

**Ventura County Medi-Cal Managed Care Commission
(VCOMMCC) dba Gold Coast Health Plan (GCHP)
Commission Meeting Minutes
August 24, 2015**

CALL TO ORDER

Chair Araujo called the meeting to order at 3:00 p.m. Hall of Justice - Pacific Conference Room at the County of Ventura Government Center, 800 S. Victoria Avenue, Ventura, CA 93009.

The Pledge of Allegiance was recited.

ROLL CALL

COMMISSION MEMBERS IN ATTENDANCE

Antonio Alatorre, Clinicas del Camino Real, Inc.
David Araujo, MD, Ventura County Medical Center Family Medicine Residency Program
Lanyard Dial, MD, Ventura County Medical Association
Barry Fisher, Ventura County Health Care Agency
David Glycer, Private Hospitals / Healthcare System
Michelle Laba, MD, Ventura County Medical Center Executive Committee
Darren Lee, Private Hospitals / Healthcare System (arrived at 3:02 p.m.)
Gagan Pawar, MD, Clinicas del Camino Real, Inc.
Dee Pupa, Ventura County Health Care Agency

EXCUSED / ABSENT COMMISSION MEMBERS

Peter Foy, Ventura County Board of Supervisors
Vacant, Medi-Cal Beneficiary Advocate

STAFF IN ATTENDANCE

Dale Villani, Chief Executive Officer
Patricia Mowlavi, Chief Financial Officer
Traci R. McGinley, Clerk of the Board
Scott Campbell, Legal Counsel
Brandy Armenta, Compliance Director
Susana Enriquez, Public Relations Manager
Mike Foord, IT Infrastructure Manager
Anne Freese, Pharmacy Director
Jeffery Gauthier, Facilities Manager
Guillermo Gonzalez, Government Relations Director
Lupe Gonzalez, Director of Health Education, Outreach, Cultural and Linguistic Services
Steven Lalich, Communications Director
Tami Lewis, Operations Director
Allen Maithel, Controller

Kim Osajda, Quality Improvement Director
Al Reeves, MD, Chief Medical Officer
Melissa Scrymgeour, Chief Information Officer
Lyndon Turner, Financial Analysis Director
Ruth Watson, Chief Operations Officer
Nancy Wharfield, MD, Associate Chief Medical Officer

PUBLIC COMMENT

None.

1. APPROVE MINUTES

a. Regular Meeting of June 22, 2015

Commissioner Fisher moved to approve the Regular Meeting Minutes of June 22, 2015. Commissioner Lee seconded. The motion carried with the following votes:

AYE: Alatorre, Araujo, Dial, Fisher, Glycer, Laba, Lee and Pupa.
NAY: None.
ABSTAIN: Pawar.
ABSENT: Foy.

2. APPROVAL ITEMS

a. Department of Health Care Services (DHCS) Contract Amendments A17 and A19

CEO Villani reviewed the report with the Commission, noting that Amendment A17 adjusts the FY 2013-14 capitation rates to reflect the Intergovernmental Transfer (IGT) and Amendment A19 outlines additional Senior and Persons with Disabilities (SPD) reporting requirements.

Commissioner Glycer moved to approve and authorize the CEO to execute DHCS contract amendments A17 and A19. Commissioner Dial seconded. The motion carried with the following votes:

AYE: Alatorre, Araujo, Dial, Fisher, Glycer, Laba, Lee, Pawar and Pupa.
NAY: None.
ABSTAIN: None.
ABSENT: Foy.

b. Quality Improvement Committee Report – 2nd Quarter

CMO Reeves reviewed the report with the Commission. He explained that the Department of Health Care Services (DHCS) selects approximately 28 out of 80 NCQA HEDIS measures and expects the Plan to reach the 25th percentile of all managed Medicaid plans in the United States.

He reported that overall the Plan's scores improved significantly from 2012 and 2013. The Plan was in the 75th percentile for treatment of diabetics, including retinal eye exams. There were three measures of particular importance to the Plan: Counseling for Nutrition and Physical Activity and Well-Child Visits in the 3rd, 4th, 5th and 6th years of life. If the Plan had not met the 25th percentile in those measures, the Plan would have been placed under a Corrective Action Plan (CAP) by DHCS.

In response to Commissioner Fisher's question about the Plan's improved scores, CMO Reeves explained that the Plan did have a number of HEDIS improvement projects such as: GCHP's optometry services vendor identifies members that have diabetes and sends letters to remind them to get their eyes checked. The Plan also had a member incentive and offered movie tickets to members that had their diabetic eye screening if required. GCHP is also meeting with providers and reviewing the measures.

Commissioner Glycer asked about the decline in monitoring patients on persistent medications. CMO Reeves responded that the Plan was concerned about the decline, upon researching the matter, instead of having the tests completed every 12 months, some providers are having the tests done every 16-18 months. The Plan will be reminding providers that it expect the tests to be done yearly. The Plan has identified the Members in this category and is sending letters advising them of the need to have the tests completed.

CMO Reeves noted that the Plan needs to improve access to care for children; it has not yet met the 25th percentile in this area. The Plan has identified and sent letters to the families that have children in this age group. The Plan developed an incentive program: when a child has their exam their name is being placed into a raffle. The Plan is providing 10 - \$25 gift certificates per month for the raffle.

CMO Reeves noted that to encourage Members to get a post-partum check-up, the Plan will send a gift box of diapers and a cap and booties. The Plan is continuing the same incentive program for eye check and movie ticket. It's the Plan's goal to be in the 50-75th percentile for all of our measures.

A state-wide quality improvement project was mandated by the State to measure readmissions. The project was reformulated at the beginning of the year and the Plan concentrated on just one hospital for three months, Community Memorial Hospital (CMH). Through that project we identified high risk members being readmitted and identified medication disruption and homelessness as the main causes of readmission. The Plan is working on ways to possibility correct those issues and have now moved that project over to Ventura County Medical Center (VCMC). Although the State decided they are not going to have the State-wide project, the Plan will continue the project in the hopes of preventing readmissions.

Commissioner Glycer asked about the 184 provider disputes under Administrative Grievances. Tami Lewis, Operations Director explained that these were typically incorrectly processed claims.

CMO Reeves briefly reviewed the Behavior Health Utilization information. Commissioner Alatorre asked if Beacon was still under a CAP. CMO Reeves confirmed that they are still under a CAP for the timeliness of their claims. GCHP continues to work with them and is working with them to improve some access issues as well.

Commissioner Dial moved to approve the report. Commissioner Fisher seconded. The motion carried with the following votes:

AYE: Alatorre, Araujo, Dial, Fisher, Glycer, Laba, Lee, Pawar and Pupa.
NAY: None.
ABSTAIN: None.
ABSENT: Foy.

c. **Authorization to Begin Process to Secure Additional Medi-Cal Funds Through an Intergovernmental Transfer (IGT)**

CEO Villani reviewed the report with the Commission.

Commissioner Alatorre noted that the fiscal impact was much lower than previous IGTs. COO Watson explained that it is approximately 50% of the estimated IGT amount. These are preliminary dollars that have not yet been federally matched.

Commissioner Glycer moved to authorize and direct the Chief Executive Officer to submit a proposal to the California Department of Health Care Services (DHCS) to begin the process to secure additional Medi-Cal Funds through an Intergovernmental Transfer (IGT). Commissioner Lee seconded. The motion carried with the following votes:

AYE: Alatorre, Araujo, Dial, Fisher, Glycer, Laba, Lee, Pawar and Pupa.
NAY: None.
ABSTAIN: None.
ABSENT: Foy.

3. **ACCEPT AND FILE ITEMS**

a. **CEO Update**

CEO Villani reviewed his report with the Commission. He noted that the Plan had adopted the following core values: Integrity, Accountability, Collaboration, Trust and Respect.

CEO Villani updated the Commission on the Pharmacy Benefits Manager (PBM) RFP and noted that there are seven prospective PBMs, not six. GCHP is awaiting an opinion from the Fair Political Practices Commission (FPPC) as to whether Milliman, GCHP's RFP vendor, can participate in scoring the RFPs.

CEO Villani updated the Commission on SB 260, the Knox Keene Licensing of County Organized Health System (COHS) Plans. It is currently in the appropriations committee, if it doesn't come out for a full vote it could go into the next legislative cycle. That

timeframe would not be as eminent for GCHP, but the Plan believes it is moving forward and will be faced with Knox Keene requirements.

Commissioner Glycer asked what financial sanctions were placed on one of the Plan's delegates with regard to a Corrective Action Plan (As indicated under the Compliance Update). Compliance Director Armenta responded that the sanction was a 10% administrative hold, per the contract. Commissioner Glycer asked if they would eventually get that money back. CEO Villani explained that it may be restored to 100%, but they would not receive previously docked payments. Legal Counsel Campbell added that this is the second time the delegate has not been in compliance. The first time the Plan withheld the 10% but gave it back once the delegate was in compliance. Because this was the second time, the Plan assessed the 10% sanction.

b. CFO Update – May 2015 Financials

CFO Mowlavi reported that the month of May was relatively uneventful, but well highlighted on pages 82 and 83 of the report. She provided an overview of the fiscal year to date information.

Commissioner Pupa asked about the Lines of Credit (LOC) payback to the County. Financial Analysis Director Turner explained that the State has been very clear that they are not willing to give the Plan the opportunity to repay the LOC until they have the audit results from FY 2013-14. McGladrey is close to completing that audit and once it has been completed it will be forwarded to the State.

Commissioner Alatorre asked about the balance of funds from the ACA 1202 Payments. Financial Analysis Director Turner explained that one provider is having a 1099 issue and the Plan believes there is large ACA 1202 payment for that provider. COO Watson added that the remaining balance is not yet known. Commissioner Alatorre asked about the deadline. CFO Mowlavi responded that she believed it was the end of the calendar year. COO Watson confirmed that once the remaining amount is known staff will update the Commission.

c. COO Update

COO Watson presented the report highlighting the additional office space needed by GCHP and the growth in membership. The Plan is working with a different division of Xerox and will be working with them regarding call center issues the Plan is starting to experience.

d. CIO Update

CIO Scrymgeour reviewed her report and noted that roughly 40% of the projects are strategic in nature. Of those, there are seven requests for proposals (RFPs) for new systems and/or services. The Plan is focused on pursuing new solutions and partnerships to support membership increases and a growing organization. The PMO is currently managing 14 active projects, closing 2 projects and kicking off 4 new projects since the beginning of the FY 2014- fiscal year.

e. Health Services Update

Associate Chief Medical Officer Dr. Wharfield reviewed the report.

Chair Araujo asked how the number of bed days are kept so low. Dr. Wharfield explained that some of it is due to utilization management; a lot of administrative work goes into getting Members transitioned from hospitals to appropriate lower care facilities. Chair Araujo asked if GCHP was doing something different than other plans. Dr. Wharfield responded that it most likely has to do with the membership makeup.

Commissioner Glycer asked about the use of observation status, if they were used more would they drive down the number of bed days. Dr. Wharfield noted that it was possible, she does not specifically know about each plan, but generally they are not included.

Chair Araujo asked CFO Mowlavi if she recalled what they were at LA Care. She explained that they just recently changed products and there is a big mixed component across the plans.

Commissioner Pupa moved to accept and file the CEO, CFO (May 2015 Financials), COO and Health Services Updates. Commissioner Alatorre seconded. The motion carried with the following votes:

AYE: Alatorre, Araujo, Dial, Fisher, Glycer, Laba, Lee, Pawar and Pupa.
NAY: None.
ABSTAIN: None.
ABSENT: Foy.

4. INFORMATIONAL ITEMS

a. Special Investigation Update

CEO Villani explained that he would be providing a high level perspective of the initial investigation, findings and the progress GCHP has made in getting processes in place. This was a very comprehensive investigation; every receipt, financial statement and document were reviewed. Main areas were on accounting, financial information, and misuse of funds, payroll, and other major allegations. Errors were made and there was lack of backup information. Some of the accounts receivable processes could have been managed better, but there was no willful intent to mislead. CEO Villani noted that he believed what was most important from the Commission's and organization's standpoint is that what occurred back in 2012 and 2013 in terms of errors and mistakes, lack of backup documentation, etc. has been corrected going forward. Is there sound financial processes and controls in place? Things could have been done better, there were errors, but there was no willful reporting of wrong information. Major allegations were unfounded

The Plan is trying to move forward and wants to make sure that processes and improvements are sound, that there are controls, checks and balances. That the Plan has systems backed-up and redundancies where they are needed.

The Plan has had a series of different leaders come in and put in more controls around activities. One of the first areas was to put a Senior Buyer in place, Clifford Waites, a

gentleman with extensive background on how to manage a procurement process and controls. He has written detailed policies and procedures and established a purchasing card system which about 22 people have specific restrictions, purposes and dollar limits. He has placed a rigorous bidding processes around any of the contracts that are over \$50,000 and ensures that every contract over \$100,000 comes to the Commission for approval.

Commissioner Glycer asked how long Mr. Waites has been with the Plan and how long the procedures have been in place. CEO Villani responded that Mr. Waites started with the Plan in May 2014 and has been putting these processes in place. The Plan has not yet brought in an internal auditor.

Commissioner Fisher stated 22 cards seemed excessive and would leave a lot of room for potential error, but it sounds like you have it segregated for each person.

COO Watson added that the cards are very restrictive; her limit is \$2,000 and is only for travel, the controls are such that it would not allow her to use it for anything else. It is very limited, prescribed, automated and very hard to abuse.

CEO Villani stated that he does not necessarily disagree that 22 cards are the right number; however, it has all been based on previous purchasing patterns. We can monitor it over time and see if it needs to be cut back in any way.

Another area that there was a lot of focus and discussion around was the Human Resources Department. The Plan has engaged an administrative expert, Vicki Hewlett, to take a hard look at the overall policies. With the director position now being vacant, she is assisting with the recruitment as well. We have really looked at what we need for the department and have elevated it to a Senior Director position. Part of the recruitment is looking at hiring the most diverse candidates that we can find, the search has been expanded to reach out to different areas where the candidates can give us the equity we need. This is an important part of our senior leadership team.

The Plan's policies and procedures are a cut and paste from RGS. We are in the processes of drafting a whole series of new policies and procedures, and personnel rules. This will need to be brought back to the Commission for their review and approval.

The Plan also has too many job titles and no job families. We want people to have the opportunity to move and progress within any of the different families and eliminate the multitude of different job descriptions.

Another area of importance is around who and how policy is approved within GCHP. Government Relations Director Guillermo Gonzalez chairs the Policy Review Committee, and there is a rigorous and structured process and legal review to get policies reviewed and approved before they come to the Commission.

The Plan continues to look at the timecard and payroll system, ADP. We have created a cross functional committee that is looking at the ADP functionality. There has been

ongoing discussion around the vacation balances that are in ADP versus what HR currently shows for vacation balances and there is a manual audit process that verifies that the two line up. Our goal is to have an automated system plug in.

There was some discussion around making sure the Plan had a robust employee assistance program. That has been in place since 2012.

Fraud Waste and Abuse training is handled annually and the Fraud Waste and Abuse hotline is also available.

The last area was around accounting practices; I believe one of the most important things is to have the checks and balances. Having the internal audit activity is new, we have not had that before and we will present that back to the Commission. This is a huge portion of the check and balance, making sure that what we are doing is being verified and does not report into finance. It is an independent reporting activity.

We are confident that the Accounts Receivable reconcilable processes we have in place are adequate, but we can certainly make it better.

Commissioner Alatorre asked if the internal auditor would have a direct line to the Commission such as Compliance. CEO Villani stated that he believes it will be something similar.

Chair Araujo asked if CEO Villani was envisioning a regular report from the internal auditor. CEO Villani, without committing to anything yet, he did envision that the Commission would hear independently as to what they are observing, reporting and tracking.

Those are the main areas of focus that I wanted to take a few minutes and talk about, in terms of additional controls. Errors were made, but we think going forward we are putting the correct process and controls in place.

Commissioner Alatorre asked about plans on cultural competency.

CEO Villani responded that it is an annual training requirement. The Plan engaged an outside trainer who came in and trained all supervisors and above. We completed that training, it is done. It was senior management assessment that the person doing the training was not the best. The decision was made that before we roll it out for all employees, and our goal is before the end of the year to have it complete. Is to get a more qualified instructor. The level of content and materials presented were focused enough on the work place.

Commissioner Alatorre asked about equity, fairness and promotional opportunities and salary increases. CEO Villani responded that all of the pay ranges were reviewed. There is a Commission approved pay range for all staff. Some staff were outside that pay range, very few, but those were staff that were moved into their pay ranges. Everyone is now within the approved pay ranges. There is equity in terms of approved pay ranges

and aligned to the current rolls. There is a process by which annual reviews are done for all employees. That is a hard requirement, if we haven't been doing it then we will be doing it. Now, we are about to finish our goals and the annual reviews should tie back to the goals and our accomplishment of those goals. We talk about who gets an increase each year, there are merit increases that are tied to performance. We want to have a fair and equitable annual review process tied to organizational goals as approved by the Commission and then be able to score people against their performance. The scale we use now is 0-5. Typically in my history, if you are a 3 you are doing everything in your job description. Some individuals may never get increases due to their performance. There are other things out there that are broader discussion, like market adjustments. One of the things that Vicky is looking at is the equity of the salaries. This will go back to the Commission as to what is the equity of overall salaries compared to the industry. That is discussion for a future date to come back and discuss with the Commission. That could drive some market adjustments.

Chair Araujo suggested that in future meetings maybe a short report of how things are going as things are being changed

CEO Villani stated that he will include that in the CEO Update.

COMMENTS FROM COMMISSIONERS

Commissioner Pupa commended staff of the HEDIS measures. From a Knox Keene licensing standpoint, I understand staff's concern. \$1 million may be a little low for licensing in terms of overall project costs.

COO Watson since I share your concern about the dollar amount, we do have probably the next fiscal year to make it happen so it gives us time should the budget turn out to be low.

Chair Araujo thanked CEO Villani for the report and all of the things that have already been in place. We are looking forward to hearing updates as the months go on. I did also want to bring it the Commission that at the last Executive / Finance Committee Meeting the Committee discussed meeting every two months. Then also bring up to the Commission if it wanted to change its schedule. Legal Counsel Campbell stated that the most appropriate way would be to amend the bylaws. Chair Araujo stated that will have to be made as an agenda items at a later date.

CLOSED SESSION

Legal Counsel Campbell explained the purposes of the Closed Session Items.

CLOSED SESSION

The Commission adjourned to Closed Session at 4:37 p.m. regarding the following items

- a. **Conference with Legal Counsel - Existing Litigation Pursuant to Government Code Section 54956.9**
Clinicas Del Camino Real Inc. v. Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan. Ventura County Superior Court Case Number 56-2014- 00456149-CU-BC-VTA
- b. **Conference With Legal Counsel – Anticipated Litigation Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Section 54956.9**
Number of Cases: Unknown

RETURN TO OPEN SESSION

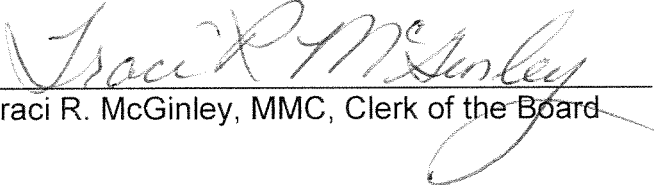
The Regular Meeting reconvened at 6:30 p.m.

Legal Counsel Campbell stated that no reportable action was taken in Closed Session.

ADJOURNMENT

Meeting adjourned at 6:31 p.m.

APPROVED:



Traci R. McGinley, MMC, Clerk of the Board