CALL TO ORDER

Chair Dial called the meeting to order at 6:05 p.m. in Suite 200 at the Ventura County Public Health Building located at 2240 E. Gonzales Road, Oxnard, CA 93036.

The Pledge of Allegiance was recited.

SWEAR IN COMMISSIONERS

Lanyard Dial, David Glyer and Catherine Rodriguez were sworn in by the Clerk of the Board.

ROLL CALL

COMMISSION MEMBERS IN ATTENDANCE
David Araujo, MD, Ventura County Medical Center Family Medicine Residency Program
Maylee Berry, Medi-Cal Beneficiary Advocate
Anil Chawla, MD, Clinicas del Camino Real, Inc.
Lanyard Dial, MD, Ventura County Medical Association
Laurie Eberst, RN, Private Hospitals / Healthcare System
John Fankhauser, MD, Ventura County Medical Center Executive Committee
David Glyer, Private Hospitals / Healthcare System
Robert Gonzalez, MD, Ventura County Health Care Agency
Roberto S. Juarez, Clinicas del Camino Real, Inc.
Kathy Long, Ventura County Board of Supervisors (arrived at 6:10 p.m.)
Catherine Rodriguez, Ventura County Medical Health System

STAFF IN ATTENDANCE
Charlie Cho, MD, Interim CEO & Chief Medical Officer
Sonia DeMarta, Interim Chief Financial Officer
Traci R. McGinley, Clerk of the Board
John Polich, County Counsel and Interim GCHP Legal Counsel

OTHER STAFF IN ATTENDANCE
Andre Galvan, Member Services Director
Steven Lalich, Communications Director

Language Interpreting and Translating services provided by GCHP from Lourdes González Campbell of Lourdes González Campbell and Associates.
PUBLIC COMMENT / CORRESPONDENCE

David Cruz stated that his group invited many members of the community to tonight's meeting. We are here to work with the organization. He expressed his concern that he had not heard from staff regarding a Public Records Request that he previously submitted.

Bob Norem stated that he has two doctors in Santa Barbara, but requested doctors in Ojai. He stated that he lives in Ventura and does not know what to do to have locations changed.

Marco Benitez expressed his believe that a lot of changes need to be made. If staff has to be replaced then it needs to be done.

Ramon Ortiz indicated that he is a migrant worker and on Medi-Cal. When he heard that GCHP would take over he thought it would be great, but Medi-Cal doesn't work anymore. He asked the Commission to get together and fix the problems.

Jen Ortiz, was not in the room when called.

1. APPROVAL OF MINUTES

None.

2. RATIFY APPOINTMENT OF INTERIM CEO AND CFO

A Special Committee was charged with several duties: appointment of an interim CEO and other positions. The Committee reported that they interviewed Dr. Cho and Sonia DeMarta. Dr. Cho had agreed to be Interim CEO for two weeks with the assistance of Sonia DeMarta, but the two weeks is up in a few days. The Special Committee has also recruited a management team to come take over.

Interim Counsel Polich clarified that the Committee did not have the ability to take action, the Commission would ratifying the appointment.

After further discussion Dr. Cho agreed to continue as Interim CEO for a couple more weeks.

Commissioner Araujo moved to ratify the appointment of Dr. Charles Cho as Interim CEO. Commissioner Chawla seconded. The motion carried. Approved 11-0.

3. APPOINTMENT TO EXECUTIVE FINANCE COMMITTEE

David Glyer was nominated for the open position on the Executive Finance Committee. There being no further nominations, nominations were closed. Commissioner Glyer
accepted the nomination. Commissioner Gonzalez moved to appoint Commissioner Glyer to the Executive Finance Committee. Commissioner Long seconded. The motion carried. Approved 11-0.

4. CEO MANAGEMENT UPDATE

Interim CEO Cho stressed the importance of recruiting for an IT Director. It has also been difficult to find qualified staff for the Quality Improvement Director. It is imperative that the Plan meet all required compliance issues. Several individuals were interviewed, but did not accept the position. When Mr. Greenia was CEO he retained the services of a professional search firm. Four taped interviews were received from that firm and GCHP staff selected one individual to interview.

Interim CEO Cho emphasized that Sonia DeMarta has been doing an exceptional job. He added that he had assessed the work plan; the Plan is under staffed on all levels. Interim CEO Cho stressed the importance of having sufficient and qualified staff otherwise the Plan runs insufficiently loses money. There is also extreme office space shortage, cubicles have been made smaller in every area and there is no conference room. Office space is critically needed. The item was further discussed.

Interim CEO Cho advised the Commission that Nurses for the Plan are hired and employed by ACS, but work under Health Services division of the Plan. Discussion was held regarding the possibility of negotiating with ACS to transition the nurses to GCHP sooner than the timeline in the current contract.

Interim CEO Cho noted that he was receiving great assistance from the Interim QI Director, previous Vice-President of Well Point. She has assisted Dr. Cho in many ways and has helped hold the Medical Management Committee Meeting, which will be held quarterly.

Interim CEO Cho announced that Pharmacy PMPM (per-member per-month) cost for the Plan is approximately $24, but the average in all other COHS is $31; the second quarter is up but still low. Next month they will have third quarter figures. Chair Dial added that Dr. Cho; as well as other doctors, worked on making the Plan’s formulary a good one and suspects it has a lot to do with it.

Mr. Pedro spoke that he had no insurance and wife was having difficulties. Chair Dial directed Pamela Kapustay and Andre Galvan to meet with Mr. Pedro and assist in any way possible.

Jennifer Bower, RGS, we are a government agency we have unique relationships with GCHP. We do not interfere with operations of the Plan unless we assess on three levels: work, plan; risk. RGS did not come in and get involved until approximately one month ago, but cannot comment due to Human Resources issues. A lot of work has been accomplished here; I am impressed by the Plan’s staff. The organization needs to be stabilized and Dr. Cho has done a great job and RGS is now involved daily.
Commissioner Juarez noted that when the Special Committee met with GCHP staff they could tell that staff really cares. He expressed his concern that RGS is working outside the scope of their contract as operation issues are not in their domain.

Jennifer Bower noted that RGS is not involved in operations; they are on site to assist in Human Resources.

David Cruz commented that he believes there is serious disconnect with the public and there is still no Spanish outreach. He added that if he cannot get the information he requested from the Plan he will go to the District Attorney. He added that he also only received some of the information he requested from his previous requests.

Discussion was held regarding the timelines of public records requests and the date the response is due and the fact that Staff has been in communication with Mr. Cruz.

Chair Dial clarified that Mr. Cruz has indicated that individuals cannot receive services. Mr. Cruz confirmed this. Commissioner Araujo questioned Mr. Cruz and announced that his facility has available appointments so he was concerned why the individuals would not be able to receive services.

Commissioner Gonzalez asked if the individuals were calling or using the GCHP website. He added that he reviewed the website and was disappointed.

Commission Juarez those are appropriate comments and most on Medi-Cal are Spanish and it is not okay. There is also a problem with where members are being assigned.

CEO of Epiphany Homes, care for medically fragile, announced to the Commission that not all claims have been paid. The Plan owes them $600,000. Chair Dial requested Dr. Cho or his designee check into Epiphany Homes.

Commissioner Chawla added that another doctor has not been paid in eight months. Interim CEO Cho asked that the information be forwarded to him so the issue could be reviewed.

Maria Moreno asked when GCHP will have information available to Members in Spanish. She expressed concern because there are facilities that do not have staff members that speak Spanish. We are asking for that to be at least in Spanish so they may tell Mixteco and requested that simple words be used.

Director Galvan responded that all information sent out to Members is in English and Spanish. Director Lalich added that the website will be mirrored in Spanish.

Jess Herrera thanked the Commission for the opportunity to address them. This is great concern to the community. Please take this matter seriously.
5. **ACCEPT AND FILE FINANCIAL REPORT**

   a. **February Financials**

Interim CFO DeMarta explained that Membership was up by 132 to 100,768 Members; however, total membership was below budget by 953. February revenue exceeded budget for the month and year-to-date. Gross Premium Revenue in February was $697,000 above budget, and surpassed budget by $8.5 Million year-to-date.

In October, California Department of Health Care Services announced that the premium would be reduced retro-actively to July 1, 2011 as a result of the 10% provider rate reductions (AB 97) approved by CMS, the reduction to Plan Premium was approximately 2.2% or $560,000 per month.

February health care costs totaled $25.6 Million. Overall health care costs were impacted by an addition to the Plan’s IBNR, but again experienced favorable variances in Pharmacy and Capitation.

Interim CFO DeMarta stressed that with regard to IBNR, February saw a culmination of continued internal analysis, consultants’ recommendations and state review comments regarding the Plan’s estimated claims reserves (IBNR). The result was an addition of approximately $4.0 Million to GCHP’s IBNR.

Total February claims (excluding pharmacy) were $21.9 Million, compared with $17.4 Million per budget. System claims payments for February amounted to more than $20.3 Million.

Capitation for February was again favorable as compared to budget. February capitation was $620,900 as compared to a budgeted $735,500 and year-to-date was $5.0 Million compared to a forecasted $5.5 Million.

Pharmacy continued to outperform budget in February. The Plan’s expense of $3.1 Million compared to the budgeted $3.6 Million. February pharmacy encounters decreased by more than 1,000 as compared with January. February’s cost per encounter remained stable at $44.59 compared with $44.57 in the prior month.

General and administrative expenses in February were under budget by $211,000 for the month and $528,000 year-to-date. Vendor costs represented 81% of total general and administrative expenses, while payroll costs represented 19%.

Interim CFO DeMarta explained that the Balance Sheet showed that cash and cash equivalents as of February 29 were $21.5 million. As progress has been made in processing claims, average cash balances have decreased as would be expected. At the end of February, outstanding claims checks amounted to $4.3 million.

February’s Medi-Cal Receivable balance included current month revenue due from the state in the amount of $25.1 million. Prior months’ retroactive member increases added
another $2.3 Million to the balance. As had been announced by the state, payment was received on a delayed schedule in mid-March.

Accrued Premium Reduction amounted to $4.4 million and is the result of the reserve that GCHP continues to post for the mandated premium rate reduction. The reserve, representing 7 months of reduction retroactive to July 1, was set aside for anticipated future settlement. The amount added to the reserve in February was $554K.

Accrued Premium Tax Payable of $1.2 Million reflected two months of accrued MCO tax as of February 29. Estimated payments will be made in accordance with state regulations, and are scheduled to be made after the close of each calendar quarter.

The Plan’s fund balance at the end of February was $3.9 million. The Plan’s required Tangible Net Equity (TNE) for February was $3.0 million. According to the phased-in approach approved by the Department of Health Care Services, the Plan was required to attain 20% of the minimum required TNE ($15.2 million). In spite of the addition to IBNR, the Plan’s TNE of $3.9 million (26.1%) exceeded the phase-in requirement by $900K.

6. CHILDREN’S HOME SUPPORT

There were no questions regarding this item.

7. ACS PRESENTATION – REPORT

Ken Dixon, of ACS presented the following information:

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<th>NON-ADMINISTRATIVE MEMBERSHIP SUMMARY</th>
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RECESS:

A Recess was called at 8:50 p.m. The meeting was reconvened at 8:55 p.m. without Commissioner Gonzalez.

8. MANAGEMENT RECOMMENDATIONS & REPORTS

a. Changes to Provider Advisory Committee
Interim CEO Cho explained that there are currently two vacancies on the Committee. Management recommends the appointment of nominee C. Albert Reeves, MD, Medical Director of the Ventura County Health Care Plan to replace Dr. Keats. Mike Lurie is retiring and Management is recommending Kimberly Bridges, RN, Director of the CMH Centers for Family Health.

Commissioner Long moved to accept the appointments to the Provider Advisory Committee. Commissioner Fankhauser seconded. The motion carried. **Approved 9-2, with Juarez and Chawla voting no.**

b. Commission Liaison to Compliance Committee
Commissioner Juarez moved to appoint Commissioners Rodriguez and Glyer as Commission Liaison to the Compliance Committee. Commissioner Gonzalez seconded. The motion carried. **Approved 11-0.**

c. Commission and Executive Finance Committee 2012 Meeting Schedule
Chair Dial moved to have the Executive Finance Committee meet on the 1st and 3rd Thursdays of the month for the remainder of the year. Commissioner Gonzalez seconded. The motion carried. **Approved 11-0.**

Commissioner Juarez moved that a Summary of the Minutes of the Provider Advisory Committee Meetings and Citizen Advisory Committee be brought forward to the Commission within the CEO report, Commissioner Gonzalez seconded. The motion carried. **Approved 11-0.**

9. SPECIAL COMMITTEE REPORT

a. Possible Solutions
1. CEO
Commissioner Gonzalez stated that they have reviewed resumes of 4 individuals. There is an application process in place and the Special Committee is working with RGS. RGS has placed the vacancy on a number of websites.

After further discussion Dr. Cho agreed to continue to be Interim CEO if he was given the authority to promote, demote or restructure the organization as he believed to be necessary; to which there was Commission Consensus.
Commissioner Juarez moved to continue the appointment of Dr. Charles Cho as Interim CEO for two additional weeks. Commissioner Long seconded. The motion carried. **Approved 11-0.**

Commissioner Gonzalez noted that there had been a conference call with CAHIO and the Plan was offered assistance. CenCal will send down a CFO to look at the Plans Books and Claims processes.

Commissioner Dial moved to have the CenCal CFO work with GCHP CEO & CFO and review the Plans Books and Claims processes and report to the Commission. Commissioner Rodriguez seconded. The motion carried. **Approved 11-0.**

Commissioner Gonzalez added that Meg Murray recommended Tatum Consulting. They will send us a CEO who ran a health plan. They have an individual who could be down here in a few days and they are in the price range that that Executive Finance has authority to approve.

Legal Counsel Polich stressed the importance of being careful, that the Special Committee be advisory.

Commissioner Juarez moved to authorize the Special Committee to authorize contracts up to $150,000 with the Executive Finance Committee ratifying said contracts, Chair Dial seconded. The motion carried. **Approved 11-0.**

2. **CFO**
Commissioner Gonzalez reported that we have help and there are five candidates. Believe we want to see more candidates. Commissioner Rodriguez agreed. Commissioner Gonzalez there will be internet posting. It is expected to get professional recruiter. Believe if we just have internet wk for wk and see if we get good

3. **Claims Director**
We reviewed five and we have some good candidates. Believe we should do all open until filled on the postings.

4. **Recruiting Firm**
Discussion was held regarding what positions could be hired through RGS and which would have to be contracted with the Commission.

5. **Legal Counsel**
Commissioner Juarez explained that two larger firms in Ventura County were interviewed. They both have experience and numerous attorneys. They have been asked for possible conflict of interests. Further information will be compiled and presented to the Special Committee.

6. **Human Resources Director**
The position has been posted on the website as “open until filled.”
7. **Consultants – Contracts for Services not to Exceed $150,000**

Nothing in particular was discussed under this item.

**COMMENTS FROM COMMISSIONERS**

Commissioner Juarez highlighted that there are rules and protocols that need to be followed. There is an investigation being conducted regarding alleged comments made by GCHP staff. Their name has been released in two e-mails which compromises the investigations.

Commissioner Gonzalez stated that the Spanish side of the website needs to be fixed and wants it addressed prior to the next Commission meeting.

Chair Dial announced that this was the last meeting that he would be Chair. Have been Vice-Chair and Chair for two years. The stress level has increased and I cannot continue with number of calls and meetings that this Commission deserves. I have enjoyed it to some degree.

Commissioner Fankhauser thanked Dr. Dial for his commitment and expressed his gratitude for the work he has done.

**ADJOURNMENT**

The meeting adjourned at 10:12 p.m.

APPROVED:

Traci R. McGinley, MMC, Clerk of the Board