

# BOARD OF GOVERNORS

## Executive Committee

### Meeting Minutes – November 15, 2022

1055 West 7<sup>th</sup> Street, 10<sup>th</sup> 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 in person, and the Board will review that decision on an on-going basis as provided in the Brown Act. Members of the public had the opportunity to attend and share comments in person, or to listen to the meeting via teleconference, and share their comments via voicemail, email, or text.

<b>AGENDA ITEM/PRESENTER</b>	<b>MOTIONS / MAJOR DISCUSSIONS</b>	<b>ACTION TAKEN</b>
<b>CALL TO ORDER</b>	Stephanie Booth, MD, <i>Board Secretary</i> , called to order the L.A. Care Executive Committee and the L.A. Care Joint Powers Authority Executive Committee meetings at 2:06 p.m. The meetings were held simultaneously. She welcomed everyone to the meetings. <ul style="list-style-type: none"><li>• 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 the Committee also needs to finish the business on the Agenda today.</li><li>• 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.</li></ul>	

**APPROVED**

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	<ul style="list-style-type: none"> <li>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.</li> <li>Public comment will be made 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.</li> </ul> <p>She provided information on how to submit a comment live and directly using the “chat” feature.</p>	
<b>APPROVE MEETING AGENDA</b>	The Agenda for today’s meeting was approved.	<b>Approved unanimously by roll call. 4 AYES (Ballesteros, Booth, Perez, and Shapiro)</b>
<b>PUBLIC COMMENT</b>	There were no public comments.	
<b>APPROVE MEETING MINUTES</b>	The minutes of the October 25, 2022 meeting were approved as submitted.	<b>Approved unanimously by roll call. 4 AYES (Ballesteros, Booth, Perez, and Shapiro)</b>
<b>CHAIRPERSON’S REPORT</b> <ul style="list-style-type: none"> <li>Nomination of Charitable Organization for Board Stipend</li> </ul>	Secretary Booth reported on behalf of Chairperson De La Torre that Board members could nominate charitable organizations to receive the Board Member stipend donations. The names of two charities will be randomly selected from the nominees, and a motion will be presented at the December 1, 2022 Board meeting.	
<b>CHIEF EXECUTIVE OFFICER REPORT</b>	There was no report from the CEO. Mr. Baackes will provide a report at the December 1 Board meeting.	
<b>COMMITTEE ISSUES</b>		
<b>Government Affairs Update</b>	Cherie Compartore, <i>Senior Director, Government Affairs</i> , reported:  The results of the U.S. Congressional elections:	

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	<ul style="list-style-type: none"> <li>• In the U.S. Senate, leadership will remain the same.</li> <li>• In the U.S. Congress, Republicans gained a majority of just four seats. One third of the members are new, which has not happened in a very long time.</li> <li>• Government Affairs staff will go to Washington D.C. and will visit district offices to speak with newly-elected members and their staff.</li> <li>• It is not yet known what Minority Leader Pelosi will do.</li> <li>• It is also not yet known who will become Speaker. It will be a very difficult position, regardless of who becomes Speaker.</li> <li>• Heading into the lame-duck session, the continuing budget resolution has been extended to December 16. This is expected to be addressed soon, along with a variety of Medicare payment extensions and other health related issues. Alternate payment methodology, hospital funding, physician rate cuts, and telehealth are all a priority. It is unknown if all of these issues can be addressed before the end of year legislative recess.</li> <li>• Government Affairs staff is monitoring the issue of separating the Federal Medical Assistance Percentage (FMAP) from Public Health Emergency (PHE) policies and moving those funds back into Medicaid funding. The current FMAP funding increase has been authorized through the PHE.</li> <li>• The PHE will likely be extended through April 2023, because the deadline for the 60-day advance notice recently passed without any announcement. Government Affairs staff will continue to monitor this issue.</li> <li>• In California, there will be about 25% new members in the state legislature as a result of the elections. Government Affairs will reach out to all new members.</li> </ul> <p>Board Member Booth noted that she participated in a live chat during which Assembly member Ash Kalra discussed the single-payer bill in California, AB 1400, and why it was removed from consideration. Assembly member Kalra determined that it will be far less expensive for California and if it is brought forward again, he will carry this proposal through the legislature. Ms. Compartore opined that this legislation would not be successful with so many of the state legislature being newly-elected. She explained that it does not have support from legislative leadership, and California's Governor likely does not have the will to support it, considering an expected budget deficit, due to a probable recession. This does not discount Assembly member Kalra's statements and discussions are always important, but it will not gain momentum at this time. Ms. Compartore does not think single-payer will be passed in the near term.</p>	

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Revisions to Legal Services Policy LS 006 (Gifts and Donations) <b>(EXE 100)</b>	<p>Augustavia Haydel, Esq., <i>General Counsel</i>, introduced the motion to revise an existing policy concerning gifts and donations. The major issue is to correct an incongruity in the policy language for people who are not required to file a Form 700 Statement of Economic Interests required by the Fair Political Practices Commission.</p> <p>Board Member Booth asked about the difference in the annual restrictions, one is \$520 and another is \$600.</p> <p>Ms. Haydel explained that “restricted” source category is separate from “reportable” sources, and those are treated differently in the reporting requirements.</p> <p><i>(Chairperson De La Torre joined the meeting.)</i></p> <p><b><u>Motion EXE 100.1222</u></b>  <b>To approve Legal Services Policy LS-006 (Gifts and Donations) as amended to create consistent gift polices for L.A Care employees consistent with law and general policy updates and authorize General Counsel and her designees to make edits to the policy as needed to effectuate the amendments.</b></p>	<p><b>Approved unanimously by roll call. 5 AYES</b>  <b>(Ballesteros, Booth, De La Torre, Perez, and Shapiro)</b></p> <p><b>The Committee approved including EXE 100 to the Consent Agenda for the December 1, 2022 Board of Governors’ meeting.</b></p>
Biennial Review of L.A. Care Health Plan’s Conflict of Interest Code	<p>Ms. Haydel noted that this document defines the people who must file a Form 700 Statement of Economic Interests required by the Fair Political Practices Commission.</p> <p>California state law requires local public agencies, such as L.A. Care, to review and update their Conflict of Interest Codes biennially. Pursuant to the notice received from Los Angeles County – L.A. Care’s Conflict of Interest Code (Code) Reviewing Body – staff conducted a review of the Code and recommends updating the list of Designated Positions that are required to file a Form 700, as shown in the attached Exhibit B.</p> <p>The list of Designated Positions was updated to reflect three added positions, one title change, and four deleted positions. Specifically, the following positions were added to the Code: (i) Chief Health Equity Officer (Disclosure Category 2); (ii) Chief of Enterprise Performance (Disclosure Category 2); and (iii) Deputy Chief Financial Officer (Disclosure Categories 1 and 2). The title of “Senior Director, Contracting and Procurement” was changed to “Director, Contracting and Procurement.” Finally, the following positions were deleted from the Code: (i) Director, Health Information Technology Outreach and Education; (ii) Director, Health Information Technology Marketing and Strategic Initiatives; (iii) Senior Director, Health Information Exchange Initiatives; and (iv) Senior Director, HITEC-LA.</p>	

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	<p>Pursuant to instructions from Los Angeles County, L.A. Care timely submitted its 2022 Biennial Review Certification Form to the Board of Supervisors Executive Office. The next step in the process is to submit the proposed revisions and supporting documentation to the County by January 3, 2023.</p> <p><b><u>Motion EXE 101.1222</u></b>  <b>To approve revisions to the Conflict of Interest Code of the L.A. Care Health Plan, as attached, for submission to the Los Angeles County Board of Supervisors and delegate authority to the CEO and General Counsel (including their respective designees) to make any non-substantive changes or changes that may be required by the County upon their review.</b></p> <p>Ms. Haydel and the members of the Executive Committee expressed appreciation for the work on these documents by Legal Services staff members Jessica Mejorado and Rebecca Villalobos.</p>	<p><b>Approved unanimously by roll call. 5 AYES</b>  <b>(Ballesteros, Booth, De La Torre, Perez, and Shapiro)</b></p> <p><b>The Committee approved including EXE 101 to the Consent Agenda for the December 1, 2022 Board of Governors' meeting.</b></p>
Employee Annual Incentive Program FY 2021-22 <b>(EXE 102)</b>	<p>Terry Brown, <i>Chief Human Resources Officer</i>, described the written motion to approve the annual incentive payment to employees. The amount requested is below the total approved in the fiscal year budget.</p> <p><b><u>Motion EXE 102.1222</u></b>  <b>To authorize the disbursement of funds not to exceed \$7.7 million for the Individual Annual Incentive Program, based on the completion of pre-determined individual goals and targets in support of L.A. Care's FY 2021-2022 Organizational Goals. Distribution of the annual incentive payout shall be guided by Human Resource Policy No. 602, (Annual Organizational Incentive Program).</b></p>	<p><b>Approved unanimously by roll call. 5 AYES</b>  <b>(Ballesteros, Booth, De La Torre, Perez, and Shapiro)</b></p>
Approve Consent Agenda	<p>Approve the list of items that will be considered on a Consent Agenda for the December 1, 2022 Board of Governors Meeting.</p> <ul style="list-style-type: none"> <li>• November 3, 2022 Board of Governors Meeting Minutes</li> <li>• Approve Charitable Organizations to Receive Board Stipend Donations</li> <li>• Revisions to Legal Services Policy LS-006 (Gifts and Donations)</li> <li>• Biennial Review of L.A. Care Health Plan's Conflict of Interest Code</li> <li>• Quarterly Investment Reports</li> <li>• Global Processor, Inc. Contract for SAP Ariba Software Implementation</li> <li>• Salesforce, Inc. Customer Relationship Management (CRM) Subscription Renewal</li> </ul>	

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	<ul style="list-style-type: none"> <li>• Cognizant Technology Solutions, HCL America, Inc., Infosys Limited, and Solugenix Corporation Contracts Amendments for Information Technology Staff Augmentation</li> <li>• Amended motion for Cognizant Technology Solutions (Cognizant) Contract Amendment for Continued Hosting Services for the QNXT and CCA Core Systems</li> </ul>	<b>Approved unanimously by roll call. 5 AYES (Ballesteros, Booth, De La Torre Perez, and Shapiro)</b>
<b>PUBLIC COMMENTS</b>	There were no public comments.	
<b>ADJOURN TO CLOSED SESSION</b>	<p>The Joint Powers Authority Executive Committee meeting adjourned at 2:35 p.m.</p> <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><b>CONTRACT RATES</b> Pursuant to Welfare and Institutions Code Section 14087.38(m)</p> <ul style="list-style-type: none"> <li>• Plan Partner Rates</li> <li>• Provider Rates</li> <li>• DHCS Rates</li> </ul> <p><b>REPORT INVOLVING TRADE SECRET</b> Pursuant to Welfare and Institutions Code Section 14087.38(n) Discussion Concerning New Service, Program, Business Plan Estimated date of public disclosure: <i>November 2024</i></p> <p><b>CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION</b> Pursuant to Section 54956.9(d)(1) of the Ralph M. Brown Act</p> <ul style="list-style-type: none"> <li>• L.A. Care Health Plan’s Notice of Contract Dispute under Contract No. 04-36069 Department of Health Care Services (Case No. Unavailable)</li> </ul> <p><b>CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION</b> Pursuant to Section 54956.9(d)(1) of the Ralph M. Brown Act HRRP Garland, LLC v. Local Initiative Health Authority for Los Angeles County L.A.S.C. Case No. 21STCV47250</p> <p><b>CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION</b> Significant exposure to litigation pursuant to Section 54956.9(d)(2) of Ralph M. Brown Act: Three Potential Cases</p>	

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	CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION Pursuant to Section 54956.9(d)(1) of the Ralph M. Brown Act <ul style="list-style-type: none"> <li>• Department of Managed Health Care Enforcement Matter Numbers: 18-799, 20-063, 21-428, 21-509, 21-680</li> <li>• 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</li> </ul>	
<b>RECONVENE IN OPEN SESSION</b>	The meeting reconvened in open session at 3:03 p.m. No reportable actions were taken during the closed session.	
<b>ADJOURNMENT</b>	The meeting adjourned at 3:03 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:

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 Hector De La Torre, *Chair*  
 Date: \_\_\_\_\_

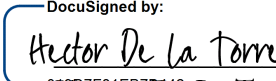
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APPROVED BY:

DocuSigned by:  
  
 Hector De La Torre, *Chair*  
 Date: 1/30/2023 | 10:52 AM PST

**APPROVED**