

**Ventura County Medi-Cal Managed Care Commission
(VCMACC) dba Gold Coast Health Plan (GCHP)
Commission Meeting Minutes
July 23, 2012**

CALL TO ORDER

Chair Gonzalez called the meeting to order at 3:15 p.m. in Suite 200 at the Ventura County Public Health Building located at 2240 E. Gonzales Road, Oxnard, CA 93036.

The Pledge of Allegiance was recited.

ROLL CALL

COMMISSION MEMBERS IN ATTENDANCE

David Araujo, MD, Ventura County Medical Center Family Medicine Residency Program
Maylee Berry, Medi-Cal Beneficiary Advocate
Anil Chawla, MD, Clinicas del Camino Real, Inc.
Lanyard Dial, MD, Ventura County Medical Association
Laurie Eberst, Private Hospitals / Healthcare System
John Fankhauser, MD, Ventura County Medical Center Executive Committee
David Glycer, Private Hospitals / Healthcare System
Robert Gonzalez, MD, Ventura County Health Care Agency
Roberto S. Juarez, Clinicas del Camino Real, Inc.
Kathy Long, Ventura County Board of Supervisors
Catherine Rodriguez, Ventura County Medical Health System

STAFF IN ATTENDANCE

Cassie Undlin, Interim CEO
Nancy Kierstyn Schreiner, Legal Counsel
Sonia DeMarta, Interim Chief Financial Officer
Traci R. McGinley, Clerk of the Board
Paula Cabral, Administrative Assistant
Charlie Cho, MD, Chief Medical Officer
Steven Lalich, Communications Director

Language Interpreting and Translating services provided by GCHP from Lourdes González Campbell of Lourdes González Campbell and Associates.

PUBLIC COMMENT / CORRESPONDENCE

None.

1. APPROVAL OF MINUTES

- a. Regular Meeting of April 23, 2012
- b. Regular Meeting of May 21, 2012
- c. Regular Meeting of June 25, 2012
- d. Special Meeting of June 29, 2012

Clerk McGinley requested that the Minutes of June 25, 2012 Meeting be pulled as additional information regarding the Closed Session was needed. Commissioner Eberst moved to approve the minutes with the exception of June 25, 2012; Commissioner Berry seconded. The motion carried. **Approved 11-0.**

2. CEO MONTHLY REPORT

Interim CEO Undlin informed the Commission that she, Chair Gonzalez and Commissioner Rodriguez (as Commissioner Juarez was out of town) met with Margaret Tatar, Department of Healthcare Services on June 20, 2012.

Chair Gonzalez and Commissioner Rodriguez reported that the State was pleased with the Plan's progress, with exception of claims. There are numerous sub-committees that need to look at functions of the Plan. We believe the State feels the Plan is functioning well, but communication helps.

Interim CEO Undlin reported that staff is looking at how ACS does all off site activity and analyzing the contract. The Milliman system has been implemented, but is still being tested. We are improving the program and we are looking at the provider contracts. We are also looking at hospital audits.

Interim CEO Undlin stated that the conversion of the state eligibility file, refund process for ACS and reporting of claims are being worked on. Implementation of the billing edit claim software is in process. GCHP has hired a Vendor Manager who will be overseeing the day-to-day operations.

We have put together a Community Outreach Committee group from CMH, Clinicas, St. John's and VCMC. Commissioner Berry is on the committee and we are bringing in some Medicaid recipients, as well as staff to strategize how to best do our outreach and involve people in the community.

CMO Dr. Cho explained that the Plan inherited a large number of transplant cases from the State (about 30). To date there has been approximately six. Dr. Cho added that the addition of Cedars Sinai to our contracts is helping. A lot of calls from UCLA to do transplants have also been received.

Commissioner Dial remarked that the Pharmacy Newsletter was excellent and was very impressed. Dr. Cho stated that Richard Kleinberger and Script Care were responsible

for researching which areas need to be looked at and the committee has been very helpful.

Health Services has begun the integration of the hospital authorization system and the claims system is moving into phase two which will help staff be more efficient. Skilled nurses have been brought in who can focus on specific issues. DME is an area where we brought in skilled nurses to focus on the acute and long-term care patients.

Provider Services conducted a Cultural and Linguistic training session with 31 provider representatives and how to access an Interpreter.

Members will no longer be retroactively enrolled with GCHP; they will not be active until the first of the month. The Providers will have to bill the State for services during that time. To ensure the Plan is being fiscally responsible, we are ensuring members enroll in all programs they are eligible.

Healthy Families, Kaiser will still have their portion of the membership but only their current membership. Chair Gonzales noted that this is a state-wide issue and the impact in our county is relatively small (about 3,000). Interim CEO Undlin stated that the State believes Kaiser has a good plan. Commissioner Juarez noted that a lot of organizations are not happy with this deal.

Compliance Committee met on June 27th Commissioner Rodriguez attended. It was an initial meeting and there is no report.

The Human Resource Compensation Committee Meeting had a very quick meeting. Commissioner Rodriguez attended. An organization chart was requested and staff was asked to put a salary range together with a market study.

Interim CEO Undlin noted that Commissioner Eberst had previously requested that claims be further investigated; this has not been initiated but is a priority.

3. FINANCE REPORT

a. June Unaudited Financials

Interim CFO DeMarta noted that healthcare costs show a decline due to the recorded \$1.3 million receivables for reinsurance claims. In addition, \$500,000 were recorded in receipts.

Interim CFO DeMarta continued, stating that administrative expenses were slightly higher, mostly due to furniture and fixtures for modifications to offices in order to allow for additional staff. Net income was \$2.4 million higher than previous months. TNE is at \$7.2 million and required TNE is \$3.1 million. Chair Gonzalez clarified that it was not overbooked, as the required TNE for July 1, 2012 is approximately \$6 million.

Interim CFO DeMarta went on to explain that claims were lower than previous months.

Dr. Cho was asked on a concurrent basis how staff was going to manage the high expense items going forward. Dr. Cho explained that the high dollar cases are identified but our hands are tied. It was noted that this is really under case management. Dr. Cho explained the Plan is currently lacking case management nurses and they were not in the first year budget. Interim CEO Undlin added that Management reviews these as well as the committee; however, it has been difficult because we not had reports to look at yet. Commissioner Dial requested to be on the Medical Advisory Committee.

Interim CFO DeMarta reported that there are thirty-five (35) Members on the transplant list, ten (10) are post-procedure and twenty-five (25) are pre-procedure. Interim CEO Undlin added that staff tracks the transition.

b. Budget

Interim CFO DeMarta advised the Commission that the budget was presented to the Executive Finance Committee at its previous meeting; however, the State has not yet informed staff of the rates so the budget is still preliminary.

Chair Gonzalez advised the Commission that the Executive Finance Committee spent approximately two hours going through the budget, but still felt it was rushing it to the Commission, partly because the Executive Finance Committee only meets four days before the Commission. There was concern regarding the IBNR figures and whether the information from Milliman was correct.

Interim CFO DeMarta added that staff does not have enough information on the IBNR and does not know if all claims have been properly completed. Staff has asked Milliman to adjust the numbers.

The importance of having a budget presented before May next fiscal year was stressed.

Commissioner Juarez moved to accept and file the Finance Report. Commissioner Glycer seconded. The motion carried. **Approved 11-0.**

4. CONSIDERATION AND APPROVAL OF EXTENSION OF TATUM CONTRACT

Chair Gonzalez discussed additional resources and request for extension of contract to October 31, 2012, which will include additional services and make the total of the contract \$600,000. It was asked if this had gone through the Executive Finance Committee; Chair Gonzalez replied yes.

Commissioner Fankhauser moved to extend the contract October 31, 2012; and approve expenses and resources of \$286,000; making the contract total \$600,000. Commissioner Long seconded. The motion carried. **Approved 11-0.**

5. **CONSIDERATION AND APPROVAL OF COST OF IMPLEMENTATION OF SPECIALTY CONTRACT**

Interim CEO Undlin reviewed the contract and how it would be implemented. It was noted that primary care physicians are capitated at a higher rate. She added that there are many incentives to Specialty Contracts. It makes the relationship with the patient stronger and brings more providers into the system.

Interim CEO Undlin explained that this is to see what it will take the organization to implement. She continued, stating that there are elements that are specific to this provider group; however, this will also be available to other providers. The provider will then be responsible for all care to their members.

Interim CEO Undlin continued, explaining that a meeting was held with ACS, GCHP, Clinicas and Platinum (Plan administrative services organization for Clinicas). First a high level work plan was put together and anyone would have to go through that same amount of work.

Discussion was held about the \$92,000. Interim CEO Undlin clarified that it would be \$391,000. It was noted that we are looking at per member – it might look expensive per member but amortized across. We are looking at trend towards quality care.

Commissioner Eberst moved to approve \$300,000 and delegate to the Executive Finance Committee to go up to \$470,450; Commissioner Dial seconded. Commissioner Juarez abstained. The motion carried. **Approved 10-0.**

6. **CONSIDERATION AND APPOINTMENT OF AUDIT COMMITTEE**

It was noted that Commissioner Glycer has agreed to chair the committee. Chair Gonzalez stated that the committee will meet approximately two times per year. Interim CEO Undlin stated that two external individuals were needed, and they do not need to be finance people.

Commissioner Juarez moved to approve the Audit Committee. Commissioner Eberst seconded. The motion carried. **Approved 11-0.**

7. **EXECUTIVE / FINANCE MEETING SCHEDULE**

Commissioner Long moved to approve the schedule change as submitted; Commissioner Berry seconded. The motion carried. **Approved 11-0.**

CLOSED SESSION

Legal Counsel Kierstyn Schreiner explained to the Commission that since three Commissioners are County employees and there are laws and she always takes the

more conservative approach. It was her advice that Commissioners Gonzalez, Long and Rodriguez not participate in the real property negotiations.

Commissioner Long asked if Legal Counsel Kierstyn Schreiner had a chance to review the legal opinion from County Counsel Pollich. Legal Counsel Kierstyn Schreiner replied that she had not.

ADJOURN TO CLOSED SESSION

The Commission adjourned to Closed Session at 5:02 p.m. regarding the following items:

- A. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8**
- B. **CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54957.6**

RETURN TO OPEN SESSION

The Regular Meeting reconvened at 5:29 p.m. It was noted that Commissioner Fankhauser left at 5:29 pm.

Chair Gonzalez reported that the real property negotiators were advised to continue negotiations with the two property owners and continue on further negotiations with the County.

- 8. **CONSIDERATION OF REVISED SALARY SCHEDULE FOR CHIEF EXECUTIVE OFFICER POSITION AND APPROVAL OF NEW SALARY SCHEDULE FOR CHIEF EXECUTIVE OFFICER POSITION**

Commissioner Juarez moved to approve the revised salary schedule as presented; Commissioner Dial seconded. The motion carried. **Approved 11-0.**

- 9. **CONSIDERATION AND APPROVAL OF CHIEF EXECUTIVE OFFICER EMPLOYMENT AGREEMENT**

Legal Counsel, Kierstyn Schreiner, announced that the new CEO, Michael Engelhard, would begin on September 1, 2012.

Commissioner Long moved to approve the contract for Michael Engelhard; Commissioner Long seconded.

Commissioner Dial said he is very pleased and excited and appreciates all of Cassie's help, as well as Nancy's assistance. Commissioner Long appreciates all of the progress

and help from Cassie. All candidates were strong and this gentleman has a very strong background.

The motion carried. **Approved 11-0.**

COMMISSION COMMENTS

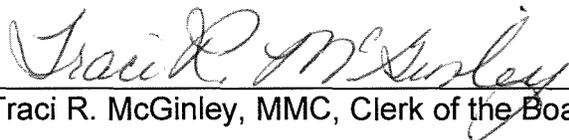
Commissioner Long stated that great progress has been made and very pleased to see staff. This has been a very challenging year.

Chair Gonzalez noted that today is a great day. With the nature of our Commission, Michael Engelhard will be a tremendous addition to the plan.

ADJOURNMENT

Meeting adjourned at 5:38 p.m.

APPROVED:



Traci R. McGinley, MMC, Clerk of the Board