

BOARD OF GOVERNORS
Executive Committee
Meeting Minutes – June 28, 2017

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* **
 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*
 Marie Montgomery, *Chief Financial Officer*
 Tom Schwaninger, *Chief Information 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 was approved as presented.	Approved unanimously 4 AYES (Gamble, McCarthy, Roybal, and Uyeda.
PUBLIC COMMENTS	There was no public comment.	
APPROVE MEETING MINUTES Louise McCarthy	The minutes for the May 24, 2017 regular and special supplemental meetings were approved as presented.	Approved unanimously 4 AYES
CHAIRPERSON’S REPORT Louise McCarthy	Chair McCarthy announced: <ul style="list-style-type: none"> • The Executive Committee will not meet in July. • The July 6 Board meeting has been rescheduled to July 26. • There will be no Board or Committee meetings in August. 	

APPROVED

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	<ul style="list-style-type: none"> The annual all-day Board retreat will be on September 7, 2017, at the California Endowment's Center for Healthy Communities. 	
<p>CHIEF EXECUTIVE OFFICER'S REPORT</p> <p>John Baackes</p>	<p>John Baackes, <i>Chief Executive Officer</i>, recognized Alan Bloom for attending many Committee and Board meetings since L.A. Care and Care 1st aligned to serve Medi-Cal beneficiaries. Mr. Bloom is an ardent supporter of L.A. Care's members and safety net providers. Mr. Baackes and the Board members congratulated Mr. Bloom on his retirement at the end of this month. Mr. Bloom commented that L.A. Care is a very special health plan that cares for its members and the community.</p> <p><i>(Member De La Torre joined the meeting by phone.)</i></p> <p>Mr. Baackes reported:</p> <ul style="list-style-type: none"> L.A. Care worked with 10 other health plans and sent a letter to U.S. Senate leaders about the shortcomings of the proposed health care bill, and provided suggestions for thoughtful reform. <p>The proposed bill goes beyond repeal and replace and fundamentally changes the Medicaid funding system. During the recess of the legislature, staff will reconnect with other health plans to submit a list of items to improve Medicaid, as constructive advice to legislators. It is important that L.A. Care continue to demonstrate advocacy for members and safety net providers.</p> <ul style="list-style-type: none"> L.A. Care opened a fifth Family Resource Center in Palmdale. Mr. Baackes acknowledged Francisco Oaxaca, <i>Senior Director, Communications, Community Outreach and Education</i>, and his team for planning a successful grand opening. 	
<p>Sponsorship Report</p>	<p>Mr. Baackes referred to a report included in the meeting materials provided. <i>(A copy of the report can be requested from Board Services.)</i></p>	

APPROVED

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COMMITTEE ISSUES		
<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"> • SB 562 (Single Payer legislation) was put on hold by Assembly Speaker Rendon. The Speaker stated that while he supported the concept, he said the bill was “woefully incomplete” as the bill did not address financing or delivery of care, and it would require voter approval to implement. • AB 428 (Brown Act renewal of sunset provision) – L.A. Care sponsored legislation renewing the exemption from Brown Act restrictions on establishment of a quorum passed out of Assembly Government Committee with no opposition. The bill now moves to the Floor and upon passage makes it way to the Governor’s office for his review. • SB 171/AB 205 – Representatives of the California Department of Health Care Services (DHCS) met with Centers for Medicare and Medicaid Services (CMS) officials and other states to discuss supplemental funding for hospitals. CMS is considering approval of alternative direct payments to hospitals that mirror the way the California Hospital Association’s Quality Assurance fee. The rates will be prospective with a reconciliation of funding at the end of the year when actual utilization data is available; thereby eliminating financial risks to plans and hospitals. CMS has not approved this, so the legislation will include both proposals and amendments will be made during the next legislative session. DHCS, Health Committees, and California Association of Health Plans (CAPH) have agreed that the new program will require that hospitals have to be contracted with the health plan in order to receive the supplemental payments, and that letters of agreement and one-off types of service agreements between hospitals and health plans will not be considered contracts. There is no legislative language yet on the proposal. <p>Ms. Compartore reviewed highlights in the state budget:</p> <ul style="list-style-type: none"> ○ Restoration to Medi-Cal benefits of adult dental in 2018 and adult lenses in 2020, if funded. ○ Repeal of Newly Qualified Immigrants (NQI) Affordability and Benefit Program beneficiaries transition to a health benefit exchange health plan ○ The waiver submitted to the federal government to transition pregnancy only Medi-Cal beneficiaries to the health benefit exchange was denied because the 	

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	<p>federal government considers Medi-Cal pregnancy only coverage to be comprehensive coverage.</p> <p>Also approved is a distribution of Prop 56 funds:</p> <ul style="list-style-type: none"> • up to \$50 million for women’s health supplemental payments • up to \$27 million for Intermediate care facility/developmentally disabled supplemental rate payment • up to \$4 million for HIV Waiver program payments • up to \$325 million may be allocated for supplemental payment for physician services and • up to \$140 million may be allocated for supplemental payments for dental services <p>Ms. Compartore is in Washington, DC for meetings with legislators from California, and including those from other California counties.</p> <p>The Association for Community Affiliated Plans (ACAP) has launched a media campaign (TV, digital and social media) to target the Republican governors in states that participated in Medicaid expansion. ACAP has been very vocal on the impact on the Medicaid program from both the Senate and House health coverage proposals. The ACAP campaign will target West Virginia, Colorado, Arizona, Ohio, Nevada, and Louisiana.</p> <p>The federal House Ways and Means (WM) Committee released a discussion draft on the special needs plan (SNP) reauthorization for five-years. L.A. Care provided feedback through two Medicaid trade associations and sent comment letters to the WM Committee members.</p>	
<p>Worker Education and Resource Center Grant</p> <p>Roland Palencia Richard Seidman, MD</p>	<p>Roland Palencia, <i>Director, Community Benefits</i>, presented a request to grant funds to the Worker Education and Resource Center (WERC) for continued support of the community health workers pilot program.</p> <p>Richard Seidman, MD., <i>Chief Medical Officer</i>, added that the program aligns with other programs to address navigator needs as clinics strive to achieve medical home status.</p> <p>Member Uyeda asked about sustained funding for health navigators, and Dr. Seidman responded that no continued funding stream has been identified at this time.</p>	

APPROVED

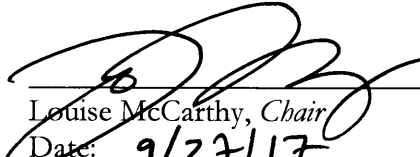
AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p><u>Motion EXE 100.0717</u> Approval to award up to \$316,000 to the Worker Education and Resource Center (WERC) to complete the Care Navigator Apprenticeship Pilot program by hiring and integrating ten Care Navigator apprentices into clinical care teams at five community-based clinics to improve care management and coordination of high-risk patients with complex medical, behavioral and social needs.</p>	<p>Approved unanimously by roll call. 5 AYES (De La Torre, Gamble, McCarthy, Roybal, and Uyeda.</p>
<p>APPROVE CONSENT AGENDA FOR JUNE 1, 2017 BOARD OF GOVERNORS MEETING</p>	<p>The Finance & Budget approved and recommended that the following motions be included on the Consent Agenda for the July 26 Board of Governors meeting:</p> <ul style="list-style-type: none"> • Revisions to Accounting and Financial Services Policy AFS 006 (Authorization and Approval Limits) • Edmund Jung & Associates Contract Amendment • Authorization to procure equipment, software and installation services from ePlus, Inc. to replenish L.A. Care’s storage hardware. • Authorization to purchase VMware NSX Network and Security Software to enhance L.A Care’s internal server architecture from ePlus. <p>The Committee approved the following motion, including the above motions from Finance & Budget Committee to be placed on the Consent Agenda for the July 26, 2017 Board meeting:</p> <ul style="list-style-type: none"> • RCAC/CCI Membership 	<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 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"> • Plan Partner Rates • Provider Rates • DHCS Rates <p><i>The following agenda item was not discussed.</i></p> <p>REPORT INVOLVING TRADE SECRET Pursuant to Welfare and Institutions Code Section 14087.38(n) Discussion Concerning New Product Lines</p>	

APPROVED

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	<p><i>Estimated date of public disclosure: June 2019</i></p> <p>CONFERENCE WITH LEGAL COUNSEL –EXISTING LITIGATION Pursuant to Section 54956.9(d)(1) of Ralph M. Brown Act: Name of case: Dignity Health and Northridge Hospital Medical Center v. L.A Care Health Plan et al. (BC583522)</p> <p>CONFERENCE WITH LEGAL COUNSEL –EXISTING LITIGATION Pursuant to Section 54956.9(d)(1) of Ralph M. Brown Act: Name of case: Local Initiative Health Authority for Los Angeles County (L.A. Care) v. OneBeacon et al (Case No.: 2:16-cv-04810 VAP(AGRx))</p> <p>CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION Significant exposure to litigation pursuant to Section 54956.9(d)(2)Ralph M. Brown Act: one case</p> <p>CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Initiation of litigation pursuant to Section 54956.9(d)(4) of Ralph M. Brown Act. Four Potential Cases</p>	
RECONVENIE IN OPEN SESSION	The meeting reconvened in open session at 2:49 p.m. No reportable actions were taken during the closed session.	
ADJOURNMENT	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: 9/27/17

APPROVED