



L.A. Care
HEALTH PLAN®

For All of L.A.

EXECUTIVE COMMITTEE MEETING

BOARD OF GOVERNORS

November 15, 2022 • 2:00 PM

L.A. Care Health Plan

1055 W. 7th Street, Los Angeles, CA 90017



**ELEVATING
HEALTHCARE**
IN LOS ANGELES COUNTY
SINCE 1997



AGENDA
Executive Committee Meeting
Board of Governors

DRAFT

Tuesday, November 15, 2022, 2:00 P.M.

L.A. Care Health Plan, 1055 West 7th Street, 10th Floor, Los Angeles

Please recheck these directions for updates prior to the start of the meeting.

This meeting will be conducted in accordance with the provisions of the Ralph M. Brown Act, allowing members of the Board, members of the public and staff to participate in person and via teleconference, because State and Local officials are recommending measures to promote social distancing. Accordingly, members of the public should join this meeting in person and via teleconference as follows:

NEW: Members of the Committee, staff and the public can attend the meeting in person at the address listed above. Public comment can be made live and in person at the meeting. A form will be available at the meeting to submit public comment.

To listen to the meeting via videoconference please register by using the link below:

<https://lacare.webex.com/lacare/j.php?MTID=m52cd786771d37e6e2856e71a8762c904>

To listen to the meeting via teleconference please dial: +1-213-306-3065

English Meeting number: 2493 333 7088 Password: lacare

For those not attending the meeting in person, public comments on Agenda items can be submitted in writing by e-mail to BoardServices@lacare.org, or by sending a text or voicemail to (213) 628-6420. Attendees who log on to lacare.webex using the URL above will be able to use “chat” during the meeting for public comment. You must be logged into WebEx to use the “chat” feature. The log in information is at the top of the meeting Agenda. The chat function will be available during the meeting so public comments can be made live and direct.

1. The “chat” will be available during the public comment periods before each item.
2. To use the “chat” during public comment periods, look at the bottom right of your screen for the icon that has the word, “chat” on it.
3. Click on the chat icon. It will open two small windows.
4. Select “Everyone” in the “To:” window,
5. The chat message must indicate if you wish to be identified or remain anonymous, and must also include the name of the item to which your comment relates.
6. Type your public comment in the box that says “Enter chat message here”.
7. When you hit the enter key, your message is sent and everyone can see it.
8. L.A. Care staff will read the chat messages for up to three minutes during public comment so people who are on the phone can hear the comment.

You can send your public comments by voicemail, email or text. If we receive your comments by 2:00 P.M. on November 15, 2022, it will be provided to the members of the Committee in writing at the beginning of the meeting. The chat message, text, voicemail, or email must indicate if you wish to be identified or remain anonymous, and must include the name of the item to which your comment relates.

Once the meeting has started, public comment submitted in writing must be received before the agenda item is called by the Chair. If your public comment is not related to any of the agenda item topics, it will be read in the general public comment agenda item.

Please note that there may be delay in the digital transmittal of emails, texts and voicemail. The Chair will announce when public comment period is over for each item. If your public comments are not received on time for the specific agenda item you want to address, your public comments will be read at the public comment section prior to the board going to closed session.

DRAFT

The purpose of public comment is an opportunity for members of the public to inform the governing body about their views. The Committee appreciates hearing the input as it considers the business on the Agenda. All public comments submitted will be read for up to 3 minutes during the meeting. These are extraordinary circumstances, and the process for public comment is evolving and may change at future meetings. We thank you for your patience.

All votes in a teleconferenced meeting shall be conducted by roll call.

If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act (ADA) please contact L.A. Care Board Services staff prior to the meeting for assistance by text to 213 628-6420 or by email to BoardServices@lacare.org.

WELCOME

Hector De La Torre, *Chair*

1. Approve today's meeting Agenda *Chair*
2. Public Comment (*please see instructions above*) *Chair*
3. Approve October 25, 2022 Meeting Minutes p.5 *Chair*
4. Chairperson's Report *Chair*
 - Nomination of Charitable Organization for Board Stipend
5. Chief Executive Officer Report John Baackes
Chief Executive Officer

COMMITTEE ITEMS

6. Government Affairs Update Cherie Compartore
Senior Director, Government Affairs
7. Revisions to Legal Services Policy LS 006 (Gifts and Donations) Augustavia J. Haydel, Esq.
General Counsel
(EXE 100) p.12
8. Biennial Review of L.A. Care Health Plan's Conflict of Interest Code Augustavia J. Haydel, Esq.
(EXE 101) p.22
9. Employee Annual Incentive Program FY 2021-22 (EXE 102) p.64 John Baackes
Terry Brown
Chief Human Resources Officer
10. Approve the list of items that will be considered on a Consent Agenda for December 1, 2022 *Chair*
Board of Governors Meeting.
 - November 3, 2022 Board of Governors Meeting Minutes
 - Revisions to Legal Services Policy LS-006 (Gifts and Donations)
 - Biennial Review of L.A. Care Health Plan's Conflict of Interest Code
 - *Biennial Review of L.A. Care Health Plan Joint Powers Authority's Conflict of Interest Code*
 - Quarterly Investment Reports
 - Global Processor, Inc. Contract for SAP Ariba Software Implementation
 - Salesforce, Inc. Customer Relationship Management (CRM) Subscription Renewal
 - Cognizant Technology Solutions, HCL America, Inc., Infosys Limited, and Solugenix Corporation Contracts Amendments for Information Technology Staff Augmentation
 - Cognizant Technology Solutions (Cognizant) Contract Amendment for Continued Hosting Services for the QNXT and CCA Core Systems

11. Public Comment on Closed Session Items (*Please read instructions above.*)

ADJOURN TO CLOSED SESSION (Est. time: 60 mins.)

12. CONTRACT RATES

Pursuant to Welfare and Institutions Code Section 14087.38(m)

- Plan Partner Rates
- Provider Rates
- DHCS Rates

13. 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: *November 2024*

14. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

Pursuant to Section 54956.9(d)(1) of the Ralph M. Brown Act

- L.A. Care Health Plan's Notice of Contract Dispute under Contract No. 04-36069
Department of Health Care Services (Case No. Unavailable)

15. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

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

16. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Section 54956.9(d)(2) of Ralph M. Brown Act:
Three Potential Cases

17. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

Pursuant to Section 54956.9(d)(1) of the Ralph M. Brown Act

- 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

RECONVENE IN OPEN SESSION

ADJOURN

Chair

There is no Executive Committee in December 2022.

The next Executive Committee meeting is scheduled on Tuesday, January 24, 2023 at 2:00 p.m.

and may be conducted as a teleconference meeting.

Public comments will be read for up to three minutes.

The order of items appearing on the agenda may change during the meeting.

If a teleconference location is listed at the top of this agenda, the public can participate in the meeting by calling the teleconference call in number provided. If teleconference arrangements are listed at the top of this Agenda, note that the arrangements may change prior to the meeting.

THE PUBLIC MAY SUBMIT COMMENTS TO THE EXECUTIVE COMMITTEE BEFORE DISCUSSION OF EACH ITEM LISTED ON THE AGENDA BY SUBMITTING THE COMMENT BY VOICE MESSAGE OR IN WRITING BY TEXT MESSAGE TO 213 628 6420, OR IN WRITING BY EMAIL TO BoardServices@lacare.org. Please follow additional instructions on the first page of this Agenda.

ACTION MAY NOT BE TAKEN ON ANY MATTER RAISED DURING THE PUBLIC COMMENT PERIODS UNTIL THE MATTER IS SPECIFICALLY LISTED ON A FUTURE AGENDA, according to California Govt Code Section 54954.2 (a)(3) and Section 54954.3.

NOTE: THE EXECUTIVE COMMITTEE CURRENTLY MEETS ON THE FOURTH TUESDAY OF MOST MONTHS AT 2:00 P.M. AGENDA and PRINTED MEETING MATERIALS ARE AVAILABLE FOR INSPECTION AT <http://www.lacare.org/about-us/public-meetings/board-meetings> and by email request to BoardServices@lacare.org

Any documents distributed to a majority of the Finance & Budget Committee members regarding any agenda item for an open session after the agenda has been posted will be available for public inspection at <http://www.lacare.org/about-us/public-meetings/board-meetings> and can be requested by email to BoardServices@lacare.org.

An audio recording of the meeting is made to assist in writing the minutes and is retained for 30 days.

Meetings are accessible to people with disabilities. Individuals who may require any accommodations (alternative formats - i.e., large print, audio, translation of meeting materials, interpretation, etc.) to participate in this meeting and wish to request an alternative format for the agenda, meeting notice, and meeting packet may contact L.A. Care's Board Services Department at (213) 628 6420. Notification at least one week before the meeting will enable us to make reasonable arrangements to ensure accessibility to the meetings and to the related materials.

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	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. <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. 	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<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>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
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 	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<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>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<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.	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<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 	
RECONVENE IN OPEN SESSION	The meeting reconvened in open session at 3:12 p.m. No reportable actions were taken during the closed session.	
ADJOURNMENT	The meeting adjourned at 3:12 p.m.	

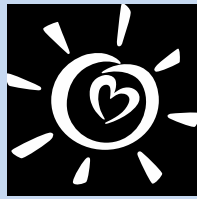
Respectfully submitted by:

APPROVED BY:

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

Hector De La Torre, *Chair*

Date: _____



L.A. Care
HEALTH PLAN®

Board of Governors
MOTION SUMMARY

Date: November 15, 2022

Motion No. EXE 100.1222

Committee: Executive

Chairperson: Hector De La Torre

Issue: Staff seek approval to amend Legal Services Policy LS 006 (Gift and Donations) to create consistency in the gift policy for all employees.

New Contract **Amendment** **Sole Source** **RFP/RFQ was conducted in** <<year>>

Background: This gift policy revision resolves an incongruity in gift restrictions for non-Form 700 filers and Form 700 filers. This policy revision further revises language for clarity and consistency with legal updates.

Specifically, Section 3.2 of the Gift Policy provides that non-Form 700 filers “should not accept **any** Gift or Honoraria from any L.A. Care vendor, consultant, contractor, provider, health care provider or any other business associate.” However, Form 700 filers do not have the same restriction and, instead, must “comply with all laws, rules and regulations governing limitations and restrictions on Gifts, Honoraria, travel and loans” (e.g., reporting gifts received that are \$50 or more and adhering to the \$520 gift limit). This became a frequent question or point of confusion for L.A. Care employees. So, under the revised Gift Policy, all employees (Form 700 filers and non-Form 700 filers) will adhere to the same gift limitations.

The attached revised Legal Services Policy LS 006 (Gifts and Donations) does the following:

1. Creates a “Restricted Source” gift limitation for Form 700 filers and non-Form 700 filers. The purpose of this restriction is to preclude L.A. Care employees from receiving more than just nominal gifts from L.A. Care vendors and contractors. In summary, L.A. Care employees can accept donuts, coffee and nominal gifts from L.A. Care vendors and contractors but nothing more than \$50 of gifts in a year from that Restricted Source.
2. Creates a separate and potentially more lenient “Restricted Source” gift limit for non-Form 700 filers with a few potential options for the gift limit’s dollar amount. This was done because the legal grounds to impose gift limits becomes more attenuated when the employee is not in a position to make, participate in the making, or use his or her official position to influence L.A. Care decisions. In summary, the law surrounding gift limits on public officials permits more restrictions on gifts when the official is in a position to make, participate in or influence government decisions and less restrictions when the public official is not in such a position.
3. Makes other refinements, such as adding definitions and exceptions to gift limits (in accordance with more recent and updated FPPC Regulations).

Member Impact: N/A.

Budget Impact: N/A.

Board of Governors

MOTION SUMMARY

Motion: 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.



GIFT AND DONATIONS

LS-006

DEPARTMENT	LEGAL SERVICES
Supersedes Policy Number(s)	

DATES

Effective Date	12/8/1995	Review Date	Click here to enter a date.	Next Annual Review Date	Click here to enter a date.
Legal Review Date	Click here to enter a date.	Committee Review Date	Click here to enter a date.		

LINES OF BUSINESS

- Cal MediConnect
 L.A. Care Covered
 L.A. Care Covered Direct
 MCLA
 PASC-SEIU Plan
 Internal Operations

DELEGATED ENTITIES / EXTERNAL APPLICABILITY

- PP – Mandated
 PP – Non-Mandated
 PPGs/IPA
 Hospitals
 Specialty Health Plans
 Directly Contracted Providers
 Ancillaries
 Other External Entities

ACCOUNTABILITY MATRIX

Enter department here	Enter policy §§ here		

ATTACHMENTS

➤ Enter all attachments here (e.g., desktop procedures/job aids, templates, reports, letters)

ELECTRONICALLY APPROVED BY THE FOLLOWING

	OFFICER	DIRECTOR
NAME		
DEPARTMENT		
TITLE		

AUTHORITIES

- Political Reform Act of 1974, California Government Code Sections 81000-91014;
- California Fair Political Practices Commission Regulations, California Code of Regulations, Division 6, Title 2, Sections 18110, *et seq.*;
- L.A. Care Conflict of Interests Code.
- L.A. Care Code of Conduct.

REFERENCES

- California Political Reform Act;
- FPPC Regulations;
- L.A. Care's Conflict of Interest Code; and
- FPPC Publication: "Frequently Asked Questions: *Gift Disclosure*"

HISTORY

REVISION DATE	DESCRIPTION OF REVISIONS

1.0 OVERVIEW:

~~This Policy is intended to~~ ensure that members of the Board of Governors, officials, officers, directors, employees, certain temporary staff ~~of,~~ and consultants ~~of~~ holding a Designated Position with, L.A. Care Health Plan ("L.A. Care") are properly apprised of and comply with the regulations governing the receipt and reporting of Gifts by local officials, as set forth herein and in L.A. Care's Conflict of Interest Code, the applicable provisions of the California Political Reform Act, and the California Fair Political Practices Commission regulations ("FPPC Regulations"). California law provides for strict limitations and restrictions regarding the acceptance and reporting of Gifts by the members of L.A. Care's ~~members of the~~ Board of Governors, as well as other individuals who are designated in the L.A. Care Conflict of Interest Code. This Gifts and Donations Policy includes additional restrictions that apply for all L.A. Care officers, directors, and employees, ~~certain temporary staff and consultants from various sources.~~

2.0 DEFINITIONS:

Whenever a word or term appears capitalized in this policy and procedure, the reader should refer to the “Definitions” below.

2.1 Designated Position: Designated Position is any official, consultant, employee, or temporary staff member of L.A. Care, whose position has been designated in L.A. Care’s Conflict of Interest Code and who is thereby required to file a Statement of Economic Interest (Form 700).

2.2 Gift(s): Gift is any payment or other benefit provided to you or your family member¹ that confers a personal benefit for which you do not provide goods or services of equal or greater value. A Gift includes a rebate or discount in the price of anything of value unless the rebate or discount is made in the regular course of business to members of the general public. Gifts may include meals, food and beverages, tickets to sporting or entertainment events, holiday gifts, travel payments, and the like.

2.12.3 Honorarium/Honoraria²: Honorarium is any payment made in consideration for any speech given, article published or attendance at any public or private conference, convention, meeting, social event, meal or a like gathering.

3.0 POLICY:

~~Any official, consultant, employee~~

3.1 Reportable Source: Reportable Source is a source of income or temporary staff member of gifts that must be reported on a Form 700 pursuant to the L.A. Care whose

position has been designated in L.A. Care’s Conflict of Interest Code to file a Statement of Economic Interest (“

2.5 Restricted Source: Restricted Source is any L.A. Care vendor, consultant, contractor, plan partner, health care provider, or any other business under contract with L.A. Care.

3.0 POLICY:

3.23.1 Designated Positions³: Any person holding a Designated Position⁴ must comply with all laws, rules and regulations governing limitations and restrictions on Gifts, Honoraria, travel, and loans. As stated in the L.A. Care Conflict of

¹ Family member includes a spouse, dependent minor child or children up to age 23 who are students and not living on their own or providing a majority of their own support.

² The term Honorarium is defined in Government Code Section 89501 and FPPC Regulations Sections 18931.1-18931.3, as these sections may be amended from time to time.

³ ~~For a complete list of Designated Positions, please refer to attached L.A. Care’s Conflict of Interest Code.~~

⁴ For a complete list of Designated Positions, please refer to the attached L.A. Care Conflict of Interest Code.

Interest Code. Designated Positions include, ~~without limitation~~ but are not limited to, members of L.A. Care's Board of Governors, ~~as well as~~ its Officers, Directors, Managers, Executive Directors and General, Assistant and Associate Counsels of L.A. Care.

~~Managers, Executive Directors and General, Assistant and Associate Counsels of L.A. Care.~~

~~3.3~~ — Even those individuals, persons or employees who do not hold any of the Designated Positions and/or are not required to file a Form 700 should not accept any Gift or Honoraria from any L.A. Care vendor, consultant, contractor, provider, health care provider or any other business associate; and are strongly encouraged to contact and consult with L.A. Care's Legal Services Department regarding applicable Gifts and Honoraria laws and restrictions.

~~3.4~~ — **Summary of Gift Regulations:**

~~3.4.13.1.1~~ Any person holding ~~any of the~~ Designated ~~Positions must~~ Position shall report on ~~his/hers~~ Form 700 any Gift from any single, ~~reportable source~~ Reportable Source, having a fair market value of \$50 or more.

~~3.4.23.1.2~~ Multiple Gifts totaling ~~at least \$50 or more received~~ during the reporting period ~~that were received~~ from a single, ~~reportable source~~ Reportable Source also ~~must~~ must be reported on the Form 700.

Any

~~3.4.33.1.3~~ A person holding ~~any of the~~ Designated ~~Positions cannot~~ Position shall ~~not~~ receive any Gift or Gifts from any single, ~~reportable source~~ Reportable Source, where the value of the Gift or ~~aggregated value of the Gifts exceeds \$520~~⁵ in a calendar year.⁶

~~3.4.4~~ Examples of Gifts excluded from these regulations include the following:

Gift

~~3.1.4~~ Notwithstanding subsection 3.1.3, ~~no person subject to this Section 3.1 shall accept a Gift from any Restricted Source in an aggregate amount exceeding \$50 in a calendar year, unless such Gift would be exempt, as described further in Section 3.3 of this policy.~~

~~3.2~~ **Non-Designated Positions.** Any person who is employed by L.A. Care but does not hold a Designated Position shall not accept a Gift from any single Restricted Source in an aggregate amount exceeding ~~[possible options: \$50 per month; \$520 per calendar year; \$600 per calendar year], unless such Gift would be exempt, as described further in Section 3.3 of this policy.~~

3.3 Exceptions to Gift Limits

⁵ This Gift limit is adjusted every two (2) years. The ~~\$420~~\$520 gift limit will remain in effect until December 31, ~~2012~~2022. Please contact L.A. Care's Legal Services Department or check ~~the~~ FPPC's website for the applicable Gift limit after December 31, ~~2012~~2022.

⁶ ~~Certain exceptions apply to the Gift restrictions and limitations summarized in Section 3.2 of this Policy. Affected individuals are strongly encouraged to refer to the attached materials and to contact L.A. Care's Legal Services Department.~~

(A) The following exceptions⁷ allow individuals subject to the restrictions in subsection 3.1.4 and Section 3.2 to accept Gifts that fall within the descriptions below, even if the amount exceeds the applicable Gift limit:

Gift

3.4.53.3.1 Gifts returned unused to the ~~donor~~source of the Gift within thirty (30) days of receipt.

3.4.63.3.2 Gifts donated unused to either a non-profit, tax-exempt organization or a government agency (including local agencies such as L.A. Care Health Plan) within thirty (30) days of receipt, without taking a tax deduction and as long as neither you nor anyone from your immediate family holds a position with the ~~charity~~non-profit organization.

If

3.4.73.3.3 Gifts you ~~reimburse~~keep but provide reimbursement to the donor for the value of the Gift within thirty (30) days of receipt.

3.4.83.3.4 Gifts from your spouse, or former spouse; child, or step-child; parent, grandparent, grandchild, brother, sister, current or former parent-in-law, brother-in-law, or sister-in-law, nephew; niece; aunt, or uncle, ~~niece, nephew~~; including grand-nephew, grand-niece, grand-aunt, or grand-uncle, or first cousin including first cousin once-removed or the spouse, or former spouse, of any such person other than a former in-law, unless he or she is acting as an agent or intermediary for another person who is a true source of the Gift.

3.4.93.3.5 Informational material provided to assist you in performance of your official duties, including books, reports, pamphlets, calendars, periodicals, videotapes, or free or discounted admission to information conferences or seminars.

3.4.103.3.6 A devise or inheritance.

3.4.113.3.7 Personalized plaques and trophies with an individual value of less than \$250.

3.4.123.3.8 Gifts of approximately equal ~~in~~-value exchanges that are exchanged between you and ~~another~~an individual on holidays, ~~birthday~~birthdays, or similar occasions to the extent that the gifts are not substantially disproportionate in value.

3.3.9 Gifts received as a wedding gift or because you are a wedding guest, in accordance with the FPPC Regulations.

⁷ These exceptions overlap with the exceptions to the FPPC's gift limit for persons holding designated positions. For the purpose of FPPC requirements, the person holding the Designated Position may still be subject to reporting requirements and the conflict of interest provision. Persons holding Designated Positions should review the FPPC's "Limitations and Restrictions on Gifts, Honoraria, Travel and Loans" pamphlet.

3.3.10 Gifts resulting from a long-standing social relationship, bereavement offerings, acts of neighborliness, or acts of human compassion.

3.3.11 Any other exception to the Gift limit outlined in FPPC Regulation 18942, as that regulation may be amended from time to time, and is incorporated herein by reference.

(B) In the event of any conflict between Section 3.3(A) of this Policy and any exception included in FPPC Regulation 18942, as that regulation may be amended from time to time, FPPC Regulation 18942 shall control.

3.5.3.4 Summary of Honoraria Regulations:

No

3.5.13.4.1 A person holding ~~any of thea~~ Designated ~~Positions can~~ Position shall not accept any form of Honorarium.

3.5.23.4.2 Exceptions to this prohibition include the following:

3.5.2.13.4.2.1 An Honorarium that you return unused to the donor within thirty (30) days of receipt.

3.5.2.23.4.2.2 An Honorarium that is delivered directly to L.A. Care within thirty (30) days for donation to L.A. Care's general fund or equivalent account for which you do not claim a deduction for income tax purposes.

3.5.2.33.4.2.3 A payment that is not delivered to you but is made directly to a bona fide charitable, educational, civil, religious or similar tax-exempt, non-profit organization, as long as: (a) you do not make the donation condition for your speech, article, or attendance; (b) you may not claim the donation as a deduction for income tax purposes; (c) you are not identified to the non-profit organization in connection with the donation; and (d) the donation may have no reasonably foreseeable financial effect on you or on any member of your immediate family.

3.5.2.43.4.2.4 A payment received from your spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin or a spouse of any such person, unless he or she is acting as an agent or intermediary for another person who is the true source of the Honorarium.

3.5.2.53.4.2.5 Informational material provided to assist you in performance of your official duties, including books, reports, pamphlets, calendars, periodicals, videotapes, or free or discounted admission to information conferences or seminars.

~~3.5.2.6~~3.4.2.6 Personalized plaques and trophies with an individual value of less than \$250.

3.4.2.7 Any other exception to the Honoraria prohibition outlined in FPPC Regulations 18932, 18932.1, 18932.2, 18932.3, 18932.4, 18932.5, and 18933, as these regulations may be amended from time to time, and are incorporated herein by reference.

3.5 A more detailed summary of applicable restrictions, limitations and exceptions on Gifts, is provided in the ~~attached “Frequently Asked Questions: Gift Disclosure” and “2012’s New Changes to the Gift Rules” published by the FPPC.~~ FPPC’s Fact Sheet, “Limitations and Restrictions on Gifts, Honoraria, Travel and Loans,” which is available on the FPPC’s website at <https://www.fppc.ca.gov/content/dam/fppc/NS-Documents/TAD/Public%20Officials%20and%20Employees/LocalGiftFactSheet2021.pdf>.

3.6 The California Political Reform Act and FPPC Regulations, as well as other informational publications and materials are available on the FPPC’s website at www.fppc.ca.gov. These materials and a summary of these laws, rules and regulations are also available at L.A. Care’s Legal Services Department and, upon request, will be provided by the Legal Services or Board Administration Departments. Any questions regarding interpretation of those laws, rules and regulations will be provided, upon request, by L.A. Care’s Legal Services Department.⁸

⁸ The applicable laws, rules and regulations governing this issue are routinely modified. As such, individuals may be guided by the principles discussed, but should access the Political Reform Act, FPPC Regulations, as well as the FPPC’s “Frequently Asked Questions: Gift Disclosure” Individuals are also encouraged to seek advice and guidance from the Legal Services Department.

4.0 PROCEDURES:

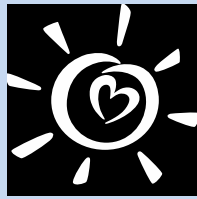
4.1

5.0 MONITORING:

5.1

6.0 REPORTING:

6.1



L.A. Care
HEALTH PLAN®

Board of Governors
MOTION SUMMARY

Date: November 15, 2022

Motion No. EXE 101.1222

Committee: Executive

Chairperson: Hector De La Torre

Issue: Biennial Review of L.A. Care Health Plan’s (L.A. Care) Conflict of Interest Code

New Contract **Amendment** **Sole Source** **RFP/RFQ was conducted in <<year>>**

Background: 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.

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.

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.

L.A. Care’s legal staff recommends approving the revisions shown in the attached Code.

Member Impact: N/A.

Budget Impact: N/A.

Motion: 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.

Conflict of Interest Code
of the

LOCAL INITIATIVE HEALTH AUTHORITY FOR LOS ANGELES COUNTY
(L.A. CARE HEALTH PLAN)

Incorporation of FPPC Regulation 18730 (2 California Code of Regulations, Section 18730) by Reference

The Political Reform Act (Government Code Section 81000, *et seq.*) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. 18730), which contains the terms of a standard conflict of interest code. After public notice and hearing, it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated into the conflict of interest code of this agency by reference. This regulation and the attached Appendices (or Exhibits) designating officials and employees and establishing economic disclosure categories shall constitute the conflict of interest code of this agency.

Place of Filing of Statements of Economic Interests

All officials and employees required to submit a statement of economic interests shall file their statements with the General Counsel of L.A. Care Health Plan, or his or her designee. L.A. Care Health Plan shall make and retain a copy of all statements filed by its Board Members and its Chief Executive Officer and forward the originals of such statements to the Executive Office of the Board of Supervisors of Los Angeles County.

L.A. Care Health Plan shall retain the originals of statements for all other Designated Positions named in the agency's conflict of interest code. All retained statements, original or copied, shall be available for public inspection and reproduction (Gov. Code Section 81008).

Conflict of Interest Code

**LOCAL INITIATIVE HEALTH AUTHORITY FOR LOS ANGELES COUNTY
(L.A. CARE HEALTH PLAN)**

EXHIBIT "A"

CATEGORY 1

Persons in this category shall disclose all interests in real property in Los Angeles County if the property or any part of it is located within or not more than two miles outside the boundaries of Los Angeles County or within two miles of any land owned or used by the Agency.

Persons are not required to disclose a residence, such as a home or vacation cabin, used exclusively as a personal residence; however, a residence in which a person rents out a room or for which a person claims a business deduction may be reportable.

CATEGORY 2

Persons in this category shall disclose all investments, income (including loans, gifts, and travel payments) and business positions with any of the following:

- a. Plan Partners (health plans under contract with the Agency), health care providers or other businesses under contract with or under consideration to contract with the Agency;
- b. Businesses engaged in the delivery of health care services or supplies, or services or supplies ancillary thereto of a type to be provided or arranged for by the Agency;
- c. Businesses that manufacture, provide, or sell services, supplies, materials, machinery or equipment of a type purchased or leased by the Agency; and
- d. Businesses subject to the regulatory, permitting or licensing authority of the Agency.

CATEGORY 3

Persons in this category shall disclose all business positions, investments in, or income (including loans, gifts, and travel payments) received from businesses that manufacture, provide or sell services and/or supplies of a type utilized by the agency and associated with the job assignment of designated positions assigned this disclosure category.

Conflict of Interest Code
**LOCAL INITIATIVE HEALTH AUTHORITY FOR LOS ANGELES COUNTY
(L.A. CARE HEALTH PLAN)**

EXHIBIT “B”

Designated Positions	Disclosure Categories	
Board Members	1,	2
Chief Executive Officer	1,	2
General Counsel	1,	2
Chief Medical Officer	1,	2
Chief Operating Officer	1,	2
Chief Financial Officer	1,	2
Senior Executive Advisor Digital		2
Chief Compliance Officer	1,	2
Chief of Human Resources	1,	2
Chief Pharmacy Officer		2
Chief Information and Technology Officer	1,	2
Chief Product Officer		2
Chief Quality and Information Executive		2
Chief of Staff	1,	2
<u>Chief Health Equity Officer</u>		<u>2</u>
<u>Chief of Enterprise Performance</u>		<u>2</u>
<u>Deputy Chief Financial Officer</u>	<u>1,</u>	<u>2</u>
Senior Manager, Community Resource Centers	1,	2
Executive Directors		2

Senior Director, HITEC-LA		2
Senior Director, Facilities Services	1,	2
Clinical Operations Executive		2

Conflict of Interest Code

~~LOCAL INITIATIVE HEALTH AUTHORITY FOR LOS ANGELES COUNTY
(L.A. CARE HEALTH PLAN)~~

~~EXHIBIT "B"~~

Designated Positions	Disclosure Categories
Any Attorney Position within the Legal Services Department	1, 2
Deputy Chief Medical Officer	2
Senior Director, Contracting and Procurement	1, 2
Senior Manager, Procurement Operations	1, 3
Director, Health Information Technology Outreach and Education	3
Senior Director, Health Information Exchange Initiatives	2
Director, Health Information Technology Marketing and Strategic Initiatives	3
Senior Directors (including Chief Actuary)	2
Directors (including Privacy Officer and Controller)	3
Senior Managers	3
Manager, Contracts (Accounting)	1, 3
Managers	3
Manager, Sourcing and Procurement	1, 3
Buyer	1, 3
Chief of Communications and Community Relations	1, 2
Consultants or New Positions <input type="checkbox"/> *	

Conflict of Interest Code
**LOCAL INITIATIVE HEALTH AUTHORITY FOR LOS ANGELES COUNTY
(L.A. CARE HEALTH PLAN)**

EXHIBIT “B”

☒*Consultants/New Positions¹

Consultants/New Positions Who Make Governmental Decisions

Consultants or new positions who make (not just recommend) governmental decisions, such as whether to approve a rate, rule, or regulation; issue, deny, suspend, or revoke any permit, license, application, certificate or similar authorization; adopt or grant Agency approval to a plan, design, report, or study; or adopt or grant Agency approval of policies, standards, or guidelines for the Agency or any subdivision thereof shall disclose pursuant to the broadest disclosure category in the code (i.e., Disclosure Categories 1 and 2). However, if the Chief Executive Officer or his or her designee, determines in writing that a particular consultant or new position is not required to fully comply with the requisite disclosure requirements, then such written determination shall include a description of the consultant’s or new position’s duties and, based upon that description, a statement of the extent of disclosure requirements. The Chief Executive Officer’s determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. (Gov. Code Section 81008.)

Consultants/New Positions Who Serve in a Staff Capacity

Consultants or new positions who serve in a staff capacity with the Agency, and in that capacity participate in making a governmental decision by providing information, an opinion, or a recommendation for the purpose of affecting the decision without significant intervening substantive review shall disclose at the same level as a comparable designated position in the same or similar Agency Department identified elsewhere in this Code.

Consultants/New Positions Who Perform the Same or Substantially All the Same Duties as a Comparable Designated Position

Consultants or new positions who perform the same or substantially all the same duties for the Agency that would otherwise be performed by an individual holding a designated position in this Code shall disclose at the same level as the comparable designated position identified elsewhere in this Code.

¹ When the consultant is a corporation or partnership, only individuals within the corporation or partnership who fit into one of the three categories of “Consultants/New Positions” must file disclosure statements.

EFFECTIVE: 9/29/2021

(Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations)

§ 18730. Provisions of Conflict of Interest Codes.

(a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in the Appendix referred to below constitute the adoption and promulgation of a conflict of interest code within the meaning of Section 87300 or the amendment of a conflict of interest code within the meaning of Section 87306 if the terms of this regulation are substituted for terms of a conflict of interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Sections 81000, *et seq.* The requirements of a conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Section 87100, and to other state or local laws pertaining to conflicts of interest.

(b) The terms of a conflict of interest code amended or adopted and promulgated pursuant to this regulation are as follows:

(1) Section 1. Definitions.

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (Regulations 18110, *et seq.*), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

(2) Section 2. Designated Employees.

The persons holding positions listed in the Appendix are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on economic interests.

(3) Section 3. Disclosure Categories.

This code does not establish any disclosure obligation for those designated employees who are also specified in Section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their economic interests pursuant to article 2 of chapter 7 of the Political Reform Act, Sections 87200, *et seq.*

In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict of interest code for another agency, if all of the following apply:

(A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;

(B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Section 87200; and

~~(A)-(C)~~ The filing officer is the same for both agencies.⁴

[FN1] Such persons are covered by this code for disqualification purposes only.

With respect to all other designated employees, the disclosure categories set forth in the Appendix specify which kinds of economic interests are reportable. Such a designated employee shall disclose in ~~his or her~~ the employee's statement of economic interests

those economic interests ~~he or she~~the employee has which are of the kind described in
the disclosure categories to

which he or shethe employee is assigned in the Appendix. It has been determined that the economic interests set forth in a designated employee's disclosure categories are the kinds of economic interests which he or shethe employee foreseeably can affect materially through the conduct of his or herthe employee's office.

(4) Section 4. Statements of Economic Interests: Place of Filing.

The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code.² [FN2]

(5) Section 5. Statements of Economic Interests: Time of Filing.

(A) Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

(B) Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.

~~(A)~~ ~~(C)~~ Annual Statements. All designated employees shall file statements no later than April 1. If a person reports for military service as defined in the Servicemember's Civil Relief Act, the deadline for the annual statement of economic

interests is 30 days following ~~his or her~~the person's return to office, provided the person,
or someone authorized to

represent the person's interests, notifies the filing officer in writing prior to the applicable filing deadline that ~~he or she~~the person is subject to that federal statute and is unable to meet the applicable deadline, and provides the filing officer verification of ~~his or her~~the person's military status.

(D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

(5.5) Section 5.5. Statements for Persons Who Resign Prior to Assuming Office.

Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided ~~he or she~~the person did not make or participate in the making of, or use ~~his or her~~the person's position to influence any decision and did not receive or become entitled to receive any form of payment as a result of ~~his or her~~the person's appointment. Such persons shall not file either an assuming or leaving office statement.

(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

(1) File a written resignation with the appointing power; and

(2) File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation ~~he or she~~the person did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

(6) Section 6. Contents of and Period Covered by Statements of Economic Interests.

(A) Contents of Initial Statements.

Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

(B) Contents of Assuming Office Statements.

Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.

(C) Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later, or for a board or commission member subject to Section 87302.6, the day after the closing date of the most recent statement filed by the member pursuant to Regulation 18754.

(D) Contents of Leaving Office Statements.

Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

(7) Section 7. Manner of Reporting.

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) Investment and Real Property Disclosure. When an investment or an interest in real property [FN3] is required to be reported, [FN4] the statement shall contain the following:

~~When an investment or an interest in real property³ is required to be reported,⁴ the statement shall contain the following:~~

1. A statement of the nature of the investment or interest;
2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
3. The address or other precise location of the real property;
4. A statement whether the fair market value of the investment or interest in real property equals or exceeds \$2,000, exceeds \$10,000, exceeds \$100,000, or exceeds \$1,000,000.

(B) Personal Income Disclosure. When personal income is required to be reported,⁵ [FN5] the statement shall contain:

1. The name and address of each source of income aggregating \$500 or more in value, or \$50 or more in value if the income was a gift, and a general description of the business activity, if any, of each source;

2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was \$1,000 or less, greater than \$1,000, greater than \$10,000, or greater than \$100,000;

3. A description of the consideration, if any, for which the income was received;

4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;

5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

(C) Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported,⁶ [\[FN6\]](#) the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;

2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than \$10,000.

(D) Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which ~~he or she~~ [the employee](#) is a director, officer, partner, trustee, employee, or in which ~~he or she~~ [the employee](#) holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

(E) Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

(8) Section 8. Prohibition on Receipt of Honoraria.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on ~~his~~the member's or ~~her~~employee's statement of economic interests.

(B) This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

(C) Subdivisions (a), (b), and (c) of Section 89501 shall apply to the prohibitions in this section.

(D) This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Section 89506.

(8.1) Section 8.1. Prohibition on Receipt of Gifts in Excess of \$~~440~~520.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more than \$~~440~~520 in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on ~~his~~the member's or ~~her~~employee's statement of economic interests.

(B) This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

(C) Subdivisions (e), (f), and (g) of Section 89503 shall apply to the prohibitions in this section.

(8.2) Section 8.2. Loans to Public Officials.

(A) No elected officer of a state or local government agency shall, from the date of ~~his or her~~the election to office through the date that ~~he or she~~the officer vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.

(B) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(C) No elected officer of a state or local government agency shall, from the date of ~~his or her~~the election to office through the date that ~~he or she~~the officer vacates office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.

~~(A)~~ (D) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall,

while he or shethe official holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(E) This section shall not apply to the following:

1. Loans made to the campaign committee of an elected officer or candidate for elective office.

2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans from a person which, in the aggregate, do not exceed ~~five hundred dollars (\$500)~~ at any given time.

4. Loans made, or offered in writing, before January 1, 1998.

(8.3) Section 8.3. Loan Terms.

(A) Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of ~~his or her~~the officer's election to office through the date

~~he or she~~ the officer vacates office, receive a personal loan of \$500 or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.

(B) This section shall not apply to the following types of loans:

1. Loans made to the campaign committee of the elected officer.

2. Loans made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans made, or offered in writing, before January 1, 1998.

(C) Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

(8.4) Section 8.4. Personal Loans.

(A) Except as set forth in subdivision (B), a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.

2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:

a. The date the loan was made.

b. The date the last payment of \$100 or more was made on the loan.

c. The date upon which the debtor has made payments on the loan

aggregating to less than \$250 during the previous 12 months.

(B) This section shall not apply to the following types of loans:

1. A loan made to the campaign committee of an elected officer or a candidate for elective office.

2. A loan that would otherwise not be a gift as defined in this title.

3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.

~~4.~~ 4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.

5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

(C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

(9) Section 9. Disqualification.

No designated employee shall make, participate in making, or in any way attempt to use ~~his or her~~ the employee's official position to influence the making of any

governmental decision which ~~he or she~~the employee knows or has reason to know will
have a reasonably foreseeable

material financial effect, distinguishable from its effect on the public generally, on the official or a member of ~~his or her~~the official's immediate family or on:

(A) Any business entity in which the designated employee has a direct or indirect investment worth \$2,000 or more;

(B) Any real property in which the designated employee has a direct or indirect interest worth \$2,000 or more;

(C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating \$500 or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;

(D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

(E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating ~~\$440~~\$500 or more provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

(9.3) Section 9.3. Legally Required Participation.

No designated employee shall be prevented from making or participating in the making of any decision to the extent ~~his or her~~the employee's participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make ~~his or her~~the employees' participation legally required for purposes of this section.

(9.5) Section 9.5. Disqualification of State Officers and Employees.

In addition to the general disqualification provisions of section 9, no state administrative official shall make, participate in making, or use ~~his or her~~ the official's position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of ~~his or her~~ the official's immediate family has, within 12 months prior to the time when the official action is to be taken:

(A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or

(B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value \$1,000 or more.

(10) Section 10. Disclosure of Disqualifying Interest.

When a designated employee determines that ~~he or she~~ the employee should not make a governmental decision because ~~he or she~~ the employee has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

(11) Section 11. Assistance of the Commission and Counsel.

Any designated employee who is unsure of ~~his or her~~ the duties under this code may request assistance from the Fair Political Practices Commission pursuant to Section 83114 and Regulations 18329 and 18329.5 or from the attorney for ~~his or her~~ the employee's agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

| [\(12\)](#) Section 12. Violations.

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Sections 81000-91014. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Section 87100 or 87450 has occurred may be set aside as void pursuant to Section 91003.

4-[FN1]

Designated employees who are required to file statements of economic interests under any other agency's conflict of interest code, or under article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Section 81004.

2-[FN2]

See Section 81010 and Regulation 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

3-[FN3]

For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

4-[FN4]

Investments and interests in real property which have a fair market value of less than \$2,000 are not investments and interests in real property within the meaning of the

Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in

which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

5-[FN5]

A designated employee's income includes ~~his or her~~the employee's community property interest in the income of ~~his or her~~the employee's spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

6-[FN6]

Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

Credits

Note: Authority cited: Section 83112, Government Code. Reference: Sections 87103(e), 87300-87302, 89501, 89502 and 89503, Government Code.

HISTORY

History

1. New section filed 4-2-80 as an emergency; effective upon filing (Register 80, No. 14). Certificate of Compliance included.

2. Editorial correction (Register 80, No. 29).

3. Amendment of subsection (b) filed 1-9-81; effective thirtieth day thereafter (Register 81, No. 2).

4. Amendment of subsection (b)(7)(B)1. filed 1-26-83; effective thirtieth day thereafter (Register 83, No. 5).

5. Amendment of subsection (b)(7)(A) filed 11-10-83; effective thirtieth day thereafter (Register 83, No. 46).

6. Amendment filed 4-13-87; operative 5-13-87 (Register 87, No. 16).

7. Amendment of subsection (b) filed 10-21-88; operative 11-20-88 (Register 88, No. 46).

8. Amendment of subsections (b)(8)(A) and (b)(8)(B) and numerous editorial changes filed 8-28-90; operative 9-27-90 (Reg. 90, No. 42).

9. Amendment of subsections (b)(3), (b)(8) and renumbering of following subsections and amendment of Note filed 8-7-92; operative 9-7-92 (Register 92, No. 32).

10. Amendment of subsection (b)(5.5) and new subsections (b)(5.5)(A)-(A)(2) filed 2-4-93; operative 2-4-93 (Register 93, No. 6).

11. Change without regulatory effect adopting Conflict of Interest Code for California Mental Health Planning Council filed 11-22-93 pursuant to title 1, section 100, California Code of Regulations (Register 93, No. 48). Approved by Fair Political Practices Commission 9-21-93.

12. Change without regulatory effect redesignating Conflict of Interest Code for California Mental Health Planning Council as chapter 62, section 55100 filed 1-4-94 pursuant to title 1, section 100, California Code of Regulations (Register 94, No. 1).

13. Editorial correction adding History 11 and 12 and deleting duplicate section number (Register 94, No. 17).

14. Amendment of subsection (b)(8), designation of subsection (b)(8)(A), new subsection (b)(8)(B), and amendment of subsections (b)(8.1)-(b)(8.1)(B), (b)(9)(E) and Note filed 3-14-95; operative 3-14-95 pursuant to Government Code section 11343.4(d) (Register 95, No. 11).

15. Editorial correction inserting inadvertently omitted language in footnote 4

(Register 96, No. 13).

16. Amendment of subsections (b)(8)(A)-(B) and (b)(8.1)(A), repealer of subsection (b)(8.1)(B), and amendment of subsection (b)(12) filed 10-23-96; operative 10-23-96 pursuant to Government Code section 11343.4(d) (Register 96, No. 43).

17. Amendment of subsections (b)(8.1) and (9)(E) filed 4-9-97; operative 4-9-97 pursuant to Government Code section 11343.4(d) (Register 97, No. 15).

18. Amendment of subsections (b)(7)(B)5., new subsections (b)(8.2)-(b)(8.4)(C) and amendment of Note filed 8-24-98; operative 8-24-98 pursuant to Government Code section 11343.4(d) (Register 98, No. 35).

19. Editorial correction of subsection (a) (Register 98, No. 47).

20. Amendment of subsections (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 5-11-99; operative 5-11-99 pursuant to Government Code section 11343.4(d) (Register 99, No. 20).

21. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 12-6-2000; operative 1-1-2001 pursuant to the 1974 version of Government Code section 11380.2 and Title 2, California Code of Regulations, section 18312(d) and (e) (Register 2000, No. 49).

22. Amendment of subsections (b)(3) and (b)(10) filed 1-10-2001; operative 2-1-2001. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 2).

2-23. Amendment of subsections (b)(7)(A)4., (b)(7)(B)1.-2., (b)(8.2)(E)3., (b)(9)(A)-(C) and footnote 4. filed 2-13-2001. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court

_of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 7).

24. Amendment of subsections (b)(8.1)-(b)(8.1)(A) filed 1-16-2003; operative 1-1-2003. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2003, No. 3).

25. Editorial correction of History 24 (Register 2003, No. 12).

26. Editorial correction removing extraneous phrase in subsection (b)(9.5)(B) (Register 2004, No. 33).

27. Amendment of subsections (b)(2)-(3), (b)(3)(C), (b)(6)(C), (b)(8.1)-(b)(8.1)(A), (b)(9)(E) and (b)(11)-(12) filed 1-4-2005; operative 1-1-2005 pursuant to Government Code section 11343.4 (Register 2005, No. 1).

28. Amendment of subsection (b)(7)(A)4. filed 10-11-2005; operative 11-10-2005 (Register 2005, No. 41).

29. Amendment of subsections (a), (b)(1), (b)(3), (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 12-18-2006; operative 1-1-2007. Submitted to OAL pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27,

1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2006, No. 51).

30. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 10-31-2008; operative 11-30-2008. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2008, No. 44).

31. Amendment of section heading and section filed 11-15-2010; operative 12-15-2010. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2010, No. 47).

32. Amendment of section heading and subsections (a)-(b)(1), (b)(3)-(4), (b)(5)(C), (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) and amendment of footnote 1 filed 1-8-2013; operative 2-7-2013. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2013, No. 2).

33. Amendment of subsections (b)(8.1)-(b)(8.1)(A), (b)(8.2)(E)3. and (b)(9)(E) filed 12-15-2014; operative 1-1-2015 pursuant to section 18312(e)(1)(A), title 2, California Code of Regulations. Submitted to OAL for filing and printing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court

of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2014, No. 51).

34. Redesignation of portions of subsection (b)(8)(A) as new subsections (b)(8)(B)-(D), amendment of subsections (b)(8.1)-(b)(8.1)(A), redesignation of portions of subsection (b)(8.1)(A) as new subsections (b)(8.1)(B)-(C) and amendment of subsection (b)(9)(E) filed 12-1-2016; operative 12-31-2016 pursuant to Cal. Code Regs. tit. 2, section 18312(e). Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2016, No. 49).

35. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 12-12-2018; operative 1-11-2019 pursuant to Cal. Code Regs., tit. 2, section 18312(e). Submitted to OAL for filing and printing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2018, No. 50).

36. Amendment of subsections (b)(8.1)-(8.1)(A) filed 12-23-2020; operative 1-1-2021 pursuant to Cal. Code Regs., tit. 2, section 18312(e). Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April

27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2020, No. 52).

37. Amendment of subsections (b)(3)(C), (b)(5)(C), (b)(5.5), (b)(5.5)(A)(2), (b)(7)(D), (b)(8)(A), (b)(8.1)(A), (b)(8.2)(A), (b)(8.2)(C)-(D), (b)(8.3)(A), (b)(9), (b)(9.3), (b)(9.5), (b)(10) and (b)(11) and footnote 5 filed 5-12-2021; operative 6-11-2021 pursuant to Cal. Code Regs., tit. 2, section 18312(e). Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2021, No. 20).



L.A. Care
HEALTH PLAN

Board of Governors
MOTION SUMMARY

Date: November 15, 2022

Motion No. EXE 102.1222

Committee: Executive

Chairperson: Hector De La Torre

Issue: Approve the disbursement of funds for the Annual Incentive Program, based on the results of individual performance goals and organizational targets for FY 2021-2022.

Background:

Currently, employees are eligible to participate based upon job classification, and under one of the following components of the Annual Incentive Program:

- Monthly Production Incentives Program based on predetermined criteria;
- Individual Annual Incentives Program based on predetermined goals; and,

The Production Incentive Program was budgeted and paid monthly according to policy.

This request is for authorization to payout for the Annual Incentives Program, not to exceed \$7.7 million.

Budget Impact: The Annual Incentive Program budget previously approved by the Board of Governors for FY 2021-2022, no more than 3.9% of budgeted Salaries and Benefits. The projected amount for a potential incentive for the Chief Executive Officer has a separate budget.

Motion: **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).**