

BOARD OF GOVERNORS

Executive Committee

Meeting Minutes – October 25, 2022

1055 West 7th Street, 10th Floor, Los Angeles, CA 90017



L.A. Care
HEALTH PLAN

Members

Hector De La Torre, *Chairperson*

Al Ballesteros, *Vice Chairperson*

Ilan Shapiro MD, MBA, FAAP, FACHE, *Treasurer*

Stephanie Booth, MD, *Secretary*

Hilda Perez

Management/Staff

John Baackes, *Chief Executive Officer*

Terry Brown, *Chief of Human Resources*

Augustavia Haydel, *General Counsel*

Linda Greenfeld, *Chief Products Officer*

Alex Li, *Deputy Chief Medical Officer*

Tom MacDougall, *Chief Technology & Information Officer*

Thomas Mapp, *Chief Compliance Officer*

Marie Montgomery, *Chief Financial Officer*

Noah Paley, *Chief of Staff*

Acacia Reed, *Chief Operating Officer*

Afzal Shah, *Deputy Chief Financial Officer*

State and local officials continue to impose or recommend measures to promote social distancing to reduce transmission of the COVID 19 virus. It is prudent to use caution in protecting the health of the public, L.A. Care's employees and its members where adequate virtual means exist to permit the meeting to occur by teleconference/videoconference with the public being afforded the ability to comment in real time. The Board of Governors and all legislative bodies of the L.A. Care Health Plan, and the Board of Directors and all legislative bodies of the Joint Powers Authority will continue to meet virtually and the Boards will review that decision on an on-going basis as provided in the Brown Act. Members of the public had the opportunity to listen to the meeting via teleconference, and share their comments via voicemail, email, or text.

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
CALL TO ORDER	<p>Hector De La Torre, <i>Chairperson</i>, called to order the L.A. Care Executive Committee and the L.A. Care Joint Powers Authority Executive Committee meetings at 2:02 p.m. The meetings were held simultaneously. He welcomed everyone to the meetings.</p> <ul style="list-style-type: none">• For those who provided public comment for this meeting by voice message or in writing, L.A. Care is glad that they provided input today. The Committee will hear their comments and they also have to finish the business on the Agenda today.• For people who have access to the internet, the meeting materials are available at the lacare.org website. If anyone needs information about how to locate the meeting materials, they can reach out to L.A. Care staff.• Information for public comment is on the Agenda available on the web site. Staff will read the comment from each person for up to three minutes.	

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	<ul style="list-style-type: none"> The Chairperson will invite public comment before the Committee starts to discuss an item. If the comment is not on a specific agenda item, it will be read at the general Public Comment. <p>He provided information on how to submit a comment live and directly using the “chat” feature.</p>	
APPROVE MEETING AGENDA	The Agenda for today’s meeting was approved.	Approved unanimously by roll call. 4 AYES (Booth, De La Torre Perez, and Shapiro)
PUBLIC COMMENT	There were no public comments.	
APPROVE MEETING MINUTES	The minutes of the August 23, 2022 meeting were approved as submitted.	Approved unanimously by roll call. 4 AYES
CHAIRPERSON’S REPORT <ul style="list-style-type: none"> Board Officer nominations and potential slate of officers for November 3, 2022 Board of Governors Meeting Nomination of Charitable Organization for Board Stipend 	<p><i>(Member Ballesteros joined the meeting.)</i></p> <p>Chairperson De La Torre noted that different COVID strains are popping up and the county is headed into flu season. Cold and wet weather can make people sick, and there is some concern that conditions could get worse because of the pandemic, the flu and RSV. He encouraged everyone to be safe.</p> <p>He announced a consensus for nominations for 2023 Board Officers:</p> <p style="padding-left: 40px;">Al Ballesteros, <i>Chair</i> Ilan Shapiro, MD, <i>Vice Chair</i> John Raffoul, <i>Secretary</i> Stephanie Booth, <i>Treasurer</i></p> <p>A motion to elect the slate of 2023 Officers will be on the Agenda for the upcoming November 3 Board Meeting.</p> <p>He also announced that after the November 3 Board Meeting, staff will ask board members for suggestions of charities to receive the donated board member stipends for 2023. Per past practice, the names of two of the suggested charities will be randomly selected and a motion will be presented at the December 1 Board meeting.</p>	

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CHIEF EXECUTIVE OFFICER REPORT	<p>John Baackes, <i>Chief Executive Officer</i>, reported:</p> <ul style="list-style-type: none"> • The public health emergency has been extended until January 2023 and it is expected it will be extended again to the middle of April 2023. Ending the public health emergency in winter, when there could be high demand for health care services, physicians and hospitals, and beginning the redetermination of eligibility for public programs, would not be wise. L.A. Care has estimated it could lose around 13% of the enrolled Medi-Cal Members due to changes in residency and income, and non-response. • Enrollees who are no longer eligible for Medi-Cal due to income can continue with L.A. Care by enrolling in L.A. Care Covered and may be eligible for premium subsidy assistance. Currently, more than 40% of L.A. Care Covered members pay no premium for health care coverage. L.A. Care is preparing to increase outreach for prospective enrollees when the public health emergency ends. There is concern that those L.A. Care members who become ineligible for Medi-Cal are potentially members with the lowest utilization rates. This could put greater pressure on L.A. Care's financial performance in the latter months of 2023. The methodology used by California Department of Health Care Services (DHCS) for calculating the rates will be very important. The Los Angeles County Safety Net Coalition will be working on increasing the base rates that are paid for Medi-Cal providers. Staff will provide updates at future meetings. • DHCS has conducted a re-procurement of the commercial plans participating in Medi-Cal managed care in 21 counties, including Los Angeles. L.A. Care, along with the 15 other local health plans, is exempt from that process. It was announced that Health Net, which has been the commercial plan in Los Angeles County since the two-plan model was implemented, will be replaced by Molina Health in Los Angeles County as of January 1, 2024. Health Net, through its corporate parent, Centene Health, is contesting the re-procurement result, although the exact process is not yet known. L.A. Care will continue to update Board Members at future meetings. • L.A. Care representatives met with representatives of the Hospital Association of Southern California (HASC) regarding issues that its members have experienced with L.A. Care's authorization process, access to move people to a proper level of care and some old claims issues. Mr. Baackes noted that L.A. Care will respond to their concerns before the end of this week. • Mr. Baackes announced that Marie Montgomery, <i>Chief Financial Officer</i>, will retire at the end of March 2023. Ms. Montgomery joined L.A. Care 7 years ago from Health 	

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	<p>Net. Her long and very successful career has been in financial management at health plans. He noted that he and Ms. Montgomery were once working at the same health plan. Ms. Montgomery has been an engaged and significant contributor to the operation of L.A. Care, and her stewardship of L.A. Care’s finances has been excellent. Afzal Shah, <i>Deputy Chief Financial Officer</i>, has been appointed to Chief Financial Officer when Ms. Montgomery departs. Mr. Shah previously worked for Alignment Health Plan, and prior to that he had a 20 year tenure with Health Net. Mr. Shah is recognized for his financial acumen, and previously held the title of <i>Vice President for Actuarial Services</i>. Since joining L.A. Care in June, he has contributed to negotiations and rate development issues.</p>	
<ul style="list-style-type: none"> 4th Quarter FY 2021-22 Vision 2024 Progress Report 	<p>Chairperson De La Torre referred Board Members to the written report included in the meeting materials.</p> <p>Board Member Booth noted the implementation of SyntraNet, which is summarized in the report on page 17, and asked if L.A. Care is still using Trizetto’s care management platform. Mr. Baackes noted L.A. Care is moving into the Syntranet platform in stages. Utilization management (UM) has been implemented and Care Management and some portion of Authorizations and Grievances and Appeals will be transitioned.</p> <p>Board Member Booth remarked that for the High Quality Network strategic direction in Vision 2024 , she thinks L.A. Care should look at the physician’s point of view and consider rewording some sections of the report so that the aim of helping physicians is clear to the reader. For example, on page 25 of the meeting materials, the tactic reads as if L.A. Care is trying to make its results look good when actually the tactic is aimed to help the physician meet their goals for clinical performance.</p> <p>Mr. Baackes noted that L.A. Care is working to help the providers but also to help providers deliver quality care for health plan members. He added that this is a focus of the providers in L.A. Care’s directly contracted network. The membership enrolled with providers in the direct network continues to increase and continued growth is anticipated.</p> <p>Board Member Booth commented that the wording around the Los Angeles County Safety Net Coalition (LACSNC) should stress that this will be different from past efforts by aligning the concerns and needs of participating organizations (page 32 of the meeting materials) and working together to address the base rate of Medi-Cal. Mr. Baackes noted that this coalition is positioned as an ecosystem consisting of health plans, providers,</p>	

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	<p>hospitals, doctors and other care sites. A key goal is to educate the public that the safety net cares for a third of the state population (40% in Los Angeles County), and yet the rates paid to providers are less than half of Medicare rates and one-third of rates paid by commercial insurers. If the funding shortfall is not addressed, disparities in health care access and quality will continue to be experienced by Medi-Cal enrollees.</p> <p>Board Member Booth suggested a presentation about health information exchanges. Mr. Baackes agreed to arrange a presentation at a future Board Meeting.</p>	
COMMITTEE ISSUES		
Government Affairs Update	<p>Cherie Compartore, <i>Senior Director, Government Affairs</i>, reported:</p> <ul style="list-style-type: none"> • Governor Newsom stated that the California Public Health Emergency (PHE) will end on February 28, 2023. The current federal PHE will end in January 2023 and is expected to be extended for another 90 days, until April 2023. • During the pandemic, the Governor issued 74 Executive Orders with nearly 600 provisions. Only 27 provisions remain in effect. Additional details will be forthcoming, and L.A. Care has reached out to DHCS for information. • Updates will be provided at future meetings. <p>Chairperson De La Torre noted that significant changes in state offices and the legislature are not expected in the elections on November 8, 2022. Due to more experienced legislators not running for office, there will be more new legislators.</p>	
Approve Consent Agenda	<p>Approve the list of items that will be considered on a Consent Agenda for November 3, 2022 Board of Governors Meeting.</p> <ul style="list-style-type: none"> • October 6, 2022 Board of Governors Meeting Minutes • iColor Printing Contract Amendment • Accounts & Finance Services Policy AFS-008 (Annual Investment Policy Review) • Authorized Signatories for L.A. Care Health Plan and L.A. Care Health Plan Joint Powers Authority Bank & Investments Accounts 	<p>Approved unanimously by roll call. 5 AYES (Ballesteros, Booth, De La Torre Perez, and Shapiro)</p>
PUBLIC COMMENTS	There were no public comments.	
ADJOURN TO CLOSED SESSION	The Joint Powers Authority Executive Committee meeting adjourned at 2:35 p.m.	

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	<p>Augustavia J. Haydel, Esq., <i>General Counsel</i>, announced the items to be discussed in closed session. She announced there is no report anticipated from the closed session. The meeting adjourned to closed session at 3:04 p.m.</p> <p>CONTRACT RATES Pursuant to Welfare and Institutions Code Section 14087.38(m)</p> <ul style="list-style-type: none"> • Plan Partner Rates • Provider Rates • DHCS Rates <p>REPORT INVOLVING TRADE SECRET Pursuant to Welfare and Institutions Code Section 14087.38(n) Discussion Concerning New Service, Program, Business Plan Estimated date of public disclosure: <i>October 2024</i></p> <p>CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION Pursuant to Section 54956.9(d)(1) of the Ralph M. Brown Act</p> <ul style="list-style-type: none"> • L.A. Care Health Plan’s Notice of Contract Dispute under Contract No. 04-36069 Department of Health Care Services (Case No. Unavailable) <p>CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION Significant exposure to litigation pursuant to Section 54956.9(d)(2) of Ralph M. Brown Act: Four Potential Cases</p> <p>CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION Pursuant to Section 54956.9(d)(1) of the Ralph M. Brown Act</p> <ul style="list-style-type: none"> • Department of Managed Health Care Enforcement Matter Numbers: 18-799, 20-063, 21-428, 21-509, 21-680 • Department of Health Care Services, Office of Administrative Hearings and Appeals, In the matter of: L.A. Care Health Care Plan Appeal No. MCP22-0322-559-MF 	
<p>RECONVENE IN OPEN SESSION</p>	<p>The meeting reconvened in open session at 3:12 p.m. No reportable actions were taken during the closed session.</p>	

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ADJOURNMENT	The meeting adjourned at 3:12 p.m.	

Respectfully submitted by:

Linda Merkens, *Senior Manager, Board Services*
 Malou Balones, *Board Specialist III, Board Services*
 Victor Rodriguez, *Board Specialist II, Board Services*

APPROVED BY:

 Hector De La Torre, *Chair*

Date: _____

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ADJOURNMENT	The meeting adjourned at 3:12 p.m.	

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APPROVED BY:

DocuSigned by:

Hector De La Torre

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Hector De La Torre, *Chair*

Date: 11/17/2022 | 10:48 AM PST

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