

**Ventura County Medi-Cal Managed Care Commission
(VCOMMCC) dba Gold Coast Health Plan (GCHP)
Executive / Finance Committee Meeting Minutes
June 6, 2013**

CALL TO ORDER

Chair Gonzalez called the meeting to order at 3:01 p.m. in Suite 230 at the Ventura County Public Health Building located at 2240 E. Gonzales Road, Oxnard, CA 93036.

COMMITTEE MEMBERS PRESENT

Anil Chawla, MD, Clinicas del Camino Real, Inc.
David Glycer, Private Hospitals / Healthcare System
Robert Gonzalez, MD, Ventura County Medical Health System

ABSENT / EXCUSED

Roberto Juarez, Clinicas del Camino Real, Inc.
Catherine Rodriguez, Ventura County Medical Health System

STAFF IN ATTENDANCE

Michael Engelhard, CEO
Michelle Raleigh, CFO
Nancy Kierstyn Schreiner, Legal Counsel
Traci R. McGinley, Clerk of the Board
Sonia DeMarta, Controller
Melissa Scrymgeour, IT Director
Lyndon Turner, Finance Manager
Cassie Undlin, Consultant
Nancy Wharfield, MD, Medical Director Health Services

PUBLIC COMMENTS

None.

1. APPROVE MINUTES

a. May 2, 2013 Regular Meeting Minutes

Committee Member Chawla moved to approve the May 2, 2013 Regular Meeting Minutes. Chair Gonzalez seconded. The motion carried. **Approved 3-0.**

2. APPROVAL ITEMS

a. Reinsurance Contract

CFO Raleigh reported that the Plan's current reinsurance policy is with OneBeacon and has a \$350,000 deductible. GCHP's Insurance Broker Beecher Carlson obtained quotes from a number of companies for multiple coverage and deductible options, including the Targeted Low Income Children (TLIC) category. In reviewing the quotes and taking into account the experience of the Plan and the estimated costs of the claims, GCHP recommends a \$500,000 deductible and continuing the relationship with OneBeacon for reinsurance with anticipated FY 2013-14 premiums of approximately \$3 million.

Committee Member Chawla moved to select OneBeacon to provide reinsurance coverage with a \$500,000 deductible for FY 2013-14. Committee Member Glycer seconded. The motion carried. **Approved 3-0.**

b. DHCS Contract Amendments 6 & 7

CEO Engelhard requested that this item be pulled as GCHP has not received the amendments from the State.

c. FY 2013-14 Budget

CFO Raleigh reviewed the presentation and noted that minor changes had been made to the budget since it was initially reviewed at the May 20, 2013 Commission Meeting. Three additional pages were handed out to the Committee Members. CFO Raleigh reported that there are two new populations for the Plan which will cause Member growth.

Changes have been made due to the following: provider contracts, health care costs, the Medical Management System (MMS) and transitioning the nurses from Xerox to GCHP. GCHP will fine tune the budget with the new MMS and reinsurance decisions.

CFO Raleigh added that April's actual financial results and release of FY 2011-12 AB 97 reserves have been incorporated. GCHP updated revenue to reflect the new draft capitated rates, the IGT revenue and the Medi-Cal population estimates. GCHP shows an anticipated 9,000 members from the Low Income Health Program (LIHP) on August 1, 2013. Assumptions have been made, such as provider contracting and the moving of Clinicas del Camino Real Specialty Contract to a Plan-to-Plan contract with AHP. It was noted that there was growth in capitated services due to the number of members affected by additional capitated contracts.

Discussion was held regarding the fact that pharmacy is included in the fully delegated contracts. Concern was raised regarding the large number of emergency room visits by the Healthy Families population. CFO Raleigh indicated that the Plan does have ER Initiatives in place around this issue and will monitor the issue.

Committee Members previously requested benchmarks of GCHP versus other COHS and health plans be included in the information. Discussion was held regarding the fact

that GCHP expects ACS / Xerox management fees will go down due to GCHP accessing reduced prices as membership increases.

Discussion was held regarding the reduced Total Net Equity (TNE) requirement as more services are capitated. GCHP believes that by the end of next year the Plan will be at 150%, but must be 130% to be off State watch.

James Ward of Clinicas questioned Healthy Family rates and the services that will be included in the Kaiser and AHP Plan-to-Plan contracts.

Committee Member Glycer moved to recommend adoption of the FY 2013-14 budget to the Commission. Committee Member Chawla seconded. The motion carried. **Approved 3-0.**

d. Medical Management System (MMS) Vendor Selection

IT Director Scrymgeour reviewed the process GCHP had gone through in selection of the MMS. Several key staff members went through the process to review the systems and how they would work for the Plan. Director Scrymgeour explained that MedHOK is very rich in clinical functions.

RECESS

A brief recess was taken from 4:20 p.m. to 4:22 p.m.

RETURN TO OPEN SESSION

IT Director Scrymgeour continued her report. She explained that Inland Empire Health Plan (IEHP) recently completed their RFP, selected MedHOK and IEHP's process is going very well. The system has large strong reporting capabilities which GCHP needs, overall MedHOK scored much higher than the other systems.

Committee Member Chawla moved to select MedHOK as the vendor of choice and allow the CEO to enter into an agreement to implement the MedHOK MMS. Committee Member Glycer seconded. The motion carried. **Approved 3-0.**

3. ACCEPT AND FILE ITEMS

a. CEO Update

CEO Engelhard reviewed his report and highlighted the current status of AB 97, adding that the item will go before the Commission to determine if the cuts are to be absorbed into GCHP or passed on to the providers.

b. April Financials

CFO Raleigh reviewed the April financials and reported a \$2.2 million net income. GCHP is favorable in health care costs; however administrative expenses are over budget. GCHP is reviewing how it groups services and will be changing it to be more in line and similar to how the State groups them.

April shows higher claims, mostly due to having an additional payment cycle in April. Claim inventory is staying low and the hit target auto-adjudication percentages. Discussion was held regarding the number of old claims requiring reprocessing and the fact that interest must be paid to the providers of those claims. GCHP and ACS are reviewing those claims to determine the cause of those delays and whether they were delayed to due to GCHP policy changes or ACS functions.

Committee Member Glycer moved to accept the CEO Report and the April Financials. Committee Member Chawla seconded. The motion carried. **Approved 3-0.**

4. INFORMATIONAL ITEMS

a. Financial Forecast Status Update

Consultant Undlin reviewed the Financial Forecast Update and the work that had been done by GCHP around the initiatives. One area that has not progressed as expected is around the provider contracting negotiations. Chair Gonzalez noted that this was an important issue since it had a large financial impact. There was discussion as to what the Commission could do to help in this situation. CEO Engelhard added that he would reach out the contracting individuals and stress the importance due to the requirements of the Corrective Action Plan (CAP) that the Plan is under.

COMMENTS FROM COMMITTEE MEMBERS

Chair Gonzalez acknowledged the amount that has been accomplished and the progress made by the Plan.

CLOSED SESSION

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

ADJOURN TO CLOSED SESSION

The Committee adjourned to Closed Session at 5:35 p.m. regarding the following items:

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

RETURN TO OPEN SESSION

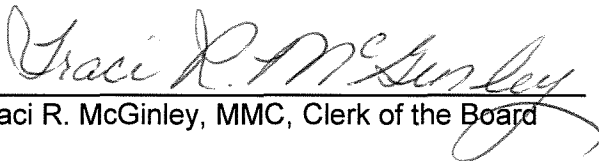
The Regular Meeting reconvened at 5:45 p.m.

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

ADJOURNMENT

Meeting adjourned at 5:46 p.m.

APPROVED:



Traci R. McGinley, MMC, Clerk of the Board