CALL TO ORDER

Chair Gonzalez called the meeting to order at 3:24 p.m. in Suite 230 at the Ventura County Public Health Building located at 2240 E. Gonzalez Road, Oxnard, CA 93036.

ROLL CALL

COMMITTEE MEMBERS PRESENT
Anil Chawla, Clinicas del Camino Real, Inc.
David Glyer, Private Hospitals / Healthcare System
Robert Gonzalez, Ventura County Medical Health System
Roberto Juarez, Clinicas del Camino Real, Inc.

EXCUSED / ABSENT COMMITTEE MEMBERS
Catherine Rodriguez, Ventura County Medical Health System

STAFF IN ATTENDANCE
Michael Engelhard, CEO
Sonia DeMarta, Interim CFO
Nancy Kierstyn Schreiner, Legal Counsel
Guillermo Gonzalez, Government Affairs Director
Traci R. McGinley, Clerk of the Board

PUBLIC COMMENTS

Tony Alatorre, Clinicas COO, spoke regarding the GCHP August Providers Newsletter and its announcement that effective October 1, 2012, GCHP considered the CHDP Program part of the capitation payment for primary care providers in Ventura County. He stated that Clinicas went through credentialing, sends surveys; goes through certifications, hearing, vision and immunizations through public health. He asked if that funding was going away, if GCHP was administering the program fully and was removing the requirements that Clinicas has through CHDP as Clinicas also administers the PM160 claim forms. He also asked what would happen to the children that are not Medi-Cal, the treatment program, what will happen to that funding. Will GCHP be paying for those that don’t qualify for Healthy Families or Medi-Cal?

CEO Engelhard responded that a lot of questions were presented which required research; however, GCHP receives no additional funding for CHDP. CEO Engelhard added that the Newsletter was to explain for Providers that CHDP funding was provided through the capitation payment and the newsletter clarified which billing codes were to
be used. CEO Engelhard added that it was a question of what is covered under the DOFR (Division of Financial Responsibility) and that the Provider Newsletter clarified this.

1. APPROVE MINUTES

   a. **August 24, 2012 Regular Meeting Minutes**
      Committee Member Juarez moved to approve the August 24, 2012 Regular Meeting Minutes. Committee Member Glyer seconded. The motion carried. **Approved 4-0.**

   b. **September 6, 2012 Regular Meeting Minutes**
      Chair Gonzalez noted that the 2\textsuperscript{nd} to the last paragraph on Page 6 needed to be amended to read as follows:
      
      Chair Gonzalez indicated that when BRG became our monitor they expressed concern about our IBNR and it is important that we get a sense of whether improvement has occurred, because when I look at the claims report it looks like we are slipping backwards.
      
      Committee Member Glyer moved to approve the Minutes of the September 6, 2012, Regular Meeting as amended. Chair Chawla seconded. The motion carried. **Approved 4-0.**

   c. **September 20, 2012 Special Meeting Minutes**
      The following changes were noted:
      
      Page 2, 1\textsuperscript{st} line should be McGladrey and Pullen.
      
      Page 7, 3\textsuperscript{rd} paragraph:
      Chair Gonzalez commented on the BRG Reports, he indicated that there was discussion about the reports, but they were not public as they were draft reports.
      
      The September 20, 2012, minutes were pulled, the above changes would be made and the Clerk would work with the staff member that handled the meeting in her absence to rework the minutes.

2. CONSENT ITEM

   a. **Ratification of Contract with the Law Firm of Wilke-Fleury for Specialized Legal Services for Managed Care Contracting**
      Committee Member Juarez moved to recommend ratification of legal services contract. Committee Member Glyer seconded. The motion carried. **Approved 4-0.**
3. ACCEPT AND FILE CEO UPDATE

CEO Engelhard reported that on October 1, 2012, CBAS became a managed Medi-Cal benefit. The Plan has 784 members eligible for the service; there were a few minor issues, but case managers handled them. The CBAS centers raised concerns that the Plan may have issues paying the claims as the centers are a thin margin business. The Plan encouraged the CBAS facilities to sign up for EFT.

Staff is developing detailed work plans that are focused on a multitude of areas such as claims / cost containment, utilization management optimization, revenue optimization, reporting, and reevaluation of administrative costs (particularly around some of our higher cost contracts) to make sure that GCHP is operating efficiently and it is getting value for what it is paying for.

Chair Gonzalez asked if the IBNR would be better defined when claims are reviewed, and corrections are made. CEO Engelhard responded that cleaning up claims and understanding the data is an important piece. Another item that will help with the estimation of IBNR is that beginning July 1, 2012, the State eliminated the retroactivity for COHS and those are often higher dollar claims. The Plan should have a better and quicker understanding of costs.

Mark Abernathy of BRG added that until the Plan is steady and running smoothly, it is difficult to calculate IBNR. Old claims and retroactive authorization are coming through. When the Claims area had problems in processing and the problems were fixed, releases all the claims that had that problem from day one, which creates that long tail, and retroactivity also creates a long tail. When the IBNR is booked, the most recent months are generally booked as pmpm because they are volatile because one large hospital claim can come in; completion factors are utilized for all other months.

CEO Engelhard reminded the Committee that the Plan will be having its first Community Resource Fair at Del Sol Park on Sunday October 21st from 10:00 a.m. until 3:00 p.m. There will be upwards of 19 of the Plan's contracted Provider Partners as well as mobile clinics involved. There will be information on the website, spots on the radio and flyers. Staff plans to do something in other sections of the County at other times.

4. APPROVAL ITEMS

a. Consideration of Adoption of Claims Procedure for Claims Against Gold Coast Health Plan and Recommendation to Commission

Legal Counsel Kierstyn Schreiner reviewed her report for Non Medi-Cal related Claims.

Chair Gonzalez questioned that the CEO was not mentioned in the language. Legal Counsel Kierstyn Schreiner responded that it is standard language and by her forwarding it to the CEO it would remain confidential.
Committee Member Chawla moved to recommend the Resolution adopting a claim procedure to be approved by the Commission at its next regular meeting. Committee Member Glyer seconded. The motion carried. **Approved 4-0.**

b. **Discussion of Bylaws and Meeting of the Executive / Finance Committee**

Legal Counsel Kierstyn Schreiner reviewed her report.

Committee Member Glyer moved to forward the information to the Commission at the next regular meeting. Committee Member Chawla seconded. The motion carried. **Approved 4-0.**

5. **ACCEPT AND FILE ITEMS**

b. **Plan-to-Plan Contract Template**

Provided for review and information purposes only.

Chair Gonzalez stated that there is a rigorous process in creating the contracts, checks and balances exist between the Plan, Providers and their attorneys. The State also reviews and approves the template. He questioned the utility of the Committee reviewing the templates. He stated that he tried to clarify this at the last meeting.

Chair Gonzalez continued, stating that it was his desire is to have the CEO inform the Commission of important business in the Plan, that was not occurring previously and the Commission was blinded. This was an attempt to ensure the Commission was provided information.

Committee Member Juarez stated that the Plan had templates that had not been seen by the Commission, possibly a list would be helpful, as well as being informed if they change.

CEO Engelhard stated that if DHCS requires that the template be changed, staff could advise the Commission of the required change.

Chair Gonzalez requested that this item go before the Commission so the action could be undone.

a. **August Financials**

CEO Engelhard reported that there is a material decline in the Fund Balance which puts the Plan out of compliance with the TNE requirement, Page 5a-3. Staff has been having discussions with BRG and Milliman about the IBNR and the data issues. There has been processing problems with the “tail” on the claims lag. The Monitors have argued for a higher level of IBNR because they didn’t have a good idea of where long claims tail would end. The Plan was using book to budget and as we moved through the balance of the fiscal year it became apparent that booking expenses using this approach was understating true costs. The Plan agreed to add $7 million into IBNR until it has a better
understanding of reprocessed claims, and then it will have a better estimate of actual costs. The Plan hopes that as clean up continues on old claims that there is some positive change on the IBNR estimate.

CEO Engelhard added that staff hopes to offset some of this amount with a portion of the Accrued Premium Reduction and will be meeting with auditors tomorrow. The Accrued Premium Reduction - AB97 10% rate cuts. The largest class that was sustained was LTC’s. In June there was $6.7 million rate cuts accrued. Staff has done some analysis and believes that approximately $4.9 million is related to LTC accruals. If GCHP expects that money back by December 31, 2012, it can unwind it this amount of the accrual and use it to partially offset the increase in IBNR.

Committee Member Glyer asked about the implications associated with not meeting the TNE. CEO Engelhard explained that the Plan could be put on a Corrective Action Plan (CAP).

COMMENTS FROM COMMITTEE MEMBERS

None.

ADJOURNMENT

The meeting adjourned at 5:07 pm.

APPROVED:

Traci R. McGinley, MMC, Clerk of the Board