

**Ventura County Medi-Cal Managed Care Commission
(VCOMMCC) dba Gold Coast Health Plan (GCHP)
Commission Meeting Minutes
May 20, 2013**

CALL TO ORDER

Chair Gonzalez called the meeting to order at 3:00 p.m. in Suite 200 at the Ventura County Public Health Building located at 2240 E. Gonzales Road, Oxnard, CA 93036.

ROLL CALL

COMMISSION MEMBERS IN ATTENDANCE

David Araujo, MD, Ventura County Medical Center Family Medicine Residency Program
May Lee 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 (arrived 3:02 p.m.)
Peter Foy, Ventura County Board of Supervisors
David Glycer, Private Hospitals / Healthcare System
Robert Gonzalez, MD, Ventura County Health Care Agency
Robert S. Juarez, Clinicas del Camino Real, Inc. (arrived 3:05 p.m.)
Catherine Rodriguez, Ventura County Medical Health System

EXCUSED / ABSENT COMMISSION MEMBERS

Laurie Eberst, Private Hospitals / Healthcare System

STAFF IN ATTENDANCE

Michael Engelhard, CEO
Nancy Kierstyn Schreiner, Legal Counsel
Michelle Raleigh, CFO
Traci R. McGinley, Clerk of the Board
Charlie Cho, MD, Chief Medical Officer
Melissa Scrymgeour, IT Director
Nancy Wharfield, MD, Medical Director Health Services
Brandy Armenta, Compliance Officer
Sherry Bennett, Provider Network Manager
Cassie Undlin, Interim COO

The Pledge of Allegiance was recited.

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

Commissioner Fankhauser arrived.

PUBLIC COMMENT

None.

1. APPROVE MINUTES

a. Regular Meeting of April 22, 2013

Commissioner Foy moved to approve the Regular Meeting Minutes of April 22, 2013. Commissioner Berry seconded. The motion carried. **Approved 9-0.**

Commissioner Juarez arrived.

2. STUDY SESSION

a. FY 2013-14 Budget

CFO Raleigh reviewed the budget and highlighted the following: 1) significant planned growth due to the Healthy Families Programs (HFP) and Medi-Cal expansion as part of the Affordable Care Act (ACA); 2) GCHP will have more capitated services; 3) GCHP assumes (for budgeting purposes) that there will be no change between this and next year's capitation rates from DHCS; and, 4) estimated costs regarding the Medical Management Systems (MMS) and transition of the nurses from Xerox to GCHP employees have been reflected.

CFO Raleigh noted that the budget reflects assumptions that could change due to the fact that the State budget has not yet been finalized. Also, costs associated with the MMS may need to be updated when the selection has been finalized. There may also be impacts on the budget due to the ACA (physician rate increases), program changes the State has implemented, the Diagnostic Related Groups (DRG) for instance, as well as other pending items such as the IGT.

CFO Raleigh explained that the Per-Member Per-Month (PMPM) Administrative Expenses show a decrease as the Plan is leveraging its cost structure to efficiently handle membership growth. Required TNE is still projected at \$16 million as of 06/30/14.

Discussion was held as to how the membership figures were determined. CFO Raleigh explained that it comprised of the number of current ACE members and looking at what other health plans are estimating. CEO Engelhard noted that based on a published report, GCHP believes there are about 30,000 individuals in Ventura County that will sign up for Medi-Cal after implementation of the ACA.

CFO Raleigh added that when the costs were projected, GCHP looked at historical data trends, proposed operational changes and contracted payment rates.

Commissioner Dial questioned the 2013-14 inpatient services capitated costs. CFO Raleigh responded that long-term care services were included in that figure.

In response to questions from Commissioner Dial, clarification was made that in the Clinicas' current capitated contract hospital fees are not included, only professional fees are currently capitated. CFO Raleigh confirmed that currently there is a Specialty contract with Clinicas and GCHP is working on a fully delegated contract with AHP.

CFO Raleigh explained that the required TNE will be slightly lower as GCHP is moving some fee-for-service (FFS) payments to capitated arrangements. CFO Raleigh stressed that by the end of the next fiscal year, GCHP is expected to exceed its TNE requirements. Discussion was also held regarding required levels of TNE due to the increase in membership.

CFO Raleigh continued, noting that several items have not been reflected in the budget. GCHP is expecting to receive \$535,000 related to the FY 2011-12 IGT transaction. The Plan will be able to recognize \$1.9 million of the \$2.9 million set aside for AB 97 payment reductions (The Plan is still in discussion with auditors and the State regarding this matter). Lastly, GCHP has not reflected any additional IGTs.

Discussion was held regarding the Corrective Action Plan (CAP) and the level of services provided by the monitors, Berkeley Research Group (BRG).

Commissioner Rodriguez noted that benchmarks are needed to compare GCHP to other COHS; particularly CenCal. She requested detailed information on the impact of the additional staff, Healthy Families be separated in order to be tracked and the rate for salary trend.

Commissioner Araujo asked for a breakdown of inpatient and hospital days expenses in order to provide better oversight in those areas.

3. APPROVAL ITEMS

a. Kaiser Contract for Healthy Families Transition

CEO Engelhard reviewed his report with the Commission and noted that the item was tabled at the previous Commission Meeting. He highlighted key aspects of the three-way agreement between Kaiser and managed care health plans. The shift of Healthy Families Program (HFP) members currently with Kaiser being able to stay with Kaiser (this would allow current HFP to stay with their Kaiser doctor). When a new member becomes eligible for Medi-Cal and they have had some preexisting relationship with Kaiser during the previous twelve months they would have the option of selecting Kaiser. DHCS established this contracting arrangement between Kaiser and the Medi-Cal managed care plans to ensure that there is continuity of care for new Medi-Cal members.

Commissioner Juarez asked if this would be a Plan-to-Plan contract. CEO Engelhard responded that it would be fully delegated.

Commissioner Juarez questioned why GCHP was bringing this item to the Commission for approval when the CAP did not allow GCHP to proceed forward on Plan-to-Plan implementation until this restriction was lifted. CEO Engelhard explained that the Plan has not performed any implementation work with Kaiser to date. The Healthy Families transition is a state-mandated policy and implementing the agreements was consistent with that policy. The State must give GCHP permission to proceed with other Plan-to-Plan contracts. CEO Engelhard added further clarification that Kaiser would be a Medi-Cal subcontractor for the limited population outlined in the Board request and that Kaiser would not be eligible for auto-assignment of membership.

Chair Gonzalez stated that GCHP is waiting for the approved template from the State so GCHP can do Plan-to-Plan contracting. GCHP is not executing the contract until the State approves the template. CEO Engelhard confirmed that once GCHP has an approved template it could move forward with both Kaiser and AHP.

Discussion was held regarding the timeline for approval of the contract and the required notices to "members" of HFP. CEO Engelhard explained that the State handles the noticing as HFP are State members.

Commissioner Juarez clarified that this would be fully delegated, yet AHP has a contract with GCHP but cannot go forward until the State does their work. Commissioner Juarez added that the AHP contract is proprietary. CEO Engelhard explained that whatever template the State approves will be GCHP's standard template for Plan-to-Plan contracts. CEO Engelhard and Legal Counsel Kierstyn Schreiner both confirmed the templates are not proprietary.

CFO Raleigh noted that GCHP assumes a start date of August 1st for Kaiser and end of September for AHP because it is a new health plan and GCHP has not worked out the readiness details, etc.

Commissioner Foy expressed concern that this line of discussion was a conflict of interest. Legal Counsel Kierstyn Schreiner explained that this was considered general conversation concerning why when the CAP was in existence GCHP could approve a Plan-to-Plan contract with Kaiser and not others. Further, the Welfare and Institution Code exempts conflict under certain circumstances, allowing COHS to have more leeway than other government entities.

Chair Gonzalez reminded the Commission that the issue is the HFP currently with Kaiser which represents 20% of the HFP population statewide. This is about enabling children in the HFP to continue seeing their existing doctors once they transition into the Medi-Cal program, so issues of Kaiser and continuity of care is what should be discussed and addressed.

Commissioner Juarez expressed concern that conflict of interest was only discussed with regard to him yet every member of the Commission, with the exception of the Medi-Cal Beneficiary Advocate seat, has a conflict.

Commissioner Dial moved to authorize and direct the Chief Executive Officer (CEO) to execute 1) a three-way agreement with the DHCS and Kaiser related to the transition of Healthy Families Program (HFP) children and Medi-Cal beneficiaries who are former Kaiser members or family-linked within the previous twelve months and 2) an agreement with Kaiser related to transitioning certain defined categories of members to Kaiser as described in the two-way agreement. Commissioner Foy seconded. The motion carried. **Approved 8-2**, with Commissioners Juarez and Chawla voting no.

4. ACCEPT AND FILE ITEMS

a. CEO Update

CEO Engelhard reviewed his report and emphasized that the Line of Credit (LOC) was approved by the County of Ventura Board of Supervisors, has been signed and GCHP has drawn down the \$5 million. The Medical Management System (MMS) is still being analyzed and functions being reviewed. GCHP has hired the COO; she has experience in COHS, Medi-Cal and the State. CEO Engelhard highlighted several items in the State budget. The State is attempting to make the MCO tax permanent, the plans would like some of the money to come back to fund Medi-Cal.

b. CMO Update

CMO Cho reviewed his report with the Commission and highlighted that the Medical Advisory Committee (MAC) reviewed how telemedicine works and what it can do for GCHP.

CMO Cho noted that the MAC also reviewed whether GCHP should consider including OB / GYN specialists as PCPs and allow patient assignment on the capitated network. After reviewing the GCHP "PCP Scope of Services" they concluded that Obstetricians and Gynecologists would not qualify to be PCPs in the GCHP system. However, if an OB / GYN has had extra training to become a PCP, then such specialist may individually apply for consideration to be a PCP with a caveat that such physician shall not be included in auto-assignment.

CMO Cho reviewed the pharmacy costs and noted that the Plan is developing guidelines on the proper use of the drugs.

CMO Cho reported that GCHP HEDIS data was submitted to the vendor and overall GCHP HEDIS, for a new plan, is doing well.

c. March Financials

CFO Raleigh reported that the Plan is performing slightly below budget, with an actual net loss of \$1.2 million compared to a projected net loss of approximately \$1.0 million. This is after four months of positive net income. The primary reason for the loss is higher health care costs, mostly due to allergies and the flu season. These results contributed to the Plan's Tangible Net Equity (TNE) deficit for the month.

Commissioner Chawla moved to approve the Accept and File Items as presented. Commissioner Rodriguez seconded. The motion carried. **Approved 10-0.**

5. INFORMATIONAL ITEMS

- a. Tatum Work Update
- b. State and Federal Budget and Health Care Reform Update
- c. Utilization Management / Care Management Update

The Commission was reminded that the information was provided in the packet for their review.

LEGAL COUNSEL - Oral Report

Legal Counsel Kierstyn Schreiner reported that the Closed Session Items that have been included on the Agenda were not included in this meeting due to the lack of action.

CLOSED SESSION

Legal Counsel Kierstyn Schreiner reported that the Closed Session Item was not needed and could be removed from the Agenda.

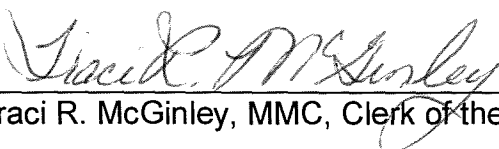
COMMENTS FROM COMMISSIONERS

Commissioner Berry questioned whether there was a media budget for the Resource Fairs, to which CEO Engelhard responded yes.

ADJOURNMENT

Meeting adjourned at 4:44 p.m.

APPROVED:



Traci R. McGinley, MMC, Clerk of the Board