

**Ventura County Medi-Cal Managed Care Commission
(VCOMMCC) dba Gold Coast Health Plan (GCHP)
Commission Meeting Minutes
November 18, 2013**

CALL TO ORDER

Chair Gonzalez called the meeting to order at 3:10 p.m. in Suite 200 at the Ventura County Public Health Building located at 2240 E. Gonzales Road, Oxnard, CA 93036.

ROLL CALL

COMMISSION MEMBERS IN ATTENDANCE

David Araujo, MD, Ventura County Medical Center Family Medicine Residency Program
May Lee Berry, Medi-Cal Beneficiary Advocate
Eileen Fisler, Ventura County Health Care Agency
Peter Foy, Ventura County Board of Supervisors
David Glyer, Private Hospitals / Healthcare System
Robert Gonzalez, MD, Ventura County Health Care Agency
Michelle Laba, MD, Ventura County Medical Center Executive Committee

EXCUSED / ABSENT COMMISSION MEMBERS

Lanyard Dial, MD, Ventura County Medical Association
Laurie Eberst, Private Hospitals / Healthcare System
Robert S. Juarez, Clinicas del Camino Real, Inc.
Gagan Pawar, MD, 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
Brandy Armenta, Compliance Officer
Sherri Bennett, Director of Network Operations
Charles Cho, MD, Chief Medical Officer
Guillermo Gonzalez, Government Relations Director
Lupe Gonzalez, Manager of Health Education & Disease Management
Steven Lalich, Communications Manager
Melissa Scrymgeour, IT Director
Lyndon Turner, Finance Manager
Ruth Watson, COO
Nancy Wharfield, MD, Medical Director Health Services
Stacy Diaz, Human Resources Manager

The Pledge of Allegiance was recited.

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

PUBLIC COMMENT

None.

1. APPROVE MINUTES

a. Regular Meeting of October 28, 2013

Commissioner Foy moved to approve the Regular Meeting Minutes of October 28, 2013. Commissioner Glycer seconded. The motion carried. **Approved 7-0.**

2. APPROVAL ITEMS

a. Governmental Advocacy Services Contract Renewal

Government Relations Director Gonzalez reviewed the written report.

Commissioner Foy moved to approve the contract renewal for Governmental Advocacy Services from Edelstein, Gilbert, Robson and Smith. Commissioner Berry seconded. The motion carried. **Approved 7-0.**

b. DHCS Contract Amendment(s)

CEO Engelhard reviewed the written report seeking approval to execute contract amendments from Department of Health Care Services (DHCS) should they arrive before the January Commission Meeting.

Commissioner Araujo moved to authorize the CEO to execute amendments to the GCHP contract with the California Department of Health Care Services. Commissioner Glycer seconded. The motion carried. **Approved 7-0.**

c. Pharmacy Benefit Manager (PBM) Oversight Vendor Contract

Network Operations Director Bennett reviewed the written report, the following items were highlighted. As part of the Consolidated Corrective Action Plan (CAP) received by the Plan from DHCS on September 18, 2013, GCHP was required to increase its delegated oversight review of its delegated contractors, including the Plan's Pharmacy Benefits Manager (PBM) operations. An RFP was issued and five qualified RFPs were received. After the RFPs were analyzed and evaluated, Pro-Pharma was determined to be the lowest cost responsive bidder.

The Commission questioned if this was the only way to handle delegated oversight. CEO Engelhard explained that at this time the Plan does not have experience internally to do this type of oversight.

Commissioner Foy moved to authorize the CEO to execute an agreement with the selected PBM oversight vendor Pro-Pharma, subject to review by legal counsel. Commissioner Laba seconded. The motion carried. **Approved 7-0.**

d. FY 2012-13 Audited Financial Statements (presented by McGladrey)

CFO Raleigh introduced Steve Draxler, a Partner of McGladrey LLP, and Gold Coast Health Plan's external financial auditor.

Steve Draxler reviewed the final audit report and noted that McGladrey agreed with GCHP's management's judgments and accounting estimates for the financial statements presented for the period ending June 30, 2013.

In response to a question from Chair Gonzalez, Steve Draxler confirmed that the results stated in the audited financial statements indicate that GCHP has made significant progress in the past year financially and operationally. For GCHP to have accomplished this level of improvement in just one year is "even more significant."

Commissioner Foy moved to accept the FY 2012-13 Audited Financial Statements. Commissioner Araujo seconded. The motion carried. **Approved 7-0.**

3. ACCEPT AND FILE ITEMS

a. CEO Update

CEO Engelhard reviewed the written report with the Commission. He highlighted the following items:

1. The State has advised GCHP that in a few months they will be scheduling another Medical Loss Ratio (MLR) review audit. The Plan is working with the State to determine the dates when the audit will commence.
2. The Plan is working to implement the new Medical Management System by the scheduled date of December 9, 2013. Commissioners acknowledged that there will always be problems when changing systems. IT Director Scrymgeour confirmed that there is a mitigation plan for possible issues that may arise.

b. September Financials (Unaudited)

CFO Raleigh reviewed the Financial Report and noted that the Executive / Finance Committee recommended approval of the September Financials.

Discussion was held regarding the anticipated increase in membership due to the Healthy Families program transition to Medi-Cal and the Medi-Cal Expansion in January, 2014. GCHP could have more than 130,000 Members within a few months as additional enrollees are expected upon the January 1, 2014 implementation of the federal Affordable Care Act.

In response to questions from Commissioner Araujo regarding the Lines of Credit (LOC) from Ventura County, CFO Raleigh noted that GCHP is accruing interest on the LOCs.

CEO Engelhard added that DHCS determines when GCHP may start paying on the LOCs. GCHP will need to be well above the minimum TNE requirements for a significant period of time in order to demonstrate sustained financial stability before the full LOCs can be repaid to the County.

Commissioner Foy moved to accept and file the CEO Update and Unaudited September Financials. Commissioner Glycer seconded. The motion carried. **Approved 7-0.**

4. INFORMATIONAL ITEMS

- a. **CMO and Health Services Update**
- b. **ACA Implementation Update**

Chair Gonzalez reminded the Commission that the information was provided in the packet for review. There were no objections therefore the Informational Items were not presented orally.

COMMENTS FROM COMMISSIONERS

Chair Gonzalez noted how different it is sitting on the Commission now versus one year ago and how far the Plan has come in that time.

CLOSED SESSION

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

ADJOURN TO CLOSED SESSION

The Commission adjourned to Closed Session at 4:20 p.m. regarding the following item:

- a. **Conference with Real Property Negotiators Pursuant to Government Code Section 54956.8**

Agency Designated Representatives: Nancy Kierstyn Schreiner, legal counsel, Michael Engelhard, CEO, Stacy Diaz, HR Manager
Michael Slater, real estate agent of CBRE

Property Owners and Subject Real Property: 711 Building LLC, 711 Daily Drive, Camarillo, CA 93010

Under Negotiation: Price and Term of Payment

- b. **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
- c. **Public Employee Performance Evaluation Pursuant to Government Code Section 54957** Title: Chief Executive Officer

RETURN TO OPEN SESSION

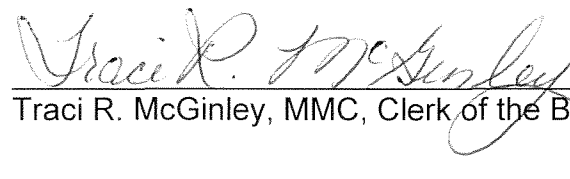
The Regular Meeting reconvened at 5:35 p.m.

Legal Counsel Kierstyn Schreiner announced that due to the legal costs, the Commission authorized settlement of the Lucas matter in the amount of \$65,000.

ADJOURNMENT

Meeting adjourned at 5:39 p.m.

APPROVED:



Traci R. McGinley, MMC, Clerk of the Board