

**Ventura County Medi-Cal Managed Care Commission  
(VCMACC) dba Gold Coast Health Plan (GCHP)  
Executive / Finance Committee Meeting Minutes  
November 1, 2012**

**CALL TO ORDER**

Chair Gonzalez called the meeting to order at 3:07 p.m. in Suite 280 at the Ventura County Public Health Building located at 2240 E. Gonzalez Road, Oxnard, CA 93036.

**ROLL CALL**

**COMMITTEE MEMBERS PRESENT**

**Anil Chawla**, Clinicas del Camino Real, Inc.  
**David Glycer**, Private Hospitals / Healthcare System  
**Robert Gonzalez**, Ventura County Medical Health System  
**Roberto Juarez**, Clinicas del Camino Real, Inc.  
**Catherine Rodriguez**, Ventura County Medical Health System

**STAFF IN ATTENDANCE**

**Michael Engelhard**, CEO  
**Sonia DeMarta**, Interim CFO  
**Nancy Kierstyn Schreiner**, Legal Counsel  
**Traci R. McGinley**, Clerk of the Board  
**Guillermo Gonzalez**, Government Affairs Director  
**Cassie Undlin**, Interim COO

**PUBLIC COMMENTS**

None.

1. **APPROVE MINUTES**

a. **September 20, 2012 Special Meeting Minutes**

Committee Member Glycer moved to approve the September 20, 2012 Special Meeting Minutes. Committee Member Chawla seconded. The motion carried, with Committee Member Juarez abstaining. **Approved 4-0.**

b. **October 4, 2012 Regular Meeting Minutes**

Committee Member Glycer moved to approve the October 4, 2012 Regular Meeting Minutes. Committee Member Chawla seconded. The motion carried. **Approved 5-0.**

## **2. CONSENT ITEM**

### **a. Extension of Tatum Contract**

Chair Gonzalez requested that the item be pulled for discussion.

CEO Engelhard explained that this would extend Debbie Rieger's contract through the end of November. Staff is down to a few finalists and believes they are in the final stages of interviewing candidates for the IT Director, but has not yet extended an offer. Debbie Rieger has done a good job managing ACS, handling GCHP's IT and reporting needs. To not approve her at this critical juncture would leave a major hole inside the organization, in both the organization as a whole and in meeting the Corrective Action Plan (CAP).

Further discussion was held regarding the cost of the contract, the role Debbie Rieger has played and the IT Director position. It was noted that she has worked on the Specialty Contract, reporting capabilities, Milliman, Verisk HEDIS, Ad Hoc reporting, IKA ACS communication / mapping.

Committee Member Juarez moved to approve the extension of the Tatum Contract for IT Consultant Debbie Rieger to November 30, 2012. Committee Member Glycer seconded. The motion carried. **Approved 5-0.**

## **3. CEO UPDATE**

CEO Engelhard reviewed his written report.

Discussion was held regarding the large financial impact proper aid code designation of members could have on the Plan, especially LTC aid codes.

## **4. APPROVAL ITEMS**

### **a. Consideration of 2013 Meeting Schedule**

Discussion was held regarding possible meeting dates. Committee Members stressed their concern about the lag of financials to the Committee Meetings. It was determined that CEO Engelhard would review the time it takes to get financials to the Committee to see when meetings might be scheduled.

## **5. ACCEPT AND FILE ITEMS**

### **a. September Financials**

Interim CFO DeMarta noted that the reports are draft, before audit adjustments, and that the September figures were prepared with the new methodology for the IBNR. There are several audit adjustments that will need to be made back to June, an additional \$8 million, for a total of \$15 million adjustment for the IBNR.

A question was asked regarding the Accrued Premium Reduction - AB97 10% rate cuts. Staff believes that the accrual related to the LTC cuts will be able to partially offset the IBNR since those cuts will be repaid by the state.

There was discussion regarding claims inventory, claims processing and claims process trending.

Chair Gonzalez noted that it does not appear logical that the Plan has received only 5/6 of the claims expected as Providers would be contacting GCHP if 1/6 of their revenue was missing.

Chair Gonzalez stated that it will get fixed, but an important piece is how GCHP explains this to others.

Mark Abernathy, BRG, stated that it is not uncommon to have a lag of 12 months on claims, as some are paid, adjusted and repaid. Medical Claims Expense on a monthly basis is just under \$20 million. Few dollars paid any in the most current month of operations (October for the data presented at this meeting).

Committee Members noted that there had been issues with trying to send Members to out of area providers as they were not willing to see them due to unpaid claims. Interim COO Undlin reported that UCLA would not provide approvals regardless; UCLA and GCHP had gone through and reviewed the issues. Committee Member Chawla noted that they had experience with City of Hope, USC and UCLA.

CEO Engelhard stressed that GCHP may not find everything that went wrong. However, the costs going forward should be more in line with expectations. That will take time to work through the IBNR model.

Chair Gonzalez suggested having a presentation around IBNR, including some education. CEO Engelhard responded that a presentation would be provided to the Board.

Interim CFO DeMarta reported that GCHP continues to incur interest expenses above budget. Committee Member Chawla asked if the high level of interest expense was due to ACS. CEO Engelhard responded that at this time GCHP has not been able to determine how much is due to the way the system was set up versus ACS not handling claims properly. Further discussion was held regarding the interest expenses and claims.

Interim CFO DeMarta reviewed the Income Statement Comparison regarding General and Administrative Expenses.

CEO Engelhard noted that GCHP received a report from BRG showing that the Plan has Members in LTC facilities that it may not have budgeted for because it did not have

them in the right aid categories. Staff needs to ensure that member aid codes are accurate so the Plan can get properly reimbursed for them.

Interim CFO DeMarta reviewed the Cash Flow statement with the remaining cash of approximately \$20 million.

Committee Member Chawla moved to approve and file the September Financials. Committee Member Rodriguez seconded. The motion carried. **Approved 5-0.**

**ADJOURN TO CLOSED SESSION – GC § 54956.9**  
**Conference with Legal Counsel-Anticipated Litigation Pursuant to Government Code Section 54956.9 (1 Case)**

The Committee adjourned to Closed Session at 5:09 p.m.

**RETURN TO OPEN SESSION**

The Regular Meeting reconvened at 5:45 p.m. Legal Counsel Kierstyn Schreiner noted that there was no announcement.

**COMMITTEE MEMBER COMMENTS**


Committee Member Juarez acknowledged Sonia DeMarta for stepping forward and agreeing to assist Gold Coast Health Plan in any way possible during the last several months. He also noted that the Commission has had the best financials since its inception.

CEO Engelhard stated that he feels fortunate that the Plan will have both Sonia DeMarta and Michelle Raleigh as its financial leaders.

**ADJOURNMENT**

The meeting adjourned at 5:47 p.m.

APPROVED:

  
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Traci R. McGinley, MMC, Clerk of the Board