CALL TO ORDER

Chair Araujo called the meeting to order at 3:02 p.m. Hall of Administration – Lower Plaza Assembly 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
Barry Fisher, Ventura County Health Care Agency
Peter Foy, Ventura County Board of Supervisors
David Glyer, Private Hospitals / Healthcare System
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
Lanyard Dial, MD, Ventura County Medical Association
Darren Lee, Private Hospitals / Healthcare System
Vacant, Medi-Cal Beneficiary Advocate

STAFF IN ATTENDANCE
Dale Villani, Chief Executive Officer
Patricia Mowlavi, Chief Financial Officer
Traci R. McGinley, Clerk of the Board
Scott Campbell, Legal Counsel
Brandy Armenta, Compliance Officer / Director
Susana Enriquez, Public Relations Manager
Anne Freese, Pharmacy Director
Jeffery Gauthier, Facilities Manager
Lupe Gonzalez, Director of Health Education, Outreach, Cultural and Linguistic Services
Steven Lalich, Communications Director
Vickie Lemmon, Health Services Director
Tami Lewis, Operations Director
Kim Osajda, Quality Improvement Director
Al Reeves, MD, Chief Medical Officer
Melissa Scrymgeour, Chief Information Officer
Lyndon Turner, Financial Analysis Director
Rodney Waiters, Financial Analyst
Ruth Watson, Chief Operations Officer
Nancy Wharfield, MD, Associate Chief Medical Officer

PUBLIC COMMENT

The following individuals expressed their pride in working for the Plan: GCHP Health Services Director, Vickie Lemmon; Senior Decision Support Services Analyst Ritchie Nojadera on behalf of Decision Support Services Manager Kris Schmidt; Financial Analyst Rodney Waiters on behalf of 68 employees of the Plan; and Sherri Bennett, a previous employee of GCHP.

1. APPROVE MINUTES

   a. Regular Meeting of August 24, 2015

   Commissioner Fisher moved to approve the Regular Meeting Minutes of August 24, 2015. Commissioner Pupa seconded. The motion carried with the following votes:

   NAY: None.
   ABSTAIN: Foy
   ABSENT: Dial and Lee.

2. APPROVAL ITEMS

   a. Appointment to Consumer Advisory Committee (CAC)

   COO Watson reviewed the report with the Commission.

   Commissioner Foy moved to approve the appointments to the Consumer Advisory Committee. Commissioner Fisher seconded. The motion carried with the following votes:

   NAY: None.
   ABSTAIN: None.
   ABSENT: Dial and Lee.

   b. Appointment to Provider Advisory Committee (PAC)

   COO Watson reviewed the report with the Commission.

   Commissioner Foy moved to approve the appointments to the Provider Advisory Committee. Commissioner Alatorre seconded. The motion carried with the following votes:

   NAY: None.
   ABSTAIN: None.
   ABSENT: Dial and Lee.
c. **Department of Health Care Services (DHCS) Contract Amendment (Number to be determined)**

CEO Villani reviewed the report with the Commission explaining that the amendment extends the length of the contract for six months, to December 31, 2015.

Commissioner Fisher moved to approve and authorize the CEO to execute the DHCS contract amendment. Commissioner Foy seconded. The motion carried with the following votes:

NAY: None.
ABSTAIN: None.
ABSENT: Dial and Lee.

d. **Adoption of Audit Committee Charter**

CEO Villani stressed the importance of having an internal auditor as well as checks and balances to monitor performances, risk assessments and controls within GCHP. He added that CFO Mowlavi identified a consultant with the knowledge and experience to assist GCHP in identifying and putting those controls into place. CFO Mowlavi briefly reviewed her report before introducing Marty Haisma of Etonien Financial Consultants.

Marty Haisma was present to answer any questions. Provided an overview of his background in auditing and accounting, establishing levels of internal controls and reviewing corporate governance and policies.

Commissioner Glyer requested clarification regarding the Committee’s $500,000 purchasing authority. CFO Mowlavi explained that the $500,000 per fiscal year would encompass anything needed to give the Committee adequate financial ability to contract with external auditors and if needed, any services for investigations.

With regard to GCHP’s contracting threshold policy, Chair Araujo and Commissioner Alatorre asked if the Plan had obtained three bids or if anyone else had been considered for the consulting services. CEO Villani explained that the consulting services were to assist the Plan to establish and set up the policies, procedures and infrastructure. The internal auditor would be a GCHP employee. CFO Mowlavi confirmed that the contract was under the $50,000 threshold.

In response to questions from Chair Araujo, CEO Villani and CFO Mowlavi explained that the internal auditor was a new position which was approved in the FY 2015-16 budget as a Risk Manager therefore the position will be Risk Manager / Internal Auditor.

Chair Araujo asked if the Commission wished to change the Committee’s purchasing threshold. Commissioner Glyer noted that he was comfortable with the figure after obtaining the answers to his questions and the fact that it is a subcommittee of the Commission.
Commissioner Foy moved to adopt the Audit Committee Charter. Commissioner Glyer seconded. The motion carried with the following votes:

**AYE:** Alatorre, Araujo, Fisher, Foy, Glyer, Laba, Pawar and Pupa.

**NAY:** None.

**ABSTAIN:** None.

**ABSENT:** Dial and Lee.

e. **Adoption of a Cultural Diversity Program, Including the Creation of an Human Resources, Cultural Diversity Subcommittee to Among Other Things, Initiate a Diversity Intervention Project, a Cultural Diversity Hotline and Potential Agreement with the Ventura County Human Resources Division or a Third Party to Facilitate the Initiation of the Diversity Intervention Project**

As a preliminary matter, Legal Counsel Campbell explained that Best Best and Krieger and County Counsel agreed that current members of the Commission are allowed under the Conflict of Interest rules, to participate in the consideration of a contract with the County’s Human Resources Department for implementation of a diversity program.

Legal Counsel Campbell reviewed the staff report, reported that the County had introduced an ordinance that if adopted would substitute the Ventura County Medical Center Family Medicine Director position, currently held by Dr. Araujo, for a position to be nominated by the County. The County has indicated that the person that will be appointed at this time is Shawn Atin, Ventura County Human Resources Director. The Ordinance will also establish a Chief Diversity Officer which would report to the Commission. That Officer would have the ability to take disciplinary action for violation of the Diversity Program that will be developed by the Human Resources Cultural Diversity Committee. That Committee, which the Commission was in the process of establishing based in part on the recommendations that came out of the recent internal investigation handled by the Special Investigation Ad Hoc Committee, is on the agenda for approval. The item for Commission consideration is the establishment of the Human Resources Cultural Diversity Committee and appointments thereto.

Shawn Atin, Ventura County Human Resources Director, spoke in favor of the establishment of a Cultural Diversity Program.

Commissioner Foy asked how Mr. Atin could be appointed to the ad hoc committee prior to the official appointment to the Commission. Legal Counsel Campbell explained that Mr. Atin could serve in an advisory role in the interim.

CEO Villani added that some of the recommendations align with the directives previously laid out to the Commission. One of the most important items is having a Senior Director of Human Resources. That position has been filled and will be on staff by November 2, 2015 and will work closely with the Chief Diversity Officer.

CEO Villani reported on the following areas: 1) GCHP contracts with NAVEX Global for the Fraud Waste and Abuse hotline and the Cultural Diversity hotline can be added to their services for approximately $2,000 per year. 2) GCHP is in the process of
contracting for diversity training. 3) As part of an annual employee survey, questions will be asked to ensure GCHP obtains the information needed from the surveys.

Commissioner Glyer raised a concern that the Chief Diversity Officer would have the ability to bypass the CEO and take independent disciplinary action against employees. Commissioner Foy stated that the County CEO had explained it as a cooperative situation.

CEO Villani added that he hoped that the Commission and the subcommittee would always ask for input by the CEO regarding any action brought forward.

Commissioner Glyer stated that the ordinance should not be adopted as worded. Commissioner Foy agreed

Commissioner Foy moved to establish the Human Resources Cultural Diversity Committee. Commissioner Glyer seconded. The motion carried with the following votes:

NAY: None.
ABSTAIN: None.
ABSENT: Dial and Lee.

Commissioner Foy moved that the Human Resources Cultural Diversity Committee be comprised of three Commission Members. Commissioner Pupa seconded. The motion carried with the following votes:

NAY: None.
ABSTAIN: None.
ABSENT: Dial and Lee.

Commissioner Fisher nominated Shawn Atin, contingent upon appointment to the Commission by the Ventura County Board of Supervisors. Commissioner Foy nominated Commissioner Glyer. Commissioner Pawar nominated Commissioner Alatorre. Chair Araujo suggested consideration of Commissioner Lee.

Commissioner Foy moved to appoint Shawn Atin, Commissioner Glyer and Commissioner Alatorre to the Human Resources Cultural Diversity Committee. Commissioner Glyer seconded. The motion carried with the following votes:

NAY: None.
ABSTAIN: None.
ABSENT: Dial and Lee.

Discussion was held regarding the Diversity hotline.
Commissioner Fisher asked if the Committee would receive a report regarding the calls to the hotline. CEO Villani responded that the Chief Diversity Officer would review the calls, and the routing of the call information and the frequency of those reports would have to be determined. In response to Commissioner Fisher’s question, Legal Counsel Campbell explained that discussion regarding the specific calls would not necessarily be handled in Closed Session of the Human Resources Cultural Diversity Committee.

Chair Araujo asked about contracting with the County. Legal Counsel Campbell responded that there were four options for the Commission: 1) Contract with the County of Ventura for the function; 2) Contract with a third party vendor to assist in establishing a diversity program; 3) It could be kept internally with Ms. Hewlitt, Legal Counsel Ortiz and the Human Resources Cultural Diversity Committee; and 4) The Commission could wait until a Chief Diversity Officer is hired.

Commissioner Foy moved to direct CEO Villani to meet with the County of Ventura Human Resources Department and other potential vendors, do a comparison of the programs and costs and provide a recommendation to the Commission. Commissioner Fisher seconded. The motion carried with the following votes:

    NAY:  None.
    ABSTAIN: None.
    ABSENT: Dial and Lee.

3. ACCEPT AND FILE ITEMS

   a. CEO Update
CEO Villani reviewed his report with the Commission, additional material was provided to the Commission. He highlighted the upcoming strategic planning meeting with Jennifer Kent of DHCS and GCHP’s consultant. Leadership will present the foundation, goals and recommended direction for 2015-16. GCHP’s behavioral health provider, Beacon Health Strategies (Beacon), has been sent additional compliance notices. Beacon has been unable to provide specific reports needed and there are concerns that Beacon cannot process claims as per their contract. A request for information has been sent out to see if there are other potential vendors that could meet GCHP’s performance standards because this is a risk to Plan.

Compliance Director Armenta added that, as reported at the last Commission Meeting, Beacon is on a financial sanction as a result of non-compliance with their Corrective Action Plan (CAP).

   b. Update – June 2015 Financials
CFO Mowlavi updated the Commission on the external audit. McGladrey should complete the FY 2013-14 audit the following week. GCHP selected Moss Adams for the FY 2014-15 audit, upon McGladrey’s decision to exit the Medi-Cal market. Moss Adams, specializes in Medi-Cal and handles 75% of Medi-Cal managed care plans in California. Moss Adams has completed as much pre-work as possible but cannot move forward until McGladrey issues FY 2013-14 audited financials. Moss Adams and GCHP are
working diligently to complete the audit by the due date to DHCS which is October 28, 2015.

CFO Mowlavi reported that GCHP will be paying ACA 1202 through the end of the calendar year. Approximately $361,000 of ACA 1202 payments are scheduled to go out the following week. There are coding issues with another set of providers for approximately $100,000 and letters will be going out to the providers that have not yet submitted their W-9’s.

In response to questions from Commissioner Glyn, CFO Mowlavi explained that the June Financials contained audit entries recommended by McGladrey. Retroactive revenue was moved back to the affected year. Actual claim experience was recognized in FY 2013-14, allowing GCHP to rely less on the Incurred But Not Reported (IBNR) estimates. No future audit adjustments were anticipated.

CFO Mowlavi introduced the Financial Performance Dashboard which depicts past, current and future indicators for membership, revenue, key ratios, operating gain and tangible net equity (TNE). There were strong bottom line gains, over the past two fiscal years, as a result of Adult Expansion (AE), which strengthened TNE. However, operating gains are expected to decline as a result of pressure on rates (DHCS reduced AE rates by 23% in July), increasing healthcare costs, benefits and new programs.

Commissioner Foy asked what would be done to protect the margin. CFO Mowlavi responded that GCHP is reviewing the cost of health care programs and the rate development template to maximize rates for GCHP.

CEO Villani added that GCHP is continuing to look at operating efficiencies and there are some larger contracts that GCHP believes could be done better.

COO Watson noted that GCHP built rate changes into the AE program with providers, and is able to change the rates should the rates from the State go down.

Financial Analysis Director Turner added that the two years that had healthy net operating results are remarkable and will not likely repeat. This fiscal year is more typical of how the State builds rates.

Commissioner Pupa asked for an updated grid showing GCHP’s TNE compared to other COHS in the State. CFO Mowlavi added that GCHP is developing a policy around the TNE and will bring that to the Commission as well.

Commissioner Fisher asked if there had been any discussions with the State regarding lifting of the financial CAP due to the current TNE level and solid financial ground. COO Watson responded that the State is not only looking at sustainable financials, but also sustainable staffing at the executive level.

c. COO Update
COO Watson presented the COO report highlighting membership, space expansion, claim turnaround time and grievances. October membership has not yet been received
by the State, but GCHP anticipates only marginal growth. GCHP is still negotiating for additional space in Daily Drive campus. GCHP has been working closely with Xerox regarding claim turnaround time and the call center to address issues caused by changes within Xerox as well as the increased membership.

Commissioner Foy asked if there were guarantees in the contract. COO Watson confirmed that guarantees were in the contract and GCHP did reduce the payment while the requirements were not being met.

COO Watson explained that the grievance charts would be updated to reflect balance billing as a member complaint and not as a member grievance. The number of member grievances received per 1,000 members was 0.04.

d. **CIO Update**
CIO Scrymgeour reviewed her report. The Plan is entering into a strategic pricing agreement with Insight for the purpose of Microsoft products, computing equipment and peripherals. The Plan is leveraging purchasing power through a provision in the California Public Contract Code by participating in a software cooperative agreement for enterprise Microsoft licensing as negotiated by the County of Riverside. Insight is a Microsoft certified value added reseller and was selected by the Plan due to their ability to warehouse and distribute purchased hardware product. CIO Scrymgeour highlighted the anticipated savings through this agreement, which is roughly 20% this fiscal year on budgeted software and hardware spend. In reviewing the projects, CIO Scrymgeour reported that some projects are being required to be pushed forward due to resource constraints.

e. **CMO / Health Services Update**
CMO Dr. Reeves reviewed Associate Chief Medical Officer Dr. Wharfield’s report. The Commission previously had questions regarding diagnoses. An overwhelming 50% of hospitalizations had to do with pregnancies. ER utilization went up but remains good compared to other plans. Authorizations have significantly increased due to membership levels. The number of members using behavioral health providers increased, GCHP believes it correlates with members learning of the benefit and PCP’s are referring members.

Lupe Gonzalez, Director of Health Education, Outreach, Cultural and Linguistic Services reported on Outreach and Sponsorships.

f. **Compliance Update**
Compliance Officer / Director Armenta reviewed the Compliance Update, noting that GCHP is still under a financial Corrective Action Plan (CAP) from the State and continues to have monthly submission requirements.

The State previously conducted medical audits every three years, but are now conducted annually. Receipt of the final CAP from the annual medical audit from review period December 1, 2014 through November 30, 2014 has been delayed. GCHP is concerned that there will not be adequate time to implement changes identified in the CAP before the next scheduled audit. The State has verbally committed to ensuring adequate time provided to the Plan between the issuance of the CAP and the next scheduled audit so that the Plan can implement changes identified by the audit.
GCHP is contractually obligated to actively monitor delegated functions provided by subcontractors. The Plan currently has two CAPs open for the Managed Behavioral Healthcare Organization (MBHO) and the specialty contract. GCHP is working with each delegate to ensure successful closure of the CAP once compliance is achieved. The Plan remains vigilant and continues to enforce the robust oversight program.

Commissioner Foy moved to accept and file the CEO, CFO (June 2015 Financials), COD, CIO, CMO / Health Services and Compliance Updates. Commissioner Fisher seconded. The motion carried with the following votes:

NAY: None.
ABSTAIN: None.
ABSENT: Dial and Lee.

COMMENTS FROM COMMISSIONERS

Chair Araujo expressed his appreciation that employees of the Plan came forward in support of the Plan.

Commissioner Foy added that the Commission believes in the organization and that one or two people do not define an organization.

Commissioner Pupa thanked GCHP staff for speaking with the Commission.

CLOSED SESSION

Legal Counsel Campbell explained the purposes of the Closed Session Items.

CLOSED SESSION ADJOURNMENT

The Commission adjourned to Closed Session at 5:09 p.m. regarding the following items

a. Public Employee Performance Evaluation
Pursuant to Government Code Section 54957
Title: Chief Executive Officer

b. Conference with Legal Counsel – Existing Litigation
Name of Case: Guillermo Gonzalez v. Gold Coast Health Plan, EEOC Claim
Nos. 4802c1402364 and 480201501070
c. **Conference With Legal Counsel** – Anticipated Litigation  
**Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Section 54956.9**  
Number of Cases: 3

**RETURN TO OPEN SESSION**

The Regular Meeting reconvened at 6:25 p.m.

Legal Counsel Campbell announced that no reportable action was taken in Closed Session.

**ADJOURNMENT**

Meeting adjourned at 6:26 p.m.

**APPROVED:**  
Maddie Gutierrez-Roberts, Interim Clerk of the Board