

**Ventura County Medi-Cal Managed Care Commission (VCMMCC)
Executive/Finance Committee**

July 7, 2016 Regular Meeting Minutes

CALL TO ORDER

Committee member Dee Pupa called the meeting to order at 3:07 p.m. in the Bell Canyon Conference Room located at Gold Coast Health Plan, 770 Paseo Camarillo, 2nd Floor, Camarillo, California.

ROLL CALL

Present: Committee members Antonio Alatorre, Barry Fisher (arrived at 3:14 p.m.), Darren Lee (arrived at 3:11 p.m.), Dee Pupa, and Jennifer Swenson.

Absent: None.

Committee member Pupa presided until Committee member Lee arrived at 3:14 p.m.

PUBLIC COMMENT

None.

CONSENT CALENDAR

1. Minutes

RECOMMENDATION: Approve the minutes of the special Executive/Finance Committee meeting of February 11, 2016.

Committee member Lee requested a motion to approve the minutes as all the items had been forwarded to the Ventura County Medi-Cal Managed Commission on February 22, 2016. Scott Campbell, General Counsel, stated since all the items in the minutes had been discussed in open session, a motion could be made.

Committee member Alatorre moved to approve the recommendation. Committee member Pupa seconded. The vote was as follows:

AYES: Committee members Alatorre, Lee, and Pupa.

NOES: None.

ABSENT: Committee members Fisher and Swenson.

Committee member Lee declared the motion carried.

FORMAL ACTION ITEMS

2. May 2016 Fiscal Year to Date Financials

RECOMMENDATION: Accept the May 2016 Fiscal Year to Date Financials and forward to the Ventura County Medi-Cal Managed Care Commission for approval.

Patricia Mowlavi, Chief Financial Officer, reported Gold Coast Health Plan (GCHP) continues to maintain a positive performance with a net gain of assets of \$35.1 million; both medical benefits and administrative costs have risen which was expected, but remain favorable to the budget; Tangible Net Equity (TNE) has increased to approximately \$135 million, which is \$42.5 million better than budget; and the Cash and Operating Expense Requirements graph illustrates the \$208 million owed to the State due to the Adult Expansion rate overpayments and the 85% Adult Expansion Medical Loss Ratio. At this time, GCHP does not know when the State will require the repayment of the money. The State has started to take back a portion of the rate overpayments and are now paying at a more current rate, but continue to overpay the base rate. The key point is once this payment has been made, GCHP will have just over two months of operating expenses in terms of cash. Additionally, the State has not made the May or June payments, but this will not impact GCHP's payments to providers.

A discussion followed between the Committee members and staff regarding the State's continual overpayments due to an outdated computer program; the reminder the goal of the TNE is to be within a range so the monies are being utilized in the community; a timing issue created the change in the Managed Care Organization (MCO) tax; how unpaid days are incurred, but are not reported calculations; and \$14 million was paid regarding the Physician ACA 1202 Payable funding with the remainder to be paid once the reconciliations have been made.

Committee member Pupa moved to approve the recommendation. Committee member Swenson seconded. The vote was as follows:

AYES: Committee members Alatorre, Fisher, Lee, Pupa, and Swenson.

NOES: None.

ABSENT: None.

Committee member Lee declared the motion carried.

PRESENTATIONS

3. Procurement Overview

Bob Bushey, Procurement Officer, gave an overview on GCHP's sourcing process, which is a fact-based approach using qualitative and quantitative factors to select vendors. It was noted policy states any amount over an aggregate amount of \$50,000 requires three competitive bids; and the standard documents have been redone with refinements made to the templates for specialized areas like construction and technology with a focus on risk assessment. The steps in the process included: profile internally and externally; develop strategy; screen vendors and selection factors; create a request for proposal; share and negotiate value propositions; and implement agreements.

4. Audit Plan Update

Will Oliver, financial consultant from Etonien, gave an update on GCHP's internal audit, which included the preliminary testing for human resources and payroll with the next focus on procurement, accounts payable, and claims.

John Blakey and Stelian Damu, consultants from Moss Adams LLP, gave an overview of the external audit plan for GCHP for the year ending June 30, 2016, as well as discussed current-year developments and auditing standard changes that would affect the audit.

A presentation handout was distributed and filed.

COMMENTS FROM COMMITTEE MEMBERS

None.

ADJOURNMENT

The meeting was adjourned at 4:04 p.m.

APPROVED:



Tracy J. Oehler, Clerk of the Board