

**Ventura County Medi-Cal Managed Care Commission
(VCMGCC) dba Gold Coast Health Plan (GCHP)
Commission Meeting Minutes
June 22, 2015**

CALL TO ORDER

Chair Araujo called the meeting to order at 3:03 p.m. Hall of Justice - Pacific Conference Room at the County of Ventura Government Center, 800 S. Victoria Avenue, Ventura, CA 93009.

The Pledge of Allegiance was recited.

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 (arrived at 3:36 p.m.)
Peter Foy, Ventura County Board of Supervisors
David Glycer, Private Hospitals / Healthcare System
Michelle Laba, MD, Ventura County Medical Center Executive Committee
Darren Lee, Private Hospitals / Healthcare System
Dee Pupa, Ventura County Health Care Agency

EXCUSED / ABSENT COMMISSION MEMBERS

Gagan Pawar, MD, Clinicas del Camino Real, Inc.
Vacant, Medi-Cal Beneficiary Advocate

STAFF IN ATTENDANCE

Dale Villani, Chief Executive Officer **Lyndon Turner**, Financial Analysis Director **Traci R. McGinley**, Clerk of the Board **Scott Campbell**, Legal Counsel
Brandy Armenta, Compliance Director **William Freeman**, Network Operations Director
Anne Freese, Pharmacy Director
Steven Lalich, Communications Director
Tami Lewis, Operations Director
Allen Maithel, Controller
Kim Osajda, Quality Improvement Director **Al Reeves, MD**, Chief Medical Officer **Cathy Salenko**, Legal Counsel
Melissa Scrymgeour, Chief Information Officer
Ruth Watson, Chief Operations Officer
Nancy Wharfield, MD, Associate Chief Medical Officer

PUBLIC COMMENT

None.

1. APPROVE MINUTES

a. Regular Meeting of May 18, 2015

Commissioner Foy moved to approve the Regular Meeting Minutes of May 18, 2015. Commissioner Glycer seconded. The motion carried with the following votes:

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

2. CONSENT ITEMS

a. CFO Update – April Financials

Financial Analysis Director Turner advised the Commission that McGladrey, LLP has been re-engaged to complete the FY 2013-14 audit and briefly reviewed the financials.

Commissioner Fisher arrived.

Commissioner Lee moved to approve the CFO Update - April Financials. Commissioner Pupa seconded. The motion carried with the following votes:

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

3. APPROVAL ITEMS

a. Department of Health Care Services (DHCS) Contract Amendment A16

CEO Villani provided an overview of Amendment A16 which adjusts the second half of FY 2013-14 capitation rates to provide funding for the Hospital Quality Assurance Fee (HQAF) distributions required by SB 239. These funds are a pass-through to hospitals that meet the requirements and there is no expected fiscal impact on the Plan.

Commissioner Fisher moved to authorize the CEO to executive DHCS Contract Amendment A16. Commissioner Pupa seconded. The motion carried with the following votes:

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

b. FY 2015-16 GCHP Operating and Capital Budget

Financial Analysis Director Turner provided an update to the Commission on the California Children's Services (CCS) program "Whole-Child Model" is only being implemented in specified counties at this time and Ventura has not been included.

Financial Analysis Director Turner continued, briefly reviewed the budget presentation and highlighted the following areas: Knox Keene licensing will most likely be required and will have to be budgeted once it has been confirmed. Staff had assumed the Adult Expansion (AE) rates would be reduced 15% every six months, it has now been reduced 23% for the entire year, which comes out to virtually the same. The budget includes \$7 million for the Quality Initiatives or Pay-for-Performance and \$5.2 million for the reinsurance policy.

Commissioner Foy asked when the Plan anticipated paying the County back on the Lines of Credit (LOCs). Financial Analysis Director Turner explained that the Plan has notified the State that it has reengaged McGladrey to complete the FY 2013-14 audit and asked to move the repayment forward, but has not received a response from the State. CEO Villani added that the Commissioners will be updated as soon as the Plan hears from the State.

Discussion was held regarding the in-patient and out-patient expenses. COO Watson explained that the Plan is trying to determine incentives that will encourage facilities to take Medi-Cal patients that no longer need to be in a regular hospital but still need care.

Commissioner Dial moved to adopt the FY 2015-16 GCHP Operating and Capital Budget. Commissioner Foy seconded. The motion carried with the following votes:

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

c. Reinsurance

COO Watson advised the Commission that the existing carrier declined to submit a quote. In reviewing the available options, an Aggregating Specific Deductible (ASD) policy appears to be the best option for the Plan. GCHP would only pay a portion of the total premium, approximately \$1.47 per-member per-month (pmpm) or \$3 million and holdback \$23 million or \$0.96 pmpm. As each claim exceeds the \$650,000 deductible GCHP would allocate that expense out of that \$0.96 fund, when or if that fund is exhausted the carrier picks up everything above that; however, GCHP would keep what was remaining in the fund if it had not been exhausted.

In response to questions from the Commission regarding StarLine, COO Watson explained that StarLine's price was competitive, they have been in business longer than the others, they are A rated, have good claim turn-around time and very good underwriting programs. StarLine also has the most liberal experience refund on the pay rate; they offer a claim run-in, the policy is 12 months, and each year GCHP were to renew the policy, it can carry

forward the month of June into the next policy year on any claim for any member that has not yet reached the deductible. StarLine would have the option to re-rate the Plan should membership increase more than 25% above the projected growth of 205,000-210,000.

Commissioner Dial moved to approve the StarLine ASD proposal. Commissioner Fisher seconded. The motion carried with the following vote:

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

d. Executive Liability and Errors & Omissions Insurance

COO Watson reviewed the options and explained that when the new legal counsel came on board they reviewed all of the insurance policy levels and suggested that this insurance be increased, it is currently only \$3 million. The Plan requested quotes for \$20 million, but the insurance companies will only go as high as \$10 million.

Commissioner Dial moved to approve AIG / Argo for the Executive Liability policy and the AIG / Lexington for the Managed Care Errors & Omissions policy. Commissioner Fisher seconded. The motion carried with the following vote:

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

4. ACCEPT AND FILE ITEMS

a. CEO Update

CEO Villani reported that the Plan is hopeful to have a new CFO on board by the end of July once the background check is complete.

The Plan has engaged Milliman as the consultant for the Pharmacy Benefits Manager (PBM) Request for Proposal (RFP). The RFP should be released in July and staff hopes to come to the Commission in November to award the contract.

In response to Chair Araujo, Pharmacy Director Freese confirmed that the Plan has received quite a bit of interest from other PBMs.

CEO Villani advised the Commission that a detailed report in response to the Special Investigation will be brought to the Commission in August. He added that the Plan has already put much tighter procurement procedures in place and additional training is being provided to staff.

CEO Villani noted that before the Department of Health Care Services (DHCS) will consider lifting the Corrective Action Plan (CAP), they want to see that the Plan has

several years of sustained financial viability and specialty contracts have additional requirements.

Discussion was held regarding Knox Keene licensing and the costs. COO Watson explained that there would be significant staff time and would likely cost up to \$1 million. She added that it would be similar to becoming accredited by the National Committee for Quality Assurance (NCQA), should the Plan decide to do that as well.

b. COO Update

COO Watson presented her report highlighting the enhanced capitation for the AE population. It will most likely be audited by the State and significant documentation supporting the program is critical. She added that the County was able to provide substantial documentation and has received their enhanced capitation. One provider has declined to participate and the Plan is now reaching out to other providers.

Commissioner Alatorre asked if the policy was the same as when it was previously provided to the Executive / Finance Committee. COO Watson explained that it was essentially the same, but is going before the Policy Review Committee and additional services are being addressed.

Commissioner Alatorre asked about the possibility of the funds having to be returned. COO Watson confirmed that GCHP has been very conservative because DHCS could audit the program and request that the funds be returned.

COO Watson noted that the Plan recently received five applications for the Provider Advisory Commission (PAC) which will be brought to the next Commission Meeting for appointment. The PAC has not met since February 2013 because the Plan was unable to obtain significant applications for the committee to have a quorum.

COO Watson concluded her report stating that membership is anticipated at 205,000 by the end of the year.

c. Health Services Update

Associate Chief Medical Officer, Dr. Wharfield, reviewed her report.

Commissioner Dial added that the Medical Advisory Board reviewed the ER visits and one member went to the ER 25-26 times per month. He noted the Plan was making a huge effort working with local community resources to affect change. CMO Dr. Reeves reported that the ER visits have not been eliminated, but staff was able to get the visits down and that member only went to ER 3-4 times this month.

Associate Chief Medical Officer, Dr. Wharfield, noted that staff believes a large part of utilization issues are driven by either pain or mental health issues.

Chair Araujo noted that utilization seems to be driven a great deal by families as well and asked it was due to access issues. Associate Chief Medical Officer, Dr. Wharfield, responded that it is sometimes an issue with access to the PCP, but often the family may

only be able to get one appointment, but multiple members of the family are ill so they utilize urgent care.

Commissioner Lee moved to accept and file the CEO, COO and Health Services Updates. Commissioner Dial seconded. The motion carried with the following votes:

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

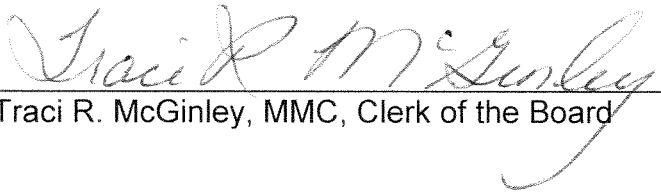
COMMENTS FROM COMMISSIONERS

The Commissioners welcomed the new CEO Dale Villani and thanked Ruth Watson for the smooth transition.

ADJOURNMENT

Meeting adjourned at 4:39 p.m.

APPROVED:


Traci R. McGinley, MMC, Clerk of the Board