

**Ventura County Medi-Cal Managed Care Commission
(VCOMMCC) dba Gold Coast Health Plan (GCHP)
Executive / Finance Committee Meeting Minutes
October 8, 2015**

CALL TO ORDER

Chair Araujo called the meeting to order at 3:06 p.m. in the Executive Conference Room at Gold Coast Health Plan, 711 E. Daily Drive, Suite 106, Camarillo, CA 93010.

ROLL CALL

COMMITTEE MEMBERS PRESENT

Antonio Alatorre, Clinicas del Camino Real, Inc.
David Araujo, MD, Ventura County Medical Center Family Medicine Residency Program
David Glycer, Private Hospitals / Healthcare System
Dee Pupa, Ventura County Health Care Agency

EXCUSED / ABSENT COMMITTEE MEMBERS

Gagan Pawar, MD, Clinicas del Camino Real, Inc.

STAFF IN ATTENDANCE

Ruth Watson, Chief Operating Officer
Patricia Mowlavi, Chief Financial Officer
Traci R. McGinley, Clerk of the Board
Scott Campbell, Legal Counsel
William Freeman, Network Operations Director
Anne Freese, Pharmacy Director
Steven Lalich, Communications Director
Al Reeves, MD, Chief Medical Officer
Lyndon Turner, Financial Analysis Director

PUBLIC COMMENTS

None.

1. APPROVE MINUTES

a. July 9, 2015 Regular Meeting Minutes

Committee Member Glycer moved to approve the July 9, 2015 Regular Meeting Minutes. Committee Member Araujo seconded. The motion carried with the following vote:

AYE: Araujo, Glycer and Pupa.
NAY: None.
ABSTAIN: Alatorre.

ABSENT: Pawar.

2. APPROVAL ITEMS

a. 2016 Executive / Finance Meeting Calendar

Committee Member Alatorre moved to approve the 2016 Executive / Finance Committee Meeting Calendar. Committee Member Glycer seconded. The motion carried with the following vote:

AYE: Alatorre, Araujo, Glycer and Pupa.

NAY: None.

ABSTAIN: None.

ABSENT: Pawar.

3. ACCEPT AND FILE ITEMS

a. CEO Update

COO Watson reviewed the report and updated the Committee on the Pharmacy Benefit Manager (PBM) Request for Proposals (RFP). She explained that during the first week of November, a new PBM RFP would be released due the determination by the Fair Political Practices Commission (FPPC) regarding the consultant's participation in the original RFP.

Pharmacy Director Freeze explained that new pharmacy rebate regulations which may significantly benefit the Plan will be built into the new RFP. Discussion was held regarding the new pharmacy regulations, other pharmacy rebate programs and generic medications.

COO Watson added that due to the delay caused by the RFP, the current PBM contract with Script Care would need to be extended as well as the Administrative Services Organization (ASO) contract.

COO Watson advised the Committee that the behavior health provider, Beacon Health Strategies (Beacon), has been sent additional compliance notices. Beacon has been unable to provide specific reports needed and there are concerns that they are unable to process claims as per their contract which is a risk to the Plan. A Request For Information (RFI) has been sent to Beacon and other potential vendors.

Chair Araujo noted that it would be helpful if the physicians knew what happens once a provider refers a member to behavior health. It would be most helpful if Providers at least knew what medications have been prescribed to the member. CMO Reeves added that most of the behavior health medications are carve-outs and the Plan does not receive the information from the State for approximately one year.

COO Watson noted that it may be helpful to reach out to Providers and ask what kind of challenges they have experienced.

b. CFO Update – July and August Financials

CFO Mowlavi advised the Committee that the FY 2013-14 audited financials were completed by McGladrey, LLP and sent to the Department of Health Care Services (DHCS). The new auditors, Moss-Adams, LLP have been very efficient; however they cannot complete a majority of the FY 2014-15 audit until they obtain access to McGladrey's work papers.

In response to questions from Committee Member Glycer regarding the Membership Mix and Revenue Impact of the Performance Graphs, CFO Mowlavi explained that the graph was based on 2 months actuals and 10 months budget.

Committee Member Glycer asked how the unallocated reserve margins are so high compared to the most successful COHS which are between 3-4%. He added that he understood that an Unallocated Reserve and Loss statement by program would be provided to the Committee.

In response to questions from Committee Member Glycer, COO Watson explained that the biggest driver of the unallocated reserves has been the Adult Expansion (AE) population. Financial Analysis Director Turner added that the Targeted Low Income Children (TLIC) population does as well.

Committee Member Glycer asked if the State could come in and take more money than the Plan has reserved. CFO Mowlavi responded that the Plan's reserve is adequate and results in the Medical Loss Ratio (MLR) for the AE population being equal to the 85%, as required by the State.

COO Watson added that there is no indication that the State will take more than the 85%, but will most likely lower the AE rates to better reflect the population in future rate development actions. Financial Analysis Director Turner added that the only risk that he sees is that they will retroactively define something that is not allowed in the MLR.

Discussion was held regarding membership. COO Watson added that through October membership was approximately 197,000, a gain of almost 4,000 members.

Committee Member Pupa moved to accept and file the CEO Update and the CFO Update – July and August Financials. Committee Member Alatorre seconded. The motion carried with the following vote:

AYE: Alatorre, Araujo, Glycer and Pupa.
NAY: None.
ABSTAIN: None.
ABSENT: Pawar.

COMMENTS FROM COMMITTEE MEMBERS

None.

CLOSED SESSION

Legal Counsel Campbell explained the purpose of the Closed Session item.

ADJOURN TO CLOSED SESSION

The Committee adjourned to Closed Session at 3:59 p.m. regarding the following items:

- a. **Conference with Real Property Negotiators Pursuant to Government Code Section 54956.8**
Agency Designated Representatives: Scott Campbell, legal counsel; Dale Villani, CEO; Ruth Watson, COO; Jeffrey Gauthier, Facilities Manager; William G. Kiefer, Executive Vice President NAI Capital, Inc.
Property Owners and Subject Real Property: 711 Building LLC, 770 Paseo Camarillo, Camarillo, CA 93010
Under Negotiation: Price and Term of Payment

RETURN TO OPEN SESSION

The Regular Meeting reconvened at 4:51 p.m.

Legal Counsel Campbell stated there were no announcements from Closed Session.

ADJOURNMENT

Meeting adjourned at 4:53 p.m.

APPROVED:



Traci R. McGinley, MMC, Clerk of the Board