

**Ventura County Medi-Cal Managed Care Commission
(VCOMMCC) dba Gold Coast Health Plan (GCHP)
Commission Meeting Minutes
November 24, 2014**

CALL TO ORDER

Chair Araujo called the meeting to order at 3:00 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

Antonio Alatorre, Clinicas del Camino Real, Inc.
David Araujo, MD, Ventura County Medical Center Family Medicine Residency Program
Lanyard Dial, MD, Ventura County Medical Association
Barry Fisher, Ventura County Health Care Agency
Michelle Laba, MD, Ventura County Medical Center Executive Committee
Gagan Pawar, MD, Clinicas del Camino Real, Inc.
Dee Pupa, Ventura County Health Care Agency

EXCUSED / ABSENT COMMISSION MEMBERS

Peter Foy, Ventura County Board of Supervisors
David Glyer, Private Hospitals / Healthcare System
Vacant, Private Hospitals / Healthcare System
Vacant, Medi-Cal Beneficiary Advocate

STAFF IN ATTENDANCE

Ruth Watson, Chief Operations Officer and Interim Chief Executive Officer
John Meazzo, Interim Chief Financial Officer
Traci R. McGinley, Clerk of the Board
Scott Campbell, Legal Counsel
Brandy Armenta, Compliance Director
Stacy Diaz, Human Resources Director
Anne Freese, Pharmacy Director
Guillermo Gonzalez, Government Relations Director
Steven Lalich, Communications Director
Tami Lewis, Operations Director
Allen Maithel, Controller
Kim Osajda, Quality Improvement Director
Al Reeves, MD, Chief Medical Officer
Melissa Scrymgeour, Chief Information Officer
Lyndon Turner, Financial Analysis Director
Nancy Wharfield, MD, Associate Chief Medical Officer

The Pledge of Allegiance was recited.

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

PUBLIC COMMENT

None.

1. APPROVE MINUTES

a. Special Meeting of September 29, 2014

Commissioner Fisher moved to approve the Special Meeting Minutes of September 29, 2014. Commission Pupa seconded. The motion carried with the following votes:

AYE: Araujo, Dial, Fisher, Laba and Pupa.
NAY: Alatorre and Pawar.
ABSTAIN: None.
ABSENT: Glycer and Foy.

b. Regular Meeting of October 27, 2014

Commissioner Fisher moved to approve the Regular Meeting Minutes of October 27, 2014. Commissioner Alatorre seconded. The motion carried with the following votes:

AYE: Alatorre, Araujo, Dial, Fisher, Laba, Pawar and Pupa.
NAY: None.
ABSTAIN: None.
ABSENT: Glycer and Foy.

2. CONSENT ITEMS

a. CFO Update – September Financials

Interim CFO Meazzo briefly reviewed the written report with the Commission.

Commissioner Pupa asked about repayment of the LOCs to the County of Ventura. Interim CEO Watson explained that GCHP has been in discussions with the County and Department of Health Care Services (DHCS) to extend repayment to June 30, 2015, contingent upon TNE thresholds following the FY 2013-14 audit. The FY 2013-14 audit cannot be completed by McGladrey until such time that the investigation that is being overseen by the Special Investigation Ad Hoc Committee has been completed. Due to delays associated with completing the FY 2013-14 audit, it is unlikely that the proposal will be approved this month as originally planned.

Commissioner Pupa moved to approve the CFO Update – September Financials. Commissioner Fisher seconded. The motion carried with the following votes:

AYE: Alatorre, Araujo, Dial, Fisher, Laba, Pawar and Pupa.
NAY: None.
ABSTAIN: None.
ABSENT: Glycer and Foy.

3. APPROVAL ITEMS

a. DHCS Contract Amendments A14 and A02

Interim CEO Watson reviewed the written report with the Commission.

Commissioner Dial moved to approve and authorize the CEO to execute DHCS Contract Amendments A14 and A02. Commissioner Fisher seconded. The motion carried with the following votes:

AYE: Alatorre, Araujo, Dial, Fisher, Laba, Pawar and Pupa.
NAY: None.
ABSTAIN: None.
ABSENT: Glyer and Foy.

b. AB 1234 Ethics Training

Legal Counsel Campbell reviewed the report with the Commission.

Commissioner Dial moved to direct staff to draft a policy requiring Commissioners and designated senior staff complete AB 1234 Ethics Training every two years. Commissioner Fisher seconded. The motion carried with the following votes:

AYE: Alatorre, Araujo, Dial, Fisher, Laba, Pawar and Pupa.
NAY: None.
ABSTAIN: None.
ABSENT: Glyer and Foy.

c. Administrative Services Organization (ASO) / Pharmacy Benefits Manager (PBM) RFP Proposal

Interim CEO Watson reviewed the report, providing background information on the services provided by these contracts, and the financial and operational impacts of conducting, awarding and implementing changes in two large areas of operation. Different options were briefly discussed.

In response to questions from the Commission regarding PBM options, Pharmacy Director Freese explained that there are many different PBM entities and the RFP will allow GCHP to determine which PBM would work best for the Plan.

Commissioner Alatorre expressed his concern and questioned extending the contract with ACS / Xerox; there have been performance issues from the beginning which caused GCHP to lose a lot of money.

Interim CEO Watson agreed that ACS did not perform well originally and added that the Plan must own some of the original problems as well. She explained that every indication now is that ACS is performing and performing well, their accuracy is extremely high and they are very responsive.

Commissioner Dial moved approve staff's recommendation to: 1) extend the ACS / Xerox Administrative Services Organization (ASO) contract for one year, beginning

July 1, 2016, with an option for two additional yearly extensions; 2) conduct an RFP for Pharmacy Benefits Manager (PBM) services; and 3) select and contract with an external consultant to assist the Plan with the Pharmacy Benefits Manager (PBM) RFP. Commissioner Pupa seconded. The motion carried with the following votes:

AYE: Araujo, Dial, Fisher, Laba and Pupa.
NAY: Alatorre and Pawar.
ABSTAIN: None.
ABSENT: Glyer and Foy.

4. **ACCEPT AND FILE ITEMS**

a. **Special Investigation Ad Hoc Committee Report**

Commissioner Fisher reviewed the Ad Hoc Committee's report. Chair Araujo questioned regarding the total costs of the investigation. Commissioner Fisher responded he would bring the matter to the Commission immediately should the costs go up much more.

b. **CEO Update**

Interim CEO Watson reviewed the written CEO Update with the Commission.

c. **COO Update**

Interim CEO Watson presented the report.

d. **CIO Update**

CIO Scrymgeour provided a review of the CIO Update.

e. **Health Services Update**

Associate Medical Officer, Dr. Wharfield, reviewed the written report.

f. **Non-Emergency Medical Transportation**

Interim CEO Watson reviewed the report with the Commission, only 700-900 members use this service, but they are members that have a significant medical need and are often dialysis patients with no way to get to appointments. She added that the rules in place regarding Non-Emergency Medical Transportation are very restrictive and challenging. Regular vehicles cannot be utilized for these services; they must be specialized and are very expensive.

Commissioner Dial moved to accept and file the Special Investigation Ad Hoc Committee Report, CEO Update, COO Update, CIO Update, Health Services Update and Non-Emergency Medical Transportation. Commissioner Fisher seconded. The motion carried with the following votes:

AYE: Alatorre, Araujo, Dial, Fisher, Laba, Pawar and Pupa.
NAY: None.
ABSTAIN: None.
ABSENT: Glyer and Foy.

RECESS

A recess was called at 4:37 p.m. The meeting was reconvened at 4:45 p.m.

CLOSED SESSION

Legal Counsel Campbell explained the purpose of the Closed Session items. He added that Commissioners Alatorre and Pawar recused themselves from Closed Item a (ii) regarding Clinicas del Camino Real, Inc.

ADJOURN TO CLOSED SESSION

The Commission adjourned to Closed Session at 4:47 p.m. regarding the following items:

- a. **Closed Session Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9**
 - i. Cressena Hernandez v. Ventura County Medi-Cal Managed Care Commission et al, Ventura County Superior Court, Case Number 56-2012-00427535-CUOE-VTA
 - ii. Clinicas Del Camino Real Inc. v. Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan. Ventura County Superior Court Case Number 56-2014-00456149-CU-BC-VTA
- b. **Public Employee Appointment Pursuant to Government Code Section 54957**
Title: Chief Executive Officer
- c. **Conference with Legal Counsel – Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Government Code Section 54956.9 (Two Cases)**

RETURN TO OPEN SESSION

The Regular Meeting reconvened at 6:34 p.m.

Legal Counsel Campbell announced that no reportable action was taken.

3. APPROVAL ITEMS (continued)

d. Waiver of Attorney-Client and Closed Session Privileges

Commissioner Dial moved to authorize former General Counsel Nancy Schreiner through the law firm of Anderson Kill or any prior law firm(s) (collectively "Counsel"), to disclose attorney-client and closed session communications between Counsel and GCHP or any employee(s) of GCHP, to the investigation teams retained through the Special Investigation Ad Hoc Committee. The investigation teams have been directed by GCHP to investigate allegations contained in two reports (May 27 and June 12, 2014) from the League of United Latin American Citizens-Ventura County (LULAC) and other allegations conveyed to the investigative teams in the course of their investigation into the LULAC report allegations, including interviews with current and former employees of GCHP, and interviews of members, or representatives of, or connected to LULAC (collectively, "the allegations"). The disclosure is limited to information deemed

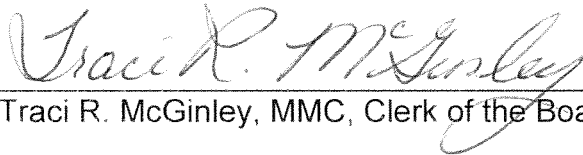
necessary by the investigative teams to conduct their investigation into “the allegations”. GCHP’s former General Counsel is further authorized and directed to provide to GCHP’s investigative teams those notes, reports, files, and other documents deemed necessary by the investigative teams for the limited purpose to conduct their investigation into “the allegations” which have not previously been provided to GCHP or management staff of the GCHP (e.g. CEO, CFO, COO). Nothing in this motion shall constitute a waiver of the attorney-client and closed session privileges for any purpose except as provided herein, or to any individual or organization not affiliated with GCHP, its Special Investigation Ad Hoc Committee or the investigative teams. Commissioner Pawar seconded. The motion carried with the following votes:

AYE: Alatorre, Araujo, Dial, Fisher, Laba, Pawar and Pupa.
NAY: None.
ABSTAIN: None.
ABSENT: Glycer and Foy.

ADJOURNMENT

Meeting adjourned at 6:37 p.m.

APPROVED:



Traci R. McGinley, MMC, Clerk of the Board