

**Ventura County Medi-Cal Managed Care Commission
(VCMACC) dba Gold Coast Health Plan (GCHP)
Executive / Finance Committee Meeting Minutes
April 4, 2013**

CALL TO ORDER

Legal Counsel Kierstyn Schreiner called the meeting to order at 3:04 p.m. in Suite 230 at the Ventura County Public Health Building located at 2240 E. Gonzales Road, Oxnard, CA 93036.

As a result of both the Chair and Vice Chair being absent from the meeting, consensus was reached by the Committee Members that Dr. Chawla would preside as chair of the meeting.

COMMITTEE MEMBERS PRESENT

Dr. Anil Chawla, Clinicas del Camino Real, Inc.
David Glycer, Private Hospitals / Healthcare System
Catherine Rodriguez, Ventura County Medical Health System

EXCUSED / ABSENT COMMITTEE MEMBERS

Dr. Robert Gonzalez, Ventura County Medical Health System
Roberto Juarez, Clinicas del Camino Real, Inc.

STAFF IN ATTENDANCE

Michael Engelhard, CEO
Nancy Kierstyn Schreiner, Legal Counsel
Michelle Raleigh, CFO
Traci R. McGinley, Clerk of the Board
Sherri Bennett, Provider Network Manager
Guillermo Gonzalez, Government Affairs Director
Melissa Scrymgeour, IT Director
Lyndon Turner, Finance Manager

PUBLIC COMMENTS

None.

1. APPROVE MINUTES

a. March 7, 2013 Regular Meeting Minutes

Committee Member Rodriguez moved to approve the March 7, 2013 Regular Meeting Minutes. Committee Member Glycer seconded. The motion carried. **Approved 3-0.**

2. APPROVAL ITEMS

a. DHCS Contract Amendment 4 & 5

CFO Raleigh explained that Amendment #4 reflects two primary adjustments:

1. The State will not retroactively cut the Plan's capitation rates for the AB97 reductions for fiscal year 2011-12 rates and,
2. Includes rates for Targeted Low-Income Child (TLIC) transitioning into Medi-Cal from the Healthy Families program for three time periods. The rates have also been adjusted to align with State's policy change regarding retroactive eligibility responsibility.

CFO Raleigh noted that Amendment #5:

1. Adds in the impact of the hospital quality assessment fees (QAF) from SB 335 and MCO tax onto the Plan's rates.

CFO Raleigh recommended waiting until the State budget is finalized before the Plan decides on the revenue accounting about the AB97 reserve funds as the State may apply an "Efficiency Factor" equal to that amount so that the State may still recover these funds.

Committee Member Glycer asked if the FY 11-12 rates were final. CFO Raleigh responded that the Plan has not been sent the final rates and if the Plan receives the IGT it will cause the rates to be restated again.

Committee Members raised concern that money was being held in reserve when the Plan is not meeting its TNE requirements. CFO Raleigh confirmed that staff would be receiving the rates packages soon and hoped to have more information to share at the Commission Meeting.

Committee Member Glycer moved to recommend the Commission give the CEO authority to execute the DHCS contract amendment #4 and #5. Committee Member Rodriguez seconded. The motion carried. **Approved 3-0.**

3. ACCEPT AND FILE ITEMS

a. CEO Update

CEO Engelhard provided an overview of his report and noted that staff will bring additional information before the Commission regarding the State policy change on Diagnosis Related Group (DRG) effective on July 1, 2013. The change impacts hospital contracting with managed care health plans.

b. February Financials

CFO Raleigh reviewed the February Financial results and explained that they were similar to January's results. The revenue is lower, mostly due to the population mix. She added that staff is analyzing how early to pay claims to ensure that adequate cash flow is maintained.

Discussion was held regarding claims and the timeline of payment of claims.

CFO Raleigh announced that between ACS / Xerox and GCHP, \$3.4 million in previously paid claims has been identified for recovery. She explained that if reimbursement is not made within thirty (30) days after the provider is notified, contract permitting, the Plan can begin to offset the recoverable amounts from future payments. GCHP has recovered more than \$11 million from providers to date. Staff is researching the root cause of the over-payments to ensure the problem does not continue.

Committee Member Rodriguez moved to accept and file the CEO Report and the February Financials. Committee Member Glycer seconded. The motion carried.
Approved 3-0.

4. INFORMATIONAL ITEMS

a. Financial Forecast Update

CFO Raleigh informed the Executive Finance Committee that the Financial Forecast had been refreshed in March and provided to the State. The update still demonstrates that the Plan will be in TNE compliance by June 30, 2014. CFO Raleigh noted that the State asked the Plan if there was anything that they would have changed now that it has been a few months since the original financial forecast submission, so staff went through and reviewed all of the 19 initiatives, incorporated Healthy Families, and reduced the Fee-for-Service (FFS) cost due to impact of Specialty contract.

Committee Member Rodriguez requested a breakdown of the analysis performed by staff to determine the performance of the initiatives.

CFO Raleigh closed stating that some timelines were adjusted and savings will not be seen as quickly as staff had originally calculated.

b. Line of Credit (LOC) Update

CEO Engelhard reported that the Plan just learned that this LOC will be a separate agreement and not an amendment to the previous LOC agreement. CFO Raleigh added that the terms should be the same. She explained that the funds will be used to help meet the TNE and that obtaining the additional LOC is a requirement of the Corrective Action Plan (CAP).

c. Intergovernmental Transfer (IGT) Update

CFO Raleigh informed the Executive Finance Committee that GCHP continues to work with the County and State on the IGT. CEO Engelhard added that if this is approved the County would put up approximately \$15 million (a portion would be federally matched) and the State takes a percentage as a fee. GCHP would refund \$15 to the County and the remaining could be for temporary use by the Plan.

CFO Raleigh noted that MCO taxes would need to be set aside and paid separately.

CEO Engelhard explained that an IGT has never been used for TNE purposes, no one has attempted to use an IGT for TNE, but the State is in favor of this.

d. SB 335 Hospital Quality Assurance Fee Update

Government Affairs Director Guillermo Gonzalez advised the Executive Finance Committee that this is the 3rd provider fee (QAF) on public and non-public hospitals. The State then uses those funds to draw down federal matching funds and increase payments to public hospitals and non-designated public hospitals in the Medi-Cal Program.

e. Affordable Care Act PCP Rate Increase Update

Sherri Bennett, Provider Network Manager updated the Executive Finance Committee, on the Affordable Care Act PCP rate increase for January 1, 2013. PCP and certain subspecialties will be eligible to receive payments equal to Medicare rates. There are set codes eligible for these increases; however, FQHC's etc. are not eligible to receive these increases and the funds must be passed down to the provider.

CEO Engelhard added that since GCHP has such a large number of FQHC's this may not have a large impact on the Plan.

Sherri Bennett, Provider Network Manager, noted that it appears the Plan's capitation rates will be adjusted for this increase and reconciled. GCHP has scheduled 3 town hall meetings and heavily publicized this update in provider information.

3. ACCEPT AND FILE ITEMS

a. CEO Update (Continued)

CEO Engelhard announced that Charles Cho, MD, CMO has announced his desire to move into semi-retirement and reduce his hours. Dr. Cho will stay with the Plan full time until a new CMO is hired.

CLOSED SESSION

Legal Counsel Kierstyn Schreiner explained the purpose of the Closed Session.

ADJOURN TO CLOSED SESSION

The Commission adjourned to Closed Session at 5:11 p.m. regarding the following items:

Closed Session Conference with Legal Counsel – Existing Litigation pursuant to Government Code Section 54956.9 Hernandez v. Ventura County Medi-Cal Managed Care Commission, VCSC Case No. 56-2012-00427535-CU-OE-VTA

Closed Session Conference with Legal Counsel – Existing Litigation pursuant to Government Code Section 54956.9 Lucas v. Regional Government Services et al, VCSC Case No. 56-2013-00432444-CU-CE-VTA

Closed Session Conference with Legal Counsel – Anticipated Litigation Significant Exposure to Litigation pursuant to Government Code Section 54956.9(b) (One Case)

Closed Session pursuant to Government Code Section 54957(e)
Public Employee Performance Evaluation
Title: Chief Executive Officer

RETURN TO OPEN SESSION

The Regular Meeting reconvened at 5:20 p.m.

Legal Counsel Kierstyn Schreiner reported that there was no reportable action.

COMMENTS FROM COMMITTEE MEMBERS

None.

ADJOURNMENT

The meeting adjourned at 5:21 p.m.

APPROVED:



Traci R. McGinley, MMC, Clerk of the Board