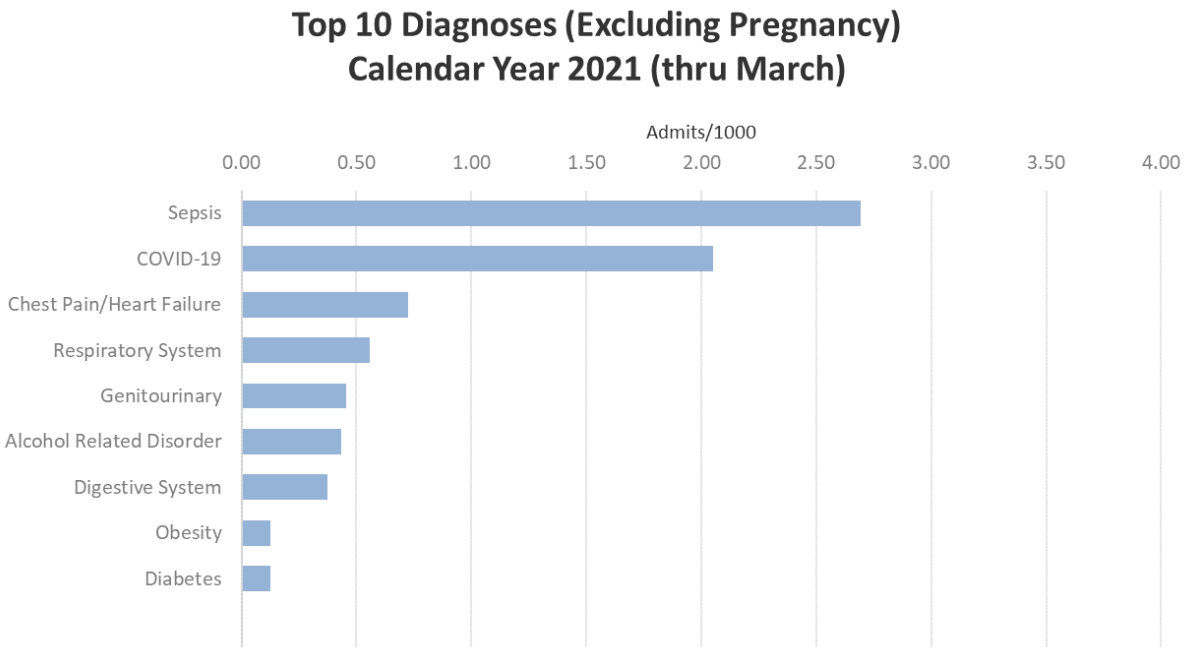


Comparison of Proportion of ER Visits per Aid Group to Proportion of Membership per Aid Group
(December 2020 ER Visits vs December 2020 Elig Members)
*Non-Duals Only*




## Top Admitting Diagnoses

Pregnancy/childbirth continues to be our top admitting diagnosis category. When pregnancy is excluded, the top admitting diagnoses continue to be sepsis, COVID-19, and cardiac conditions. COVID-19 has moved up from position 4 for CY2020 to position 2 for Q1 of CY2021. The alcohol related disorders category has moved down from position 2 for CY2020 to position 6 for Q1 of CY2021.




## Readmission Rate

The quarterly readmission rate continues to decline from a Q1 CY2020 peak of 15.6% to 13.9% in Q4 CY2020.

Readmission rate benchmark: The Medi-Cal Plan average readmission rate is 16.1%.

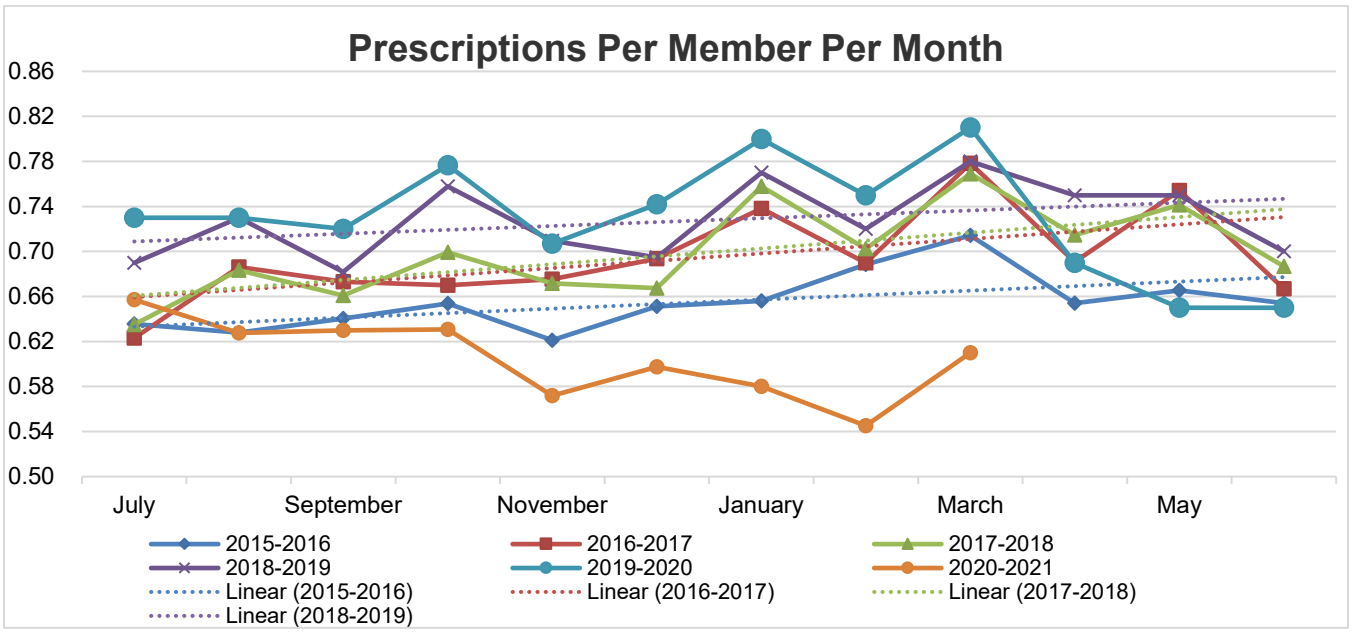
## Pharmacy Benefit Cost Trends

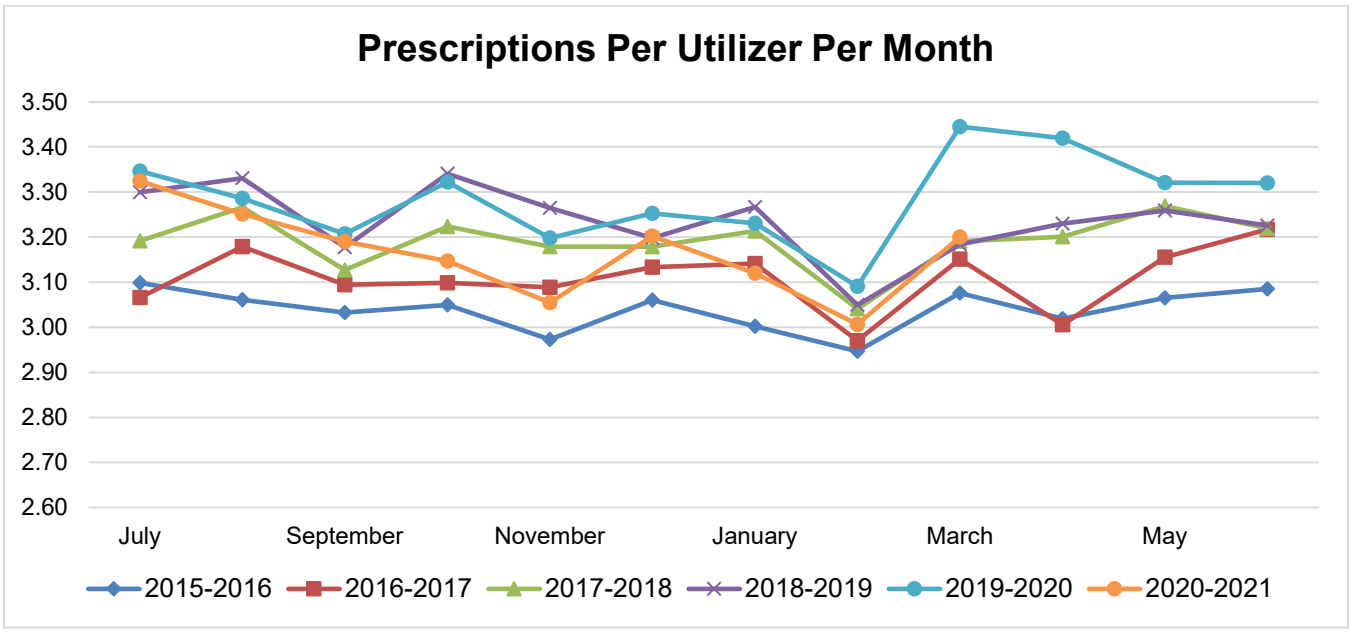
Gold Coast Health Plan's (GCHP) pharmacy trend shows in overall price increase of 9.2% from March 2020 to March 2021; this is a significant increase but is driven by increased membership and benefit changes made due to COVID-19. When looking at the per member per month costs (PMPM), the PMPM has decreased approximately 5.2% since its peak in March 2020. Pharmacy trend is impacted by unit cost increases, utilization, and the drug mix. Pharmacy costs are predicted to experience double digit increases (>10%) each year from now until 2025. GCHP's trends are in-line with state and national data that is also experiencing significant increases in pharmacy costs. Impact from COVID-19 is expected to increase costs further.

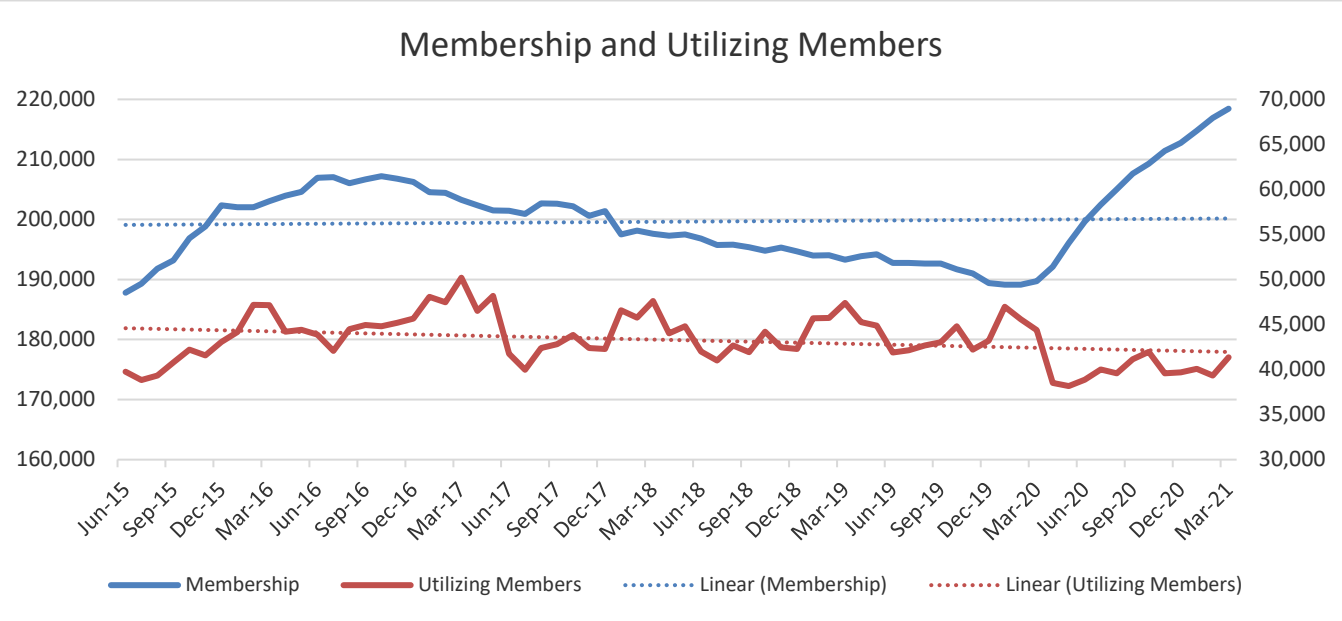
*GCHP Annual Trend Data*

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 new graph showing scripts per utilizer gives

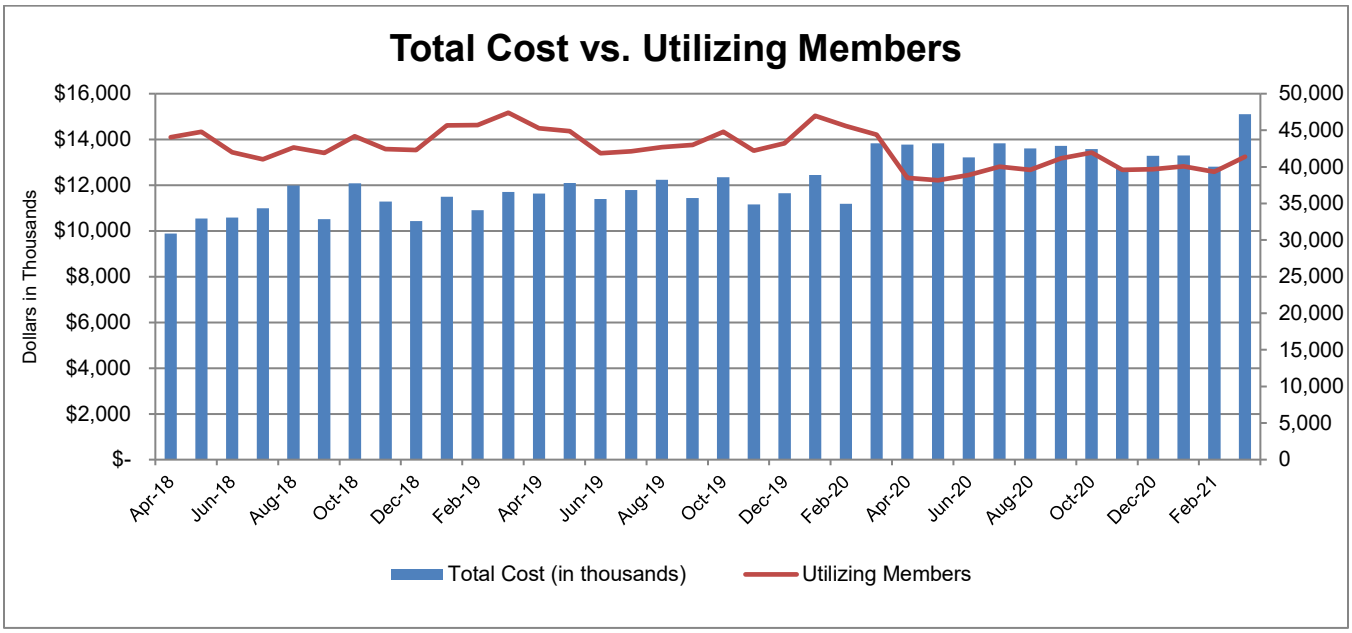
a new view of the increased utilization. GCHP will be continuously monitoring the impact of COVID-19 and the increased membership.

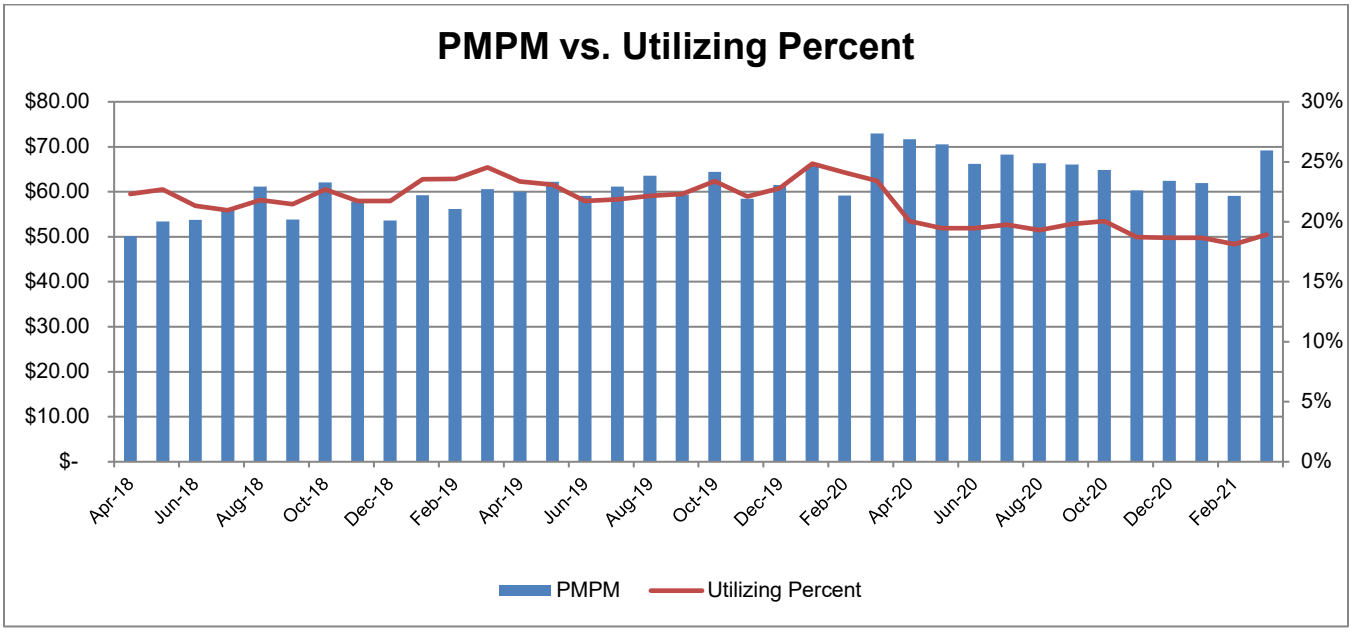


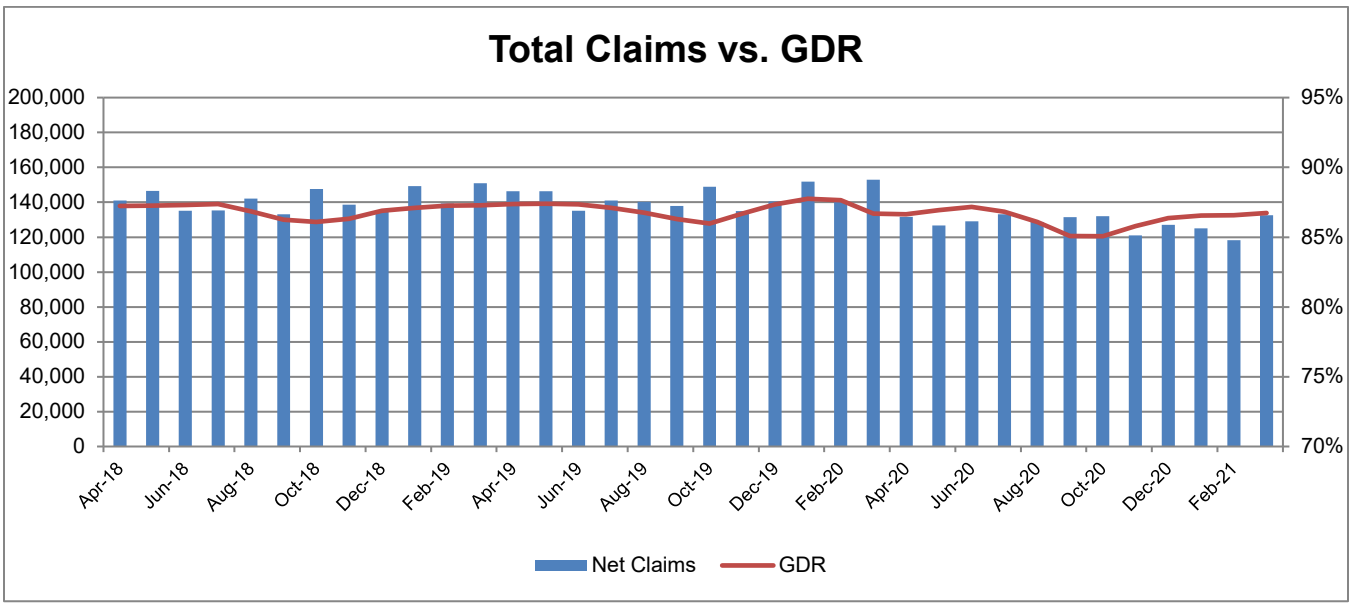





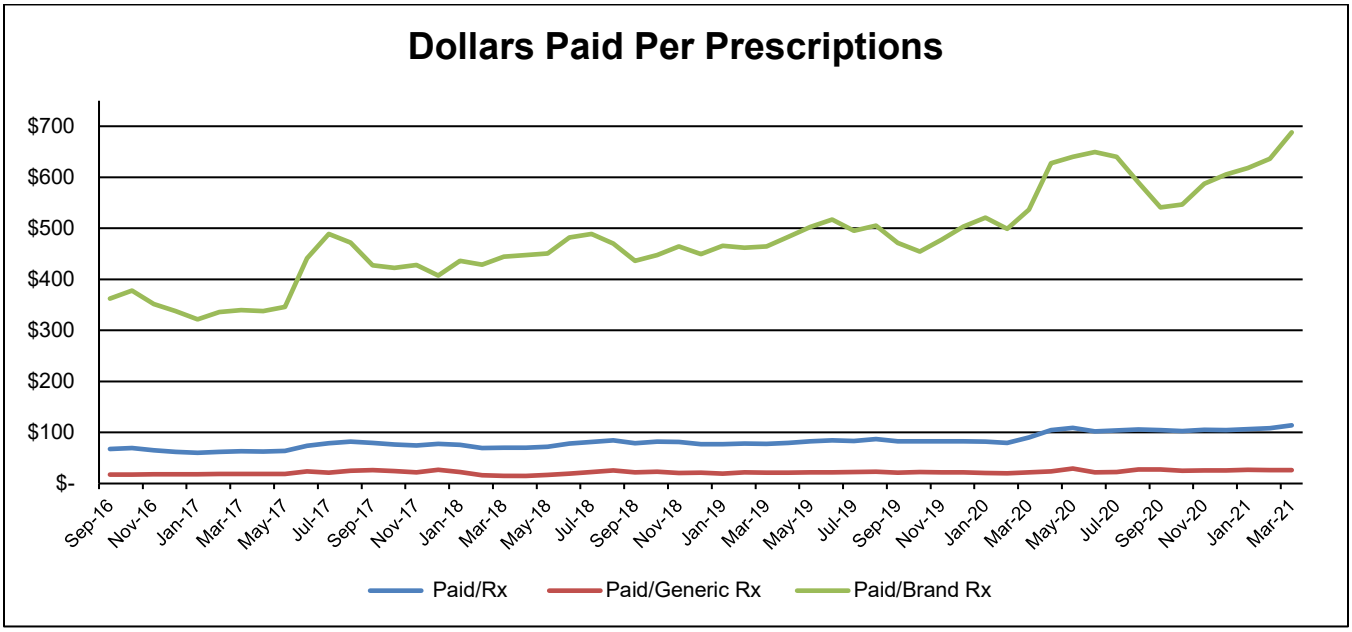

## Pharmacy Monthly Cost Trends:






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

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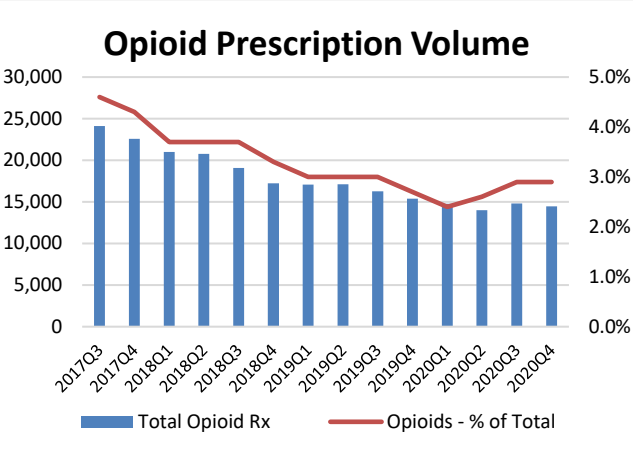
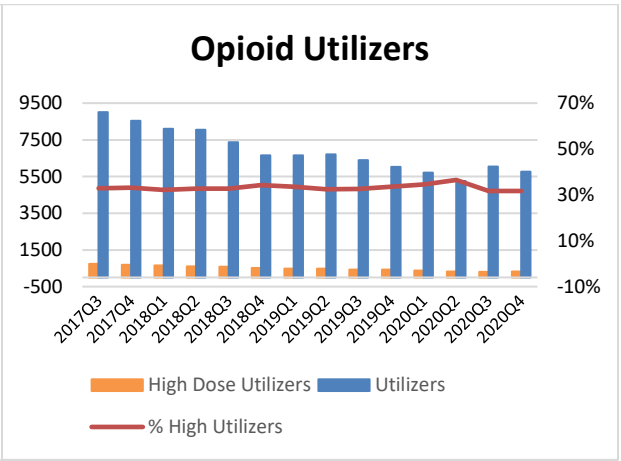
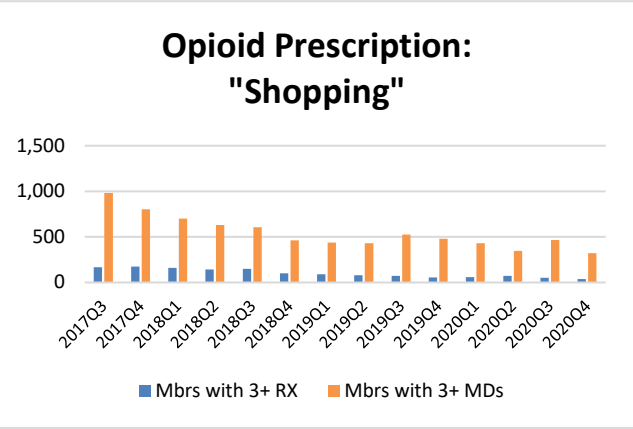
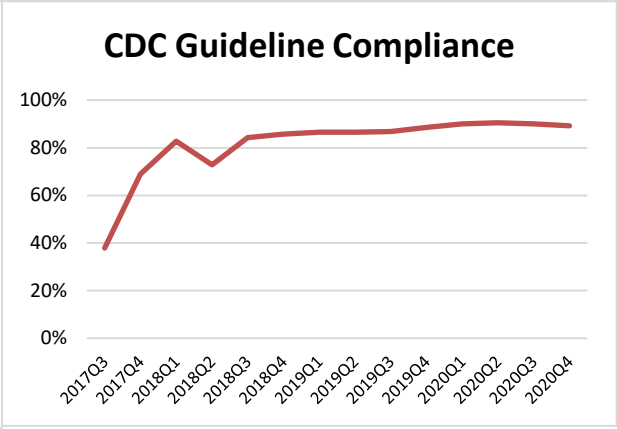
## Pharmacy Opioid Utilization Statistics

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.

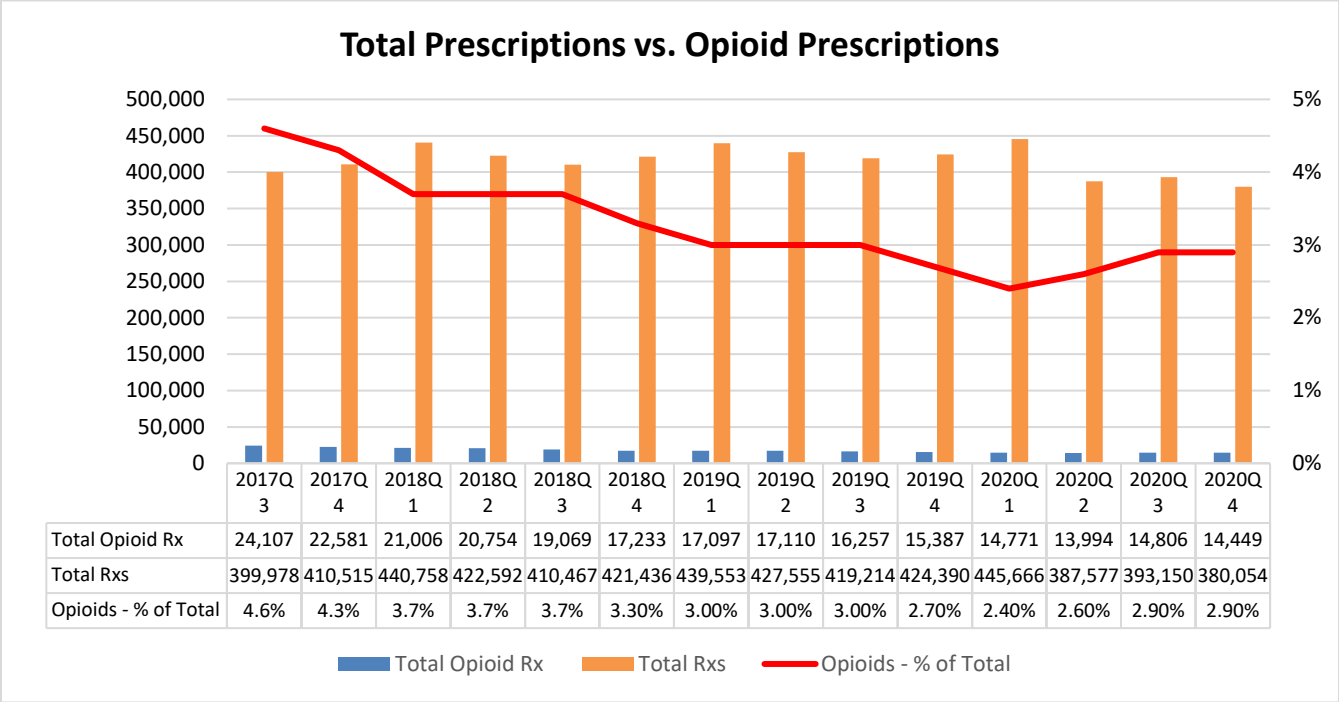



Definitions and Notes:
High Dose Utilizers: utilizers using greater than 90 mg MEDD
High Utilizers: utilizers filling greater than 3 prescriptions in 120 days
Prescribers are identified by unique NPIs and not office locations.




| | 2017Q3 | 2017Q4 | 2018Q1 | 2018Q2 | 2018Q3 | 2018Q4 | 2019Q1 | 2019Q2 | 2019Q3 | 2019Q4 | 2020Q1 | 2020Q2 | 2020Q3 | 2020Q4 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total Opioid Rx | 24,107 | 22,581 | 21,006 | 20,754 | 19,069 | 17,233 | 17,097 | 17,110 | 16,257 | 15,387 | 14,771 | 13,994 | 14,806 | 14,449 |
| Total Rxs | 399,978 | 410,515 | 440,758 | 422,592 | 410,467 | 421,436 | 439,553 | 427,555 | 419,214 | 424,390 | 445,666 | 387,577 | 393,150 | 380,054 |
| Opioids - % of Total | 4.6% | 4.3% | 3.7% | 3.7% | 3.7% | 3.30% | 3.00% | 3.00% | 3.00% | 2.70% | 2.40% | 2.60% | 2.90% | 2.90% |

**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 March 2021. The data has been pulled during the first two weeks of April 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. 15**

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Ted Bagley, Interim Chief Diversity Officer

DATE: April 26, 2021

SUBJECT: Interim Chief Diversity Officer Report

**Actions:**

1. **Community Relations**

- Selected to serve on the scholarship selection board for California Lutheran University.
- Interviewed by Black Social Network from Arizona concerning the Atlanta shooting and gun control legislation. Interviewed as TBJ Consulting not Gold Coast Health Plan.
- Worked with Margaret Tatar, CEO and Scott Campbell, Legal, to establish the resolution as requested by the Commission. Resolution is part of the commission packet.

2. **Case Investigations**

- No new cases submitted during the month of April.

3. **Diversity Activities**

- Met with each black employee at Gold Coast to discuss concerns over the resolution that addressed the atrocities within the Asian and Pacific Island communities. Their concerns centered around the thinking that the Commission did not give the same level of concern to the black and brown communities with all that has happened related to police brutality in the black and brown communities.
- Meetings with several community leaders. Discussions centered around defining the Health Equity initiative and current state concerns.
- Added three new members to our Diversity Council after experiencing some rotation. In making selections for the council, we consider gender, culture, and department representation.

- Met with the Diversity Inclusion and Values team with a focus on adopting a local school who may need assistance and reviewing all policies and practices to ensure there is no discriminatory language used against any group within GCHP.

- We recognized the legacy of labor leader and civil rights activist Cesar Chavez on the day designated as Cesar Chavez Day.

- Also celebrated Women's History Month during late March.

- Meeting with CAC and PAC committees prior to bringing my findings to the Commission on the health equity initiative.

- Continue to coordinate with Phin Xaypangna, Ventura County Executive Officer for Diversity and Inclusion on the health equity initiatives. At this point we are trying to assess our headcount and budget needs based on our findings.

- Met with the County District Attorney, Eric Nasarenko, Dr. Irene Pinkard of the Pinkard Institute and other black leaders of Ventura County via Zoom to address concerns related to criminal justice reform, his vision for the county as well as his take on the current issues plaguing our country.

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**AGENDA ITEM NO. 16**

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Michael Murguia, Executive Director of Human Resources

DATE: April 26, 2021

SUBJECT: Human Resources Report

## Human Resources Activities

On January 22nd, 2021, we held our third All-Staff meeting in the last six months. A total of 188 employees participated in this meeting, comparable to the attendance numbers at the prior two All Staff meetings so we are attracting 99% of our employees. Our agenda was as follows:

- Good News video
- Update from CEO – Margaret Tatar
- Gold Bar Recognition – Presented by Executive Leadership team
- An Overview of the AHP Pilot Program – Eileen
- Update from our Employee Survey Action Team – Presented by team member Carolyn
- Overview of our health Services organization- Presented by Dr. Wharfield
- Q & A with the Executive Team Panel

Immediately following our last three All-Staff meetings we have ask our employees to complete a feedback survey on topics and presenters. Overall, our scores are well above average as our scores are 4.4 (On 1-5 rating scale) for the last three All Staff meetings. We continue to make Communications one of our key focus areas.

Our Return to Work Task team held our first meeting on April 2, 2021. At our first meeting we set a goal to develop our Return to Work Strategy by August of this year. These recommendations will be presented to our Commission for approval prior to implementation. Our first step will be to survey all employees and seek their preference to return to our work location or remain working from home. We are planning on sending this survey out by May 21st with a return date one week later. Once this data is analyzed we will work with functional leaders and see what may be possible with our priority being our service to our members.

We have had (4) four resignations, no terminations, and (1) one new case since our last update on February 22, 2021.

## Facilities / Office Updates

GCHP has a Facilities team that 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 new Entrance and exit process requiring temperature checks and registration in our Proxy click 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