

**Ventura County Medi-Cal Managed Care Commission
(VCMMCC) dba Gold Coast Health Plan (GCHP)
Commission Meeting Minutes
January 28, 2013**

CALL TO ORDER

Vice-Chair Juarez called the meeting to order at 3:22 p.m. in Suite 200 at the Ventura County Public Health Building located at 2240 E. Gonzales Road, Oxnard, CA 93036.

The Pledge of Allegiance was recited.

ROLL CALL

COMMISSION MEMBERS IN ATTENDANCE

David Araujo, MD, Ventura County Medical Center Family Medicine Residency Program
Maylee Berry, Medi-Cal Beneficiary Advocate
Anil Chawla, MD, Clinicas del Camino Real, Inc.
Lanyard Dial, MD, Ventura County Medical Association
John Fankhauser, MD, Ventura County Medical Center Executive Committee
Robert S. Juarez, Clinicas del Camino Real, Inc.
Kathy Long, Ventura County Board of Supervisors

EXCUSED / ABSENT COMMISSION MEMBERS

Laurie Eberst, Private Hospitals / Healthcare System
David Glycer, Private Hospitals / Healthcare System
Robert Gonzalez, MD, Ventura County Health Care Agency
Catherine Rodriguez, Ventura County Medical Health System

STAFF IN ATTENDANCE

Michael Engelhard, CEO
Nancy Kierstyn Schreiner, Legal Counsel
Michelle Raleigh, CFO
Sonia DeMarta, Controller
Traci R. McGinley, Clerk of the Board
Charlie Cho, MD, Chief Medical Officer
Guillermo Gonzalez, Government Relations Director
Melissa Scrymgeour, IT Director
Julie Booth, QI Director

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

PUBLIC COMMENT / CORRESPONDENCE

Danielle Gomez, Herbay Pharmacy / Infusion Rx, explained that they provide services to patients immediately out of the hospital and work with hospitals to ensure there is no disruption in therapy. She added that they are having difficulties getting their claims paid. Several meetings had been set up to get this resolved, but most meetings were canceled at the last minute.

CEO Engelhard requested she provide her contact information to the Clerk of the Board in order to get the matter resolved.

1. APPROVE MINUTES

a. Regular Meeting of November 26, 2012

Vice-Chair Juarez noted that the 1st motion of Item 4d, *Request for Additional Resources*, should be amended to read as follows:

Commissioner Juarez moved to supersede previous hiring limitations placed on the Plan's CEO and authorize hiring of up to 15 staff and come back in January to review the financial forecast, including staffing plan. Commissioner Long seconded. The motion carried. **Approved 10-0.**

Commissioner Berry moved to approve the Regular Meeting Minutes of November 26, 2012 as amended. Commissioner Chawla seconded. The motion carried. **Approved 7-0.**

2. ACCEPT AND FILE ITEMS

a. CEO Update

CEO Engelhard reviewed his written report with the Commission.

b. October and November Financials

CFO Raleigh reviewed the financials and emphasized that as payments have accelerated, cash on hand has declined consistent with the faster payment of claims. Staff is monitoring cash balances on a weekly basis.

Commissioner Dial moved to accept and file the October and November Financials. Commissioner Long seconded. The motion carried. **Approved 7-0.**

c. Pending Capitation Rate Issues

CFO Raleigh reviewed the written report and noted that these pending rate items will change as the state budget changes and that the Plan will bring changes and issues back to the Commission. Staff desired to provide the Commission with an indication of the large number pending rate items at the State level.

Commissioner Long moved to accept and file Item 2a *CEO Update* and Item 2c *Pending Capitation Rate Issues*. Commissioner Dial seconded. The motion carried.
Approved 7-0.

3. APPROVAL ITEMS

a. FY 2012-13 Revised Budget (including Financial Forecast provided to DHCS in response to CAP)

CFO Raleigh reviewed her report. She added that all budget assumptions have been revised due to two events: 1) the financial forecast developed as part of the CAP (Corrective Action Plan) and 2) additional analysis that has been fine-tuned by staff after the financial forecast was submitted to the State on 12/11/12. She informed the Commission that the budget is conservative and realistic; a lot of time has been taken developing and analyzing the data. Staff assumed stable enrollment as well as no change in capitation rates received from the State.

Discussion was held regarding adjustments made since the prior budget was developed, such as assigning members proper aid codes. Plan staff is working with Ventura County Human Services Department to ensure that future members are coded correctly.

CFO Raleigh noted that the revised budget assumes \$8.2 million in subordinated debt commitments, the original County line-of-credit of \$2.2 million, plus \$6.0 million additional support later this year. The Plan is still in start-up mode so Administrative Expenses remain high and are assumed to stay at or near the current level as the Plan is also gearing up for health care reform.

Discussion was held with regard to how Medi-Cal expansion may also impact the Plan.

CFO Raleigh reported that 14 additional staff members are being requested and that the staffing needs have been echoed by BRG (Berkley Research Group), the State appointed monitor, as well as the State. Discussion was then held as to how many of the previously approved new positions had yet been filled.

Commissioner Dial expressed his concern that since approximately 90% of the budget is health care costs, more needs to be done to address those costs, other than just obtaining the correct aid codes. He requested "Controlling Health Care Costs" be discussed at a later meeting, but noted that he also realizes that the Plan must hire additional staff in order for this to be accomplished. CEO Engelhard added that there are initiatives related to health care cost containment and recognizes that hospital inpatient bed days and ER visits are high. Commissioner Dial indicated that those are the types of areas that the Commission would like to hear about.

Commissioner Fankhauser raised concern that the Executive Finance Committee had not reviewed the revised budget (the January meeting was cancelled due scheduling conflicts) and the Commission specifically has CFO's on the Committee for the purpose of reviewing financial matters.

Commissioner Dial moved to approve the Revised FY 2012-13 Budget as well as the 14 additional positions. Commissioner Berry seconded. The motion carried. **Approved 6-1**, with Commissioner Fankhauser voting no.

b. FY 2011-12 Audit Results (including presentation by McGladrey LLP, Financial Statements & Report to Audit Committee)

CFO Raleigh introduced Carrie Esler and Steve Draxler of McGladrey, who prepared the FY 2011-12 financial audit.

Carrie Esler highlighted the overview of the audit process and explained that the financial statements are the responsibility of Plan management. The auditors then reviewed the following areas: auditor's responsibility, accounting practices, management's judgments and accounting estimates, financial statement disclosures, audit adjustments and uncorrected misstatements. Their areas of concern were noted and control weaknesses reviewed.

Commissioner Dial moved to accept the financial audit. Commissioner Long seconded. The motion carried. **Approved 5-2**, with Vice-Chair Juarez and Commissioner Chawla voting no.

4. CONSENT ITEMS

- a. DHCS Contract Amendment for Healthy Families**
- b. BRG Contract Amendment Ratification**

Commissioner Dial moved to approve the Consent Items. Commissioner Long seconded. The motion carried. **Approved 7-0**.

RECESS:

A recess was called at 5:31 p.m. The meeting was reconvened at 5:37 p.m.

5. INFORMATIONAL ITEMS

- a. Medical Management System Replacement**
- b. Tatum Work Update**
- c. Healthy Families Transition to Medi-Cal**
- d. State Budget Update**
- e. QI Report**
- f. Real Estate Update**

There was a consensus by the Commissioners to forego staff presentations of the Informational Items as there would no longer be a quorum after 6:00 p.m. and it was essential to have a quorum for the Closed Session.

Tony Alatorre, Chief Operating Officer of Clinicas Del Camino Real, questioned why a letter he had sent via email to the Clerk of the Board earlier in the day had not been presented to the Commission. Legal Counsel Kierstyn Schreiner responded that anyone wishing to speak under Public Comment should have filled out a "Request to Speak" form so the Chair and the Clerk knew the person desired to speak. There was no indication that he desired to speak. Legal counsel explained that general correspondence is provided to the Commission when received as was his letter dated December 28, 2012, was provided to the Commission in December 2012. For written correspondence on an agenda item depending on when received will be part of the packet or delivered at the meeting. There was no indication his correspondence was for an agenda item. There was further discussion as to the Commission practice concerning public comments and adherence to the Brown Act.

CLOSED SESSION

Legal Counsel Kierstyn Schreiner explained the purpose of the Closed Session.

ADJOURN TO CLOSED SESSION

The Commission adjourned to Closed Session at 5:48 p.m. regarding the following item:

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

RETURN TO OPEN SESSION

The Regular Meeting reconvened at 6:15 p.m. with Commissioners Long being absent.

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

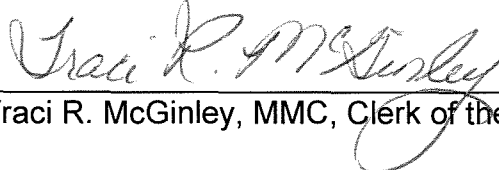
COMMENTS FROM COMMISSIONERS

None.

ADJOURNMENT

Meeting adjourned at 6:17 p.m.

APPROVED:



Traci R. McGinley, MMC, Clerk of the Board