

VCMACC

Commission Meeting Minutes

Ventura County Public Health  
2240 E. Gonzales Road, Suite 200  
Oxnard, CA 93036

June 28, 2010

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| √ | <b>Commission Members in Attendance</b>   |  |
| √ | <b>Michael Powers</b> , Director, Ventura County Health Care Agency                                 | √ <b>Roberto S. Juarez</b> , CEO, Clinicas del Camino Real, Inc.     |
|   | <b>Lanyard Dial, MD</b> , Physician, Ventura County Medical Association                             | √ <b>Kathy Long</b> , Ventura County Board of Supervisors            |
| √ | <b>David Araujo, MD</b> , Director, Ventura County Medical Center Family Medicine Residency Program | √ <b>Tim Maurice</b> , Private Hospitals/Healthcare System           |
| √ | <b>Maylee Berry</b> , Medi-Cal Beneficiary Advocate   | √ <b>Catherine Rodriguez</b> , Ventura County Medical Health System  |
| √ | <b>John Fankhauser, MD</b> , Physician, Ventura County Medical Center Executive Committee.          | √ <b>Anil Chawla, MD</b> , Physician, Clinicas del Camino Real, Inc. |
| √ | <b>Rick Jarvis</b> , Private Hospitals/Healthcare System  |  |

| Staff in Attendance                                    | Consultants/Guests in Attendance   |
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| <b>Terrie Stanley</b> , Interim CEO, Ventura COHS      | O. Z. Kamara, Contract Manager, California Department of Health Care Services (DHCS) |
| <b>Jon Polich</b> , Assistant County Counsel           | Cris DeMorais, Chief, COHS Unit, DHCS  |
| <b>Dee Pupa</b> , Interim Assistant Clerk of the Board |  |
| <b>Alison Sawyer</b> , Interim Clerk of the Board      |  |

| AGENDA ITEM / PRESENTER                               | MOTIONS / MAJOR DISCUSSIONS   | ACTION TAKEN  |
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| 1. Call to Order<br>Roll Call<br><br>Michael Powers   | <ul style="list-style-type: none"> <li>The meeting was called to order at 3:05 p.m.</li> <li>All Commissioners present, except for Drs. Chawla and Dial.</li> <li>A quorum was present</li> <li>Pledge of Allegiance</li> <li>Chairman Powers reminded the audience that speaker/statement cards were available for their use.</li> </ul> |   |
| 2. Minutes of the Prior Meeting<br><br>Michael Powers | The Minutes of the May 24, 2010 VCMACC meeting were presented for review and approval.  | Mr. Maurice made the motion to approve the minutes, Supervisor Long seconded.<br><b>Approved, 9-0</b> |
| 3. Interim CEO Report                                 | Ms. Stanley provided a status update summary, including the   | Informational Item  |

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| <p>Terrie Stanley</p>   | <p>following:</p> <ul style="list-style-type: none"> <li>• State Contract and Rates: Rates have been requested from the State and the process is moving along, close to finalization. The Contract Manager anticipates that a formal letter will be sent in the beginning of July. The State has asked for a number of items from the COHS. In addition, the State has to request a waiver from CMS. The State is reviewing the list of about 112 deliverables submitted by the COHS – once approved, the list will be brought to this Commission to finalize. Ms. Stanley noted that an October start date would be extremely difficult.</li> <li>• ACS Contract for Administrative Services: The contract has been signed and finalized. The next stage is to develop the work plan to submit for approval from the State, detailing all the steps. ACS will be providing claims/ member call center/ contracting/ delegating credentialing functions. Ms. Stanley reiterated that part of the ACS proposal includes the pharmacy piece but as a separate contract. This is still in the works.</li> <li>• RGS Contract for Staffing and Recruitment: The contract is signed and finalized. Ms. Stanley noted she has a meeting with RGS today. They are beginning the process of recruitment – focusing on CEO/CFO/CMO – the job description and salary range has been finalized for the directors’ level.</li> <li>• California Association of Health Insuring Organizations (CAHIO): Ms. Stanley noted that, on June 15<sup>th</sup>, she had attended a strategic planning session of this body (of which the Ventura COHS is now a member). The session covered a number of items (such as Health Care Reform, the Waiver, State Budget issues, and Advocacy in Sacramento) that she will be bringing to this Commission. She asked the Commission if it would prefer to conduct a separate educational session on Health Care Reform or have time set aside at each meeting for covering the information. Commissioner Araujo suggested that about ten minutes be set aside at each meeting for presenting pertinent information. Supervisor Long concurred, noting it should go on the agenda.</li> <li>• Executive/Finance Committee meeting: Ms. Stanley informed</li> </ul> |              |

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|   | <p>the Commission that the first meeting of the Executive/Finance Committee was held on June 16. She noted that a number of the items on today’s agenda presenting as recommendations were discussed in Committee. Commissioner Juarez expressed concern that the Commission would be unable to take action on those recommendations without the approved minutes from the Committee meeting. Ms. Stanley noted that as the items discussed by the Committee were recommendations only and the Commission makes its own determinations, the approved minutes are not required at this point. Chairman Powers concurred. In response to a question from Supervisor Long, Counsel John Polich noted that this Commission “receives and files” the Committee minutes with no other action required.</p> <p>Commissioner Chawla is now in attendance.</p> |   |
| <p>4. Directors and Officers Insurance Policy Proposals</p> <p>Terrie Stanley</p>             | <p>Recommendation: Approve Travelers Insurance for VCMMCC Directors and Officers Insurance, and Authorized Interim CEO to Sign Agreement.</p> <p>Ms. Stanley noted that after both her own review of carriers and one by the broker, Travelers Insurance was selected for recommendation to the Commission. Travelers presents the best option: it is highly rated, most comprehensive and is a good value. The coverage they can offer will have a limitation of \$1M, with a \$25k retention. The policy will be for 12 months with a cost of \$6744. After one year in business, the COHS can move from the \$1M limit to \$2M or \$3M.</p>  | <p>Mr. Juarez made the motion to approve the recommendation; Dr. Araujo seconded.</p> <p><b>Approved, 10-0</b></p>  |
| <p>5. Verbal Summary of Executive Finance Committee Meeting 6/16/10</p> <p>Terrie Stanley</p> | <ul style="list-style-type: none"> <li>Ms. Stanley presented the 2010 Executive/Finance Committee meeting schedule which was adopted at its first meeting. The Committee had agreed with Dr. Chawla proposal of a start time of 3:30 pm. Ms. Stanley noted that she had assistance from Narcissa Egan (HCA Asst CFO) in preparing reports for the Committee. The Committee selected Ms. Stanley and Ms. Egan as Co-Chairs. Ms. Stanley noted that chairs of Executive/Finance Committees are usually from the staff level.</li> <li>Ms. Stanley presented the Policy for VCMMCC CEO Signing</li> </ul>  | <p>Mr. Juarez made the motion to approve the VCMMCC CEO Signing Authority for Contractual Agreements for Administrative Goods and Services with the amendment that it includes the <u>Interim</u> CEO, Supervisor Long seconded.</p> <p><b>Approved, 10-0</b></p> |

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|   | <p>Authority for Contractual Agreements for Administrative Goods and Services. The policy authorizes the CEO to sign agreements of up to \$100k for administrative goods and services. In addition, a minimum of three bids will be solicited. If only a sole source is available, documentation will be kept on file substantiating the need for those agreements in excess of \$50,000. The CEO will sign agreements for administrative services and goods for amounts greater than these limits at the direction of the Commission. Ms. Stanley emphasized that contracts with providers for the delivery of health care services to beneficiaries are exempt from this process.</p> <p>Dr. Araujo inquired if the contracts needed to be presented to the Commission. Mr. Powers suggested that a report of executed contracts could be given to the Commission. Dr. Fankhauser suggested this be an informational item. Mr. Juarez concurred with the suggestion and inquired if this policy applies to the interim CEO as well as the permanent CEO. Ms. Stanley responded that it would apply to whoever is in the role. Mr. Juarez expressed concern for the period of time when the CEO will not be an employee of the COHS.</p> |  |
| <p>6. Addition of Executive Duties to Executive Finance Committee</p> <p>Terrie Stanley</p> | <p>Recommendation: Define the Executive Duties of the Executive/Finance Committee and add to the Resolution that established the Committee.</p> <p>Ms. Stanley noted that most of the duties define in the original document detailing the Committee responsibilities were finance-based – a further look is recommended given that this is a combined function committee. Ms. Stanley reviewed the suggested added duties with the Commission. In reference to one of these duties being evaluating the CEO’s performance, Supervisor Long proposed that this particular issue should be brought forward to the full Commission. Mr. Juarez suggested that the functions be broken out to separate committees: one for the HR function, one for executive function, and one for the finance function. He noted that some of the included duties belong to other committees. In addition, he expressed</p>  | <p>Commissioner Maurice made the motion to approve the recommendation; Dr. Chawla seconded.</p> <p><b>Approved, 10-0</b></p> |

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|  | <p>concern that these added duties may give this small group the authority of the Commission. He wondered about the challenges posed by delegating duties now to this committee and pulling them back later. Supervisor Long stated that she did not disagree with Mr. Juarez, but wondered at what point this Commission matures to the point to require the separate committees. She suggested input from the permanent CEO would be pivotal. There was some discussion on extracting the ad hoc appointment authority to the Commission. Mr. Juarez emphasized the importance of transferring the HR function to an HR committee as early as possible.</p>   |   |
| <p>7. Selection of a Name for the Ventura County Organized Health Plan</p> <p>Terrie Stanley</p> | <p>Recommendation: Select a Name for the Ventura County Organized Health System.</p> <p>Ms. Stanley started the discussion of choosing a “name” (dba) for the COHS by noting that having an easily recognized “brand” for the COHS’ message to the community. She reviewed three suggestions that had been developed: Ventura County CHOICE, Cal-CHOICE, and CHOICE Health Plan. There was discussion among the Commissioners about the impact of (1) having “Ventura County” in the name (emphasizes that coverage is limited to one county), (2) starting with a letter near the start of the alphabet (puts it near the top of any list), and (3) including the word “Choice” (reinforces the idea of choices for beneficiaries in this county).</p> <p>Public Comment: Rev Threat suggested making the selection a community project. Dr. De La Garza wondered it might be worth it to hire a professional firm to develop a name.</p> <p>Supervisor Long questioned the urgency. She also wondered if money could be spent to have a marketing firm work with the Commission to build mission-vision-goals in order to advance the development of a name. Dr. Chawla suggested, and Commissioner Maurice agreed, that more input before a decision is made. Commissioner Berry expressed the opinion that money should not be spent on a name or logo. Chairman Powers commented that a name</p> | <p>Supervisor Long made the motion to ask HCA PIO Sheila Murphy to explore options and report back to the Interim CEO; Mr. Maurice seconded.</p> <p><b>Approved, 10-0</b></p> |

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|  | <p>and logo are important and the COHS will need one. He called on HCA Public Information Officer (PIO) Sheila Murphy, from the audience, to ask if she knew of any professional group that could assist. Ms. Murphy said that there is an association of county PIOs – she could ask them to brainstorm. Ms. Stanley responded in the affirmative when Mr. Juarez inquired if recommendations could be referred to her.</p>   |   |
| <p>8. Provider Reimbursement Policy - Finance Committee Recommendation</p> <p>Terrie Stanley</p> | <p>Recommendation: As recommended by the Executive/Finance Committee, provider reimbursement will be based on current Ventura County Medi-Cal reimbursement rate, using the following principles:</p> <ul style="list-style-type: none"> <li>- Pay providers within the same class at the same (or, if agreed to, lower than) current Medi-Cal payment rate.</li> <li>- Follow DHCS contract requirements for reimbursement of Federally Qualified Health Centers (FQHCs).</li> <li>- Allow providers to accept risk only for services they are duly licensed to do.</li> </ul> <p>Noting the listed providers and facilities that would be covered by these reimbursement principles, Mr. Juarez sought confirmation that provider networks were also included. Ms. Stanley responded in the affirmative. Ms. Stanley reminded the Commission that the pharmacy provider contracting will be handled by the COHS’ pharmacy benefits manager (PBM), ScriptCare.</p> <p>Mr. Maurice inquired if sub-acute care was included. Ms. Stanley responded that it would be included with long term care. Mr. Maurice informed the Commission that there had been a 5% reduction in reimbursement rate for sub-acute care, as with hospital based care. He suggested that any reimbursement rate decision reflect that this reduction is considered temporary.</p> <p>Mr. Juarez inquired if the rate was capitated for fee for service. Ms. Stanley responded that the COHS would work with Milliman to develop capitation rates for PCP and other providers. Mr. Juarez suggested that he would like to see the contract before reimbursement decisions are made. Dr. Chawla proposed tabling this discussion until rates and contract language are received from the State. Chairman</p> | <p>Dr. Araujo made the motion to approve the guiding principles, using Medi-Cal rates and including networks; Dr. Fankhauser seconded.</p> <p><b>Approved, 10-0</b></p> |

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|                         | <p>Powers asked Ms. Stanley what the purpose of this recommendation was. Ms. Stanley state that she can – once the State rates are received – work with the actuaries based on the model developed using the negotiating principles. Dr. Araujo noted that the Commission will want to look at many different rate scenarios. Chairman Powers clarified that these are just negotiating principles and can be amended by the Commission in the future if necessary.</p> <p>Mr. Maurice inquired if the rates would be universal or negotiated. Ms. Stanley stated that she would talk to each individual hospital and come back to the Commission. She also noted that some rates are already set: for long term care, each facility has its own negotiated rates; but for specialty care, rates are set for visits, procedures, etc., and the State will provide the latter.</p> <p>Mr. Juarez commented that although the State will provide the rate, it is up to the COHS to strategize and determine the appropriate distribution. He stated that he could agree to naming general terms but not specific rate level.</p> <p>Mr. Maurice expressed a concern that the Policy was too simplistic. Supervisor Long inquired if this disadvantaged the COHS at all. Mr. Maurice commented that temporary reductions should not be made permanent, noting that there were complex issues. Mr. Jarvis noted that some providers may have expanded services since their last contract and wondered if this would box in those providers. Ms. Stanley stated that she did not believe this to be the case.</p> <p>Ms. Stanley emphasized that it is important to set expectations—she recommended that the Commission support the concept that Medi-Cal is used as a base, especially in year one when there is no history. She commented that the issue may need to be revisit if negotiations are not successful.</p> <p>Mr. Powers inquired about the impact of not approving the negotiating principles today. Ms. Stanley responded that it prevents moving forward with provider discussions.</p> <p>Mr. Juarez suggested that it would save time and effort to contract with a network. Mr. Maurice felt that setting policy may be too restrictive, but that general guidelines were ok. Dr. Chawla agreed</p> |              |

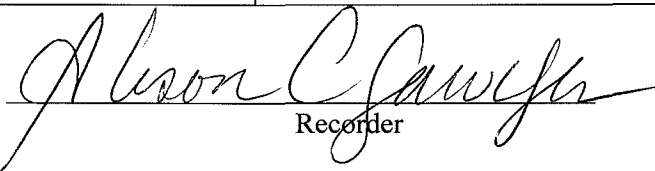
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|   | <p>that she could support general guidelines.<br/>                     Dr. Araujo inquired what the Finance Committee said. Ms. Stanley responded that the Committee agreed to the principle. She stated that she would like direction from the Commission as principles to use so she can move forward with beginning discussions for the purpose of provider contracting.</p>  |  |
| <p>9. Network Development, Provider Contracting, Budgetary Process - Finance Committee Recommendation</p> <p>Terrie Stanley</p> | <p>As recommended by the Executive/Finance Committee:<br/>                     Recommendation #1: Authorize the interim CEO to open provider negotiations for contracting based on Provider Reimbursement Policy.<br/>                     Recommendation #2: For provider contracts for the delivery of health care services to beneficiaries, the CEO and CFO shall develop a budget for those services. This budget will be reviewed by the Finance Committee and approved by the Commission. All contracts entered into will be within the allotted amounts as detailed in this budget.</p> <p>Mr. Juarez inquired who the contract staff would be. Ms. Stanley noted that they are working to put the staff together. She said that ACS has stated they would assist, but should not approach providers alone. Until there is dedicated staff for this, she will accompany them. Mr. Juarez sought confirmation that the specialty physician category included networks. Ms. Stanley responded in the affirmative. Mr. Juarez inquired if the budget for each pool would be developed by the actuaries or by the staff locally. Ms. Stanley responded that the actuaries would develop it although the staff might begin the process.</p> <p>Mr. Maurice questioned whether the Finance Committee would have access to specifics. Ms. Stanley said that this information is typically not shared due to conflict of interests. She responded in the affirmative when he asked if the Committee would see the aggregate. Commissioner Rodriquez agreed that the sharing of information that would impair the ability of staff to negotiate would be disallowed. The staff must maintain confidentiality.</p> | <p>Mr. Juarez made the motion to approve the recommendations; Ms. Berry seconded.<br/> <b>Approved, 10-0</b></p> |
| <p>10. Delegation of Authority to</p>   | <p>Recommendation #1: Delegate to CEO/Interim CEO the authority to</p>   | <p>Mr. Juarez made the motion to</p>   |



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| <p>CEO to Develop, Review and Approve Template Provider Contracts</p> <p>Terrie Stanley</p>                    | <p>develop, review, approve and implement template provider contracts for Primary Care Physicians, Specialty Physicians, Hospitals and Ancillary Service Providers.</p> <p>Recommendation #2: Adopt the “Scope of Capitated Primary Care Services” for inclusion in Primary Care Contracts.</p> <p>Ms. Stanley informed the Commission that the other COHS have worked together to come up with a template provider contract that contains language as required by the DHCS. Ventura COHS will have the template reviewed by our own legal counsel, but they have already been reviewed by the counsels for the other COHS. She noted that the final Commission-approved template will need to be sent to the State for their approval. In response to Mr. Juarez question concerning in-house counsel, Ms. Stanley noted that they only have two bids so far and are soliciting a third.</p> <p>On the topic of the Scope of Capitated Primary Care Services, Dr. Fankhauser expressed concern that PCPs would be disincentivized from doing a higher level of care. Ms. Stanley noted that it is important to incentivize services to occur at the right level. There would need to be a separate discussion for services not on the approved list as they would be reimbursed separately. Ms. Stanley responded in the affirmative when asked by Mr. Juarez is there will be a Prior Authorization list. Dr. Fankhauser identified two services on the list not done by 90% of PCPs. Dr. Chawla suggested that more time was needed to review the list. She wondered if sample lists could be obtained from other COHS.</p> <p>Ms. Stanley stated she understood that the Commission agreed that certain services will be included in the capitation rate and some will be fee-for-service, and that services requiring prior authorization will need to be identified.</p> | <p>approve Recommendation #1; Dr. Chawla seconded.<br/><b>Approved</b>, 10-0</p> <p>Recommendation #2 was tabled</p>                                     |
| <p>11. Administrative Members and Auto-Assignment – Finance Committee Recommendation</p> <p>Terrie Stanley</p> | <p>Recommendation: As recommended by the Executive/Finance Committee, Approve the attached policy addressing categories of members and the process to assign members who fail to select a PCP within 30 days of assignment to the Ventura COHS plan.</p>   | <p>Mr. Maurice made the motion to approve the recommendation with the amendment that the Policy would cover all of a clinic network; Supervisor Long</p> |

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|  | <p>Ms. Stanley reviewed the Policy with the Commissioners, informing them that the Policy will establish the process by which members not assigned to PCPs will be assigned, on a rotating basis, to open PCPs, in line with DHCS contractual requirements. She noted that members are unassigned for a variety of reasons: no PCP selection made, a resident in long term care, an out-of-area resident, other health insurance is primary, or a member with a share of cost. Dr. Araujo inquired if there was a definition of a PCP. Ms. Stanley noted that a PCP is a physician willing to provide all preventive and routine care to the member, including practitioners in Internal Medicine, Family Practice, Pediatrics, and OB/Gyn. She also state that a “scope of PCP practice” would need to be developed, noting that the budget in established assuming that the PCPs will offer the full scope of PCP practice services, as so defined. In response to a question from Mr. Juarez, Ms. Stanley said that there would be discussions with providers about how auto-assignment would work. Commissioner Rodriguez commented that provider capacity would be an important factor. Mr. Juarez asked if there would be services requiring prior authorization. Ms. Stanley responded that there would be a list of those services that require prior authorization.</p> <p>Public Comment: Mr. Lurie from Community Memorial Healthcare System noted that some of the CMH clinics are not safety-net clinics and he sought clarification concerning the exclusion of non-safety-net clinics. Ms. Stanley said it is not the intention exclude any clinic who will agree to the Policy.</p> | <p>seconded.<br/> <b>Approved</b>, 10-0</p>  |
| <p>12. Establish Executive/Finance Committee as the Nominating Committee for 2011 Officers of VCMMCC</p> <p>Terrie Stanley</p> | <p>Recommendation: Approve the Executive/Finance Committee to serve as the Nominating Committee for confirming candidates for VCMMCC Chair and Vice Chair.</p> <p>Dr. Chawla questioned why the Nominating Committee needed to be named this early in the year. Ms. Stanley responded that the Bylaws call for confirmation of the Nominating committee at the June meeting as it gives the Committee time to do begin the process, doing all necessary work. Mr. Powers commented that his Committee</p>   | <p>Mr. Maurice made the motion to adjourn, Ms. Berry seconded<br/> <b>Approved</b>, 10-0</p> |

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|  | serves a more technical/administrative function.  |  |
| 13. Final Comments from Commissioners    | Supervisor Long commented that the Commission had done a good job with lots of work getting done. Mr. Powers thanked all the Commissioners for their time and preparation.  |  |
| 14. Public Comment/Correspondence        | Pamela Bennett stated she was impressed to see the birth of a new COHS. She inquired who pharmaceutical interests would speak to. Rev. Threat thanked the Commissioners for their work, suggested an audience sign-in be available, and anticipated comprehensive plans for having meetings with providers. |  |
| 15. Adjourn<br><br>Michael Powers, Chair | Mr. Powers adjourned the meeting at 5:25 p.m.   | Supervisor Long made the motion to adjourn, Mr. Maurice seconded.<br><b>Approved, 10-0</b> |

Submitted by:   
Recorder