

Board of Governors
Regular Meeting Minutes #270
May 3, 2018

L.A. Care Health Plan, 1055 W. 7th Street, Los Angeles, CA 90017



Members

Louise McCarthy, *Chair*
 Hector De La Torre, *Vice Chair* &
 Mark Gamble, *Treasurer* *
 G. Michael Roybal, MD, MPH, *Secretary*
 Alvaro Ballesteros, MBA
 Stephanie Booth, MD

Robert H. Curry
 Christina R. Ghaly, MD
 Layla Gonzalez-Delgado
 Hilda Perez
 Honorable Mark Ridley-Thomas
 Kimberly Uyeda, MD, MPH **

*Absent **Via teleconference

Management/Staff

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

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
WELCOME Louise McCarthy <i>Chair</i>	Louise McCarthy, <i>Chair</i> , called the meeting to order at 2:07 p.m. She announced that the public may address the Board on any matter at the Public Comment section at the beginning of this meeting, and before or during the Board's consideration of items listed on the Agenda. Guests are welcome to introduce themselves or can remain anonymous.	
APPROVAL OF MEETING AGENDA Louise McCarthy	The agenda was approved as submitted.	Approved unanimously by roll call. 8 AYES (Ballesteros, Booth, Curry, Ghaly, Gonzalez-Delgado, McCarthy, Perez and Roybal)
I Speak Program Participants	Auleria Eakins, <i>Manager, Community Outreach and Education</i> , invited Board members and guests to celebrate the culmination of L.A. Care's first <i>I-Speak</i> training program. The participants are very proud of their accomplishments. Each graduate committed 40 hours of their time to learn about: <ul style="list-style-type: none"> • Advocacy Basics • Effective Communication • International Health • Basics of Managed Care • Technology and Health (member services helped them learn basic computer skills and how to set up member portal account) 	

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	<ul style="list-style-type: none"> • Understanding Data • How to Effectively Work with Your Board Representatives • Health Equity • How to Support Your Local RCAC <p>The overall knowledge increase was from 40% to 80%. These members will also participate in both local and state advocacy days in support of L.A. Care’s mission, brand and advocacy efforts. A second I Speak training program will launch in the Spring of 2019.</p> <p>Estella Lara, <i>RCAC 2 Member</i>, shared her experience as a participant in the I Speak program:</p> <ul style="list-style-type: none"> • She participated in the program two years ago. • The I Speak curriculum is fantastic. All the topics were very interesting and she learned so much from the training. • As an advocate, she represents L.A. Care’s members and in turn, L.A. Care tries to empower them to have a voice to speak for their communities. • She recommended expanding the program to include all the CCI and RCAC members. • When members learn more, they empower themselves and can help make the health plan better. • She would like L.A. Care to be a premium plan and hopes it will expand to have 4.4 million members. • She asked Board members to expand funding for this program when they have the opportunity. <p>John Baackes, <i>Chief Executive Officer</i>, recognized the outstanding work that Ms. Eakins has done with the community advisory committees and that she is a great representative of L.A. Care in the community.</p>	
PUBLIC COMMENT	<p>C. Cleo Ray, <i>Member RCAC 5</i>, thanked Ms. Eakins for the opportunity to participate in <i>I Speak</i>. She read the following to Ms. Cooper:</p> <p><i>Thank you for saying what needs to be said, for doing what needs to be done, for being the voice of the voiceless. And thank you for paving the path for those who are lost. Thank you for being you. Love ya, Cleo.</i></p> <p>Dennis Moore, <i>Member CCI 1</i>, commented that he spoke with Roland Palencia today and he will provide information about Brilliant Corners. When Mr. Moore attended ECAC, he talked to Alice Klurfeld and Mr. Palencia and they sent information about Brilliant Corners. There is a tremendous housing shortage in Southern California, and there are issues of homelessness in the</p>	

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	<p>Antelope Valley. L.A. Care has undertaken an important initiative. He will learn more about it. He has read information about a program for housing for people with disabilities in San Francisco. Many people are not aware of the Brilliant Corners initiative. He reported that a speaker attended the recent CCI 1 meeting and talked about Housing 4 Health. Mr. Moore is concerned about the program with Brilliant Corners and Mr. Palencia will provide more information.</p> <p>Elizabeth Cooper, <i>Member CCI 2 and RCAC 2</i>, noted that on the Consent Agenda there is an item for the Board of Governors meeting schedule. As an advocate for her RCAC in San Fernando Valley, she has always requested that the Board have a meeting in the San Fernando Valley. She would greatly appreciate if the Board would consider a meeting in the San Fernando Valley, as it is one of the original advisory committees. On the motion for RCAC membership, she noted there is a deficit in advisory committee membership and she asked the two consumer representatives on the Board to take notice. She believes in diverse population and would like the RCAC members to reflect the diversity of the community. As far as she knows there is one African American left in the RCAC in the San Fernando Valley. She would like to make sure that the RCAC reflect the community. She is also concerned about the developmentally disabled. She thanked the member who warmed her heart today with acknowledgement of her participation. Sometimes we have to talk about things that are not on the Agenda. She hopes that board members will consider her comments and make sure the staff reaches out so the advisory committee membership reflects the community. She said that L.A. Care has been wonderful at reaching out. She asked that staff reach out to all members. It is important that the RCAC chairs and members reach out to the community. Elections are very important and she feels there needs to be effort in this area. She complimented the staff and Mr. Baackes. She asked the Chair and Board members to listen to some of her comments. She asked that those elected by the committee represent and respect all the members. She asked that the Board make sure that the elected officers respect all members and treat them courteously, and know that all members are part of the community. She thanked the Board for her right to address the Board.</p>	
<p>APPROVAL OF CONSENT AGENDA</p> <p>Louise McCarthy</p>	<p>Member Booth asked about the large increase in cost for Board motion BOG 102. Marie Montgomery, <i>Chief Financial Officer</i>, noted that the members increased from 25,000 up to 75,000, and prior to that there were 11,000 members in L.A. Care Covered.</p> <p>Member Booth asked about motion BOG 103. Dino Kasdagly, <i>Chief Operating Officer</i>, responded that the motion is to reallocate previously approved expenses from one vendor to a contract with a higher performing vendor.</p>	

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	<p>Member Perez asked if Motion BOG 103 included printing a provider directory. Mr. Baackes responded, no. Mr. Kasdagly clarified that the services in the contract funded through that motion were to improve the accuracy of the provider information for digital and printed information. Member Booth asked if it will help with accuracy of the urgent care information, and Mr. Kasdagly responded affirmatively.</p> <p>Member Perez asked how the \$25,000 sponsorship funds in Motion BOG 100 would be distributed. Mr. Baackes indicated that is the fee for participating in the parade, and the proceeds from parade are distributed to support a variety of LGBT activities in the community.</p> <p>Member Perez commented on Motion ECA 100, RCAC member motion: as Ms. Cooper noted during her public comment, there is a deficit in membership of the community advisory committees. In March, 2018, there were no interest cards submitted, and there have been no interest cards submitted for 2018. The current membership of the advisory committees does not represent even 1% of L.A. Care's total membership. Ms. Perez indicated that she wants to work with staff to increase recruitment efforts. CCI Area 2 has less than 5 members.</p> <ul style="list-style-type: none"> • Approve April 5, 2018 meeting minutes • L.A. Pride Sponsorship (BOG 100) • Revised 2018 Board and Committee Meeting Schedule (BOG 101) • Funding for WEX Health (BOG 102) • Digital TaaS (BOG 103) • Quarterly Investment Report (FIN 100) • RCAC Membership (ECA 100) 	<p>The motions on the Consent Agenda were approved unanimously by roll call. 8 AYES</p>
<p>CHAIRPERSON'S REPORT</p>	<p>Chairperson McCarthy announced that Member Robert Curry will become a member of the Finance & Budget Committee and Member Christina Ghaly will become a member of the Compliance & Quality Committee. There will be a number of Board Members that will leave the Board this fall due to term limits, so membership in all Committees will be reviewed to be sure there is adequate representation.</p>	
<p>CHIEF EXECUTIVE OFFICER REPORT</p> <p>John Baackes</p>	<p>Mr. Baackes reported:</p> <ul style="list-style-type: none"> • In fulfilling the goal for L.A. Care to add value for providers and members, he reported on the Transforming Clinical Practices Grant Initiative. A grant of \$16 million was awarded to L.A. Care in 2015. The grant was to assist 3,200 L.A. County primary care and specialty clinicians to improve and transform their practices. L.A. Care submitted a report to the Centers for Medicare and Medicaid Services (CMS) which placed the initiative among the 	

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	<p>top three grantees in the US. In certain clinical measures L.A. Care has seen improvements, such as 82% improvement in suicide risk assessment in children, a 54% improvement in suicide risk assessment in adults, a 17% improvement in Body Mass Index screenings with follow up, which leads to nutrition and a lot of other useful counseling for the patient, and 11% improvement in utilization of the screening tool for depression. This is part of a nationwide \$680 million in funding.</p> <ul style="list-style-type: none"> • For a second time, L.A. Care is sponsoring a physician leadership program which helps build business skills among physicians. When the first program ended, Mr. Baackes attended the last meeting where the participants reported on what they had learned during the six-month program. All 20 participants noted that the medical practice needs participation in quality improvement efforts from the entire team in the office, and particularly the front desk plays a larger role than the participants had first realized. • Last year there were a lot of funding threats in legislation. Although there is not currently a repeal and replace effort, there are still issues with funding and L.A. Care will continue to closely monitor legislative activities. • L.A. Care is expecting rate changes to include minimal increases, if any, and there may be decreases in some aid categories. The Affordable Care Act rates were initially very generous but there have been annual cuts. L.A. Care will continue to be cautious and will monitor rate changes carefully in order to continue serving its members in the future through all economic situations. • The CMS issued a Mega Rule, part of which was to improve fairness of disbursing federal funds in Medicaid programs. Many states implemented a tax on providers over the years which could be used to obtain additional matching federal funds, and increased distributions to providers. CMS has issued a rule regarding directed payments to be based on encounter data. Plans will be responsible for collecting the encounter data and sending it to the state which expands the health plan role and adds administrative cost. This new rule will influence the relationships between L.A. Care and public hospitals. • CMS has issued a request for information on direct provider contracting, which could affect health plans and coordination of care. • Individuals applying for citizenship or permanent residency status may be refused if the federal government deems that they are a "public charge," or in other words, they would be a burden on taxpayers. Currently, the definition of that term does not include health services. The federal government is considering adding Medicaid, CHIP, nutrition programs such as SNAP and WIC, housing assistance, energy assistance and transportation services to the public charge definition. It may increase anxiety and stress for members who may 	

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	<p>already have a significant number of stressful issues in their lives. L.A. Care will continue to closely follow this issue, as it may affect families (especially children of undocumented parents) who may elect not to seek health services in fear of negative action by immigration authorities.</p> <ul style="list-style-type: none"> • Other upcoming legislation includes a public option feasibility study and Federally Qualified Health Centers (FQHC) bill and there are two bills to expand medical care coverage to undocumented adults, which could add to the public charge issue outlined above. There is also a bill to allow FQHCs to bill for multiple services provided in the same day. • Legislative Day will be held May 22. A group of L.A. Care advisory committee members has been identified to participate in the trip to visit legislators in Sacramento. The group of advocates will meet with Assembly Health Committee Chairman Wood. • Tomorrow there will be an announcement by Project Angel Food of an L.A. Care grant. Food insecurity is a significant problem for L.A. Care’s members, and can affect recovery from illness or hospitalization. This grant will provide a refrigerated truck to distribute food to qualified patients to study rehospitalization rates. <p>Member Booth invited everybody to consider that a potential recession could cause steps backward. She encouraged people to keep in mind that the way the government handles money will not change. It is important to be sure that L.A. Care continues to use funds carefully and with the understanding that funding will always be less.</p> <p>Member Delgado reported that there is a proposal to increase rates for housing which will affect L.A. Care’s grant to Brilliant Corners.</p> <p>PUBLIC COMMENT: Andria McFerson, <i>Member, RCAC 6</i>, stated that she thinks it is important to discuss strategic organizational goals. To achieve the goal of best possible care for L.A. Care members experienced leadership is needed. Doctors and everyone that works with the public need sensitivity training. Sensitivity training should be given along with empathy training to all providers. If there is someone that has mental illness or is homeless, people look at them from the outside and don’t know exactly what they have been through. There’s a preconceived notion that they are not doing enough or different things like that. It is important that when you train people for sensitivity they need to experience some of the issues that other people go through. She suggests that training includes having people yell negative things while the person is trying to complete a form or some other similar task. Sometimes that is how people in very extenuating circumstances feel. But people who have never been in that situation don’t know</p>	

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	<p>how that feels. She would like to have a group of advisory committee members help L.A. Care develop a program for sensitivity training and empathy training.</p> <p>Mary Jo Fernando, <i>Member CCI Area 2</i>, asked about the meeting that Mr. Baackes announced was arranged for Legislative Day. Mr. Baackes responded that meetings were arranged with Los Angeles County legislative representatives and with James Wood, Chairman of the Assembly Health Committee and author of bills that L.A. Care is supporting.</p> <p>Member Ghaly noted with regard to cervical cancer screening, there is a severe lack of data about where women get this screening. She wanted to draw attention to the fact that the screening may be occurring but is not reported so that other providers can see the information.</p> <p>Richard Seidman, MD, MPH, <i>Chief Medical Officer</i>, noted there is work underway to improve data reporting and access. The new HEDIS software has a portal for provider reporting so that information is available to other providers. There are HIPPA restrictions on the data, and L.A. Care is working to improve it.</p>	
Annual Sponsorship Report FY 2016-17	Mr. Baackes referred to the written report in the meeting materials (<i>a copy of the report can be obtained by contacting Board Services</i>). L.A. Care sponsors many community activities with organizations that are partners in social services or health care.	
Strategic Organizational Goals Progress Report	Mr. Baackes referred to the written report in the meeting materials (<i>a copy of the report can be obtained by contacting Board Services</i>). The report provides detailed information about one of the four goals.	
Community Health Initiative Fund (CHIF) Annual Report	Mr. Baackes referred to the written report in the meeting materials (<i>a copy of the report can be obtained by contacting Board Services</i>). There is \$10 million budgeted annually to support a variety of projects in the community.	
CHIEF MEDICAL OFFICER REPORT Richard Seidman, MD	<p>Dr. Seidman referred to his written report in the meeting materials (<i>a copy of the reports can be obtained by contacting Board Services</i>) and he reported:</p> <ul style="list-style-type: none"> At this time of year staff is pursuing all available information to optimize outcomes in the Healthcare Effectiveness Data and Information Set (HEDIS) for measurement year (2017). The results are calculated in the National Committee on Quality Assurance (NCQA) rating for 2018. One of the enterprise goals is to achieve commendable status in NCQA, and L.A. Care is about three points away. Staff is working to improve data collection and improve scores. 	

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	<ul style="list-style-type: none"> • For services that have been provided for 2017, there is always a significant challenge in collecting the data so the health plan gets credit for services provided. All partners including plan partners and provider groups are participating in the data collection. • Update to workforce development initiative approved by the Board. Both the David Geffen School of Medicine at UCLA and the Charles Drew University Medical Education Program were awarded funds for each to offer four additional medical student scholarships. The student selections have been completed for both schools. Dr. Seidman has read the biographies of those eight students and he feels that each student is deserving and each has an incredible story that has led to their acceptance at the medical schools. The awarding of full scholarships will transform the lives of these students. It is not unusual for medical students to graduate with significant debt, and these students will be able to choose their life path without that financial burden. There are plans for additional facets of this workforce development initiative. Member Booth asked what assurances will be made that the students serve the residents of LA County. Dr. Seidman noted that it was considered to have the students sign agreements to remain in LA County. In consultation with the schools an absolute requirement was not imposed. It was noted that medical students and trainees tend to stay in the community in which they train. • L.A. Care continues to work with Housing 4 Health program and Brilliant Corners to provide housing for L.A. Care members. The program has now placed six L.A. Care members in housing and efforts continue to identify and place members in housing as appropriate. L.A. Care has provided funding for this program for 150 L.A. Care members per year for five years. • We continue to align the plan partner incentive and Value Initiative for IPA Performance (VIIP) incentives to improve care of our members through financial incentives offered to providers in five areas important to high quality and effective health care. Feedback from the plan partners has been positive. • L.A. Care is currently working with Integrated Healthcare Association on aligning the incentive program for a commercial value based pay incentive program to award high performers in L.A. Care Covered. This will increase the number of provider groups that will be incentivized to provide high-quality care for L.A. Care members. • L.A. Care continues its efforts to improve member experience through improvements with the call center. The member experience includes not only interaction with L.A. Care, but also with all providers. It is challenging, but L.A. Care is working to improve services for its members. 	

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	<p>Member Booth asked about the total budget for Brilliant Corners. Mr. Baackes responded that L.A. Care granted \$20 million to provide housing for 300 people, designating spots for 150 L.A. Care members. Member Booth asked if members are placed because of medical necessity. Dr. Seidman indicated that it is challenging to identify the highest risk members for placement in housing.</p>										
<p>Motions approved under the Consent Agenda</p>	<p><u>Motion BOG 100.0518*</u> Ratification of a \$25,000 sponsorship and \$10,000 for promotional items for a total not to exceed \$35,000 for the 2018 L.A. Pride Parade.</p> <p><u>Motion BOG 101.0518*</u> To approve the revised 2018 Board of Governors and Committee Meeting schedule.</p> <p><u>Motion BOG 102.0518*</u> To amend a contract with WEX Health in the amount of \$3,000,000 (not to exceed \$4,975,500) to continue to provide an online billing platform service through September 30, 2019.</p> <p><u>Motion BOG 103.0518*</u> To authorize staff to amend a contract in the amount of \$662,744, (not to exceed \$1,188,024) with Digital TaaS to provide IT Development Services for the period of May 30, 2018 to July 15, 2018.</p>	<p>Approved unanimously by roll call. 8 AYES</p>									
<p>ADVISORY COMMITTEE REPORT</p>											
<p>Executive Community Advisory Committee (ECAC)</p> <p>Hilda Perez Layla Gonzalez-Delgado</p>	<p><u>Motion ECA 100.0518*</u> To approve the following as members of the Regional Community Advisory Committees (RCACs), as reviewed by the Executive Community Advisory Committee (ECAC) during the April 11, 2018 ECAC meeting.</p> <table border="1" data-bbox="499 1149 1661 1300"> <thead> <tr> <th data-bbox="499 1149 905 1222">Name</th> <th data-bbox="905 1149 1184 1222">RCAC/CCI #</th> <th data-bbox="1184 1149 1661 1222">Type of Member (Agency, if applicable)</th> </tr> </thead> <tbody> <tr> <td data-bbox="499 1222 905 1260">Maria Sara Monico Elias</td> <td data-bbox="905 1222 1184 1260">RCAC 2</td> <td data-bbox="1184 1222 1661 1260">Consumer</td> </tr> <tr> <td data-bbox="499 1260 905 1300">Maria Magdalena Guerra</td> <td data-bbox="905 1260 1184 1300">RCAC 7</td> <td data-bbox="1184 1260 1661 1300">Consumer</td> </tr> </tbody> </table> <p>Member Perez individually welcomed each member attending as a representative of their advisory committee and participants in the <i>I Speak</i> program.</p>	Name	RCAC/CCI #	Type of Member (Agency, if applicable)	Maria Sara Monico Elias	RCAC 2	Consumer	Maria Magdalena Guerra	RCAC 7	Consumer	<p>Approved unanimously by roll call on the consent agenda. 8 AYES</p>
Name	RCAC/CCI #	Type of Member (Agency, if applicable)									
Maria Sara Monico Elias	RCAC 2	Consumer									
Maria Magdalena Guerra	RCAC 7	Consumer									

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	<p>Member Gonzalez-Delgado reported that ECAC met on April 11.</p> <ul style="list-style-type: none"> • Members received presentations from the Cultural and Linguistics Department and from the California Long Term Care Education Center. • Interviews were conducted with a dozen L.A. Care members about the transportation benefit. Feedback provided by the participants will help improve the delivery of transportation benefits to all members. The next step will be to issue a request for proposal to vendors. • Advocacy training was moved from May 16 to May 22. • There was an update on urgent care centers and members are aware that there will continue to be updates in the coming months. • A few issues were raised at ECAC regarding pharmacies closing in Antelope Valley. Another concern was raised about members not receiving the meeting information in a timely manner. • RCAC 3 raised an issue about members not receiving materials in a timely manner. • RCACs will receive training on heart health and there will be updates on upcoming events and community outreach included in the advisory committee work plans. <p>PUBLIC COMMENT</p> <p>Wilma Ballew, <i>Chair, CCI Area 2</i>, stated that she was here yesterday for ECAC leadership training and she concurred with what Ms. Lara said. When she came to L.A. Care’s advisory committee meeting four years ago she wasn’t sure what she wanted to do as an L.A. Care consumer. The training over the past year has been amazing and challenging. It is reaching out to the members to get them to understand what an advocate does and what a member of the community does. She finds it very stimulating. She found out she is a <i>warrior</i>. It makes a difference to know the other members personally. She has signed up for the L.A. Care event in Alhambra. Her understanding is that there are only so many members that can be on a committee. She knows that there were requirements for CCI members because it is a pilot program, and it is not easy to recruit members that fit the requirements. She noticed that L.A. Care is reaching out for people that are more involved and are not just socializing. She thanked the Board for the improvements in training.</p> <p>Maria Montes, <i>Chair, RCAC 8</i>, asked what the Board of Governors can do about increases in health insurance fees. Her cost increased from \$100 per month to \$200 per month. She asked about women’s health and the time frame for the pap smear test. She asked about the current government actions to not allow undocumented people to have health insurance and also about the homeless situation. She is a single mom with five children and is only making \$10.50 per</p>	

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	<p>hour. Eventually it seems like she might become homeless. She wants the Board to help members. She is also undocumented. She paid \$200 for a vision test. She is not begging for anything. She came here to work and provide opportunities for her family.</p> <p>Mr. Baackes encouraged her to consider all the choices available in L.A. Care Covered, perhaps at a lower cost than what she is currently paying. He offered that an L.A. Care Covered staff member would be happy to talk with her. L.A. Care also covers children of undocumented parents. In addition, LA County has a program called, My Health LA, which is offered at no cost for all LA County residents. L.A. Care supports a bill introduced in the legislature to offer Medi-Cal coverage to undocumented adults. An important aspect of homelessness is also the countless individuals who currently have housing but are at risk of becoming homeless. It is an enormous problem that L.A. Care is working on with other agencies to help those in need.</p> <p>Dr. Seidman offered to speak directly with Ms. Montes after the meeting. The timing of tests are recommendations by professional and research bodies based on the best evidence available. Guidelines seek to address health issues and to improve women's health.</p> <p>Mr. Baackes applauded the speaker for coming to the meeting to share her views as it helps the Board focus its work.</p> <p>Ms. McFerson noted that the training yesterday included recognition of significant traits. She believes that Mr. Baackes is a warrior and Dr. Seidman is a critical thinker. She is a visionary. There is important information at these meetings. She likes to speak for people who have no voice. It is important to put the information in layman's terms. She noted that people may not understand what is being said. She suggested that the board meetings include a summary in layman's terms what has been said to help people who need clarification or may have difficulty in understanding.</p>	
STANDING COMMITTEE REPORTS		
Executive Committee Louise McCarthy	The Executive Committee met on April 25 (<i>meeting minutes are available by contacting Board Services</i>).	
Government Affairs Update	Cherie Compartore referred to the priority legislative matrix in the meeting materials (<i>a copy of the reports can be obtained by contacting Board Services</i>), and she reported: <ul style="list-style-type: none"> • Last month she reported on legislation that L.A. Care will continue to monitor. Ten of those bills are from health committee chairs and are focused on improving health care in California. 	

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	<ul style="list-style-type: none"> • Two of those bills provide coverage for undocumented. They probably will not be signed into law this year but it is important to continue to have discussions. L.A. Care and other organizations take these discussions very seriously. • AB 2472 (Wood) has been amended from a Medi-Cal <i>buy-in</i> to provide a feasibility analysis to explore the idea of a public option in health coverage. L.A. Care supports this bill. • She reported previously that the legislature had no appetite for an individual mandate and discussions will continue. Today there were indications of support for an individual mandate as long as it is coupled with savings such as state tax credit or cost sharing reductions. 	
Finance & Budget Committee		
Motion Approved in Consent Agenda	<p><u>Motion FIN 100.0518*</u> To accept the Quarterly Investment Report for the quarter ending March 31, 2018, as submitted.</p>	Approved unanimously by roll call in Consent Agenda. 8 AYES
Approval of Financial Report	<p>Ms. Montgomery reported the highlights of the Financial Reports for FY 2017-18 for the fiscal year to date March 2018. <i>(A copy of the reports can be obtained by contacting Board Services).</i></p> <ul style="list-style-type: none"> • L.A. Care membership for March is 2,215,690, favorable to the forecast by approximately 5,348 members. • The surplus for the month is almost \$60 million, which includes the rate adjustment retroactive to July 1, 2017 for the SPD/CCI and TANF/MCE enrollment. The forecast included adjustments for the retroactive period and the remainder of the fiscal year. Year to date net surplus is \$129 million. • L.A. Care is continuing to experience higher than expected fee for service inpatient expenses causing an unfavorable variance. Staff is looking at causes and corrective actions. • Administration expenses are unfavorable to forecast by \$2.5 million due to timing of expenditures for projects and broker commissions. The administrative ratio was on target with forecast at 4.6%. • Non-operating income of \$3.2 million is favorable to forecast due to timing of community investment fund spending and better than expected unrealized losses. • Ms. Montgomery summarized the operating margin by segment. The business segments continue to perform in line with previous results. • Overall Medical Care Ratio was 92.3% which is aligned with the forecast. • Working Capital and Tangible Net Equity are ahead of benchmarks. 	

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	<ul style="list-style-type: none"> There are adequate cash and investments. The In Home Supportive Services (IHSS) accruals negatively affect the cash to claims ratio. When IHSS is reconciled and removed from the balance sheet, the cash to claims ratio will be satisfactory. <p><i>(Chairperson McCarthy apologized to attendees for the inoperative overhead screen.)</i></p> <p>Motion FIN 101.0518 To accept the Financial Report for the period ended March 2018, as submitted.</p>	<p>Approved unanimously by roll call. 10 AYES (Ballesteros, Booth, Curry, Ghaly, Gonzalez-Delgado, McCarthy, Perez, Ridley-Thomas, Roybal and Uyeda)</p>
<p>Monthly Investment Transaction Report</p>	<p>Ms. Montgomery referred to the report on investment transactions included in the meeting materials for Committee member review. <i>(A copy of the report can be obtained by contacting Board Services).</i> As of March 31, 2018, L.A. Care’s investment market value was \$1.4 billion.</p> <ul style="list-style-type: none"> \$1.25 billion managed by Paydel & Rygel and New England Asset Management (NEAM) \$64 million in Local Agency Investment Fund \$102 million in Los Angeles County Pooled Investment Fund 	
<p>ADJOURN TO CLOSED SESSION</p> <p>Louise McCarthy</p>	<p>Augustavia J. Haydel, Esq., <i>General Counsel</i>, announced the following items to be discussed in closed session. A report is not expected in open session. <i>Chairperson McCarthy</i> announced that the next Board meeting will be held on June 7, 2018 in West Covina. The Board adjourned to closed session at 3:52 p.m.</p> <p>PUBLIC COMMENT</p> <p>Maggie Belton, <i>Member, RCAC 3</i>, is delighted to see people she hasn’t seen since last year and the Supervisor whom she hasn’t seen in five years. She noted that everybody at L.A. Care needs to understand that we are in a medical crisis and that your friendly neighborhood congressperson cannot stop the cuts that will be made to your medical care. She has concerns about how we will get care for people who need it. She was in the hospital for seven days and her bill was over \$25,000, not including the doctors. She has been upset when L.A. Care sends a paper that says it is her health plan. She said, “believe me, it is not your health plan when you drive up to the front door of the hospital.” She asked people in the room if they have read the health plan. She asked that the Board to make it so everybody can read their health plan and know what they might get.</p> <p>CONTRACT RATES</p> <p>Pursuant to Welfare and Institutions Code Section 14087.38(m)</p> <ul style="list-style-type: none"> Plan Partner Rates Provider Rates DHCS Rates Medi-Cal Managed Care Supplemental Payment 	

APPROVED

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	REPORT INVOLVING TRADE SECRET Pursuant to Welfare and Institutions Code Section 14087.38(n) Discussion Concerning New Product Lines, Technology <i>Estimated date of public disclosure: May 2020</i>	
RECONVENE IN OPEN SESSION	The Board reconvened in open session at 4:08 p.m. There was no report on action taken during the closed session.	
ADJOURNMENT	The meeting was adjourned at 4:08 p.m.	

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

APPROVED BY: 
 G. Michael Roybal, MD, *Board Secretary*

Date Signed 6/13/18

APPROVED