

**Ventura County Medi-Cal Managed Care Commission
(VCOMMCC) dba Gold Coast Health Plan (GCHP)
Executive / Finance Committee Meeting Minutes
August 7, 2014**

CALL TO ORDER

Chair Araujo called the meeting to order at 3:04 p.m. in the Executive Conference Room at Gold Coast Health Plan, 711 E. Daily Drive, Suite 106, Camarillo, CA 93010.

COMMITTEE MEMBERS PRESENT

David Araujo, MD, Ventura County Medical Center Family Medicine Residency Program
Antonio Alatorre, Clinicas del Camino Real, Inc.
David Glycer, Private Hospitals / Healthcare System
Gagan Pawar, MD, Clinicas del Camino Real, Inc.

ABSENT / EXCUSED

Dee Pupa, Ventura County Health Care Agency

STAFF IN ATTENDANCE

Michael Engelhard, CEO
Michelle Raleigh, CFO
Robert Hernandez, Legal Counsel
Traci R. McGinley, Clerk of the Board
Guillermo Gonzalez, Government Affairs Director
Steve Lalich, Communications Director
Allen Maithel, Controller
Al Reeves, MD, CMO
Melissa Scrymgeour, Chief Information Officer
Lyndon Turner, Financial Analysis Director
Ruth Watson, COO

PUBLIC COMMENTS

None.

1. APPROVE MINUTES

a. July 10, 2014 Regular Meeting Minutes

Committee Member Glycer moved to approve the July 10, 2014 Regular Meeting Minutes. Committee Member Alatorre seconded. The motion carried with the following vote:

AYE: Alatorre, Araujo, Glycer and Pawar.
NAY: None.
ABSTAIN: None.
ABSENT: Pupa.

2. ACCEPT AND FILE ITEMS

a. CEO Update

During the review of the written report discussion was held regarding the August enrollment figures which were greater than anticipated, nearly 40,000 since January, bringing membership to 160,000. The increase has caused an immediate need for additional staff in Health Services, most likely bringing staffing levels to 169 employees sooner than anticipated.

COO Watson added that more members have been added retroactively than the State has done for quite some time.

Committee Member Alatorre requested that the auto assignment information be provided at the next Commission Meeting.

CEO Engelhard informed the Committee that as a result of the audit of the Pharmacy Benefit Manager (PBM), Script Care, it was found that since the Plan went live in 2011, GCHP was inadvertently paying co-pays for dual-eligible Members and paying for medications for Members that have not yet met their share of cost requirement. The Department of Health Care Services (DHCS) has been notified. These items will be corrected in October due to notification and timeline requirements.

In response to Committee Member Alatorre's question about the financial impact, CEO Engelhard responded that if utilization does not change it could be \$1.5 million to \$2.5 million per year.

b. June Financials

CFO Raleigh reviewed the June financials and end of fiscal year results. She explained that health care costs were approximately \$10 million over budget for the year, mostly due to changes the State made in the ACA 1202 Primary Care Physician payment methodology and the large increase of high-cost Adult Expansion (AE) aid category Members.

Following a brief discussion regarding Tangible Net Equity (TNE), CFO Raleigh confirmed that the State's formula to calculate the minimum requirement is driven by healthcare costs. In order to review and determine appropriate TNE levels, staff will make a recommendation for discussion at a future meeting.

Committee Member Glycer expressed concern that health care costs may be understated. CFO Raleigh explained that the new population is driving the figures, the current financials continue to reflect an estimated 85% medical loss ratio (MLR) compared to the State's estimate of 91% MLR.

Committee Member Alatorre asked about increasing the rates for the providers. CFO Raleigh responded that one of the projects this fiscal year is to look at the provider rates.

While discussion was held regarding IBNR / IBNP Committee Member Alatorre requested that they be separated in the financials.

Committee Member Glyer moved to approve the CEO Update and June Financials. Committee Member Alatorre seconded. The motion carried with the following vote:

AYE: Alatorre, Araujo, Glyer and Pawar.
NAY: None.
ABSTAIN: None.
ABSENT: Pupa.

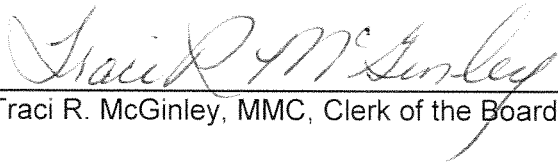
COMMENTS FROM COMMITTEE MEMBERS

None.

ADJOURNMENT

Meeting adjourned at 4:13 p.m.

APPROVED:



Traci R. McGinley, MMC, Clerk of the Board