

**BOARD OF GOVERNORS**  
**Executive Committee**  
**Meeting Minutes – February 28, 2018**

1055 West 7<sup>th</sup> Street, Los Angeles, CA 90017



**L.A. Care**  
 HEALTH PLAN

*All votes during a teleconferenced portion of the meeting were by roll call*

**Members**

Louise McCarthy, *Chairperson*  
 Hector De La Torre, *Vice Chairperson* \*\*  
 Mark Gamble, *Treasurer*  
 G. Michael Roybal, MD, MPH, *Secretary*  
 Layla Gonzalez-Delgado \*  
 Kimberly Uyeda, MD

**Management/Staff**

John Baackes, *Chief Executive Officer*  
 Terry Brown, *Chief Human Resources Officer*  
 Augustavia Haydel, Esq., *General Counsel*  
 Thomas Mapp, *Chief Compliance Officer*  
 Marie Montgomery, *Chief Financial Officer*  
 Richard Seidman, MD, MPH, *Chief Medical Officer*

\*Absent \*\* Via Teleconference

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<b>CALL TO ORDER</b>  Louise McCarthy	Louise McCarthy, <i>Chairperson</i> , called the meeting to order at 2:05 pm.  She announced that members of the public may address the Committee on each matter listed on the agenda before or during the Committee’s consideration of the item, or on any other topic at the Public Comment section.	
<b>APPROVE MEETING AGENDA</b>  Louise McCarthy	The Agenda for today’s meeting approved as presented.	<b>Approved unanimously.</b> <b>4 AYES (Gamble, McCarthy, Roybal, and Uyeda)</b>
<b>PUBLIC COMMENTS</b>	There was no public comment.	
<b>APPROVE MEETING MINUTES</b>  Louise McCarthy	The minutes of the January 24, 2018 meeting were approved as presented.	<b>Approved unanimously.</b> <b>4 AYES</b>
<b>CHAIRPERSON’S REPORT</b>  Louise McCarthy	Chairperson McCarthy announced that the March 8, 2018 Board of Governors meeting is cancelled. Motions approved at Finance & Budget Committee and by this Committee will be presented at the April 5, 2018 Board meeting.  Staff has not received a nomination for the seat vacated by Sheryl Spiller.	

**APPROVED**

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<p><b>CHIEF EXECUTIVE OFFICER REPORT</b></p> <p>John Baackes</p>	<p>John Baackes, <i>Chief Executive Officer</i>, reported:</p> <ul style="list-style-type: none"> <li>The EHS provider contract has been terminated due to that organization's close ties with SynerMed and because the state regulator ordered all health plans to terminate their contracts. Two-thirds of the members affected kept their Primary Care Physicians (PCP) through another group contracted with L.A. Care. If the group's quality was not sufficient, the member was not transferred. There are 132 members remaining whose PCPs are not contracted with L.A. Care through a group. L.A. Care is working to directly contract with those PCPs. An update will be provided at the next Board meeting.</li> <li>Covered California had robust enrollment, with over 80,000 enrolled in L.A. Care Covered, and 71,500 new members have paid the first month's premium. This is ahead of enrollment forecast. Staff expects to have 2.5 million members enrolled in L.A. Care by end March 2018.</li> </ul> <p><i>(Member De La Torre joined meeting by phone.)</i></p>	
<p><b>COMMITTEE ISSUES</b></p>		
<p>Government Affairs Update</p> <p>Cherie Compartore</p>	<p>Cherie Compartore, <i>Senior Director, Government Affairs</i>, reported:</p> <ul style="list-style-type: none"> <li>The U.S. Supreme Court declined the Administration's request that the Court decide on whether the Administration can shut down the Deferred Action for Childhood Arrivals (DACA) program. The Supreme Court's decision to not hear the appeal was based on the fact that the lower appeals court has not yet ruled on the issue. The Court's decision results basically in temporarily shielding the DACA recipients from deportation and allow them to remain in the US. Their status lasts for 2 years and must be renewed. The DACA program was scheduled to expire on March 5. DACA recipients remain in limbo until appeals court hears case and then next steps are identified and then see what, if any steps, Congress is able to take addressing the DACA program.</li> </ul> <p>On a separate lawsuit filed by California, the DACA program won another victory after a federal judge ruled that the government had unfairly revoked legal permits for some DACA recipients after 22 recipients who had their legal status revoked after being accused of crimes but not convicted. They must be allowed to have a hearing to determine whether their DACA status is revoked.</p>	

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	<ul style="list-style-type: none"> <li>• L.A. Care was in Washington DC last week as part of the Association for Community Affiliated Plans (ACAP). 13 meetings were held with LA delegation offices. There is a lot of interest in the opioid crisis in the US and behavioral health issues and significant discussion regarding the bills that are being discussed at the congressional level that would make information sharing between providers much easier. L.A. Care shared information on CMC, L.A. Care's IHSS worker training pilot. L.A. Care's Covered California membership increase was discussed. Everyone gets that in California, it is still working for the time being. It is unclear at this time whether any California legislator will introduce a bill on individual mandate. Staff thanked the Democrat offices that voted for the budget bill that contained funding for CHIP and the health clinics.</li> <li>• The deadline for introducing bills has passed. L.A. Care will be providing the Board with monthly legislative matrix on various positions taken on bills shared with the Board and the Committee.</li> </ul>	
<p><b>Ernst &amp; Young Contract</b></p> <p>Terry Brown</p>	<p>Terry Brown, <i>Chief Human Resources Officer</i>, presented a motion requesting approval to execute a contract with Ernst &amp; Young for the Human Resource Information System (HRIS) Optimization Project. The Project will include a program charter, governance methodologies, program risk &amp; controls protocols, organizational/staffing recommendations, and best practices to equip L.A. Care with the best possible outcome for the HRIS Program.</p> <p>On April 2, 2015, the Board of Governors approved Motion FIN 103.0415 for \$7,400,000 for the purchase and implementation of an HRIS software package to replace the various disparate systems used to support Human Resources. At that time, a rigorous RFP process resulted in selection of SAP Successfactors software, along with SAP's recommended implementation partner, KPIT, to perform implementation services. L.A. Care and KPIT planned, executed and deployed Benefits, Performance and Goals, Employee Central, Onboarding, Learning Management, and Compensation.</p> <p>In late 2017, the L.A. Care Human Resources department identified a need for a follow-up project to improve the user experience with the live Successfactors modules and implementation of the remaining modules that were configured but not launched. The HRIS Optimization Project was scheduled to be kicked off around the same time as the Employee Central Payroll and Time &amp; Attendance Project, targeting same SAP Successfactors modules.</p>	


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	<p>In 2017, the L.A. Care Payroll Team engaged Ernst &amp; Young as their implementation partner before the HRIS Optimization Team had made a decision. In the interest of mitigating any risk due to each project potentially impacting the other, it was important that the same implementation partner be used for both projects. Sole Source approval was obtained for the HRIS Optimization Project to move forward with engaging Ernst &amp; Young.</p> <p><u>Motion EXE A.0218</u> To authorize staff to execute a contract with Ernst &amp; Young totaling \$1,976,617, to provide HRIS Optimization Services for the period of March 6 to September 28, 2018.</p>	<p>Approved unanimously by roll call. 5 AYES (De La Torre, Gamble, McCarthy, Roybal, and Uyeda)</p>
<p>APPROVE CONSENT AGENDA FOR APRIL 5, 2018 BOARD OF GOVERNORS MEETING</p>	<p>The Finance &amp; Budget Committee recommended that the following motions be included on the Consent Agenda for the Board of Governors meeting on April 5, 2018:</p> <ul style="list-style-type: none"> <li>• Microsoft Enterprise Agreement</li> <li>• Infosys Managed Services</li> <li>• Language Line Contract</li> </ul> <p>The Committee approved the following motions, including the above recommended by the Finance &amp; Budget Committee, to be on the Consent Agenda for the Board of Governors meeting on April 5, 2018:</p> <ul style="list-style-type: none"> <li>• RCAC/CCI Membership</li> </ul>	<p>Approved unanimously by roll call. 5 AYES</p>
<p>ADJOURN TO CLOSED SESSION</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. There was no public comment on the closed session items, and the meeting adjourned to closed session at 2:40 p.m.</p> <p>CONTRACT RATES 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>REPORT INVOLVING TRADE SECRET Pursuant to Welfare and Institutions Code Section 14087.38(n) Discussion Concerning New Product Lines</p>	

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	Estimated date of public disclosure: <i>February 2020</i>	
RECONVENIE IN OPEN SESSION	The meeting reconvened in open session at 2:45 p.m. No reportable actions were taken during the closed session.	
ADJOURNMENT	The regular meeting adjourned at 2:45 p.m.	

Respectfully submitted by:  
Linda Merkens, *Manager, Board Services*  
Malou Balones, *Committee Liaison*  
Jennifer Carabali, *Committee Liaison*

APPROVED BY:

  
Louise McCarthy, *Chair*  
Date: 3/28/18

**APPROVED**