

BOARD OF GOVERNORS
Executive Committee
Special Meeting Minutes – May 23, 2018

1055 West 7th 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*
 Marie Montgomery, *Chief Financial Officer*
 Richard Seidman, MD, MPH, *Chief Medical Officer*
 *Absent ** Via Teleconference

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
CALL TO ORDER 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.	
APPROVE MEETING AGENDA Louise McCarthy	The Agenda for today’s meeting was approved as amended.	Approved unanimously by roll call. 5 AYES (De La Torre, Gonzalez-Delgado, Gamble, McCarthy, Roybal)
PUBLIC COMMENTS	There was no public comment.	
APPROVE MEETING MINUTES Louise McCarthy	<i>Member Uyeda joined the meeting.</i> The minutes of the April 23, 2018 meeting were approved as presented.	Approved unanimously by roll call. 6 AYES (De La Torre, Gonzalez-Delgado, Gamble, McCarthy, Roybal, and Uyeda)
CHAIRPERSON’S REPORT Louise McCarthy	Chairperson McCarthy announced that Antonia Jimenez, acting Director of the Los Angeles County Department of Public Social Services, was appointed on Tuesday to the L.A. Care Board of Governors by the LA County Board of Supervisors. If she is available, Ms. Jimenez will attend her first Board meeting on June 7, 2018.	

APPROVED

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<p>CHIEF EXECUTIVE OFFICER REPORT</p> <p>John Baackes</p>	<p>John Baackes, <i>Chief Executive Officer</i>, reported that staff continues to monitor:</p> <ul style="list-style-type: none"> • A proposed rule to change “public charge” policies. Under the draft proposed policy, the federal government could consider previously excluded health, nutrition, and other non-cash programs in public charge determinations, which would likely lead to decreased participation in Medicaid, the Children’s Health Insurance Program (CHIP), and other programs among legal immigrant families, including their citizen children. The changes would likely increase fear and confusion among legal immigrant families, leading to decreased participation in health coverage and other programs. • The Center for Medicare and Medicaid (CMS) Innovation's New Direction Request for Information (RFI) is seeking broad input on direct provider contracting (DPC) between payers and primary care or multi-specialty groups to inform potential testing of a DPC model within the Medicare fee-for-service (FFS) program (Medicare Parts A and B), Medicare Advantage program (Medicare Part C), and Medicaid. The deadline for comments is May 28, 2018. In the RFI on DPC, CMS states that the goal of DPC would be to reduce public expenditures and maintain quality. Purportedly, the DPC would eliminate managed care health plans and associated administrative cost in this model. DPC could potentially shift the financial burden of patients needing the most care to public programs such as Medicare and Medicaid, as providers would be incentivized to seek to enroll the lowest cost patients in the DPC. • AB 2965 (Arambula) proposes to extend full-scope Medi-Cal coverage for individuals of all ages who are otherwise eligible for those benefits but for their immigration status. This would provide access to health coverage for all and Californians would have universal access to health care. This bill is projected to cover slightly more than 1 million people with full-scope coverage, over 90% of whom are currently enrolled in restricted-scope (emergency and pregnancy services) Medi-Cal. Cherie Compartore, <i>Senior Director, Government Affairs</i>, will provide an update on other proposed legislation at her report later in this meeting. • Regulations for Cal MediConnect prohibit use of brokers to increase enrollment. The restriction has put L.A. Care at a significant disadvantage compared to other plans which offer other Medicare products and can use brokers for their lookalike plans. Mr. Baackes has continually asked CMS to provide an exemption, and last week it was announced that plans without other Medicare products can use brokers beginning in October. 	

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COMMITTEE ISSUES		
<p>Government Affairs Update</p> <p>Cherie Compartore</p>	<p>Cherie Compartore, <i>Senior Director, Government Affairs</i>, referenced the priority legislative matrix included in the meeting materials (a <i>copy of the report may be requested by contacting Board Services.</i>), and she reported:</p> <ul style="list-style-type: none"> • Governor Brown recently released his May Budget Revision. There were no significant changes to the Health and Human services budget from his January budget proposal. • Since the January Budget Release, CMS approved an increase in the Children’s Health Insurance Plan (CHIP) federal match at 85%, instead of 65% that was budgeted. California is looking at a surplus of \$900 million total for the current budget year and including 2018-19. • A one-time augmentation of \$50 million for counties is to be used for homeless services. With 58 counties in the state, this is less than \$1 million per county. • Proposition 56 increases tobacco tax. This year’s funding under consideration by the Legislature includes supplemental payments for pediatric primary care codes, pediatric specialty codes, dental providers who treat children with special needs, preventative adult dental services, and one-time funding for physician education loan repayments if they primarily treat Medi-Cal patients, and incentive payments to providers in rural or high poverty areas. • The Senate Budget Subcommittee added a proposal that would provide Medi-Cal coverage to undocumented persons over the age of 65. As a reminder, there are two mirror bills in the Senate and the Assembly that would provide Medi-Cal coverage to all undocumented adults, regardless of immigration status. The Assembly Budget Committee approved a proposal to provide Medi-Cal coverage for undocumented up to age 26. • Budget proposal from the Senate and the Assembly would expand no-cost Medi-Cal to seniors by raising the income cut off to the same income level as those under 64 years of age. L.A. Care has a support position on the legislation. The eligibility is for a difference of \$155 in income for those under 64 yrs. and those over 64 yrs. The small difference results in a \$600 share of cost Med-Cal spend down for those 65 yrs of age and older. 	

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	<ul style="list-style-type: none"> • California’s Senate submitted a budget proposal that would restore optional Medi-Cal benefits such as audiology, chiropractic, podiatry, speech therapy and incontinence supplies. • The details of the budget proposals by the legislature will be discussed in a joint budget conference committee, to start likely next week. California has a June 15 deadline for the Legislature to pass a budget to the Governor. • This Friday is the deadline for the suspense committee. This means that all bills placed on suspense will be released by the committee, amended and released, or held. If the bill is held, it essentially dies for the year. • Government Affairs will provide a thorough review of legislation of interest to LA Care at the June Board meeting. <p>Legislative Day Approximately 25 Regional Community (RCAC) and Coordinated Care Initiative (CCI) consumer advisory committee members came to Sacramento for a day of advocacy on May 22. State Senator Hernandez and Assemblymember Wood met with the group in the morning for an interactive discussion. Estela Lara, <i>RCAC 2 Member</i>, told the legislators that UCLA would not contract with L.A. Care, and she described how this has personally affected her.</p> <p>Farm Bill Talks between the House Dems and Republicans on the farm bill broke down earlier this month over proposed rules for the Supplemental Nutrition Assistance Program (SNAP)/CAL Fresh program. The proposal would have eliminated or reduced the SNAP benefit for many. In addition, the members of the Freedom Caucus decided to put their stamp on the farm bill and added immigration requirements that would have harmed many immigrants. Many of the more moderate Republicans voted against the bill because of these two inclusions. Next steps for this legislation are unclear.</p>	
<p>Annual Disclosure of Broker Fees</p> <p>Terry Brown</p>	<p>Terry Brown, <i>Chief Human Resources Officer</i>, referred to the report included in the meeting materials for this meeting to comply with the requirements of AB 2589 in reporting insurance broker fees associated with the health and welfare benefits L.A. Care offers to its employees.</p>	

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<p>Safety Net Workforce Grant Program</p> <p>John Baackes Cynthia Carmona</p>	<p>On April 5, 2018, the Board approved Motion EXE 100.0418, establishing a safety net health care workforce development program, now known as Elevating Tomorrow's Safety Net ("Program"), and delegating authority to the Executive Committee to direct up to \$31,000,000 annually for five years to support the Program and authority to approve expenditures of those funds for its purposes until those are exhausted or until otherwise directed by the Committee. The Board also delegated authority to the Executive Committee to establish an ad hoc committee to develop the processes to evaluate and approve expenditure for the Program and authorize the Chair to appoint board members to that ad hoc committee. Finally, the Board authorized an initial expenditure of \$2,800,000 million in funding to educational institutions to support medical school scholarships.</p> <p>After some consideration with the Board Chair, staff recommends that Executive Committee take on the duties for the governance of and oversight of expenditures under the Program.</p> <p>Mr. Baackes described the current and projected future shortage of doctors among providers in Los Angeles County's safety net (<i>a copy of the presentation is available by contacting Board Services</i>). L.A. Care's mission is to provide access to care for L.A. Care members and to support the safety net that cares for them. It is difficult for safety net entities to provide competitive salaries to recruit and retain quality physicians. L.A. Care proposes to set aside a portion of retained earnings to create a grant program to strengthen the safety net of providers in Los Angeles County.</p> <p>Richard Seidman, <i>Chief Medical Officer</i>, reviewed guiding principles of:</p> <ul style="list-style-type: none"> • Increased health care access • Equity and cultural competence • Economic opportunity • Premier health care workforce, and • Resource coordination <p>Cynthia Carmona, <i>Senior Director, Safety Net Initiatives</i>, described the grant program elements in the initial phase:</p> <ul style="list-style-type: none"> • Grants for salary subsidization of newly recruited primary care physicians to L.A. County that will serve L.A. Care members and other vulnerable populations, will provide 50% of salary up to \$100,000. 	

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	<ul style="list-style-type: none"> • Grants to help repay medical school loans for primary care physicians for recruitment and retention in L.A. County to serve L.A Care members and other vulnerable populations. • Medical School Scholarships to develop a pipeline for future additions to the L.A. Care network of primary care physicians serving L.A. Care members and other vulnerable populations with reasonable stipulations (where possible) that students practice in L.A. County after training. <p>Salary subsidization and loan repayment or scholarships may be available to a single participant.</p> <p>Staff will investigate the feasibility of adding other elements to the Program, which will be brought to the Executive Committee for consideration. These may include:</p> <ul style="list-style-type: none"> • Grants to support residency programs in L.A. County for primary care physicians with the stipulation that those residents agree to practice in L.A. County after residency in the network of primary physicians serving L.A. Care members and other vulnerable populations. • Grants for salary subsidization of newly recruited specialty care physicians in L.A. County that will serve L.A. Care members and other vulnerable populations • Grants to repay medical school loans for specialty care physicians for recruitment and retention in L.A. County to serve L.A. Care members and other vulnerable populations • Grants for salary subsidization for mid-level health professionals recruited to L.A. County that will serve L.A Care members and other vulnerable populations. • Grants for STEM students to further build a pipeline for students to consider health care careers <p>Mr. Baackes discussed \$10 million to fund the initial programming:</p> <ul style="list-style-type: none"> • The previously approved \$2.8 million will fund eight medical school scholarships, four at Charles Drew and four at UCLA. • \$7.2 million to support salary subsidies and loan forgiveness and administrative costs. <p>Mr. Baackes proposed that by July 1, 2018 the administrative structure will be in place for entities to apply for salary subsidy program. Also, arrangements will be in place with a third party for the medical school loan forgiveness portion of the program.</p>	

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	<p>In response to a suggestion from Member Gamble, Mr. Baackes will add provisions for seeking supplemental funds (matching) from other organizations. The Committee suggested including L.A. Care in the name of the scholarship program.</p> <p>Member Gamble moved to amend the written motion to add provisions for matching funds, to use the name L.A. Care Scholar, and name the overall program, "Elevating the Safety Net".</p> <p><u>Amended Motion EXE A.0518</u></p> <ol style="list-style-type: none"> 1. To designate up to \$31,000,000 annually for five years into a fund to support the Elevating the Safety Net (Program) and the elements described herein; 2. To designate the Executive Committee as the body that takes on the duties for governance and oversight of the expenditures under the Program; 3. To approve the Program Guiding Principles, as presented in Attachment A to this motion; 4. To authorize an additional expenditure of \$10,000,000 under the Program, including grants to establish a Loan Repayment Assistance Program, Physician Recruitment Program and additional medical school scholarships; and to delegate authority to CEO or designee to take all steps necessary to implement these programs. 5. To seek opportunities to obtain supplemental matching funds from other organizations to support the program. 6. To name the recipients of the medical school scholarship program, "L.A. Care Scholars". 	<p>Approved unanimously by roll call. 5 AYES (De La Torre, Gonzalez-Delgado, Gamble, McCarthy, and Uyeda) 1 ABSTENTION: Roybal</p>
<p>APPROVE CONSENT AGENDA FOR BOARD OF GOVERNORS MEETING</p>	<p>The Committee approved the following motions to be added to the Consent Agenda for the Board of Governors meeting on June 7, 2018:</p> <ul style="list-style-type: none"> • Health Dialog Contract Amendment • Code of Conduct • RCAC/CCI Membership • CHCAC Membership 	<p>Approved unanimously by roll call. 6 AYES (De La Torre, Gonzalez-Delgado, Gamble, McCarthy, Roybal, and Uyeda)</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 2:50 p.m.</p>	

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	<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 • Medi-Cal Managed Care Supplemental Payment <p>REPORT INVOLVING TRADE SECRET Pursuant to Welfare and Institutions Code Section 14087.38(n) Discussion Concerning New Product Lines Estimated date of public disclosure: <i>May 2020</i></p> <p>CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Pursuant to Section 54956.9 (b) of the Ralph M. Brown Act Twenty-three cases</p> <p>CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION Pursuant to subdivision (c) of Section 54956.9 One case</p> <p>CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (1) One case</p>	
RECONVENIE IN OPEN SESSION	The meeting reconvened in open session at 3:25 pm. No reportable actions were taken during the closed session.	
ADJOURNMENT	The regular meeting adjourned at 3:25 pm.	

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

APPROVED BY:



Louise McCarthy, *Chair*

Date: _____

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