

**BOARD OF GOVERNORS**  
**Executive Committee**  
**Meeting Minutes – May 24, 2017**

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\*\**  
 Michael Rembis, *Treasurer*  
 G. Michael Roybal, MD, MPH, *Secretary*  
 Mark Gamble,  
 Kimberly Uyeda, MD

**Management/Staff**

John Baackes, *Chief Executive Officer*  
 Phinney Ahn, *Chief of Staff*  
 Augustavia Haydel, *General Counsel*  
 Thomas Mapp, *Chief Compliance Officer*  
 Marie Montgomery, *Chief Financial Officer*  
 Richard Seidman, MD, MPH, *Chief Medical Officer*  
 Robert Turner, *Chief Human Resources Officer*

*\*Absent \*\* Via Teleconference*

<b>AGENDA ITEM/PRESENTER</b>	<b>MOTIONS / MAJOR DISCUSSIONS</b>	<b>ACTION TAKEN</b>
<b>CALL TO ORDER</b>  Louise McCarthy	Louise McCarthy, <i>Chairperson</i> , called the meeting to order at 2:10 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>PUBLIC COMMENTS</b>	There was no public comment.	
<b>APPROVE MEETING AGENDA</b>  Louise McCarthy	The Agenda was approved as presented.	<b>Approved unanimously. 5 AYES (Gamble, McCarthy, Rembis, Roybal, and Uyeda.</b>
<b>APPROVE MEETING MINUTES</b>  Louise McCarthy	The minutes for the April 26, 2017 regular and special supplemental meetings were approved as presented.	<b>Approved unanimously by roll call. 5 AYES</b>
<b>CHAIRPERSON’S REPORT</b>  Louise McCarthy	Chairperson McCarthy announced: <ul style="list-style-type: none"> <li>• Christina R. Ghaly, MD, has been appointed to the Board of Governors.</li> <li>• The July 6 board meeting will be rescheduled to July 26</li> <li>• The July 26 Executive Committee meeting has been cancelled.</li> </ul>	

**APPROVED**

<b>AGENDA ITEM/PRESENTER</b>	<b>MOTIONS / MAJOR DISCUSSIONS</b>	<b>ACTION TAKEN</b>
<b>CHIEF EXECUTIVE OFFICER'S REPORT</b>  John Baackes	<p>John Baackes, <i>Chief Executive Officer</i>, reported that staff is monitoring the proposed American Health Care Act (AHCA) and is coordinating with the trade associations for the benefit of L.A. Care members and the safety net providers. Staff is also monitoring developments in Sacramento on the implementation of regulations from the Centers for Medicare and Medicaid Services (CMS).</p> <p>Mr. Baackes also reported on the recent National Committee on Quality Assurance (NCQA) onsite review for accreditation. The review of health plan policies against standards is performed every three years, and L.A. Care performed very well. Other measures that affect the accreditation level are dependent upon the results of the Healthcare Effectiveness Data and Information Set (HEDIS) and the Consumer Assessment of Healthcare Providers and Systems (CAHPS). The ongoing Value Initiative for IPA Performance (VIIP) helps L.A. Care's providers assess and improve quality processes, and it is hoped that the results of the HEDIS and CAHPS surveys will improve as a result of that work.</p>	
<b>COMMITTEE ISSUES</b>		
<b>Government Affairs Update</b>  Cherie Compartore	<p>Cherie Compartore, <i>Senior Director, Government Affairs</i>, referred the Committee to the legislative update in the meeting material provided. <i>(A copy of the report may be requested from Board Services.)</i></p> <p>Chairperson McCarthy asked about the state budget, and Ms. Compartore noted that some minor adjustments are being made.</p> <p>Member Roybal asked about the Senate consideration of American Health Care Act (AHCA). Ms. Compartore noted that the Senate traditionally moves slowly and deliberately. The Senate members do not seem to embrace the House proposal, and many want to review the Congressional Budget Office (CBO) assessment before they consider the legislation.</p>	
<b>Report on Commissions Paid for Benefits (AB 2589)</b>  Robert Turner	<p><i>(Member De La Torre joined the meeting by telephone.)</i></p> <p>Robert Turner, <i>Chief Human Resources Officer</i>, referred to a report included in the meeting materials provided in compliance with the reporting requirements of AB 2589 for insurance broker fees associated with the benefits provided to employees. <i>(A copy of the report may be requested from Board Services.)</i></p>	

**APPROVED**

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	The commission structure has been reviewed by an outside consultant, which found them to be reasonable. L.A. Care conducted a competitive bid process for brokerage services in early 2017, which also validated the commissions paid.															
<b>Amendments to Section 125 Cafeteria Plan</b>	<p>Mr. Turner presented a motion requesting approval to amend L.A. Care's Section 125 Cafeteria Plan, which defines various aspects of employee benefit plan administration and is periodically reviewed and updated.</p> <p>Amendments include provisions for the Health Savings Accounts, Medical and Dental Opt-Out program, tax treatment of COBRA premiums, and carryover of unused Health Flexible Spending Account balances. There have been no substantive changes; updates and corrections to bring the plan document current with L.A. Care practices.</p> <p><b><u>Motion EXE A.0517</u></b>  <b>To approve the amended and restated Section 125 Cafeteria Plan document and to authorize the Chief Human Resources Officer to execute the Plan Document.</b></p>				<p><b>Approved unanimously by roll call. 6 AYES (De La Torre, Gamble, McCarthy, Rembis, Roybal, and Uyeda.</b></p>											
<b>Human Resources Policies</b>	<p>Mr. Turner asked if the Committee prefers receiving any revisions to policies piecemeal or as one large bunch. Chairperson McCarthy responded that if there is a time sensitive item, bring it forward as needed. To the extent revisions can be grouped would be preferable. She noted that an executive summary of changes is important for the review. Member Gamble added that revisions should be submitted in manageable small groups.</p> <p>Mr. Turner summarized the revised policies as outlined below. The revisions to policies reflect current practices.</p> <table border="1" data-bbox="491 1025 1598 1466"> <thead> <tr> <th data-bbox="491 1025 648 1100">Policy Number</th> <th data-bbox="648 1025 877 1100">Policy</th> <th data-bbox="877 1025 1045 1100">Section</th> <th data-bbox="1045 1025 1598 1100">Description of Modification or Reason for Creation</th> </tr> </thead> <tbody> <tr> <td data-bbox="491 1100 648 1323">HR-119</td> <td data-bbox="648 1100 877 1323"><b>Relocation Expenses</b></td> <td data-bbox="877 1100 1045 1323">Benefits</td> <td data-bbox="1045 1100 1598 1323">           1) Maximum reimbursement amount increased from \$5,000.00 to \$30,000.00            2) Senior Directors and Directors are now eligible for reimbursement at the same level as Officers            3) Policy and procedures separated         </td> </tr> <tr> <td data-bbox="491 1323 648 1466">HR-210</td> <td data-bbox="648 1323 877 1466"><b>Meal Breaks and Rest Periods</b></td> <td data-bbox="877 1323 1045 1466">Employee Relations</td> <td data-bbox="1045 1323 1598 1466">           1) Additional parameter added to rest periods (rest period may not be taken at start or end of work day)            2) Major Fraction Thereof defined         </td> </tr> </tbody> </table>					Policy Number	Policy	Section	Description of Modification or Reason for Creation	HR-119	<b>Relocation Expenses</b>	Benefits	1) Maximum reimbursement amount increased from \$5,000.00 to \$30,000.00 2) Senior Directors and Directors are now eligible for reimbursement at the same level as Officers 3) Policy and procedures separated	HR-210	<b>Meal Breaks and Rest Periods</b>	Employee Relations
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HR-210	<b>Meal Breaks and Rest Periods</b>	Employee Relations	1) Additional parameter added to rest periods (rest period may not be taken at start or end of work day) 2) Major Fraction Thereof defined													

**APPROVED**

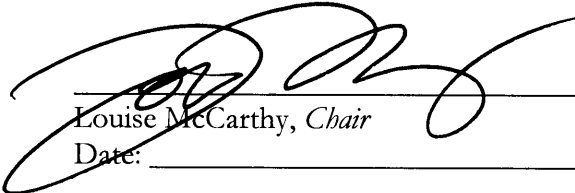
AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS				ACTION TAKEN
				3) Employees notified to contact their HR Business Partner with questions and/or concerns 4) Policy and procedures separated	
HR-216	<b>Recording of Time</b>	Employee Relations	1) Consequences of not recording overtime clearly defined 2) Procedure for recording missed punches updated 3) Utilization of alternative work schedules added 4) Policy and procedures separated		
HR-608	<b>Total Compensation Philosophy</b>	Wage and Salary	1) External reputation added as a factor in determining salary levels 2) Market levels is replaced with competitive levels as a way of establishing benefit programs 3) Policy and procedures separated		
HR-628	<b>Use of Sign-On and Retention Bonuses</b>	Wage and Salary	1) Delegated authority to Chief of Human Resources increased from \$5,000.00 to \$20,000.00 or 10% of salary (whichever is greater) for sign-on and retention bonuses 2) Policy and procedures separated		
	<p>Member Rembis asked for a report on retention and sign on bonuses once a year.</p> <p><b><u>Motion EXE B.0517</u></b>  <b>To approve the revisions to Human Resources Policies: HR 119 (Relocation Expenses), HR 210 (Meal Breaks and Rest Periods), HR 216 (Recording of Time), HR 608 (Total Compensation Philosophy), and HR 628 (Use of Sign-On and Retention Bonuses).</b></p>				<p><b>Approved unanimously by roll call. 6 AYES</b></p>
<b>APPROVE CONSENT AGENDA FOR JUNE 1, 2017 BOARD OF GOVERNORS MEETING</b>	<p>The Committee approved the following motion to be placed on the Consent Agenda for the June 1, 2017 Board meeting:</p> <ul style="list-style-type: none"> <li>• RCAC/CCI Membership</li> <li>• Add change in meeting schedule.</li> </ul>				<p><b>Approved unanimously by roll call. 6 AYES</b></p>

**APPROVED**

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<b>ADJOURN TO CLOSED SESSION</b>	<p>Ellin Davtyan, ESQ, <i>Associate General Counsel</i>, announced the items to be discussed in closed session. She announced there is no anticipated report from the closed session. There was no public comment on the closed session items, and the meeting adjourned to closed session at 2:32 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 <i>Estimated date of public disclosure: May 2019</i></p>	
<b>RECONVENIE IN OPEN SESSION</b>	The meeting reconvened in open session at 2:49 p.m. No reportable actions were taken during the closed session.	
<b>ADJOURNMENT</b>	The regular meeting adjourned at 2:50 p.m.	

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

APPROVED BY:



\_\_\_\_\_  
Louise McCarthy, *Chair*  
Date: \_\_\_\_\_

**APPROVED**