



L.A. Care
HEALTH PLAN®

For All of L.A.

BOARD OF GOVERNORS MEETING

November 7, 2019 • 2:00 PM

L.A. Care Health Plan, Conference Room 100
1055 W. 7th Street, Los Angeles, CA 90017



**ELEVATING
HEALTHCARE**
IN LOS ANGELES COUNTY
SINCE 1997

Statement

L.A. Care's mission is to provide access to quality health care for Los Angeles County's vulnerable and low-income communities and residents and to support the safety net required to achieve that purpose.

Overview

Committed to the promotion of accessible, affordable and high quality health care, L.A. Care Health Plan (Local Initiative Health Authority of Los Angeles County) is an independent local public agency created by the State of California to provide health coverage to low-income Los Angeles County residents. Serving more than two million members in five product lines, L.A. Care is the nation's largest publicly operated health plan.

L.A. Care Health Plan is governed by 13 board members representing specific stakeholder groups, including consumer members, physicians, federally qualified health centers, children's health care providers, local hospitals and the Los Angeles County Department of Health Services.

L.A. Care advances individual and community health through a variety of targeted activities including a Community Health Investment Fund and sponsorships program that have awarded more than \$180 million throughout the years to support the health care safety net and expand health coverage. The patient-centered health plan has a robust system of consumer advisory groups, including 11 Regional Community Advisory Committees (governed by an Executive Community Advisory Committee), 35 health promoters and six Family Resource Centers that offer free health education and exercise classes to the community, and has made significant investments in Health Information Technology for the benefit of the more than 10,000 doctors and other health care professionals who serve L.A. Care members.

Programs

- **Medi-Cal** – In addition to offering a direct Medi-Cal line of business, L.A. Care works with three subcontracted health plans to provide coverage to Medi-Cal members. These partners are Anthem Blue Cross, Blue Shield of California Promise Health Plan and Kaiser Permanente. Medi-Cal beneficiaries represent a vast majority of L.A. Care members.
- **L.A. Care Covered™** – As a state selected Qualified Health Plan, L.A. Care provides the opportunity for all members of a family to receive health coverage under one health plan in the Covered California state exchange.



- **L.A. Care Cal MediConnect Plan** – L.A. Care Cal MediConnect Plan provides coordinated care for Los Angeles County seniors and people with disabilities who are eligible for Medicare and Medi-Cal.
- **PASC-SEIU Homecare Workers Health Care Plan** – L.A. Care provides health coverage to Los Angeles County’s In-Home Supportive Services (IHSS) workers, who enable our most vulnerable community members to remain safely in their homes by providing services such as meal preparation and personal care services.

L.A. Care Membership by Product Line – As of August 2019	
Medi-Cal	1,997,218
L.A. Care Covered	66,561
Cal MediConnect	15,977
PASC-SEIU	50,613
Total membership	2,130,369
L.A. Care Providers	
Physicians	4,926
Specialists	19,024
Both	1,537
Hospitals, clinics and other health care professionals	8,778
Financial Performance (FY 2018-2019 budget)	
Revenue	\$7.7B
Fund Equity	\$820.3M
Net Operating Surplus	\$121.4M
Administrative cost ratio	5.5%
Staffing highlights	
Full-time employees	1,940
Projected full-time employees (FY 2018-2019 budget)	2,156





AGENDA
BOARD OF GOVERNORS MEETING
 Thursday, November 7, 2019, 2:00 PM

DRAFT

L.A. Care Health Plan, 1055 W. 7th Street, 1st Floor, Los Angeles, CA 90017

Welcome

Hector De La Torre, *Chair*

1. Approve today's Agenda *Chair*
2. Public Comment *Chair*
3. Consent Agenda Items (approved by a Committee) *Chair*
 - Approve September 5, 2019 meeting minutes p.16
 - Toney HealthCare Consulting Contract Extension **(FIN 100)** p.43
 - VMware's Virtual and Cloud Computing Software Products and Services Renewal **(FIN 101)** p.44
 - Regional Community Advisory Committee (RCAC) Members **(ECA 100)** p.45
 - Ratify nomination of RCAC 11 Chair **(ECA 101)** p.46
 - Children's Health Consultant Advisory Committee Members **(CHC 100)** p.47
 - Technical Advisory Committee Members **(TAC 100)** p.48
4. Recommended Consent Agenda Items (not approved by a Committee) *Chair*
 - Annual Review of Investment Policy AFS 008 **(BOG 100)** p.49
 - Annual Review of Accounting and Finance Policies AFS 002 and AFS 004 **(BOG 101)** p.76
 - Oracle Technical Support Renewal **(BOG 102)** p.96
 - Salesforce, Inc. Contract Renewal **(BOG 103)** p.97
 - Cognizant Contract Amendment **(BOG 104)** p.98
 - iColor Printing Contract Amendment **(BOG 105)** p.99
 - Additional Funds for Tenant Improvement for Metro LA Community Resource Center **(BOG 106)** p.100
 - Health Dialog Contract Amendment for Nurse Advice Line and Health & Wellness Portal Services **(BOG 107)** p.101
5. Chairperson's Report *Chair*
6. Chief Executive Officer Report p.103 John Baackes
Chief Executive Officer
 - Monthly Grants & Sponsorship Report p.111
 - 4th Quarter FY 2018-19 Vision 2021 Progress Report p.131

Motions for Consideration

Chair

7. Chief Financial Officer Report Marie Montgomery
Chief Financial Officer
 - Financial Report **(BOG 108)** p.149
 - Monthly Investments Transactions Reports p.160
8. Community Health Investment Fund Priorities FY 2019-20 **(BOG 109)** p.183 Roland Palencia
Director, Community Benefits Programs
9. Accept a Grant from Los Angeles County Children and Families First Proposition 10 Commission (First 5 LA) and authorization to execute contracts with vendors **(BOG 110)** p.188 Richard Seidman, MD, MPH
Chief Medical Officer
10. Collective Medical Technologies Contract Amendment **(BOG 111)** p.189 Richard Seidman, MD, MPH
Tom Schwaninger
Senior Executive Advisor Digital

11. Ntooitve Contract Amendment (**BOG 112**) p.191

Alex Gallegos
Senior Director, Sales & Marketing

Committee Reports

12. Executive Community Advisory Committee

Hilda Perez/Layla Gonzalez
Consumer member and Advocate member

13. Children’s Health Consultant Advisory Committee

Richard Seidman, MD, MPH

14. Technical Advisory Committee

Richard Seidman, MD, MPH

15. Executive Committee

Chair

16. Finance & Budget Committee

Robert H. Curry
Committee Chair

17. Compliance & Quality Committee

Stephanie Booth, MD
Committee Chair

18. Governance Committee

Antonia Jimenez

- Board Officer Election

19. Services Agreement Committee

Layla Gonzalez
Committee Chair

20. Public Comment

Chair

ADJOURN TO CLOSED SESSION (Estimated time: 30 minutes)

Chair

21. CONTRACT RATES

Pursuant to Welfare and Institutions Code Section 14087.38(m)

- Plan Partner Rates
- Provider Rates
- DHCS Rates

22. REPORT INVOLVING TRADE SECRET

Pursuant to Welfare and Institutions Code Section 14087.38(n)

Discussion Concerning new Service, Program, Technology, Business Plan

Estimated date of public disclosure: *November 2021*

23. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Section 54956.8 of the Ralph M. Brown Act

Property: 909 N. Avalon Bl., Wilmington, CA. 90744

Agency Negotiator: John Baackes

Negotiating Parties: Fallas Borrower IV, LLC

Under Negotiation: Price and Terms of Payment

24. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Section 54956.8 of the Ralph M. Brown Act

Property: 2180 South Street, Long Beach, CA 90805

Agency Negotiator: John Baackes

Negotiating Parties: Sterik Long Beach, LP a Delaware Limited Partnership

Under Negotiation: Price and Terms of Payment

25. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9 of the Ralph M. Brown Act
Two Potential Cases
26. CONTRACT RATES
Pursuant to Welfare and Institutions Code Section 14087.38(m)
 - Plan Partner Services Agreement

RECONVENE IN OPEN SESSION

Chair

Adjournment

Chair

The next meeting is scheduled on Thursday, December 5 2019 at 2:00 PM at L.A. Care Health Plan, 1055 W. 7th Street, Los Angeles, CA 90017

Please keep public comments to three minutes or less.

The order of items appearing on the agenda may change during the meeting.

If a teleconference location is listed at the top of this agenda, the public can participate in the meeting at that location or by calling the teleconference call in number provided. If teleconference arrangements are listed at the top of this Agenda, note that the arrangements may change prior to the meeting.

To confirm details with L.A. Care Board Services staff prior to the meeting call (213) 694-1250, extension 4183 or 4184.

THE PUBLIC MAY ADDRESS THE BOARD OF GOVERNORS BEFORE DISCUSSION OF EACH ITEM LISTED ON THE AGENDA BY FILLING OUT A “REQUEST TO ADDRESS” FORM AND SUBMITTING THE FORM TO L.A. CARE STAFF PRESENT AT THE MEETING BEFORE THE AGENDA ITEM IS ANNOUNCED. YOUR NAME WILL BE CALLED WHEN THE ITEM YOU ARE ADDRESSING WILL BE DISCUSSED. THE PUBLIC MAY ALSO ADDRESS THE BOARD ON OTHER L.A. CARE MATTERS DURING PUBLIC COMMENT.

ACTION MAY NOT BE TAKEN ON ANY MATTER RAISED DURING THE PUBLIC COMMENT PERIODS UNTIL THE MATTER IS SPECIFICALLY LISTED ON A FUTURE AGENDA, according to California Govt Code Section 54954.2 (a)(3) and Section 54954.3.

NOTE: THE BOARD OF GOVERNORS CURRENTLY MEETS ON THE FIRST THURSDAY OF MOST MONTHS AT 2:00 P.M. POSTED AGENDA and PRINTED MEETING MATERIALS ARE AVAILABLE FOR INSPECTION AT Board Services, 1055 W. 7th Street – 10th Floor, Los Angeles, CA 90017.

Any documents distributed to a majority of the Board Members regarding any agenda item for an open session after the agenda has been posted will be available for public inspection at Board Services, L.A. Care Health Plan, 1055 W. 7th Street, 10th Floor, Los Angeles, CA 90017, during regular business hours, 8:00 a.m. to 5:00 p.m., Monday – Friday.

An audio recording of the meeting is made to assist in writing the minutes and is retained for 30 days.

Meetings are accessible to people with disabilities. Individuals who may require any accommodations (alternative formats - i.e., large print, audio, translation of meeting materials, interpretation, etc.) to participate in this meeting and wish to request an alternative format for the agenda, meeting notice, and meeting packet may contact L.A. Care’s Board Services Department at (213) 694-1250. Notification at least one week before the meeting will enable us to make reasonable arrangements to ensure accessibility to the meetings and to the related materials.



Schedule of Meetings

November 2019

Monday	Tuesday	Wednesday	Thursday	Friday
				1
4	5	6	7 <i>Board of Governors Meeting</i> 2 pm	8
11	12	13 <i>ECAC</i> 10 am (for approx. 3 hours)	14	15 <i>RCAC 8</i> 10:30 am (for approx. 2-1/2 hours)
18 <i>RCAC 9</i> 9:30 am (for approx. 2-1/2 hours) <i>Finance & Budget</i> 1 pm (for approx. 1 hour) <i>Executive Committee</i> 2 pm (for approx. 2 hours)	19 <i>CHCAC</i> 8:30 am (for approx. 1-1/2 hours) <i>RCAC 4</i> 9 am (for approx. 2-1/2 hours)	20	21 <i>RCAC 11</i> 9:30 am (for approx. 2-1/2 hours) <i>Compliance & Quality Committee</i> 2 pm (for approx. 2 hours) <i>RCAC 7</i> 2 pm (for approx. 2-1/2 hours)	22
25	26	27	28	29



BOARD / COMMITTEE	MEETING DAY, TIME, & LOCATION	MEETING DATES	MEMBERS
<p>Board of Governors General Meeting</p>	<p>1st Thursday 2:00 PM <i>(for approximately 3 hours)</i> 1055 W. 7th Street, 1st Floor, Los Angeles, CA 90017</p>	<p>November 7 December 5</p>	<p>Hector De La Torre, <i>Chairperson</i> Alvaro Ballesteros, MBA, <i>Vice Chairperson</i> Robert Curry, <i>Treasurer</i> Layla Gonzalez, <i>Secretary</i> Stephanie Booth, MD Christina R. Ghaly, MD George W. Greene, Esq. Antonia Jimenez Hilda Perez Honorable Mark Ridley-Thomas G. Michael Roybal, MD, MPH Ilan Shapiro, MD Nina Vaccaro</p> <p><u>Staff Contact:</u> John Baackes <i>Chief Executive Officer, x4102</i> Linda Merkens <i>Senior Manager, Board Services, x4050</i></p>

BOARD OF GOVERNORS & PUBLIC ADVISORY COMMITTEES
2019 MEETING SCHEDULE / MEMBER LISTING

Board of Governors - Standing Committees

	MEETING DAY, TIME, & LOCATION	MEETING DATES	MEMBERS
Executive Committee	4th Monday of the month 2:00 PM <i>(for approximately 2 hours)</i> 1055 W. 7th Street, 1st Floor, Los Angeles, CA 90017	November 18 <i>No meeting in December</i>	Hector De La Torre, <i>Chairperson</i> Alvaro Ballesteros, MBA, <i>Vice Chairperson</i> Robert H. Curry, <i>Treasurer</i> Layla Gonzalez, <i>Secretary</i> Stephanie Booth, MD Hilda Perez <u>Staff Contact:</u> Linda Merkens <i>Senior Manager, Board Services, x4050</i>
Compliance & Quality Committee	3rd Thursday every 2 months 2:00 PM <i>(for approximately 2 hours)</i> 1055 W. 7th Street, 1st Floor, Los Angeles, CA 90017	November 21 <i>No meeting in December</i>	Stephanie Booth, MD, <i>Chairperson</i> Alvaro Ballesteros, MBA Christina Ghaly, MD Hilda Perez Ilan Shapiro, MD <u>Staff Contact:</u> Victor Rodriguez <i>Board Specialist, Board Services x 5214</i>
Finance & Budget Committee	4th Monday of the month 1:00 PM <i>(for approximately 1 hour)</i> 1055 W. 7th Street, 1st Floor, Los Angeles, CA 90017	November 18 <i>No meeting in December</i>	Robert H. Curry, <i>Chairperson</i> Stephanie Booth, MD Hector De La Torre Hilda Perez G. Michael Roybal, MD, MPH <u>Staff Contact:</u> Malou Balones <i>Senior Board Specialist, Board Services x4183</i>
Governance Committee	1055 W. 7th Street, 1st Floor Los Angeles, CA 90017 MEETS AS NEEDED		Hilda Perez, <i>Chairperson</i> Stephanie Booth, MD Layla Gonzalez Antonia Jimenez <u>Staff Contact:</u> Malou Balones <i>Senior Board Specialist, Board Services/x 4183</i>

For information on the current month's meetings, check calendar of events at www.lacare.org. Meetings may be cancelled or rescheduled at the last moment. To check on a particular meeting, please call (213) 694-1250 or send email to boardservices@lacare.org.

BOARD OF GOVERNORS & PUBLIC ADVISORY COMMITTEES
2019 MEETING SCHEDULE / MEMBER LISTING

	MEETING DAY, TIME, & LOCATION	MEETING DATES	MEMBERS
Service Agreement Committee	1055 W. 7th Street, 1st Floor Los Angeles, CA 90017 MEETS AS NEEDED		Layla Gonzalez, <i>Chairperson</i> Antonia Jimenez Hilda Perez <u>Staff Contact</u> Malou Balones <i>Senior Board Specialist, Board Services/x 4183</i>
Audit Committee	1055 W. 7th Street, 1st Floor Los Angeles, CA 90017		Alvaro Ballesteros, MBA, <i>Interim Chairperson</i> Stephanie Booth, MD, Layla Gonzalez <u>Staff Contact</u> Malou Balones <i>Senior Board Specialist, Board Services, x 4183</i>

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BOARD OF GOVERNORS & PUBLIC ADVISORY COMMITTEES
2019 MEETING SCHEDULE / MEMBER LISTING

	MEETING DAY, TIME, & LOCATION	MEETING DATES	MEMBERS
L.A. Care Community Health	Meets Annually or as needed 1055 W. 7th Street, 1st Floor, Los Angeles, CA 90017		Hector De La Torre, <i>Chairperson</i> Alvaro Ballesteros, MBA, <i>Vice Chairperson</i> Robert Curry, <i>Treasurer</i> Layla Gonzalez, <i>Secretary</i> Stephanie Booth, MD Christina R. Ghaly, MD George W. Greene, Esq. Antonia Jimenez Hilda Perez Honorable Mark Ridley-Thomas G. Michael Roybal, MD, MPH Ilan Shapiro, MD Nina Vaccaro Staff Contact: John Baackes <i>Chief Executive Officer, x4102</i> Linda Merkens <i>Senior Manager, Board Services, x4050</i>
L.A. Care Joint Powers Authority	Meets as needed 1055 W. 7th Street, 1st Floor, Los Angeles, CA 90017		Hector De La Torre, <i>Chairperson</i> Alvaro Ballesteros, MBA, <i>Vice Chairperson</i> Robert Curry, <i>Treasurer</i> Layla Gonzalez, <i>Secretary</i> Stephanie Booth, MD Christina R. Ghaly, MD George W. Greene, Esq. Antonia Jimenez Hilda Perez Honorable Mark Ridley-Thomas G. Michael Roybal, MD, MPH Ilan Shapiro, MD Nina Vaccaro Staff Contact: John Baackes <i>Chief Executive Officer, x4102</i> Linda Merkens <i>Senior Manager, Board Services, x4050</i>

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BOARD OF GOVERNORS & PUBLIC ADVISORY COMMITTEES
2019 MEETING SCHEDULE / MEMBER LISTING

Public Advisory Committees

	MEETING DAY, TIME, & LOCATION	MEETING DATES	STAFF CONTACT
Children’s Health Consultant Advisory Committee General Meeting	3rd Tuesday of every other month 8:30 AM <i>(for approximately 2 hours)</i> 1055 W. 7th Street, 1st Floor, Los Angeles, CA 90017	November 21	Tara Ficek, MPH, Chairperson Staff Contact: Victor Rodriguez <i>Board Specialist, Board Services/x 5214</i>
Executive Community Advisory Committee	2nd Wednesday of the month 10:00 AM <i>(for approximately 3 hours)</i> 1055 W. 7th Street, 1st Floor, Los Angeles, CA 90017	November 13 December 11	Ana Romo, Chairperson Staff Contact: Idalia Chitica, <i>Community Outreach & Education, Ext. 4420</i>
Technical Advisory Committee			Staff Contact: Victor Rodriguez <i>Board Specialist, Board Services/x 5214</i>

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BOARD OF GOVERNORS & PUBLIC ADVISORY COMMITTEES
2019 MEETING SCHEDULE / MEMBER LISTING

REGIONAL COMMUNITY ADVISORY COMMITTEES

REGION	MEETING DAY, TIME, & LOCATION	MEETING DATE	STAFF CONTACT
Region 1 Antelope Valley	<p>3rd Friday of every other month 10:00 AM <i>(for approximately 2-1/2 hours)</i> L.A. Care Family Resource Center-Palmdale 2072 E. Palmdale Blvd. Palmdale, CA 93550 (213) 438-5580</p>	December 20	<p>Russel Mahler, <i>Chairperson</i></p> <p><u>Staff Contact:</u> Kristina Chung <i>Community Outreach & Education, x5139</i></p>
Region 2 San Fernando Valley	<p>3rd Monday of every other month 10:00 AM <i>(for approximately 2-1/2 hours)</i> L.A. Care Family Resource Center-Pacoima 10807 San Fernando Road Pacoima, CA 91331 (844) 858-9942</p>	December 16	<p>Estela Lara, <i>Chairperson</i></p> <p><u>Staff Contact:</u> Kristina Chung <i>Community Outreach & Education, x5139</i></p>
Region 3 Alhambra, Pasadena and Foothill	<p>3rd Tuesday of every other month 9:30 AM <i>(for approximately 2-1/2 hours)</i> Rosemead Community Center 3936 N. Muscatel Avenue, Room 3 Rosemead, CA 91770 (626) 569-2160</p>	December 17	<p>Cynthia Contreas-Wood, <i>Chairperson</i></p> <p><u>Staff Contact:</u> Frank Meza <i>Community Outreach & Education, x4239</i></p>
Region 4 Hollywood- Wilshire, Central L.A. and Glendale	<p>3rd Wednesday of every other month 9:30 AM <i>(for approximately 2-1/2 hours)</i> L.A. Care Health Plan Conference Room 100 1055 W. 7th Street Los Angeles, CA 90017 (213) 694-1250</p>	November 20	<p>Sylvia Poz, <i>Chairperson</i></p> <p><u>Staff Contact:</u> Jose Rivas <i>Community Outreach & Education, x4090</i></p>

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BOARD OF GOVERNORS & PUBLIC ADVISORY COMMITTEES
2019 MEETING SCHEDULE / MEMBER LISTING

REGION	MEETING DAY, TIME, & LOCATION	MEETING DATE	STAFF CONTACT
Region 5 Culver City, Venice, Santa Monica, Malibu, Westchester	3rd Monday of every other month 2:00 PM <i>(for approximately 2-1/2 hours)</i> Veterans Memorial Building Garden Room 4117 Overland Avenue Culver City, CA 90230 (310) 253-6625	December 16	Maria Sanchez, Chairperson <u>Staff Contact:</u> Jose Rivas <i>Community Outreach & Education, x4090</i>
Region 6 Compton, Inglewood, Watts, Gardena, Hawthorne	3rd Thursday of every other month 3:00 PM <i>(for approximately 2-1/2 hours)</i> South LA Sports Activity Center 7020 S. Figueroa Street Los Angeles, CA 90003 (323) 758-8716	December 19	Andria McFerson, Chairperson <u>Staff Contact:</u> Jose Rivas <i>Community Outreach & Education, x4090</i>
Region 7 Huntington Park, Bellflower, Norwalk, Cudahy	3rd Thursday of every other month 2:00 PM <i>(for approximately 2-1/2 hours)</i> Community Empowerment Center 7515 Pacific Blvd. Walnut Park, CA 90255 (213) 516-3575	November 21	Fatima Vasquez, Chairperson <u>Staff Contact:</u> Martin Vicente <i>Community Outreach & Education, x 4423</i>
Region 8 Carson, Torrance, San Pedro, Wilmington	3rd Friday of every other month 10:30 AM <i>(for approximately 2-1/2 hours)</i> Providence Community Health Wellness and Activity Center 470 N. Hawaiian Ave. Wilmington, CA 90744 (424) 212-5699	November 15	Ana Romo – Chairperson <u>Staff Contact:</u> Martin Vicente <i>Community Outreach & Education, x 4423</i>

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BOARD OF GOVERNORS & PUBLIC ADVISORY COMMITTEES
2019 MEETING SCHEDULE / MEMBER LISTING

REGION	MEETING DAY, TIME, & LOCATION	MEETING DATE	STAFF CONTACT
Region 9 Long Beach	<p>3rd Monday of every other month 9:30 AM <i>(for approximately 2-1/2 hours)</i> First Congressional Church of Long Beach 241 Cedar Avenue Long Beach, CA 90802 (562) 436-2256</p>	November 18	<p>Tonya Byrd, Chairperson</p> <p><u>Staff Contact:</u> Kristina Chung <i>Community Outreach & Education, x5139</i></p>
Region 10 East Los Angeles, Whittier and Highland Park	<p>3rd Thursday of every other month 1:00 PM <i>(for approximately 2-1/2 hours)</i> L.A. Care East L.A. Family Resource Center 4801 Whittier Blvd Los Angeles, CA 90022 (213) 438-5570</p>	December 19	<p>Damaris de Cordero, Chairperson</p> <p><u>Staff Contact:</u> Frank Meza <i>Community Outreach & Education, x4239</i></p>
Region 11 Pomona and El Monte	<p>3rd Thursday of every other Month 10:00 AM <i>(for approximately 2-1/2 hours)</i> Pomona Family Resource Center 696 W. Holt Street Pomona, CA 91768 (909) 620-1661</p>	November 21	<p>Elda Sevilla, Chairperson</p> <p><u>Staff Contact:</u> Frank Meza <i>Community Outreach & Education, x4239</i></p>

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Board of Governors
Regular Meeting Minutes #282
September 5, 2019

Joan Palevsky Center, California Community Foundation, 281 S. Figueroa Street, Suite 100, Los Angeles, CA 90012



Members

Hector De La Torre, *Chairperson*
 Alvaro Ballesteros, MBA, *Vice Chairperson*
 Robert H. Curry, *Treasurer*
 Layla Gonzalez, *Secretary*
 Stephanie Booth, MD
 Christina R. Ghaly, MD *

George W. Greene, Esq. *
 Antonia Jimenez
 Hilda Perez
 Honorable Mark Ridley-Thomas *
 G. Michael Roybal, MD, MPH
 Ilan Shapiro, MD

*Absent **Via teleconference

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

*Public Comments are summarized, not verbatim.

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
INTRODUCTION OF SPEAKER: Mark Ghaly, MD, MPH	The meeting began without a quorum at 9:20 a.m. John Baackes, <i>Chief Executive Officer</i> , introduced the guest speaker, Mark Ghaly, MD, MPH, <i>Secretary of California Health and Human Services</i> (CHHS). (Members Curry, Gonzalez, Ballesteros, DeLaTorre joined the meeting.)	
STATE POLICY AND MANAGED CARE IN 2020	Dr. Ghaly thanked the Board for inviting him to speak at the Retreat. He has had the opportunity to meet with three of the health plans in California to discuss the vision and priorities for health and health care in California. He welcomed this opportunity to talk with this Board and guests about L.A. Care's work and the work being done in Los Angeles County. Much of his background is in Los Angeles and the programs and projects he worked on during his tenure with Los Angeles County Department of Health Services. He wants to scale up across the State the successful programs in Los Angeles, and to continue to support that work. He has a committed and talented group of mission focused people at CHHS, and he was appointed by a Governor that is focused on health care. The Governor appointed Nadine Burke Harris, MD, MPH, as California's first surgeon general. She is working to bring Adverse Childhood Experience (ACE) screening to pediatric care throughout the state, and on developing a similar process for adults, and on understanding the social determinants and other factors that contribute to ACE.	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Governor Newsom is focused on reducing pharmacy costs in the public and private health care systems. He ran for office on a concept of single payor for health services. The <i>Health Care For All</i> commission will likely begin this fall and will take a very deep dive into considering implementing of a single payor health system in California. The commission will consider principles that drive a single payor system: focus on prevention and primary care, cost containment, and reducing administration. The small commission will have enormous public interest and engagement, within the state and at the federal level. The Governor has an expanded view of health. He sees health care as a very important piece of the focus on public health and social services as connected to health as there is increasing recognition that social factors drive health care and health outcomes.</p> <p>For Dr. Ghaly, the CHHS has a great opportunity across 12 departments. One of the departments is Department of Health Care Services, that oversees the Medicaid program and supports the health plans across the state to do their great work. Based on his experiences in Los Angeles with programs that worked with health care sites. He thinks the future for the agency is not vertical integration but partnership across departments. Medicaid is more than just a health program; it is a key equity tool for the state.</p> <p>Dr. Ghaly's priorities are (go to https://www.chhs.ca.gov/wp-content/uploads/2019/07/CHHSA-Strategic-Priorities.pdf for more information):</p> <ol style="list-style-type: none"> 1. Address health care for all Californians, not just insurance coverage, but premium affordability and access to care. 2. Partnership among all government departments and health coverage entities to benefit patients. CHHS has a goal and vision to include data management in the improvement efforts. 3. Reforms will begin with a focus on a few of the most vulnerable populations to create meaningful outcomes and programs that are evidence-based and make a difference. He added that part of this will be support of successful county programs. Designing programs for the most vulnerable will likely lift outcomes in all other populations. <p>A big challenge is increasing the available work force in health and social services to expand access to services. Californians need funding for buildings, IT infrastructure and, one of the most important scarcity in future of health care, the work force. The team at CHHS is taking on health care work force issues at every level, building momentum for funding, federal regulations for reimbursable classifications, and support for schools and higher education to train more health care professionals at all levels.</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Mr. Baackes thanked him and noted that CHHS priorities align with the priorities of L.A. Care. L.A. Care is interested in changes to “in lieu of services.” Up to now, if L.A. Care provides a benefit to a member in lieu of services, it doesn’t count in the cost base. It is appreciated that funding for those services might be allowed in the future, using Medi-Cal funds. Mr. Baackes asked if Dr. Ghaly could discuss the potential for a delivery system that could harness other social services funding for which members may be eligible, and deliver needed services in a package by health plans using social services and Medi-Cal funds. Plans have the best look into the needs of the whole person to align health care and social services for members.</p> <p>Dr. Ghaly responded that there is frustration that patients have to register for programs at different locations. How can we take a whole person approach to bring everything together? It may not be the right time to pitch this to federal administrators. There may be a right time in the future to bring funding for health care and social services together as close as we can for eligible clients. Whether that runs completely or partially through a health plan is an open question. It may be right for Medicaid but may not be for other populations. We need to be creative and open minded in shaping this. The principle of bringing together the funding and data, and working on shared outcomes that identify health in broad terms percolated at this Board’s retreat two or three years ago in the discussion of the concept of a mega waiver.</p> <p>Mr. Baackes stated that L.A. Care is very interested in integrating social services with healthcare and a panel will discuss L.A. Care’s activities later today. The data will show that these investments are worthwhile.</p> <p>Dr. Ghaly agreed that Los Angeles is a good market to demonstrate the value of integration due to the size and potential impact of the programs. Medicaid is a health care program at its core, but it is important to think broadly and include patient experiences that contribute to positive health outcomes. Innovation can lead to improved delivery of services and better outcomes.</p> <p>Dr. Booth asked if using Medi-Cal funding for these programs takes funds from health care services.</p> <p>Dr. Ghaly stated that the only way it works is when funding needed for those services is incorporated. When done in the past, it has been on the backs of the health plans. As we move to an era in which the scale of what is needed is not sustainable, other sources of funding for services will be needed (such as counties). It is probably unreasonable to expect folks to do it with same level of funding.</p> <p>Mr. Baackes noted that Covered California has been a success when compared to other states’ health exchanges. Of 16 public plans in California only L.A. Care participates in the exchange.</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Other public plans note that the volume of participation in Covered California won't cover the administrative cost to offer the program, because the plans are required to comply with regulations that are substantially different from Medi-Cal. He asked if Dr. Ghaly sees a time where Medi-Cal and Covered California regulations on reporting could be seamless. Dr. Ghaly responded that the state is interested in having more plans and more choices in Covered California. In 85% of the state there are three plans to choose from, and 98% of state has two. In response to a question about the specifics of the Waiver he encouraged bringing together Covered California contracts with the upcoming Medicaid reprocurement to make reporting by the plans as similar as possible, to help relieve administrative complexity.</p> <p>Member Jimenez asked about solutions to the challenge in providing social services and health care and sharing data horizontally among County departments and sites to best serve beneficiaries. Dr. Ghaly is interested in solving those problems and improving services through a whole person care approach, and making sure that clients are enrolling in programs for which they are eligible. A talented group in CHHS is working on data issues. He has charged them to bring information around the state to dispel myths, inform local agencies and improve data sharing.</p> <p>Member Shapiro noted that health services need to be delivered at the moment a patient needs it, at the right place with the right tools. Dr. Ghaly indicated that work has begun in the area of reimbursement of certain alternative visit types, including behavioral health, which is a growing need with large geographic areas with an insufficient number of providers. Another important issue is the need for services in rural areas, which comprise about 60-70% of California's geography.</p> <p>Hector De La Torre, <i>Board Chairperson</i>, noted that there were discussions ten years ago about increasing Medicaid rates to improve access to care. The cuts from 2010 haven't yet been restored. He asked if there are discussions to increase rates to improve access to care for beneficiaries.</p> <p>Dr. Ghaly noted that rates in Medicaid are only part of the story. A good portion of funding for Medicaid is rates. There are other payment schemes in California. Providers want increases in rates. Funding through Proposition 56 does not reach all providers. Despite some relative wealth at the moment there is concern about changing rates with a prospective recession. There are ways to raise total funding outside the formal rate structure.</p> <p>Mr. Baackes noted that the Governor's proposal in January for lowering pharmacy cost seems to have caught people unaware. As the proposal is currently shaped, health plans are being cut out of the process of integrating pharmacy programs into overall care management, particularly</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>for most vulnerable members. He asked about ways within the Governor’s proposal for plans to continue use pharmacy information for care management. The health plans also have information to which the statewide pharmacy management entity should have access in order to provide quality services to the members.</p> <p>Dr. Ghaly noted that with any tough change focusing on a care element and fiscal element, there is discussion of shape and planning. The fiscal side should not negatively impact care management or disrupt ongoing patient care. He is working to provide opportunities to share information to make sure it is available to manage patients well.</p> <p>Alison Klurfeld, <i>Director, Safety Net Programs & Partnerships</i>, asked Dr. Ghaly about the unique leadership role and action areas for health plans.</p> <p>Dr. Ghaly indicated that the health plans collectively are an extension of the state in delivery of needed services. Health plans have a leadership role in working with counties to strengthen ties to deliver services. Los Angeles County has unique characteristics. Particularly in behavioral health, the definition of the health plan role is evolving.</p> <p>Member Ballesteros asked about how added services in the CHHS priorities could be reflected in the rate structure, perhaps in a waiver or other funding mechanism.</p> <p>Dr. Ghaly noted that for clinical stability, for example, there should be support for housing. Funding may be limited by length of stay. Plans are part of building infrastructure in Medicaid to support stability, and partnerships between county and plans is a key responsibility.</p> <p>Dino Kasdagly, <i>Chief Operating Officer</i>, stated that L.A. Care is driving very hard to efficiently use funds to increase its operational functions and to improve member outcomes. He asked Dr. Ghaly about simplification programs that can reduce cost and complexity of infrastructure for plans and confusion for members and providers. He noted that integrating programs and simplifying regulations can help provide services for members.</p> <p>Dr. Ghaly responded that as innovation is implemented through the waiver process, a key tenet is simplification. Reducing rate cells from thousands to less than one hundred, consistency in forms, expectations and outcomes to make sense. CHHS would like to hear from plans through the waiver process about what makes sense. An important change is that the available bandwidth can’t be an excuse for not innovating. Valuable changes that plans believe CHHS needs to work on should not be dismissed because of limited bandwidth. Principles of single payor really push simplification on the administrative side. The pending rich conversations will likely raise a lot of these issues that are easy to implement and bring the most immediate benefit.</p> <p>PUBLIC COMMENT:</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Andria McFerson, <i>RCAC 6 Chair</i>, spoke about bridging the gap between community based organizations and health care. She thinks that is important. She spoke about a resource guide and we have it now but it is only on the website. She asked if we can make it so everyone can understand. Make it easy for people who may not have the ability to understand. Break it down to layman’s terms and have colors that show the geographic location to make it easy to understand.</p> <p>Elizabeth Cooper, <i>RCAC 2 Member</i>, stated she is an L.A. Care member, parent of a Regional Center patient, and she has been on many committees. She is an Afro American parent. She is concerned about diversity. She was born in the South. There seems to be a lack of Afro American providers. She is a registered voter and she helps push the envelope. She is proud of all doctors in the health care system. Too many Afro American children have adverse health. She would like to see the consumers have a retreat like this. They are the ones impacted by these decisions. From the state level she would appreciate diversity in staff. Too many are left out. She requested that the Board direct that community advisory committees have a retreat. She is a Regional Center parent; she wants to be part of the solution. She respects each one for the presentation and would like them to please take notice of her comments.</p> <p>Dr. Ghaly asked how L.A. Care is addressing behavioral health system issues with transitions and preparedness, recognizing that behavioral health needs to be integrated.</p> <p>Mr. Baackes noted that L.A. Care recently met with representatives of Los Angeles County Department of Mental Health (DMH) to discuss cooperation. The discussion was modeled after an integration workgroup with L.A. Care and Los Angeles County Department of Health Services (DHS) representatives which helped delineate plan activity and provider activity to avoid duplication of effort.</p> <p>Mr. Baackes asked Michael Brodsky, MD, <i>Medical Director, Behavioral Health & Social Services</i>, if he would like to comment on the work group. Dr. Brodsky stated that last week was a good start and there is a lot of work to do. He is cautiously optimistic there is room to bring this closer together, particularly in bringing behavioral health into the primary care setting where providers already are overburdened with lots of work to do and lots of people in the waiting room.</p> <p>Richard Seidman, MD, MPH, <i>Chief Medical Officer</i>, noted that L.A. Care is innovating and pushing integration such as piloting a program to facilitate substance abuse transfers from inpatient acute care directly into residential rehabilitation facilities. This is to leverage that unique opportunity when the patient is ready for (receptive to) inpatient rehabilitation.</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Mr. Baackes noted that a main concern with behavioral health is the lack of capacity. He wondered how the DHS has facilities that operate separately from DMH. L.A. Care wants to help Federally Qualified Health Centers (FQHCs) to integrate delivery of behavioral health services. The Elevating the Safety Net (ESN) program will include grants for behavioral health scholars and providers beginning this year.</p> <p>Member Roybal noted that funding drove separation of county facilities years ago. Now there is lots of encouragement for sites to reintegrate. He observed that everything is siloed and needs to be reintegrated. Incentives at the state and federal levels are needed to address integration and engagement for providers operationally and administratively.</p> <p>Member Shapiro indicated that, as a community provider, the system will improve if more doctors are added to provide care at the correct time and with the correct tools. Providers need assistance in training doctors on integration with behavioral health services.</p> <p>Chairperson De La Torre thanked Dr. Ghaly for his comments and thoughts to help L.A. Care better serve our members.</p>	
WELCOME	<p>The meeting was called to order at 10:32 a.m.</p> <p>Chairperson De La Torre announced that the public may address the Board before discussion of each item on the Agenda by completing a blue “Request to Address” form and submitting the form to staff before the agenda item is discussed.</p>	
APPROVAL OF MEETING AGENDA	<p>The current Audit Committee Chair is Al Ballesteros.</p> <p>The agenda was approved as amended.</p>	<p>Unanimously approved. 9 AYES (Ballesteros, Booth, Curry, De La Torre, Gonzalez, Jimenez, Perez, Roybal, and Shapiro)</p>
PUBLIC COMMENT	<p>Ms. Cooper commented that there is a recent decision about In Home Supportive Services (IHSS) recipients. She suggested that the decisions need to be printed in layman’s language. She recommended to each Board Member that a presentation like this (today’s guest speaker) be scheduled for consumers. It is very important that consumers have a conference like this. She will be impacted by every decision Dr. Ghaly will make, and she wants an opportunity to provide input. She writes to legislators to give her input. She wants the Board to support this. She spoke directly to consumer representatives. She respectfully requests an answer.</p>	

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	<p>Chairperson De La Torre responded that her comments are noted and he assured her there will be discussions.</p> <p>Ms. McFerson spoke about proper treatment when it comes to diversity related to race, mental and physical capacities. We need to work together on programs that already exist and make the programs are diverse and equal. She gave examples of programs based on physical needs. She noted that the health promoter program only has 18 members and just two African Americans. She has been approached by others who would like to participate in the program. She stressed a need to reach out to all communities. She has been shut out as well. She has not been able to participate as a health promoter with L.A. Care. L.A. Care needs diversity in its programs.</p>	
<p>STATE & FEDERAL POLICY PRESENTATIONS</p>	<p>Cherie Compartore, <i>Senior Director, Government Affairs</i>, introduced Jim Gross and John Russell. California is moving forward to create a viable state health system, working toward universal coverage, despite the possibility that there will not be federal support for some of the initiatives. In spite of the current federal climate, California recognizes the importance of remaining focused on ensuring access and increasing health care coverage for our vulnerable populations.</p> <p>John Russell, <i>Principal, Dentons</i>, presented information on federal issues (<i>a copy of his presentation is available by contacting Board Services</i>). Around the country L.A. Care is known as an innovator, pushing against a federal administration that is shrinking the safety net. While we are under a fierce sustained attack, there are strong allies. The current administration won't be there forever.</p> <p>He reviewed actions taken by some members of the federal administration to shrink safety net systems and cut health care coverage benefits for vulnerable populations. He noted that the separation of powers built into the US Constitution has helped those who are fighting for programs that support the health care safety net and universal health coverage. Many of the proposed changes are stalled in the court system. L.A. Care has allies in the federal legislature who support the safety net. There will be more pressure from legislators to protect the safety net and health coverage programs. At every level, L.A. Care Board Members and staff should be talking about all the good things L.A. Care is doing.</p> <p>Jim Gross, <i>Partner, Nielsen Merksamer Parrinello Group, LLC</i>, summarized issues occurring at the state level. Dr. Ghaly described the ways that California's Governor Newsom wants to address health care issues. Jim Gross briefly summarized former Governor Brown's term. Governor Brown identified fiscal responsibility as his primary goal, and he took steps to restore fiscal health, including significant cuts to health coverage programs and shifting costs to local governments. The current Governor has a different philosophy and will change the approach</p>	

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	<p>for the state. Funding will be needed to achieve Governor Newsom’s goals, along with energy, commitment and expertise. The administration is new; patience and healthy skepticism will be needed as they gain experience. The California Department of Finance was empowered in the last administration and still has much power over programs. Ultimately a balance will be struck.</p> <p>Mr. Baackes noted that the decision for any cases brought to the United States Supreme Court by October 2020 would not be handed down until June 2021.</p> <p>Member Jimenez asked about “categorically eligible” and changes to the public charge rules. She also asked about the state’s recent changes to open eligibility for undocumented residents up to 26 years old.</p> <p>Mr. Baackes noted that L.A. Care was previously assured that personal information in enrollment for health plans would not be shared with immigration officials. He asked if that was still the case. There is concern among undocumented parents that enrolling their children could mean that personal information about immigration status will be made available to immigration officials.</p> <p>Mr. Russell responded to Mr. Baackes stating that there is no effort to remove the firewall that protects an individual’s immigration status. Ms. Jimenez noted that applications for Los Angeles County Department of Public Social Services (DPSS) benefits are checked with Homeland Security to determine if the applicant is a legal permanent resident of the United States. Ms. Compartore confirmed that federal statute and regulations appear to limit the sharing of information provided on the application for only eligibility determination for other federal government programs.</p> <p>PUBLIC COMMENT:</p> <p>Ms. Cooper stated that she listened intently to Mr. Russell. It’s very important to watch appointees to the court. Many consumers do not, but the public should pay attention to the court appointments.</p> <p>Ms. McFerson, commented on facilitating quantitative data sharing across Los Angeles County to analyze the information and make health care more accessible. Providers and facilities should be informed as to how to best support members and how to expand the facilities with better behavioral health options. She recommended empathy training for providers about behavioral health needs for low income people who have difficulty communicating.</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<p>ADDRESSING THE SOCIAL NEEDS OF MEMBERS</p> <p>Housing</p> <p>CalFresh</p> <p>Community Link</p> <p>Family Resource Centers</p>	<p>Mr. Baackes introduced a panel session to discuss L.A. Care’s programs to give Board members an idea of what L.A. Care is already doing to integrate social services to make sure L.A. Care members are connected with the programs and services they need.</p> <p>Penny Griego, <i>Media Relations Specialist II</i>, introduced herself and a panel of L.A. Care staff. She noted the panel would discuss how L.A. Care can do more to connect our members to social services that will ultimately lead to better health outcomes, but first we will review what we have done to this point.</p> <p>Ms. Klurfeld described the three goals of L.A. Care’s support of Los Angeles County Housing 4 Health program:</p> <ol style="list-style-type: none"> 1. Support a pathway to permanent housing for L.A. Care members. L.A. Care has placed 249 households representing about 300 individuals. 2. Increase local resources. 3. Build partnerships. <p>There were challenges in engaging members who have a well-founded distrust of systems. It also takes time to secure housing; it now takes 9-12 months to secure permanent housing.</p> <p>Phinney Ahn, <i>Executive Director, Medi-Cal</i>, noted that L.A. Care works to provide free and low cost community resources for members. Very recently L.A. Care partnered with DPSS to help enroll eligible members in the expanded CalFresh program. In Los Angeles County there could be around 200,000 newly eligible beneficiaries. Although the program is underutilized at this time, L.A. Care is working to increase knowledge and raise enrollment for these members.</p> <p>Dr. Brodsky discussed a new online resource, <i>L.A. Care Community Link</i>, which L.A. Care deployed on its website on July 1 to help members, providers and staff conduct searches for and connect with other resources and programs in their community, based on their social needs. A feature of the system is real-time reporting of the searches. There have been about 5,000 searches since inception; about 100 each day.</p> <p>Francisco Oaxaca, <i>Senior Director, Communications and Community Outreach & Education</i>, informed the Board about DPSS workers at L.A. Care’s Community Resource Centers to help members and visitors determine eligibility and answer questions about applying for programs in Los Angeles County. As the Resource Centers are expanded, L.A. Care will explore opportunities in the local community for members to locate and access services and assistance with local programs.</p> <p>Ms. Klurfeld explained what L.A. Care can do to address the growing homeless population is to increase participation and expand programs, and find more opportunities to announce program</p>	

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	<p>availability. L.A. Care has applied for additional funding for housing. L.A. Care also participates and supports funding for recuperative care for members who need time and additional medical support after hospitalization or other treatment. L.A. Care will continue to look for partners to expand this program.</p> <p>Ms. Ahn explained that L.A. Care will continue to partner with other agencies and conduct referrals and screening to meet the social needs of members that can contribute to good health. California is sponsoring a medically tailored meal program to help recovering patients. L.A. Care sponsors Project Angel Food to help reduce food insecurity and to show the importance of nutrition in recovery and for good health.</p> <p>Dr. Brodsky described how L.A. Care is planning to conduct extensive training about <i>Community Link</i> for all the teams at L.A. Care that work with members to help them connect with services.</p> <p>Mr. Oaxaca described the value of L.A. Care’s unique partnership with Blue Shield Promise on the Community Resource Centers (CRC), expanding to 14 locations in 2021. Staff will include care managers and social workers to assist visitors at the sites.</p> <p>Member Jimenez thanked L.A. Care for its partnership; Los Angeles County has enrolled about 106,000 seniors in CalFresh. She noted that she would like to know when L.A. Care refers CRC visitors to DPSS so those referrals can be followed up.</p> <p>Member Perez thanked the panel, and she suggested that the panel members face the audience and that visual aids be developed for the presentation. She requested that written talking points or main points describing each program be provided for member and community outreach. She is here to listen to the members and she sees the work that staff does on the programs to serve the community. She suggested that members look on the app <i>Aunt Bertha</i> and Facebook for information about L.A. Care and to follow the programs. She asked if L.A. Care staff responds to comments on line.</p> <p>Ms. Griego responded that L.A. Care is on <i>Twitter, Instagram, LinkedIn and Facebook</i>, and staff does respond to comments that are posted on those sites.</p> <p>Member Booth asked if there is a new name for L.A. Care’s Family Resource Centers, <i>Community Resource Centers</i>. Mr. Oaxaca responded that the new name reflects the updated sites being implemented in partnership with Blue Shield Promise. Existing sites will gradually be transitioned to joint sites.</p> <p>Member Booth noted that she was glad to hear the words <i>close the loop</i> and <i>data</i>, and that it will be increasingly important to show positive or negative results for L.A. Care’s programs. She</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>asked about other ways L.A. Care helped with CalFresh enrollment. Roland Palencia, <i>Director, Community Benefits</i>, described grants to help organizations conduct community outreach and enrollment in CalFresh.</p> <p>Member Gonzalez asked about ensuring the accuracy of information on Community Link. Dr. Brodsky responded that a vendor regularly checks the organizations listed for authenticity and updated contact information. Dr. Seidman reported that <i>Community Link</i> is accessible on L.A. Care’s main webpage at www.lacare.org.</p> <p>PUBLIC COMMENT</p> <p>Ms. Cooper commented that she has heard people are disappointed in the food stamp program benefits and eligibility needs to be addressed.</p> <p>Jaquelin Sessions, has concerns about the CalFresh benefit level. Enrollment is down because going through the enrollment process and the embarrassment is not worth the benefit.</p> <p>Russel Mahler, <i>RCAC 1 Chair</i>, noted that in the past few months they did legislative outreach about the CalFresh program. It is a slow process to get enrolled. He thanked the Board for all that L.A. Care is doing and he hopes we can reach out to more people so the CalFresh program can take off and people getting so little should get more.</p> <p>Ms. McFerson commented that she is going to the brain surgeon right after this meeting and is on new medication. On the food stamp issue, she advocates because she is going through health issues herself. She has mental health and physical disabilities and she has been homeless. That’s why she can speak on different topics like this. If someone applies for food stamps, the rent goes up. So why go through the whole process and have \$100 added to your rent? Why have members not heard about the website? We need a survey of who has been on the website, how many received help, is it easy for everyone to understand, does it cater to different visual and auditory needs, and what help do they receive. She suggested that programs bridge the gap between the educated and the uninformed, and that proper outreach to future members should address necessities. She stated that homeless people need food options. She suggested a food and wellness event with fun options in order to make sure they give their information (some may not want to give information). She suggested a raffle with blankets and foldable chairs. She suggested gift cards for a free walker for those who may need it. Some won’t participate or may get shut out because of their level of understanding. Make it fun to provide access for all people without categorizing them. Make different opportunities for everyone with fun options.</p> <p><i>(The meeting adjourned for lunch at 12:15 p.m.)</i></p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
MEMBER STORY	<p><i>(The meeting reconvened at 12:55 p.m.)</i></p> <p>Mr. Baackes introduced a session to learn about an L.A. Care member. L.A. Care is taking on direct care management and moving care managers out to the Community Resource Centers. Care managers have been attending management team meetings to provide a member story so that those who don't have direct contact with members can understand our members better.</p> <p>Delia Mojarro, <i>Director, Social Services</i>, described a member who was living out of a car since 2013. L.A. Care began helping him in 2018 and within three months was able to place him in a suitable board and care facility where he is having his health needs met.</p> <p>Mr. Baackes noted the extended outreach to members who need support.</p>	
PUBLIC COMMENTS	<p>Ms. Cooper would like to see a person with a disability like a regional center consumer sit at the Board table and participate in decisions. In response to her request, Chairperson De La Torre indicated that he was asking where there may be an appropriate place for that representation. Ms. Cooper said she would be happy to help with recommendations. She asked the consumer representatives to take notice of her comments.</p> <p>Tonya Byrd, <i>RCAC 9 Chair</i>, commented with a positive note on transportation. Call the Car has been great. She tells them they are great and has let them know that she will tell the Board.</p>	
APPROVAL OF CONSENT AGENDA	<ul style="list-style-type: none"> • July 25, 2019 Board meeting minutes • Authorized Bank Signatory <u>Motion BOG 100.0919*</u> To authorize Doris Lai, <i>Senior Director, Accounting and Financial Services</i>, as an authorized signatory for all L.A. Care banking and investment accounts. • Quarterly Investment Report <u>Motion FIN 100.0919*</u> To accept the Quarterly Investment Report for the quarter ending June 30, 2019, as submitted. • Information Technology Staff Augmentation Contract Amendments (FIN 101) <u>Motion FIN 101.0919*</u> To authorize additional spending with the following vendors: Cognizant, FlexTech, HCL, Infosys, Solugenix Corp, and Synaptix in an amount not to exceed \$5,090,499 for IT Professional Services expenditures through January 31, 2020. 	<p>Unanimously approved. 9 AYES (Ballesteros, Booth, Curry, De La Torre, Gonzalez, Jimenez, Perez, Roybal, and Shapiro)</p>

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<ul style="list-style-type: none"> • Ratify elected Children’s Health Consultant Advisory Committee (CHCAC) Chair and Vice Chair <u>Motion CHC 100.0919*</u> To ratify the re-election of Tara Ficek, MPH as Chairperson and Maryjane Puffer, BSN, MPA as Vice Chairperson of the Children’s Health Consultant Advisory Committee effective September 2019. • Technical Advisory Committee Relaunch/Roster <u>Motion EXE 100.0919*</u> To approve the following members for the Technical Advisory Committee (TAC): <u>L.A. Care:</u> <ul style="list-style-type: none"> • John Baackes • Richard Seidman, MD, MPH • Other L.A. Care participants <u>Recruited to Date:</u> <ul style="list-style-type: none"> • Santiago Munoz (Chief Strategy Officer, UCLA) • Paul Chung, MD (Dean of Innovation - Kaiser School of Medicine, former UCLA Division Head, Ambulatory Pediatrics and RAND Health Services Researcher with a focus on SDOH) • Rishi Manchanda, MD (CEO, Health Begins. Experience in designing and operating Integrated Health Services Delivery) • Elaine Batchlor, MD, MPH (CEO, Martin Luther King, Jr. Community Hospital) • Hector Flores, MD (CEO, Family Care Specialists IPA + Medical Group) • Muntu Davis, MD, MPH (Health Officer, County of Los Angeles) (invited but not confirmed) 	
CHAIRPERSON’S REPORT	<p>PUBLIC COMMENT: Ms. Cooper declined to comment.</p> <p>Chairperson De La Torre reported that Al Ballesteros was appointed Chair of the Audit Committee.</p> <p>He asked Board Members to begin thinking about 2020 officer nominations for the election which will be held at either the October or November board meeting.</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<p>CHIEF EXECUTIVE OFFICER REPORT</p> <p>Grants and Sponsorships Reports</p>	<p>Mr. Baackes referred to his written report in the meeting materials (<i>a copy of his report is available by contacting Board Services</i>).</p> <ul style="list-style-type: none"> • Elevating the Safety Net (ESN) has awarded grants for 92 new primary care physicians. Since the program began, 58 new physicians are in practice in Los Angeles County. • 20 of those doctors have applied for medical school loan repayment programs • 16 medical school scholarships have been awarded • Housing units were arranged for 249 families for a total of 300 people housed • 2,130 people have received In Home Supportive Services home care training. L.A. Care has a goal of 3000 people trained by end of 2020. • Blue Shield has provided a \$73 million grant for a partnership to operate Community Resource Centers. Blue Shield Promise is a Plan Partner since 2015. This is the first time for a financial collaboration with a plan partner and the only situation where competing health plans are collaborating to jointly provide services to members. This is one of the unique advantages of the Two-Plan Model in Los Angeles County. The arrangement has caught the attention of another L.A. Care Plan Partner, Anthem Blue Cross, and we are talking with Anthem about possible partnership opportunities. • L.A. Care Practice Transformation Network is a big success story. It began four years ago with a grant from the Centers for Medicare and Medicaid Services through the Transforming Clinical Practices Initiative (TCPI). TCPI helps practices upgrade their business practices and business profile to operate more efficiently. Improving data systems helps the practice and L.A. Care achieve quality ratings. L.A. Care is one of 29 TCPI in the US. Over the four years, L.A. Care has deployed 37 trained facilitators as coaches who have been in the field working directly with 64 L.A. Care provider groups covering 3200 clinicians. L.A. Care has measured significant quality improvement including decreases in emergency room and hospitalization usage resulting in cost avoidance of \$136 million. More importantly, it has brought skills training to the practices that will help them simplify their administration and improve cost savings so they can engage more effectively with an organization like L.A. Care. L.A. Care is in the top tier and garnered the most cost savings of any TCPI in the country. L.A. Care will participate in the next steps of the TCPI. L.A. Care hopes to get better encounter data from our providers. • L.A. Care has developed a program called Transform LA Coaching, modeled after the TCPI program working with providers, and will continue to invest in the program. <p>Member Roybal noted that his clinic worked with TCPI coaches, and it really helped step up their game and helped with data gathering and analysis. Coaches became invaluable members of the team and he hopes to continue the relationships.</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<ul style="list-style-type: none"> L.A. Care created a Joint Powers Authority with Los Angeles County to administer the health coverage for PASC-SEIU In Home Supportive Services workers under a special Knox-Keene limited license approved by the Department of Managed Health Care (DMHC). Because of a request from the DMHC, L.A. Care will now be working to upgrade to a full pledged license. <p>Member Booth asked about members served as grant program participants. Mr. Palencia noted that Community Benefit programs serve both members and non-members. For the new eviction assistance initiative, we hope to keep people from being evicted in the first place and not potentially becoming homeless.</p> <p>Mr. Baackes noted that this program came about as a result of Ms. Cooper’s repeated comments at Board meetings about helping people with tenant’s rights.</p> <p>Member Booth asked about potential overlap in services and how many people L.A. Care will help. Mr. Palencia noted that it depends on where the client is in the process and what needs to be done in each case.</p> <p>Member Curry asked Mr. Baackes to define primary care in the ESN program, and asked if there was an opportunity to expand the program to behavioral health.</p> <p>Mr. Baackes responded that when ESN started, it was planned to cover four primary care specialties with 92 grants in the first round in those areas. For the next round we have added psychiatry in order to increase those providers in the safety net.</p> <p>Chairperson De La Torre noted that L.A. Care is very unique in the nation in both national and state statistics. He congratulated L.A. Care for putting this together to try to address the “pipeline” issue. At a recent presentation everyone was very impressed by the program.</p>	
CHIEF MEDICAL OFFICER REPORT	<p>PUBLIC COMMENT</p> <p>Ms. Cooper asked that the Deans of the medical schools in ESN be invited to talk about how they train the doctors. She is interested to learn how they are trained to work with different cultures. It is important that the providers L.A. Care gives grants to are culturally sensitive to their patients.</p> <p>Dr. Baackes asked Dr. Seidman to comment on the selection of UCLA and Drew Medical Schools because of diversity in their programs. Dr. Seidman thanked Ms. Cooper for her comments. He described a white coat ceremony and the very inspirational address by Dr. Reed Tucson, a former Dean of Drew University. Dr. Tucson discussed the civil rights movement in</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>the community surrounding Drew University. Dr. Seidman will explore opportunities to help members learn more about the medical schools.</p> <p>Dr. Seidman reported: (<i>A copy of his written report can be obtained by contacting Board Services</i>):</p> <ul style="list-style-type: none"> • Health Homes program has 432 members and may have 500 members by the end of September. • HEDIS results are final; L.A. Care has maintained <i>Commendable</i> status for Medi-Cal and <i>Accredited</i> for CMC and LACC. • Integrated Healthcare Association has a statewide program to improve quality called Align Measure and Perform. This program helps by aggregating and reporting on provider quality. L.A. Care uses this program for L.A. Care Covered. Results will be presented at a future meeting. • Flu vaccine for 2019-20 is available. He encouraged everyone to get the flu vaccine. L.A. Care makes the flu vaccine available at a variety of sites and promotes availability of the vaccine across Los Angeles County. • L.A. Care’s pilot program in clinical pharmacy includes pharmacists in the physician incentive program for providers that are not able to have their own clinical pharmacy services. Pharmacists are an important part of L.A. Care’s member care team. <p>Member Roybal noted that a patient was immunized at Rite Aid and he received a fax. He asked if we are encouraging contracted pharmacies to notify the Primary Care Physicians and improve the vaccine records. Dr. Seidman noted that immunization clinics enter data on the California immunization registry, as well as health information exchanges. Other health information exchanges also include immunization records.</p> <p>Member Roybal indicated that LA County is using clinical pharmacists to complete HEDIS measures requirements. Interesting to see how HEDIS measures change with clinical pharmacist involvement. Dr. Seidman noted that L.A. Care will be measuring pre and post outcomes for immunization, diabetes and hypertension.</p> <p>Member Booth asked about the chart on page 3 of the board materials and why there are significantly fewer primary care physicians this year over last. Ms. Montgomery offered to look into this.</p> <p>Member Perez asked about the activities of the clinical pharmacist and physician. Dr. Seidman noted that the program will assist high volume practices with documenting health records of care.</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Member Perez asked about how emergency room or urgent care center records are included. Various health information exchange systems are attempting to extend access to information for care providers with a right to access those records.</p> <p>Ms. McFerson submitted a request for public comment on item 12 but the form was submitted too late.</p>	
<p>Executive Community Advisory Committee (ECAC)</p>	<p>PUBLIC COMMENT: Ms. Cooper declined to comment on this item.</p> <p>Member Gonzalez acknowledged the RCAC / CCI Members in attendance. She reported that there was no ECAC meeting in August.</p> <ul style="list-style-type: none"> • RCAC Chairs and Vice-Chairs and members of the I-speak Advocacy trainings have been doing legislative visits (<i>photos were shown earlier today</i>). • RCAC Members have been speaking at community events and to local organizations about colorectal cancer. There are about 214 members in the RCACs. If each one speaks with 25 people, they will reach 5,350 people in Los Angeles County. • RCAC members recently received Emergency Preparedness training from the Red Cross. RCAC members also submitted information about local organizations to assist with food shortages in Los Angeles County. Food scarcity is the theme for the RCAC Work Plan for Fiscal Year 2018-2019. She looks forward to seeing these organizations on the spreadsheet given to the Board listing sponsorships and grants awarded this quarter. • She was happy to see Thomas Mapp, <i>Chief Compliance Officer</i>, at RCAC 2's meeting. She thanked him for attending. She invited all Board Members to attend a local RCAC meeting. The members ask her when other Board Members will visit them. <p>Member Perez reported that a work plan sponsorship was suggested by one of the members of the Committee, revised and approved by L.A. Care with \$5,000 allocated to an organization in the RCAC 6 area of South Central LA. Aside from creating studies and reaching out to different agencies and community based organizations, L.A. Care is also taking input from its RCAC Members when approving sponsorships.</p> <p>The Cal MediConnect consumer committee met in June. Discussed the enrollment packet and provided feedback.</p>	
<p>Children's Health Consultant Advisory Committee</p>	<p>Dr. Seidman reported that the Children's Health Consultant Advisory Committee met on August 20.</p> <ul style="list-style-type: none"> • He presented the CMO report that was presented earlier today. 	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<ul style="list-style-type: none"> • The Committee discussed a vacant seat and recommended that it be filled by an L.A. Care Consumer. Committee members are excited about that suggestion a nomination is expected. • Tara Ficek, MPH was elected Chair of the Committee and Maryjane Puffer, BSN, MPH was elected as Vice Chair. • The Committee received a presentation on Department of Health Care Services (DHCS) Value Based Pay program. The program will provide incentive payments to providers for meeting criteria aimed at improving care for certain high-cost or high-need populations. (Subject to CMS approval) • Maryjane Puffer, BSN, MPH and Patricia Anton, Anton Consulting Inc. presented on the L.A. Trust Data xChange. The L.A. Trust Data xChange is a database that provides insights and measurable connections between school based health clinics and student academic achievement. <p><i>(Copies of presentations can be obtained by contacting Board Services.)</i></p>	
STANDING COMMITTEE REPORTS		
Executive Committee	Chairperson De La Torre reported that the Executive Committee met on August 26, 2019. <i>(A copy of the minutes of the meeting can be obtained by contacting Board Services).</i>	
Finance & Budget Committee	<p>Member Curry reported that the Finance & Budget Committee met on August 26, 2019. <i>(A copy of the minutes can be obtained by contacting Board Services).</i></p> <p>The Committee approved the following contracts that do not require Board approval:</p> <ul style="list-style-type: none"> • Los Angeles Network Enhancement Services • Ansafone • Claris Health • Center for the Study of Services • SafetyNet Connect <p>The Committee received the monthly investment transactions report, included in the meeting materials for Board Member review.</p>	
Chief Financial Officer's Report	<p>Marie Montgomery, <i>Chief Financial Officer</i>, reported on financial results for the fiscal year for June and July, 2019. <i>(A copy of the report can be obtained by contacting Board Services.)</i></p> <p>Financial Report Highlights for June and July 2019:</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<ul style="list-style-type: none"> • \$8.3 million net surplus for the month of July 2019, and \$252 million surplus for the year, both slightly favorable to forecast. • Year-to-date member months is slightly unfavorable to forecast at 21,870,323. • Revenue year-to-date of \$6,569,701,000 is \$1.1 million unfavorable to the forecast. • Health Care expenses are unfavorable year to date to the forecast by about \$6.2 million, driven by higher overall fee for service claims this month. From time to time there is an escalation in the paid claims. Staff will continue to monitor paid claims. • There have been retroactive adjustments for Skilled Nursing Facility and ground emergency medical transportation payments, partially offset by favorability in pharmacy of \$7.3 million due to timing of pharmacy rebates. • Administrative expenses are lower than the forecast by \$2 million. • Non-Operating expense is favorable by \$6 million primarily due to the timing of the ESN expenditures. <p>Member Jimenez asked about the potential impact on the budget if undocumented adults would be allowed to enroll in full scope Medi-Cal. Ms. Montgomery indicated that the new members represent a small fraction of the enrollment and will likely not have a significant impact.</p> <p><u>Motion FIN 102.0919</u> To accept the Financial Report as submitted, for the periods ended June and July 2019, as submitted.</p>	<p>Unanimously approved. 9 AYES (Ballesteros, Booth, Curry, De La Torre, Gonzalez, Jimenez, Perez, Roybal, and Shapiro)</p>
<p>Operating and Capital Budget FY 2019-20</p>	<p><i>Members Curry, Perez and Roybal may have financial interests in Plans, Plan Participating Providers or other programs and as such refrained from the discussion of those issues identified below. In order to expedite the process, such members' vote on the Budget reflects a vote concerning the entire budget excluding those items for which the member is abstaining, as identified:</i></p> <p><i><u>Members Ballesteros, Curry, Roybal and Shapiro</u></i> <i>Community Health Investment Fund</i> <i>Sponsorships/ In-Kind and Ad Hoc Grants</i></p> <p><i><u>Members Ballesteros, Roybal and Shapiro</u></i> <i>Provider Recruitment Program</i> <i>Residency Support Program</i> <i>Community Clinic Program/ (SCOPE) Plan</i> <i>CTAP</i> <i>eManagement</i></p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p><i>Transforming Clinical Practices Initiative</i></p> <p><u>Member Perez</u> <i>Health Promoters/Promotoras Program</i> <i>Elevating Community Health</i></p> <p><u>Budget FY 2019-20 Membership Projections</u> The Budget assumed some modest growth. Overall projected membership growth between FY 2018-19 and FY 2019-20 is expected roughly at 32,000 members or 1.5%.</p> <ul style="list-style-type: none"> • Medi-Cal membership closely reflects the California Budget assumptions of flat growth, except the Medi-Cal Expansion (MCE) segment which should see an increase due to expansion of undocumented young adults which will begin in January 2020. • LACC and Cal MediConnect (CMC) are modeled to include retention and new membership driven by Broker support. • PASC membership is expected to be flat. <p><u>Financial Performance</u> For FY2019-20, operating margin is projected to decrease by \$74 million compared to the most recent 8+4 month forecast. Revenue is expected to increase by 2.5% while fee for service claim trends are expected to grow by 4.5%. Our estimated net surplus for FY2019-20 is \$153 million.</p> <p><u>Administrative Expenses</u> The budget reflects a \$25.5 million increase in administrative expenses. The budget for salaries includes a 3.25% merit increase and a vacancy factor of 18.8%. Other categories of administrative expense include increases for software licenses of \$4.2 million and lease expense of \$2.3 million, among other expenses for resources needed for functional initiatives. These costs increase the pmpm administrative cost to \$16.89, or a 5.6% administrative ratio. Staff will work to manage expenses below that expectation wherever possible.</p> <p><u>Community Programs</u> The grant spending is expected to be \$46,212,000 for FY 2019-20. That amount includes the housing initiatives and the Blue Shield Promise Grant to rebrand and expand the Family Resource Centers. Other programs include ESN with provider recruitment, residency support, physician loan repayment, medical school scholarships and training.</p> <p>Ms. Montgomery reviewed projected revenue and expenses by product segment for the FY 2019-20 budget. The overall medical cost ratio moves from 91.4% in the current fiscal year to 92.4% in FY 2019-20.</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p><u>Opportunities and Risks</u> Opportunities in the coming year include:</p> <ul style="list-style-type: none"> ● Improvement in claims trends ● Overpayment recovery ● Improved rates for Coordinated Care Initiative enrollment <p>Risks include:</p> <ul style="list-style-type: none"> ● Claims trends continue to deteriorate ● Decline in membership due to changes in the application of “public charge”, negative retroactive adjustments due to deceased member audit, and decline in enrollment due to the current rate position of LACC. ● Potential revenue change due to a final reconciliation of the IHSS (removed in January 2018) program which is expected to occur in FY 2019-20. ● A reconciliation of the CCI risk corridor could result in a change in expected revenue. ● Audits for LACC for 2018 RADV and 2019 RAF could result in revenue change. <p><u>Key Initiatives</u> L.A. Care will continue a focus on growing the directly contracted provider network, and a more centralized and better coordinated approach for delegated provider oversight. Other continuing efforts relate to payment integrity and claims recoveries, and on identifying administrative efficiencies through deployment of new technologies.</p> <p><u>Tangible Net Equity (TNE)</u> The forecast for the end of September 2019 is 656% of its regulatory requirement for TNE. The Board approved a goal of 600%. As of July 2019 there is approximately \$70 million designated by the Board for expenditures related to ESN and Community Programs. The 2019-20 Budget projects TNE of 711%.</p> <p><u>Capital Projects and Programs 2019-20 Budget</u> Dino Kasdagly, <i>Chief Operating Officer</i>, presented information about the budgeted expenditure of about \$52 million for capital projects and leasehold improvements for 2019-20. He described five key foundational programs in various phases of development and implementation as L.A. Care works to continue to improve operational efficiencies.</p> <ul style="list-style-type: none"> ● Enterprise Resource Planning systems applications and products implementation started about a year ago. Completed time and attendance and payroll. Planning for other financial modules to be implemented. 	<p>Unanimously approved (with abstentions specifically noted). 9 AYES (Ballesteros, Booth, Curry, De La Torre, Gonzalez, Jimenez, Perez, Roybal, and Shapiro)</p>

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<ul style="list-style-type: none"> • Thrasys to integrate care management and utilization management. Increase direct network and improve effectiveness of delegated network. • Total Provider Management phase three to complete improvements. • Encounters & Risk Adjustment / EDIFECS to improve revenue based on risk scores. • VOICE project focusses on infrastructure of the Call Center. • Progresses further the intelligent desktop to make more efficient. • Provide portals for improved data in the directory. • Programs improve data integration and efficiency. • Leasehold improvements for 5th floor, 1200 W. 7th Street and 4 Family Resource Centers <p><u>Motion FIN 103.0919</u> To approve the Fiscal Year 2019-20 Capital and Operating Budget, as submitted.</p>	
Non-Travel Project Expenses	<p>Ms. Montgomery summarized a motion for non-travel expenses as required by L.A. Care policy. This motion is for projects that are similar in amount compared to last year.</p> <p><u>Motion BOG 101.0919</u> To approve the allocation of funds to support L.A. Care’s Projects with Non-Travel Meals and Catering and Other Expenses exceeding \$10,000 in the total amount of \$1,003,724 for FY 2019-20, with an additional expense authorized if expenses were not included for UMC or CMC expenses.</p>	Unanimously approved. 9 AYES (Ballesteros, Booth, Curry, De La Torre, Gonzalez, Jimenez, Perez, Roybal, and Shapiro)
Monthly Investment Transaction Report	<p>Ms. Montgomery referred to the report on investment transaction details from June 1 to June 30, 2019, and a separate report from July 1 to July 31, 2019, included in the meeting materials for Committee member review. <i>(A copy of the report can be obtained by contacting Board Services).</i></p> <p>L.A. Care's investment market value as of June 30, 2019 was \$1.78 billion, and as of July 31, 2019 was \$1.76 billion. This includes our funds invested with the government pooled funds. L.A. Care has an investment balance of \$61 million for both months with the statewide Local Agency Investment Fund (LAIF), and an investment balance of \$104 million for both months with the Los Angeles County Pooled Investment Fund (LACPIF).</p>	
Compliance & Quality Committee Report	<p>Member Booth, <i>Committee Chair</i>, reported that the Committee met on August 15. <i>(A copy of the report can be obtained by contacting Board Services).</i></p> <ul style="list-style-type: none"> • Dr. Seidman provided updates during his CMO report earlier today. 	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<ul style="list-style-type: none"> • Dr. James Kyle presented on the Managed Care Accountability Set, formerly known as the External Accountability Set. The new clinical quality reporting requirements expanded by seven new measures, and were retroactively effective January 1, 2019 for calendar year 2019. <p>Thomas Mapp, <i>Chief Compliance Officer</i>, reported on the following:</p> <ul style="list-style-type: none"> • The 2019 DHCS Medical Audit – Medi-Cal: The 2019 Audit focused on the following areas – California Children’s Services (CCS), Initial Health Assessments (IHAs), pharmaceutical services and overall delegation management. • The CMS Validation audit – Cal MediConnect (CMC) – L.A. Care continues to conduct ongoing monitoring of internal business units and delegates to ensure correction of deficiencies and preparation for Validation Audit. 	
Audit Committee Report	<p>Member Ballesteros, <i>Committee Chair</i>, reported that the Committee met on August 20 to discuss the Audit Plan for FY 2018-19. <i>(A copy of the report can be obtained by contacting Board Services).</i></p> <ul style="list-style-type: none"> • The Board previously delegated authority to the Audit Committee for overseeing the work of our external independent financial audit firm. • Deloitte & Touche presented their Audit Plan for Fiscal Year 2018-19. <ul style="list-style-type: none"> ○ Rosie Procopio was introduced as the Audit Managing Director who will join the engagement team this year. ○ Deloitte identified significant risks during its risk assessment procedures. The key areas of focus in the audit will be 1) revenue recognition, 2) health care costs and claims reserves, and 3) risk related to potential management override of controls. ○ Some of the audit will focus on 1) risk based audit methodology addressing L.A. Care’s unique business and financial reporting, 2) Deloitte will leverage specialists and technology-powered solutions in the audit. 	
PUBLIC COMMENT	<p>Mr. Baackes reported that L.A. Care will distribute funds under Proposition 56 to Plan Partners. An amendment is needed to complete the transaction, but due to time constraints it was not included on today’s Agenda. He informed the Board Members that the Plan Partner Services Agreement amendments for this program will be brought to the next Board meeting for review.</p> <p>Elizabeth Cooper encouraged everyone to be positive, and not say things can’t be done. She wants people to instead say, we will. She wondered why Board Members are not running for public office. She encouraged everyone to vote.</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Sylvia Poz, <i>Chairperson, RCAC 4</i>, asked about dual members. Duals are part of L.A. Care. But if there are problems member services can never help. She asked, what does L.A. Care offer a dual member? Other health plans, like Health Net, treat duals like other plan members. Mr. Baackes noted that we have 16,000 dual members in CMC. He asked Mr. Kasdagly to speak with her. Mr. Baackes noted that L.A. Care only covers select services (only long term care or home health) for CCI members and L.A. Care does not have access to all the information for the member, such as primary care providers, because all other services are covered by another plan under Medicare or Medicare Advantage.</p> <p>Fatima Vasques, <i>Chairperson, RCAC 7</i>, commented that she is very grateful to participate in meetings which bring members really close, and, in giving information to the community, brings members close to the community as well. RCAC members work closely with health promoters to educate them, so they can educate the community. RCAC members are also close to Ms. Perez and Ms. Gonzalez, and they listen to members and provide information that can be taken to the community. Since 2011 there is great progress in the plan with many things that have changed for the good. The community feels more informed about changes in the state and the country. Working with community members in confronting a lot of challenges in front of them. The goal of the organization is to provide access to medical care. RCAC members work in a team with the community, families, neighbors with disabilities. People who are leaders are willing to work on future projects. RCAC members have a goal to increase the knowledge in the community. It is great that L.A. Care listens to our voices so we can work together toward that goal. It's a big project and the goal is reachable. In the future the individual names may be forgotten, but members are working to have a safe community. The ones that follow will enjoy the results of work being done.</p> <p>Dorothy Lowry, <i>RCAC 8 Member</i>, asked about the IHSS program training. Chair De La Torre responded that the training is ongoing. Mr. Baackes clarified that IHSS is not provided by L.A. Care, but L.A. Care supports an education program for IHSS workers so they can do a better job assisting L.A. Care members. Ms. Lowry then asked about the care management program Mr. Kasdagly mentioned, and he clarified that it is a computer software program to enhance care management for L.A. Care members.</p> <p>Olivia Oronos thanked L.A. Care for the \$5,000 contributed to Ministerio Para la Luz, the food bank in her community. It will be a great blessing for the program in Lynwood, Watts, and Los Angeles. The L.A. Care logo is on the flyers we distribute.</p> <p>Ms. McFerson commented that her neurologist at UCLA since 2009 sent her to the emergency room after three grand mal seizures. She also had numerous tumors in her uterus. She was</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>given medication and then asked to leave when she was incapacitated by medication. She fell asleep and was awakened by someone threatening to call security if she didn't leave. It is important to do sensitivity training for providers. We need information to distribute to the providers about how to deal with people who may have mental disabilities or incapacities and the medication may affect their mental capacity. Sensitivity training is important.</p> <p>Dhaka McClain, <i>Member, RCAC 9</i>, commented that for safety net providers it is important to encourage them to ensure they have comprehensive sensitivity training when hiring primary care doctors or giving loans. For the UCLA contract with L.A. Care, she was told that it is still in the works and there are select criteria in the contract for patients to be seen at UCLA. She is waiting for an answer about the criteria. Mr. Baackes responded that UCLA is open for all hospital services, and specialists are covered. The limitation is only for enrollment in primary care because they are almost at capacity for primary care members. Dr. Seidman did not have written criteria to provide to Ms. McClain but could provide information later to evaluate her qualification to be referred to UCLA for specialty care. Ms. McClain noted that she is a dual member but cannot apply for CMC. She called L.A. Care for durable equipment and was told it was not covered. Mr. Baackes noted that the Medicare plan is responsible for durable medical equipment, and L.A. Care is willing to assist as it has in the past.</p> <p>Member Booth asked if people manning the phones at L.A. Care can answer these questions when members call in. Mr. Baackes responded that they will know we don't have the information for CCI folks and member services staff answering the phone tells callers we are not able to help them.</p>	
<p>ADJOURN TO CLOSED SESSION</p>	<p>Augustavia J. Haydel, Esq., <i>General Counsel</i>, announced the following items to be discussed in closed session. The Board adjourned to closed session at 3:15 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>REPORT INVOLVING TRADE SECRET Pursuant to Welfare and Institutions Code Section 14087.38(n) Discussion Concerning New Service, Program, Business Plan Estimated date of public disclosure: <i>September 2021</i></p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9 of the Ralph M. Brown Act Two Potential Cases</p> <p>CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9 of the Ralph M. Brown Act One potential case</p> <p><i>Members Curry and Roybal may have financial interests in Plans, Plan Participating Providers or other programs and as such refrained from the discussion on the issue identified below.</i></p> <p>CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to Section 54956.9(d)(1) of Ralph M. Brown Act: Names of cases:</p> <ul style="list-style-type: none"> • Dignity Health and Northridge Hospital Medical Center v. L.A Care Health Plan et al. (BC583522); Appeal No. B288886 • Dignity Health and Northridge Hospital Medical Center v. L.A Care Health Plan et al. (BS172353) • California Hospital Medical Center et al (Dignity) v. L.A. Care (JAMS. 1220056913) 	
RECONVENE IN OPEN SESSION	The Board reconvened in open session at 4:03 p.m. There was no report about the closed session.	
ADJOURNMENT	The meeting was adjourned at 4:04 p.m.	

Respectfully submitted by:
Linda Merkens, *Senior Manager, Board Services*
Malou Balones, *Board Specialist III*
Victor Rodriguez, *Board Specialist II*

APPROVED BY:

Layla Gonzalez, *Board Secretary*
Date Signed _____



L.A. Care
HEALTH PLAN
Board of Governors
MOTION SUMMARY

Date: November 7, 2019

Motion No. FIN 100.1119

Committee: Finance & Budget

Chairperson: Robert H. Curry

New Contract Amendment Sole Source RFP/RFQ was conducted

Issue: Extend the current contract with Toney HealthCare Consulting (THCC) to provide up to 16 care management nurses and 1 care management supervisor to June 30, 2020 at a cost not to exceed \$2,700,000.

Background: L.A. Care's DHCS and CMC contracts require L.A. Care and/or its delegates to provide a set of prescribed care management (CM) services. The CM services include 1) completion of a health risk assessment questionnaire; 2) creation and update of a care plan based on "available" and "newly available" information" and; 3) facilitation of an inter-disciplinary care team case conference (ICT) lead by a CM staff. These CM services are required for every newly-enrolled Medi-Cal SPD and CMC member, except for the ICTs, unless the member or staff requests an ICT. The CM services are repeated annually and when transitions of care issues occur for every enrolled CM enrolled member.

L.A. Care issued a notice of non-compliance and sanction to a delegated provider in April, 2019, due to the provider's persistent poor performance, audit findings over the past three years, and the 2017-18 Cal MediConnect (CMC) L.A. Care audit findings. L.A. Care's Sanctions Committee determined that the underperformance posed too great a risk and the sanction included de-delegation of CM activities effective July 2, 2019.

The de-delegated CM activities were urgent and of unknown duration when L.A. Care took them on in July. THCC currently provides a team of seasoned nurses and management support to perform CM activities in the L.A. Care CM platform. The THCC CM nurses are currently engaging with CMC members enrolled in CM. Audits of the THCC work shows that performance meets CMS requirements.

Recently, L.A. Care agreed to return the CM activities back to the provider in January 2020 if compliance with performance expectations is adequately demonstrated. We anticipate that CM resources will be needed for other activities. THCC CM nurses will continue to serve as a bridge in services as we either hire our own staff or transition CM activities to a third party. THCC contract allows us to reduce staffing or terminate services at any time without cause.

The existing contract is in effect through December 31, 2019, with total fees not to exceed \$800,000. The current monthly cost for the THCC CM nurses is approximately \$300,000. We request approval to extend the contract through June 30, 2020 for \$2.7 million, for a total cost not to exceed \$3.5 million.

Member Impact: These care management services impact approximately 3,500 de-delegated L.A. Care members assigned to this provider, and may affect additional members in the future.

Budget Impact: Funds are budgeted for FY 2019-20. L.A. Care has implemented a capitation deduction with the provider which should significantly offset this expense.

Motion: **To authorize an amendment extending the current contract with Toney HealthCare Consulting through June 30, 2020 in an additional amount not to exceed \$2,700,000 (for a total cost not to exceed \$3,500,000).**



Board of Governors
MOTION SUMMARY

Date: November 7, 2019

Motion No. FIN 101.1119

Committee: Finance & Budget

Chairperson: Robert H. Curry

Issue: Renewal of VMware's Virtual and Cloud Computing Software Products and Services

New Contract **Amendment** **Sole Source** **RFP/RFQ was conducted**

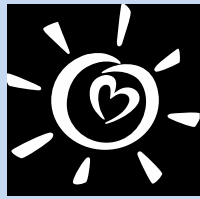
Background: VMware is L.A. Care's virtual computing solution. This product allows the install, monitoring, and segregation of virtual machines. This approach replaces the traditional physical server/equipment solution, allows staff to meet demand much more efficiently, and ensures that L.A. Care is compliant with security and state guidelines.

While ePlus has been the preferred reseller for VMware products and services, a Request for Quotes (RFQ) is currently being conducted with VMware, ePlus and Carahsoft to ensure we are getting the best pricing for the product. Based on the preliminary bids, IT staff does not anticipate this purchase to exceed \$4 million for a 3-year term. This includes the co-terming of all VMware products and added security features through 2022.

Member Impact: VMware products allow for the virtualization and security of critical applications that directly support Member Services.

Budget Impact: This purchase was anticipated and included in the approved FY 2019-20 Information Technology department budget.

Motion: **To authorize staff to renew VMware software products and services to continue to support L.A. Care's virtual computing solution for a three year term in an amount not to exceed \$4 million.**



L.A. Care
HEALTH PLAN®

Board of Governors
MOTION SUMMARY

Date: November 7, 2019

Motion No. ECA 100.1119

Committee: Executive Community Advisory Committee
Chairperson: Ana Romo

Issue: Approval of members to the Regional Community Advisory Committees (RCACs).

New Contract **Amendment** **Sole Source** **RFP/RFQ was conducted**

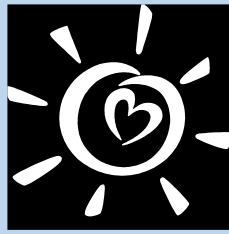
Background: Senate Bill 2092 requires that L.A. Care Health Plan ensure community involvement through a Community Advisory Committee.

Member Impact: Not applicable

Budget Impact: Not applicable

Motion: To approve the following as members to the Regional Community Advisory Committee (RCAC), as reviewed by Executive Community Advisory Committee (ECAC) at its October 9, 2019 meeting:

- Guadalupe Yepiz, Consumer, RCAC 7
- Juan R. Alfaro, Consumer, RCAC 7
- Elizabeth Mitchell, Consumer, RCAC 9



L.A. Care
HEALTH PLAN

Board of Governors
MOTION SUMMARY

Date: November 7, 2019

Motion No. ECA 101.1119

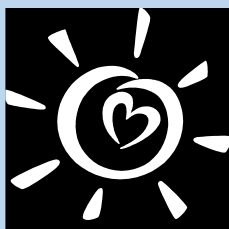
Committee: Executive Community Advisory

Chairperson: Ana Romo

Issue: Ratification of elected Regional Community Advisory Committee (RCAC) Region 11 Chairperson.

Background: Per the Community Advisory Committee Operating Rules, the RCAC shall nominate a Chairperson and Vice-Chairperson for a one-year term at their first meeting in December each year.

Motion: To ratify the nomination of Maria Angel Refugio, the current Vice Chairperson as Chairperson of Regional Community Advisory Committee (RCAC) Region 11 for the remaining term vacated by Elda Sevilla.



L.A. Care
HEALTH PLAN

Board of Governors
MOTION SUMMARY

Date: November 7, 2019

Motion No. CHC 100.1119

Committee:

Chairperson: Tara Ficek, MPH

Issue: Approval of CHCAC member

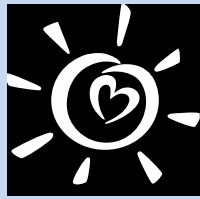
Background:

Member Impact: None

Budget Impact: None

Motion: To approve the following nominees as members of the Children's Health Consultant Advisory Committee (CHCAC), effective October, 2019:

- Hilda Perez representing the 3rd of the 3 Undesignated seats; and
- James Kyle, M.D. the Medical Director for Quality Management of L.A. Care Health Plan



L.A. Care
HEALTH PLAN®

Board of Governors
MOTION SUMMARY

Date: October 31, 2019

Motion No. TAC 100.1119

Committee: Technical Advisory Committee **Chairperson:**

Issue: Approval of member to the Technical Advisory Committee (TAC).

New Contract **Amendment** **Sole Source** **RFP/RFQ was conducted**

Background: Senate Bill 2092 (CA Welfare & Institutions Code Sections 14087.95 through 14087.966) requires that L.A. Care ensure community involvement through a Technical Advisory Committee. This motion is to approve recommended membership as listed below.

Member Impact: L.A. Care members benefit through recommendations made to the governing board by diverse and experienced members of TAC will impact important decisions regarding member care and ancillary services.

Budget Impact: Not applicable

Motion: **To approve Stephanie L. Taylor, PhD, and Elan Shultz as members of the Technical Advisory Committee, as reviewed by the Committee at its October 31, 2019 meeting.**



L.A. Care
HEALTH PLAN

Board of Governors
MOTION SUMMARY

Date: November 7, 2019

Motion No. BOG 100.1119

Committee:

Chairperson: Hector De La Torre

Subject: Approval of Annual Investment Policy

Background: L.A. Care policy and procedure requires annual review and approval by the Finance & Budget Committee of the Annual Investment Policy AFS-008. The following material changes were made to the policy AFS-008, which was last reviewed in November 2018:

1. Investment policy section 1.2 - Further clarification was added to the Overview section of the annual investment policy to specify the applicability of the annual investment policy to its relevant investment funds. The annual policy does not apply to investment funds in retirement, retiree health care savings/trust/plan(s), or deferred compensations plans.
2. Investment policy sections 2.7 & 4.1 - Section 4.1 was added to codify the timing of delivery of purchased securities. The investment policy now states that the delivery of securities should be done simultaneously with the payment for the security, which is the definition of “Delivery vs Payment, as shown in Section 2.7.
3. Investment policy section 2.23 - The Prudent Man Rule definition is being deleted. The Prudent Man Rule was the prior definition of standard of prudence in the California Government Code (Code). The current definition of prudence according the Code is already defined in Section 3.4.1.
4. Investment policy section 3.7.5.1 & 3.7.6.1.2 - The minimum required credit rating for investments in the State of California and Local Agency Obligations, and non-California State bonds was lowered from AA to A- to increase the population of municipal bonds that are acceptable for purchase. In turn, this increases the potential diversification among municipal bonds. There is no minimum rating required for these securities in the Code.
5. Investment policy section 3.7.14.2.2 - In 2019, the Code eliminated a requirement that securities issuers be rated A- for asset-backed securities. To better match the Code and to increase the population of asset-backed securities that are acceptable for purchase, L.A. Care will also eliminate this constraint from its investment policy.
6. Investment policy section 3.11.2 - This section was added to codify who would be the decision maker as to whether the security in the investment portfolio should be sold or continued to be held when that security is downgraded.
7. Investment policy section 4.2 - This section was added to describe which financial dealers and institutions are authorized, according to Code Section 53601.5, to execute investment transactions with.
8. Investment policy section 5.3 - Section header changed from ‘Audit’ to ‘Internal Control and Audit’. Internal controls section was added to provide reasonable assurance of compliance with the investment policy and the Code.

Board of Governors
MOTION SUMMARY

9. Investment policy section 6.0 - Monthly and quarterly investment reporting as required by the Code was outlined in more detail. Section 6.1 outlines monthly reporting requirement of investment transactions. Section 6.2 outlines quarterly reporting requirement.

Budget Impact: None.

Motion: To approve Financial Services Policy AFS-008 (Annual Investment Policy) as submitted.

	ANNUAL INVESTMENT POLICY		AFS-008
	DEPARTMENT	ACCOUNTING AND FINANCIAL SERVICES	
Supersedes Policy Number(s)			

DATES							
Effective Date	1/1/1996	Review Date	11/1/2018	Next Annual Review Date	10/1/2019	Legal Review Date	9/17/2018

LINES OF BUSINESS			
<input type="checkbox"/> Cal MediConnect	<input type="checkbox"/> L.A. Care Covered	<input type="checkbox"/> L.A. Care Covered Direct	<input type="checkbox"/> MCLA
<input type="checkbox"/> PASC-SEIU Plan	<input checked="" type="checkbox"/> Internal Operations		

DELEGATED ENTITIES / EXTERNAL APPLICABILITY			
<input type="checkbox"/> PP – Mandated	<input type="checkbox"/> PP – Non-Mandated	<input type="checkbox"/> PPGs/IPA	<input type="checkbox"/> Hospitals
<input type="checkbox"/> Specialty Health Plans	<input type="checkbox"/> Directly Contracted Providers	<input type="checkbox"/> Ancillaries	<input checked="" type="checkbox"/> Other External Entities

ACCOUNTABILITY MATRIX			
Finance and Accounting Services	AFS 008		

ATTACHMENTS
➤ NA

ELECTRONICALLY APPROVED BY THE FOLLOWING			
	OFFICER	DIRECTOR	COMMITTEE CHAIR
NAME	Marie Montgomery	Angela Bergman	<u>Robert H. Curry</u>
DEPARTMENT	Financial Services	Accounting and Finance Services	Finance and Budget Committee
TITLE	Chief Financial Officer	Controller	Treasurer of the Board of Governors

**AUTHORITIES**

- Government Code of Regulations (CCR), §§53600-53609 and 53646
- Title 31, Code of Federal Regulations (CFR), §§306.1 et seq. and 350.0 et seq.
- L.A. Care Conflict of Interest Code
- L.A. Care Code of Conduct
- California Health & Safety Code §§1346(a)(11), 1375.1, and 1376
- Knox Keene Health Care Service Plan Act of 1975, Ch. 2.2, §1340 et seq. of Div. 3 of the Health & Safety Code, including the Rules of the DMHC

REFERENCES

- NA

HISTORY

REVISION DATE	DESCRIPTION OF REVISIONS
TBD	Annual review
11/1/18	Annual review
10/5/17	Annual review
4/6/2017	Revision; primarily clarification of existing government code sections
11/3/2016	Annual review
11/05/2015	Annual review; primarily format changes
09/11/2014	Annual review
02/28/2013	Annual review; primarily format changes
04/01/2012	Annual review; primarily format changes
01/01/1996	New Policy

DEFINITIONS

Please visit the L.A. Care intranet for a comprehensive list of definitions used in policies:
<http://insidelac/documents/policies-procedures-definitions>



1.0 **OVERVIEW:**

1.1 To establish the investment guidelines for all operating funds and Board designated reserve funds of L.A. Care Health Plan (L.A. Care) invested on and after November 1, 201~~9~~⁸. The objective is to ensure L.A. Care's funds are prudently invested [in compliance with applicable requirements and](#) according to the Board of Governors' objectives to preserve capital, provide necessary liquidity, and to achieve a market average rate of return through economic cycles.

~~**1.2** This Policy only applies to L.A. Care's investment funds. The Policy does not include retirement, retiree health care savings/trust/plan(s), or deferred compensation plans.~~

~~1.2~~

2.0 **DEFINITIONS:**

Whenever a word or term appears capitalized in this policy and procedure, the reader should refer to the "Definitions" below.

2.1 Agent: An independent third party acting for the Custodian. The Investment Manager may act as Agent.

2.2 Approved NRSRO: Approved NRSROs consists of the following NRSROs: 1) Standard and Poor's, 2) Moody's, and 3) Fitch Ratings.

2.3 Bankers Acceptance: Time drafts which a bank "accepts" as its financial responsibility as a part of trade finance process.

2.4 Commercial Paper: Unsecured promissory notes issued by companies and government entities at a discount.

2.5 Credit Risk: The risk of principal loss due to the failure of the issuer of the security.

2.6 Custodian: A financial institution that [holds securities for the benefit of L.A. Care and](#) has legal responsibility for ~~L.A. Care's~~[those](#) securities.

2.7 Delivery vs. Payment: [A settlement system that stipulates that payment for security must be made at the time the security is delivered to the purchaser or purchaser's agent.](#)

2.7.2.8 Diversification: The reduction of risk by investing in a variety of assets which ensures that a portfolio is not concentrated in securities of any one type, industry, or entity.



- 2.82.9 Federal Agencies and U.S. Government Sponsored Enterprises:** Investments which are obligations, participations, and other instruments of, or issued by, a federal agency or a United States government sponsored enterprise, including instruments issued by, or fully guaranteed as to principal and interest by the issuers.
- 2.92.10 Floating Rate Securities:** Securities that provide for the automatic adjustments of its interest rate whenever a specified interest rate changes.
- 2.102.11 Government Pooled Funds:** Funds of various governmental agencies that are pooled together for investment purposes.
- 2.112.12 Investment Manager:** An individual designated by the Chief Financial Officer (CFO) to manage all or any part of the investment portfolio.
- 2.122.13 Liquidity:** The ability to convert an asset into cash quickly.
- 2.132.14 London Interbank Offered Rate (LIBOR):** The average interest rate that leading banks in London charge when lending to other banks and used as a benchmark for Finance.
- 2.142.15 Market Risk:** The risk of market value fluctuations due to economic change in the interest rate markets.
- 2.152.16 Maturity:** The stated final date at which the principal of the security must be paid, or the unconditional put option date, if the security contains such a provision.
- 2.162.17 Medium Term Maturity Corporate Securities:** Notes issued by a corporation organized and operating within the United States or by depository institutions licensed by the United States, or by any state and are operating within the United States.
- 2.172.18 Money Markets:** A component of financial markets for assets involved in short-term borrowing and lending with original maturities of one year or shorter time frames.
- 2.182.19 Mortgage or Asset Backed Securities:** Securities whereby cash flow from the mortgages, receivables and other assets underlying the security are passed-through as principal and interest payments to the investor.
- 2.192.20 Mutual Funds:** A type of professionally managed investment scheme which pools money from many investors.
- 2.202.21 Nationally Recognized Statistical Rating Organization (NRSRO):** A credit rating agency that issues credit ratings that the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain

regulatory purposes. The SEC's Office of Credit Ratings administers the SEC's rules relating to NRSROs, in addition to performing various other functions with respect to NRSROs.

~~2.21~~2.22 **Negotiable Certificates of Deposit/Time Deposits:** A negotiable receipt for a time deposit at a bank or other financial institution for a fixed time and interest rate.

~~2.22~~ **Prudent Investor Standard (a.k.a. Prudent Man Rule):** A legal rule requiring investment advisers to only make investments for their clients' discretionary accounts that a "prudent man" would make.

2.23 Repurchase Agreements: A purchase of securities under simultaneous agreement to sell these securities back at a fixed price on some future date.

2.24 State of California and Local Agency Obligations: Registered state warrants, treasury notes or bonds of the State of California and bonds, notes and warrants or other evidence of indebtedness of any local agency of the state including bonds payable solely out of the revenue from a revenue producing property owned, controlled, or operated by the State or local agency or by a department, board, agency, or authority of the State or local agency.

2.25 Term: The remaining time to Maturity when the asset is purchased.

2.26 U.S. Treasuries: Direct obligations of the United States government and securities which are fully and unconditionally guaranteed as to the timely payment of principal and interest by the full faith and credit of the United States.

2.27 Variable Rate Securities: Securities that provide for the automatic establishment of a new interest rate on set dates.

3.0 POLICY:

3.1 General

Investment of funds may only be made as authorized by this policy, which conforms to California Government Code (the Code) §53600 et seq., and complies with §1346(a)(11) and §1375.1 et seq. of the California Health & Safety Code, specifically §1376, related to the operations of [L.A. Care as a licensed health care service plan licensed pursuant to Health and Safety Code Section 1340, et.seq. and engaged in Medi-Cal, Medicare, and other programs, as well as to customary standards of prudent investment management.](#) Should the provisions of the Code become more restrictive than those contained herein, such provisions will be considered immediately, incorporated into this policy, and appropriately adopted by the Board of Governors and L.A. Care management.

3.1

3.2 Investment Objectives

In accordance with the regulations cited herein, L.A. Care's primary annual investment objectives are in order of priority as follows:

3.2.1 Safety and Preservation of Capital

Each investment transaction shall seek to ensure that the capital losses are avoided due to market erosion of security value and institutional default or broker-dealer default. L.A. Care shall seek to preserve capital by mitigating the two types of risk, Credit Risk and Market Risk, as follows:

3.2.1.1 Credit Risk will be mitigated through diversification of the investment portfolio.

3.2.1.2 Market Risk will be mitigated by matching Maturity dates to coincide, as much as possible, with L.A. Care's cash flow requirements. It is explicitly recognized herein, however, that in a diversified portfolio, occasional capital losses are inevitable and must be considered within the context of the overall investment return.

3.2.2 Liquidity and Flexibility

The portfolio investments need to be comprised of investments for which there is a secondary market and which offer the flexibility to be sold at any time at prevailing market values with minimal risk of loss of principal and interest.

3.2.3 Total Return

L.A. Care's portfolio will be designed to achieve a market average rate of return similar to other authorized instruments and securities which have similar security, maturities and levels of risk.

3.3 Authority to Invest

3.3.1 The CFO shall have the authority to invest L.A. Care funds and manage the investment portfolio. Such authority is derived by order from the Board of Governors.

3.3.2 The CFO may designate an Investment Manager(s) to manage all or such portions of L.A. Care's funds as the CFO shall determine from time to time. Such Investment Manager(s) shall be subject to this policy and [investment guidelines and](#) any directions provided by the CFO. The CFO will be responsible for all actions undertaken and shall establish a system on internal controls to regulate the activities of subordinate officials, including the Investment Manager(s). Additional information regarding Investment Manager(s) can be found in Paragraph 3.6.

- 3.3.3 No person may engage in an investment transaction except as provided herein and in the procedures established by the CFO and/or Board of Governors.

3.4 Prudence

L.A. Care's Board of Governors, CFO, and persons authorized to make investment decisions on behalf of L.A. Care are trustees and fiduciaries subject to the Prudent Investor Standard, defined as follows:

- 3.4.1 The Prudent Investor Standard, as defined in Government Code §53600.3, requires that when investment officials are investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing funds on behalf of L.A. Care, the investment officials shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of L.A. Care that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of L.A. Care. The Prudent Investor Standard shall be applied in the context of managing an overall portfolio.
- 3.4.2 L.A. Care's investment ~~professionals-trustees and fiduciaries as mentioned in Paragraph 3.4~~ acting in accordance with this policy and any applicable written procedures shall be relieved of personal responsibility for an individual security's credit risk or market risk.

3.5 Ethics and Conflict of Interest

- 3.5.1 L.A. Care's officers and employees involved in the investment process or having authority or influence over such activities are not permitted to have any material financial interests in financial institutions that conduct business with L.A. Care, and they are not permitted to have any personal financial investment holdings that could be materially related to the performance of L.A. Care's investments.
- 3.5.2 L.A. Care officers and employees involved in the investment of funds will follow applicable compliance policies related to disclosure of potential conflicts to the extent the personal business activity or material financial interest is one capable of being known.

3.6 Investment Manager

- 3.6.1 ~~The CFO may designate an Investment Manager(s) to manage any portion of the investment portfolio.~~ Any designated Investment Manager(s) shall



be a fiduciary subject to the Prudent Investor Standard in **Section 3.4.1** with respect to the funds under management.

If outside professional investment management firms are engaged, such firms must be registered investment advisors with the U.S. Security Exchange Commission (the “SEC”), or be appropriately exempt from registration under the SEC Investment Advisers Act of 1940, as amended.

3.6.2 The CFO will:

3.6.2.1 Evaluate candidates for the role of Investment Manager(s). The selected candidates will be reviewed and approved by the Chief Executive Officer (CEO), and Finance and Budget Committee and the Board of Governors.

3.6.2.2 Obtain certification from outside Investment Managers that they will purchase securities from broker-dealers (other than themselves) or financial institutions in compliance with Government Code Section 53601.5 and the Annual Investment Policy.

3.6.2.3 Provide all Investment Manager(s) with a copy of the Annual Investment Policy which will be included in the Investment Manager’s contract.

3.6.2.4 Establish and review the targeted average maturities periodically with the Investment Manager(s).

3.6.2.5 Review the investment diversification and portfolio performance monthly to ensure that the Investment Manager’s compliance with this policy, risk levels and returns are reasonable, and that investments are diversified according to the policy.

3.6.2.6 Investigate any investment made by the Investment Manager(s) which is not authorized by the policy for possible cause for termination of contract.

3.7 Authorized Investments

3.7.1 Maturity and Term

All investments are subject to a maximum five (5) year Maturity or Term.

3.7.2 Eligible Instruments



L.A. Care’s Policy is to invest in the high quality instruments as permitted by the Government Code, subject to the limitations of **the Annual Investment Policy**.

3.7.3 U.S. Treasuries (Government Code Section 53601(b))

<i>Types of US Treasuries</i>	<i>Description</i>
Treasury Bills	3 months, 6 months, and one year securities and traded at a discount.
Treasury Notes and Bonds	Interest bearing instruments issued with maturities of 2 to 5 years
Treasury STRIPS	US Treasury securities that have been separated into their component parts of principal and interest payments and recorded as such in the Federal Reserve book-entry record keeping system.
US Treasury coupon and principal STRIPS	These are not to be considered to be derivatives for the purpose of the Annual Investment Policy and are permitted investments.

3.7.3.1 Maximum Term: Five (5) Years

3.7.4 Federal Agencies and US Government Sponsored Enterprises (Government Code Section 53601(f))

3.7.4.1 These are U.S. Government related organizations, the largest of which are federal intermediaries assisting credit markets, and are often simply referred to as “Agencies.” Any Federal Agency and U.S. Government Sponsored Enterprise security not specifically listed below is not a permitted investment instrument.

“Agencies” are limited to:

Federal Agriculture Mortgage Association	FRMDN
Federal Home Loan Banks	FHLB
Federal Home Loan Mortgage Corporation	FHLMC
Federal National Mortgage Association	FNMA
Federal Farm Credit Banks	FFCB
Student Loan Marketing Association	SLMA
Government National Mortgage Association	GNMA
Small Business Administration	SBA



Export-Import Bank of the United States	Ex-Im Bank
U.S. Maritime Administration	MARAD
U.S. Department of Housing and Urban Developments	HUD
Tennessee Valley Authority	TVA

3.7.4.2 Maximum Term: Five (5) Years

3.7.5 State of California and Local Agency Obligations (Government Code Sections 53601(a), (c), (e))

3.7.5.1 Such obligations must be rated A-1, P-1, or equivalent or better short term; or ~~Aa3~~/~~AA-~~, or equivalent or better long term, by an Approved NRSRO. Public agency bonds issued for private purposes (industrial development bonds) are specifically excluded as permitted investments.

3.7.5.2 Maximum Term: Five (5) Years

3.7.6 Other States' Obligations (Government Code Section 53601(d))

3.7.6.1 Other states' obligations are permitted provided that:

3.7.6.1.1 Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California. However, ownership of out of state local agency bonds is not allowed.

3.7.6.1.2 Such obligations must be rated A-1, P-1, or equivalent or better short term; or ~~A-~~/~~A3a2~~, or equivalent or better long term, by an Approved NRSRO.

3.7.6.2 Maximum Term: Five (5) Years

3.7.7 Bankers' Acceptances (BA) (Government Code Section 53601(g))

3.7.7.1 These short term notes are sold at a discount, and are obligations of the drawer (the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the BA upon Maturity if the drawer does not pay.



- 3.7.7.2 Eligible Bankers' Acceptances are Bankers' Acceptances that are eligible for purchase by the Federal Reserve System, and
- 3.7.7.3 Drawn on and accepted by a bank rated F1 or better by Fitch, or are rated A-1 for short-term deposits by Standard and Poor's or P-1 for short-term deposits by Moody's.
- 3.7.7.4 No more than five percent (5%) of L.A. Care's investment funds may be invested in any one commercial bank.
- 3.7.7.5 Maximum Term: 180 days

3.7.8 **Commercial Paper (Government Code Section 53601(h))**

- 3.7.8.1 Commercial Paper is negotiable, although it is usually held to Maturity. The maximum Maturity is 270 days with most Commercial Paper issued for terms of less than 30 days.
- 3.7.8.2 Investments in Commercial Paper must be:
 - 3.7.8.2.1 Rated A-1, or equivalent, or higher by an Approved NRSRO.
 - 3.7.8.2.2 Issued by corporations rated A-3, or equivalent, or higher by an Approved NRSRO on long term debt, if any, and
 - 3.7.8.2.3 Issued by U.S. corporations or non-U.S. corporations organized and operating within the United States and having total assets in excess of five hundred million dollars (\$500,000,000).
 - 3.7.8.2.4 Asset backed Commercial Paper issued by special purpose vehicles (structure investment vehicles) are prohibited.
- 3.7.8.3 L.A. Care's investment funds may not be used to purchase more than ten percent (10%) of the outstanding Commercial Paper issued by any single issuer.
- 3.7.8.4 Maximum Term: 270 days

3.7.9 **Negotiable Certificates of Deposit (CD) (Government Code Section 53601(i))**

- 3.7.9.1 Negotiable Certificates of Deposit must be issued by a nationally or state chartered bank or savings association, state or federal

credit unions or by a state-licensed branch of a foreign bank, which have been rated as F1 or better by Fitch, or rated as A-1 for short-term deposits by Standard & Poor's or P-1 for short-term deposits by Moody's. No investment shall be made in Negotiable Certificates of Deposit issued by a state or federal credit union if an Investment Official also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the Negotiable Certificates of Deposit.

3.7.9.2 Maximum Term: 270 days

3.7.10 Non-Negotiable Certificates of Deposit (CD) (Government Code Sections 53601.8 & 53635.8)

3.7.10.1 Investment funds managed by an external Investment Manager may not invest in Non-Negotiable Certificates of Deposit.

3.7.10.2 L.A. Care must choose a nationally or state chartered commercial bank, savings bank, savings and loan association, or credit union in this state to invest the funds, which shall be known as the "selected" depository institution, and the funds shall be known as "Placement Service Deposits."

3.7.10.3 The selected depository institution may submit the funds to a private sector entity that assists in the placement of certificates of deposit with one or more commercial banks, savings banks, savings and loan associations, or credit unions that are located in the United States, for the local agency's account.

3.7.10.4 The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

3.7.10.5 Maximum Term: Five (5) years

3.7.11 Repurchase Agreements (Government Code Section 53601(j))

3.7.11.1 Repurchase Agreements are permitted provided that:

3.7.11.1.1 The terms of the agreement does not exceed one year.



3.7.11.1.2 Repurchase Agreements are permitted if collateralized by U.S. Agencies or U.S. Treasuries with any registered broker-dealer or commercial bank insured by the FDIC so long as at the time of the investment:

3.7.11.1.2.1 Such registered broker-dealer is a recognized primary dealer, and

3.7.11.1.2.2 Such primary broker-dealer (or its parent) has an uninsured, unsecured and unguaranteed obligation rated A-1 short term or A long term, or equivalent or better by an Approved NRSRO.

3.7.11.2 A broker dealer master Repurchase Agreement must be signed by the Investment Manager (acting as “Agent”) and approved by the Investment Professional prior to entering into any repurchase transaction.

3.7.11.3 The securities are held free and clear of any lien by L.A. Care’s Custodian or Agent for the Custodian, and such third party is a:

3.7.11.3.1 Federal Reserve Bank, or

3.7.11.3.2 A bank which is a member of the Federal Deposit Insurance Corporation (FDIC) and which has a combined capital surplus and undivided profits of not less than \$50 million and the Custodian shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as Agent for L.A. Care’s Custodian, and

3.7.11.3.3 A perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et seq., or 31 C.F.R 350.0 et seq. in such securities is created for the benefit of L.A. Care’s Custodian.

3.7.11.4 The Agent must provide L.A. Care’s Custodian and Investment Professionals with a valuation of the collateral securities value no less frequently than weekly and shall liquidate the collateral securities if any deficiency in the required one hundred and two percent (102%) collateral percentage is not restored within two business days of such valuation.

3.7.11.5 Maximum Term: One (1) year.



3.7.11.6 Reverse Repurchase Agreements are not allowed.

3.7.12 Medium Term Maturity Corporate Securities (Government Code Section 53601(k))

3.7.12.1 Medium Term Maturity Corporate Securities are corporate and depository institution debt securities with a maximum remaining maturity of five years (5) or less. Medium Term Maturity Corporate Securities must:

3.7.12.1.1 Be Corporate Securities that have a rating of A- or equivalent or better by an Approved NRSROs with a Maturity of five (5) years or less,

3.7.12.1.2 Be issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or by any state and are operating within the United States that have total assets in excess of five hundred million dollars (\$500,000,000),

3.7.12.1.3 Represent no more than five percent (5%) of the issue in the case of a specific public offering. This limitation does not apply to debt that is “continuously offered” in a mode similar to Commercial Paper. (i.e., medium term notes (MTN’s)), and

3.7.12.1.4 Represent no more than 5% of the portfolio for both MTN’s or any corporate security of any one corporate issuer.

3.7.12.2 Maximum Term: Five (5) years

3.7.13 Money Market and Mutual Funds (Government Code Section 53601(l))

3.7.13.1 Investments in shares of beneficial interest issued by diversified management companies (Money Market Funds or Mutual Funds) must be with a company that:

3.7.13.1.1 Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized rating services, or



3.7.13.1.2 If unrated, all funds must be invested 100% in government securities or securities backed by government collateral.

3.7.13.1.3 Any investments in a Mutual Fund must be with a Mutual Fund that invests in the securities and obligations authorized by Government Code Sections 53601(a) to ~~(qk)~~, inclusive, ~~and (m) to (o)~~, inclusive.

3.7.13.1.4 Any investments in a Money Market Fund must be with a Money Mutual Fund that follows regulations specified by the SEC under the Investment Company Act of 1940.

3.7.13.1.5 Not more than ten percent (10%) of L.A. Care's investment funds may be invested in any one Mutual Fund. However, Money Market Funds are not subject to a maximum investment limitation per fund.

3.7.14 Mortgage or Asset Backed Securities (Government Code Section 53601(o))

3.7.14.1 Though these securities may contain a third-party guarantee, they are a package of assets being sold by a trust, not a debt obligation of the sponsor. Other types of "backed" debt instruments have assets (such as leases or consumer receivables) pledged to support the debt service. However, Mortgage Backed Securities primarily backed by sub-prime collateral are not allowed.

3.7.14.2 Investments in any Mortgage Pass-Through Securities, collateralized Mortgage Obligations, Mortgage Backed or other pay through bond, equipment lease backed certificate, consumer receivable pass through certificate, or consumer receivable backed bonds must be:

3.7.14.2.1 Rated AA-, or its equivalent or better by an Approved NRSRO, ~~and~~

~~**3.7.14.2.2** Issued by an issuer rated A-, or equivalent or better by an Approved NRSRO for its long term debt.~~

3.7.14.3 Maximum Term: Five (5) years

3.7.15 Variable and Floating Rate Securities



- 3.7.15.1 Variable and Floating Rate Securities are an appropriate investment when used to enhance yield and reduce risk. They should have the same stability, liquidity and quality as traditional market securities.
- 3.7.15.2 Variable and Floating Rate Securities with a final Maturity not to exceed five (5) years as described above, must utilize traditional Money Market asset indices such as U.S. Treasury Bills, Federal Funds, Commercial Paper or LIBOR. Investment in Floating Rate Securities whose reset is calculated using more than one of the above indices are not permitted, i.e., dual index notes.
- 3.7.15.3 No investments shall be made in inverse floaters, range notes, interest-only strips derived from mortgage pools, and securities that could result in zero-interest accrual if held to maturity. Zero-interest accruals means the security has the potential to realize zero interest depending upon the structure of the security. Zero coupon bonds and similar investments that start at a level below the face value are permissible because the value does increase.
- 3.7.15.4 Maximum term is determined by the underlying security type

3.7.16 Government Pooled Funds (Government Code Section 53601(p))

- 3.7.16.1 Investments are permitted in Government Pooled Funds including, but not limited to, County Pooled Investment Funds, Joint Powers Authority Pools, the Local Agency Investment Fund, and the Voluntary Investment Program Fund.
- 3.7.16.2 A Joint Powers Authority Pool must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years of experience investing in instruments authorized by Government Code Sections 53601(a) to (q~~o~~).
- 3.7.16.3 Any investments in the Voluntary Investment Program Fund must be between \$200 million and \$10 billion dollars and must be approved by the Board of Governors.
- 3.7.16.4 For any investments in the Local Agency Investment Fund or County Pooled Investment Fund, the CFO may provide to the Board of Governors and the auditor the most recent statement or statements received from those institutions in lieu of the



information otherwise required to be provided in the quarterly reports pursuant to Paragraph 6.21.2.

3.7.16.5 Maximum Term: Five (5) years (per Government Code Section 53601)

3.7.17 Supranational Obligations (Government Code Section 53601(q))

3.7.17.1 Certain supranational obligations are permitted provided that the obligations are:

3.7.17.1.1 U.S. Dollar denominated,

3.7.17.1.2 Senior Obligations,

3.7.17.1.3 Issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank,

3.7.17.1.4 Eligible for purchase and sale within the United States, and

3.7.17.1.5 Rated AA-, or equivalent or better by an Approved NRSRO.

3.7.18 Securities Lending

3.7.18.1 Securities lending is allowed but are subject to the conditions and restrictions in the California Government Code Sections 53601(j) and 53601(l).

3.7.19 Derivatives

3.7.19.1 Investments in derivative securities are not allowed, except as permitted by this Annual Investment Policy, including but not limited to, US Treasury STRIPS as discussed in Section 3.7.3.

3.8 Diversification Guidelines

3.8.1 Investment Security Diversification at the time of purchase:



<i>Type of Security</i>	<i>Maximum Portfolio %</i>
US Treasuries, including STRIPS	100%
Federal Agencies, and US Government Enterprises	100%
State Obligations (CA and others) and CA Local Agency Obligations	25%
Bankers Acceptances	40%
Commercial Paper	25%
Negotiable Certificates of Deposit	30%
Non-Negotiable Certificates of Deposit	100%
Placement Service Deposits	30%
Repurchase Agreements	100%
Medium Term Maturity Corporate Securities	30%
Money Market Funds and Mutual Funds Combined	20%
Mortgage and Asset Backed Securities	20%
Variable and Floating Rate Securities	*
Government Pooled Funds	100%
Certain Supranational Obligations	30%

* Maximum holding percentage is based on underlying security type limits listed.

3.8.2 Issuer / Counterparty Diversification Guidelines:

<i>Issuer / Counterparty</i>	<i>Maximum Portfolio %</i>
Any one Federal Agency or Government Sponsored Enterprise	100%
Any one Repurchase Agreement counterparty name:	
If Maturity / Term is less than or equal to 7 days	50%
If Maturity / Term is greater than 7 days	25%

3.8.3 For all other securities described under Authorized Investments that are permitted investments, no more than two percent (2%) of L.A. Care's funds may be invested with any one company, corporation, bank, local agency, or other investment vehicle, unless otherwise stated.

3.8.4 L.A. Care's CFO and Investment Manager(s) (if any) must review the portfolio he/she manages to ensure compliance with L.A. Care's Diversification guidelines at the time of each purchase.

3.9 Leverage

3.9.1 The investment portfolio, or investment portfolios managed by an Investment Manager, cannot be used as collateral to obtain additional investment funds.



3.10 Underlying Nature of Investments

- 3.10.1 L.A. Care and its Investment Manager(s) shall not make investments in organizations which have a line business that is visibly in conflict with public health or the mission of L.A. Care.
- 3.10.2 L.A. Care and its Investment Manager(s) shall not make investments in Negotiable Certificates of Deposit of a state or federal credit union if a member of its Board or Executive Officers also serves on the Board of Governors of that credit union.
- 3.10.3 L.A. Care will provide the Investment Manager(s) with a list of corporations that do not comply with the Annual Investment Policy and shall notify its Investment Manager(s) of any changes.
- 3.10.4 Investment Manager(s) will not enter into any investments with any institutions with which the Investment Manager is affiliated.

3.11 Rating Downgrades

- 3.11.1 L.A. Care may from time to time be invested in a security whose rating is downgraded below the quality permitted in this Annual Investment Policy.

3.11.2 For any security, whose credit rating falls below the minimum required rating required as per the California Government Code and the Investment Policy, the CFO will make the decision whether to continue to hold the security. For all other security rating downgrades, the decision as to whether L.A. Care will continue to hold that security will be left to the Investment Manager.

~~3.11.2 Any security held as an investment whose rating falls below the investment guidelines or whose rating is put on notice for possible downgrade shall be immediately reviewed for action. The decision to retain the security until maturity, sell or put the security, or other action shall be approved by the CFO.~~

3.12 Rating Guidelines

- 3.12.1 A security must be rated by one or more of the following Approved NRSROs: 1) Standard and Poor's 2) Moody's, or 3) Fitch Ratings. Unless specifically stated otherwise for a specific asset class, if a security is rated at different rating levels by two or more Approved NRSRO's, the highest rating will apply.

~~3.1.13.12.2~~ 3.12.2 All investments must adhere to rating requirements outlined under the sections authorizing their purchase under section 3.7.



~~3.12.23.12.3~~ Notwithstanding Section ~~3.7.163.7.163.7.15~~, L.A. Care may invest in Government Pooled Funds that invest only in high grade securities or obligations.

4.0 **PROCEDURES:**

4.1 Safekeeping and Delivery

4.1.1 Investments purchased shall be held by a Custodian bank acting as agent for L.A. Care and such custody agreement shall be in compliance with Government Code Section 53608.

~~4.1.14.1.2~~ All security transactions, including collateral for repurchase agreements, shall be conducted on a ~~dDelivery-versus-vs. pPayment~~ (DVP) basis. Any exception to this standard delivery practice, e.g., DVP failure necessitating delivery other than by simultaneous exchange, ~~will~~shall require written procedural approval by the CFO.

4.2 Authorized Financial Dealers and Institutions

4.2.1 In compliance with Government Code Section 53601.5, investment transactions initiated by or on behalf of L.A. Care may only be transacted with the following.

~~Direct issuers that directly issue their own securities which are allowed investments under this policy.~~

4.2.1.1 Banks and securities broker dealers designated as “Primary Dealers” defined by the Federal Reserve Bank of New York.

4.2.1.2 An institution licensed by the state as a broker dealer as defined in section 25004 of the ~~California Ce~~orporations ~~e~~Code.

4.2.1.3 A member of a federally regulated securities exchange.

4.2.1.4 A national or State Chartered Bank.

4.2.1.5 A savings association or federal association as defined by section 5102 of the ~~California f~~Financial ~~e~~Code.

5.0 **MONITORING:**

5.1 **Board of Governors**

- 5.1.1 The CFO is responsible for providing the Board of Governors with an Annual Investment Policy, and the Board of Governors is responsible for adopting the Annual Investment Policy and ensuring investments are made in compliance with the AFS-008, Annual Investment Policy. Investments will be made in recognition of L.A. Care's need to comply with tangible net equity ([Title 28 California Code of Regulations Section 1300.76](#)) and other solvency and financial reporting requirements set forth by the Department of Managed Health Care. This Annual Investment Policy shall be reviewed and approved annually by the Board of Governors at a public meeting pursuant to Section 53646(a) (2) of the California Government Code.
- 5.1.2 The CFO is responsible for directing L.A. Care's investment program and for compliance with this policy pursuant to the delegation of authority to invest funds or to sell or exchange securities. The CFO shall provide a quarterly report to the Board of Governors. The CFO shall also provide the Board of Governors with a monthly report of investment transactions.

5.2 **Finance and Budget Committee**

- 5.2.1 Duties and responsibilities of the Finance and Budget Committee are distinct from those of the CFO as follows:
- 5.2.1.1 The CFO and staff are responsible for the day-to-day management of L.A. Care's investment portfolio and the making of specific investments.
- 5.2.1.2 The Board of Governors is responsible for the Annual Investment Policy. The Finance and Budget Committee shall not make or direct L.A. Care management to make any particular investment, purchase any particular investment product, or do business with any particular investment companies or brokers. It shall not be the purpose of the Finance and Budget Committee to provide advice to the CFO on particular investment decisions of L.A. Care.
- 5.2.2 The duties and responsibilities of the Finance and Budget Committee shall consist of the following:
- 5.2.2.1 Review of the Annual Investment Policy annually before its consideration by the Board of Governors and recommend revisions.



- 5.2.2.2 Review L.A. Care's investment portfolio quarterly to confirm compliance with the Annual Investment Policy, including its diversification and maturity guidelines.
- 5.2.2.3 Provide comments to the CFO regarding potential investments and potential investment strategies.
- 5.2.2.4 Periodically review investment security diversification and investment strategies with Investment Manager(s).
- 5.2.2.5 Perform such additional duties and responsibilities as may be required from time to time by specific action and direction of the Board of Governors.

5.3 Internal Control and Audit

- 5.3.1 The CFO shall establish internal controls to provide reasonable assurance of compliance with the Annual Investment Policy and the California Government Code. The controls shall also be designed to prevent theft and misuse of funds.
- 5.3.2 Internal controls should include, but are not limited to:
 - 5.3.2.1 Segregation of duties (e.g., the purchaser of investments is different than the person recording the transaction).
 - 5.3.2.2 Reconciliation of investment report and cash balances, and
 - 5.3.2.3 Authorization of transactions.
- 5.3.3 ~~Investment portfolio holdings shall be reviewed monthly by LA Care and/or its Investment Manager(s) purchasing investments to ensure compliance with this investment policy.~~ To ensure compliance with the Annual Investment Policy, the investment portfolio holdings shall be reviewed monthly by the CFO and staff, and the portion of the investment portfolio that each investment Manager is responsible for shall be reviewed by the respective Investment Manager(s).
- 5.3.4 An independent review shall be performed on LA Care's investment holdings on a quarterly basis. This review will provide internal control by assuring compliance with investment portfolio requirements established by ~~this~~ the Annual Investment Policy.



5.3.5 Investment transactions of L.A. Care may be reviewed during the annual audit performed by the public accounting firm selected by the ~~Finance and Budget Audit~~ Committee ~~and approved by the Board of Governors~~. The results of the audit of the investment transactions shall be presented in a report prepared by the auditors to the ~~Finance and Budget Audit~~ Committee and the Board of Governors for their review, acceptance, and action as the Board of Governors deems necessary. A full audit of the investment of L.A. Care may be requested by the Finance and Budget Committee or Board of Governors at any time.

5.3.5.4 Performance Benchmarks

~~5.3.15.4.1~~ L.A. Care's investment portfolio shall be designed to achieve a market-average rate of return through economic cycles similar to authorized investment instruments, which have similar security maturities and levels of risk.

~~5.3.25.4.2~~ The performance benchmarks for the investment portfolio will be based upon the market indices for short term investments of comparable risk and duration. These performance benchmarks will be agreed to by the CFO and the Investment Manager(s) and the relative performance of the investment portfolio will be reviewed with the Finance and Budget Committee quarterly.

6.0 REPORTING:

6.1 Monthly (Government Code Section 53607)

6.1.1 The CFO shall submit a monthly report of investment transactions to the ~~Board~~ Finance and Budget Committee as outlined under ~~G~~ government eCode Ssection 53607.

6.1.2 Quarterly (Government Code Section 53646)

~~6.1.16.2.1~~ At a minimum, the CFO shall present a quarterly report with ~~investment transaction~~ the following information ~~in adequate detail to allow~~ the Finance and Budget Committee ~~to review the investment activities of L.A. Care:~~

~~6.1.2~~

~~6.1.2.16.2.1.1~~ 6.2.1.1 Type of investment;



~~6.1.2.2~~6.2.1.2 Issuer name;

~~6.1.2.3~~6.2.1.3 Date of maturity;

~~6.1.2.4~~6.2.1.4 Par amount;

6.2.1.5 Dollar amount invested in all securities and investments and monies held by L.A. Care;

6.2.1.6 A description of the funds, investments, and programs (including lending programs) managed by contracted parties (i.e., LAIF, investment pools, outside money managers, and securities lending agents);

6.2.1.7 Current market value as of the date of the report of all funds held by L.A. Care and under management of any outside party that is not also a local agency or LAIF and the source of the valuation;

~~6.1.3~~6.2.1.8 A statement of compliance with the investment policy or an explanation for non-compliance; For funds that have been placed in a county investment pool, LAIF, or FDIC insured bank deposit, the CFO may substitute the most recent account statement received from those entities in lieu of the information on these investments that is otherwise required by Section 53646.

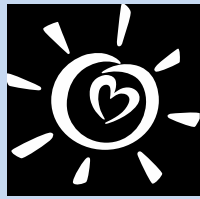
~~6.1.3.2~~6.2.1.9 Return on investments on the total portfolio made by L.A. Care.

~~6.1.4~~—

~~6.1.5~~—The quarterly report will be summarized and presented as a report from the Finance and Budget Committee to the full Board of Governors in accordance with Government Code Section 53646(b).

~~6.1.6~~—





L.A. Care
HEALTH PLAN®

Board of Governors
MOTION SUMMARY

Date: November 7, 2019

Motion No. BOG 101.1119

Committee:

Chairperson: Hector De La Torre

Issue: Approve revisions to Accounting & Financial Services Policies AFS-002 (Capital Assets) and AFS-004 (Non-Travel and Other Expenses).

Background: On an annual basis, L.A. Care's Financial policies are brought to the Board for review, updates and approval. This year, we are bringing two policies to the Board for review which have minor updates to the policies. A summary of these policies is provided below:

Capital Assets Highlights:

- Policy provides for the acquisition, monitoring and disposal of Capital Assets
- Policy includes capitalization of software implementation

Non-Travel and Other Expenses Highlights:


- Policy defines approvals and appropriate expenses related to catering and employee spending.
- Establishes Board reporting and oversight of related spending.

Member Impact: This action will not directly affect L.A. Care members.

Budget Impact: None

Motion: To approve the following Accounting & Financial Services Policies as attached:

- AFS-002 (Capital Assets)
- AFS-004 (Non-Travel and Other Expenses)

	CAPITAL ASSETS		AFS-002
	DEPARTMENT	FINANCE SERVICES	
Supersedes Policy Number(s)			

DATES					
Effective Date	4/1/2002	Review Date	10/28/2019 10/28/2019	Next Annual Review Date	10/28/2020
Legal Review Date	10/22/2019 10/22/2019	Committee Review Date	10/28/2019		

LINES OF BUSINESS			
<input type="checkbox"/> Cal MediConnect	<input type="checkbox"/> L.A. Care Covered	<input type="checkbox"/> L.A. Care Covered Direct	<input type="checkbox"/> MCLA
<input type="checkbox"/> PASC-SEIU Plan	<input checked="" type="checkbox"/> Internal Operations		

DELEGATED ENTITIES / EXTERNAL APPLICABILITY			
<input type="checkbox"/> PP – Mandated	<input type="checkbox"/> PP – Non-Mandated	<input type="checkbox"/> PPGs/IPA	<input type="checkbox"/> Hospitals
<input type="checkbox"/> Specialty Health Plans	<input type="checkbox"/> Directly Contracted Providers	<input type="checkbox"/> Ancillaries	<input type="checkbox"/> Other External Entities

ACCOUNTABILITY MATRIX			
Enter department here	Enter policy §§ here		
IT Operations & Infrastructure	ITOI-006, <u>ITOI-010</u>		

ATTACHMENTS
➤ Enter all attachments here (e.g., desktop procedures/job aids, templates, reports, letters)

ELECTRONICALLY APPROVED BY THE FOLLOWING		
	OFFICER	DIRECTOR
NAME	Marie Montgomery	Angela Bergman
DEPARTMENT	Finance Services	Accounting Services
TITLE	Chief Financial Officer	Controller



AUTHORITIES

- FASB Accounting Standards Codification (ASC) 105, Generally Accepted Accounting Principles
- FASB ASC 360, Property, Plant, and Equipment
- FASB ASC 350-40, Internal-Use software
- FASB Accounting Standards Updates (ASU) 2015-05, Intangibles – Goodwill and other Internal-Use Software
- Financial Accounting Standards (FAS) No. 142, Goodwill and Other Intangible Assets
- GASB Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries
- GASB Statement No. 51, Accounting and Financial Reporting for Intangible Assets

REFERENCES

- ITOI-006 “Asset Management Guidelines”
- ITOI-010 “Secure Data Disposal”

HISTORY

REVISION DATE	DESCRIPTION OF REVISIONS
05/11/09	Supersedes Policy #1503
06/11/14	Supersedes Policies AFS-003 and AFS-005
<u>10/28/2019</u>	<u>Annual update of Policy; revised format and wordings</u>

DEFINITIONS

Please visit the L.A. Care intranet for a comprehensive list of definitions used in policies:
<http://insidelac/ourtoolsandresources/departmentspoliciesandprocedures>



1.0 Overview:

The objective is to establish L.A. Care Health Plan (L.A. Care)'s policy for capital assets and to clarify definitions of the capitalization policy, fixed asset categorization, guidelines and procedures for acquisition, safeguarding and disposal. This policy assures that L.A. Care complies with the requirements of Generally Accepted Accounting Principles (GAAP) referenced in Section 2.16 below to ensure proper recording and control of the capital assets.

2.0 DEFINITION(S):

Whenever a word or term appears capitalized in this Policy and Procedure, the reader should refer to the "Definitions" below.

- 2.1 **Account #10915 "Work in Progress":** Includes costs associated with on-going projects related to software development, computer equipment, leasehold improvement or furniture purchases for office relocations.
- 2.2 **Account #10916 "Inventory – IT Equipment":** Includes costs associated with inventories of computer equipment purchased at one time to take advantage of cost savings and deployed over several months.
- 2.3 **Account #10925 "Furniture - Sac":** Includes all capitalized expenditures in L.A. Care's Sacramento office for office furniture, including desks, chairs, file cabinets, bookcases, and tables including modular furniture.
- 2.4 **Account #10927 "Furniture – 7th St/Garland":** Includes all capitalized expenditures for office furniture, including desks, chairs, file cabinets, bookcases, and tables including modular furniture.
- 2.5 **Account #10928 "Office Equipment":** Includes all capitalized expenditures for office equipment, including copiers, mailing machines, reproduction and graphics equipment, fax machines, video equipment, and projection machines.
- 2.6 **Account #10930 "Telephone Equipment":** Includes all capitalized expenditures for telephone equipment, including switches, reader boards, PBX and Star/conferencing equipment, and dedicated servers. Individual telephone units are not included.
- 2.7 **Account #10935 "Personal Computers and Printers":** Includes all capitalized expenditures for individual workstation PCs, monitors, and printers. Networked, high-speed printers are included in other computer equipment. Expendable



computer supplies, purchases of computer mouse, keyboards, pads, diskettes, and memory upgrades shall not be capitalized.

- 2.8 Account #10940 “Other Computer Equipment”:** Includes all capitalized expenditures for network equipment such as servers, racks, switches, and high-speed network printers, except those dedicated to the phone systems.
- 2.9 Account #10945 “Computer Software”:** This account category is intended for recording enterprise-wide systems and software-application implementations that are purchased by L.A. Care. Software licenses, maintenance agreements, upgrades, or additional user fees should not be capitalized.
- 2.10 Account #10951 “Leasehold Improvements”:** Includes expenditures greater than \$10,000 for improving or reconfiguring the functional use of leased building/space.
- 2.11 Account #10961 “Data Mastery Repository (DMR)”:** Includes expenditures associated with the development of a centralized data repository for L.A. Care’s administrative personnel and management.
- 2.12 Account #10962 “CORE System”:** Includes expenditures associated with the development of a centralized data system to standardize L.A. Care’s business processes to serve the needs of members and providers.
- 2.13 Account #10975 “Capital Leases”:** Asset account to be used when entering into equipment leases whose financial terms and conditions meet the criteria set forth in the Statement of Financial Accounting Standards (SFAS) No. 13, Accounting for Leases.
- 2.14 Custodian:** The person to whom an asset is assigned for use or safekeeping.
- 2.15 Fixed Asset System (FAS):** The Accounting & Financial Services software used to manage fixed assets.
- 2.16 Generally Accepted Accounting Principles (GAAP):** The common set of accounting principles, standards and procedures that companies use to compile their financial statements. GAAP are a combination of authoritative standards and requirements of FASB and Governmental Accounting Standards Board (GASB), which simply set the commonly accepted ways of recording and reporting accounting information.
- 2.17 Information Systems Assets:** For purposes of this policy, this includes items capitalized in the following general ledger accounts:
- 2.17.1 10930 Telephone Equipment;**



2.17.2 10935 Personal Computers and Printers;

2.17.3 10940 Other Computer Equipment;

2.17.4 10945 Computer Software;

2.17.5 10962 CORE System.

2.18 Non-Information Systems Assets: For purposes of this policy, this includes items capitalized in the following general ledger accounts:

2.18.1 10925 Furniture - Sac;

2.18.2 10927 Furniture – 7th St/~~Garland~~;

2.18.3 10928 Office Equipment;

2.18.4 10951 Leasehold Improvements.

2.19 Per Unit: Consists of items, units or components that work together and are generally not separated during the life of the asset. The Accounting & Financial Services Department will determine the exact composition of the unit to be capitalized.

2.19.20 Designee(s): A “Designee” is someone who is designated by the authorized approver to approve on their behalf when the authorized approver is not available or wishes to delegate this authority. A list of all qualified employees will be kept in Accounts Payable department as an internal document maintained on a regular basis.

3.0 **POLICY:**

Capitalization

3.1 L.A. Care records and capitalizes purchases of furniture, fixtures, office equipment, software, and computer equipment as capital assets, when cost (including freight and taxes), Per Unit, is \$10,000 or greater effective October 1, 2017. The capitalization threshold was \$5,000 effective June 1, 2014 and \$2,000 prior to June 1, 2014. Assets that work together and generally are not separated during the life of the asset should be capitalized as one (1) asset (i.e., office furniture grouping, PC components).

3.2 For items less than \$10,000 total value Per Unit, see policy ITOI-006.

3.3 For leasehold improvements, the capitalization threshold amount outlined in 3.1 above applies, which shall be \$10,000, and the financial standards criteria for definition and accounting for leasehold improvements in accordance with GAAP shall be met.

- 3.4** For intangible assets including internally developed software, only costs associated with the development stage are eligible for capitalization. Cloud-based application implementation with embedded license will be treated as software.
- 3.4.1** The software development costs may be capitalized if the software:
- (1) is an integral part of the IT system, or, identifiably enhances the functionality of the system because of its direct relationship to it;
 - (2) requires substantial customized modifications to achieve expected level of performance;
 - (3) is obtained through a long term contractual arrangement.
- 3.4.2** Capitalized development costs are limited to:
- (1) Fees paid to third parties (including travel expenses) to customize the software;
 - (2) Costs of obtaining software from third parties;
 - (3) Salaries, benefits and travel expenses of employees who devote their time to develop the software (must be supported by or records);
 - (4) Interest costs, if applicable.
- 3.4.3** Indirect costs including project management, training, overhead and data conversion are excluded.
- 3.4.4** Modification of computer software that is already in operation should be capitalized in the same manner as outlined above if the modification results in an increase in functionality, efficiency, or extension of the estimated useful life.

Depreciation

- 3.45** L.A. Care will depreciate furniture over sixty (60) months and all other capital equipment and computer software over thirty-six (36) months.
- 3.56** Expenditures capitalized and charged to the Account #10951 - Leasehold Improvement will be amortized over the number of months remaining in the related building lease.
- 3.67** Capitalized software and development costs should be amortized over useful life not to exceed sixty (60) months.
- 3.78** The useful life should be determined by Information Technology (IT) Department of all pertinent factors impacting the estimated useful life, including the expected use, any legal, regulatory, or contractual provisions, and the effects of obsolescence, demand, competition and the level of maintenance expenditures required.

**4.0 PROCEDURES:**

4.1 L.A. Care has established the following capital asset categories:

Account No.	Category
10915	Work in Progress (WIP)
10916	Work in Progress (WIP) – Inventory
10925	Furniture – Sac
10927	Furniture – 7 th St/Garland
10928	Office Equipment
10930	Telephone Equipment
10935	Personal Computers
10940	Other Computer Equipment
10945	Computer Software
10951	Leasehold Improvements
10960	MIS Project (inactive)
10961	DMR (Data Mastery Repository - inactive)
10962	CORE System
10965	EDS Beneficiary Eligibility (inactive)
10975	Capital Leases

Acquisitions

- 4.2 Managers making the fixed asset purchases will notify Procurement, ~~Receiving~~ and Accounting & Financial Services Departments in advance of delivery and request for an asset tag for each capital item.
- 4.3 An asset tag should be affixed to an accessible location on the asset upon arrival of the capital item.
- 4.3.1 For Information Services Assets, this procedure should be performed by the Help Desk, or Managers making the purchases in the I.T. Operations & Infrastructure Department.
- 4.3.2 For Non-Information Services Assets, this procedure should be performed by Facilities Services.
- 4.3.3 If an asset cannot be physically tagged, a tag number must still be assigned. The tag should be affixed to the invoice and filed in the permanent files.
- 4.4 Fixed assets, with the exception of laptop computers, should remain within L.A. Care premises. In the case where assets must be removed from L.A. Care premises,



the removal and return of the asset should be documented and approved by the Director of IT Operations, Infrastructure & Security for Information Services Assets and by the Director of Facility Services for Non-Information Services Assets. Examples of such cases would be Information Systems assets used for disaster recovery tests or office equipment assigned to ~~Regional-Community Consumer~~ Advisory Committees (RCCAC's) or the Executive Consumer Advisory Committee (ECAC).

- 4.5** The Custodian, Custodian's department, location floor, and room number should be recorded in the FAS System at acquisition, and kept up to date for all fixed assets.
- 4.6** The Accounting & Financial Services staff will determine the cost and useful life of the asset and enter all required information into the FAS System upon complete process of payment and validation against the invoice of all asset tags issued in Section 4.32 above.
- 4.6.1** A copy of the information entered into the system, as well as any allocation worksheets, will be affixed to the documentation received from Accounts Payable and retained by the Accounting & Financial Services Department.
- 4.6.2** The FAS System will be reconciled with the general ledger on a monthly basis to ensure that all acquisitions are recorded properly.

~~To verify that fixed asset assignments are being kept up to date, Accounting & Financial Services will, at least every other year, conduct a full physical inventory of all fixed assets capitalized and recorded in the FAS System.~~

~~The inventory process will include verification of the fixed asset Custodian, department, location, and floor.~~

~~Accounting & Financial Services will correct any outdated information in the FAS System.~~

~~The Chief Financial Officer (CFO) and Chief Information Officer (CIO) will be notified of any fixed assets that cannot be located or are reported as lost or stolen at the time of inventory.~~

Disposal

- 4.7** An asset may be disposed of if the asset is damaged, obsolete, or in rare cases lost or stolen. The disposal of assets for L.A. Care will strictly adhere to the procedures outlined in this policy.



- 4.8** The eCustodian should notify the department responsible for the asset:
- 4.8.1** For Information Services assets, notify the Help Desk.
 - 4.8.2** For Non-Information Services assets, notify the Director of Facilities Services or Designee.
 - 4.8.3** If an asset is stolen, a police report should be provided as well.
 - 4.8.4** If an asset is lost, a written explanation and acknowledgement from the Custodian's department director should be provided as well.
- 4.9** The Help Desk or Facilities Services, as applicable, should retrieve the asset(s) to be disposed of and stored in a locked room while maintaining an asset log for all these items. Accounting & Financial Services should be notified of the tag number(s), method of disposal, and reason for disposal. The Accounting & Financial Services Staff will remove the tag from the asset and visually confirm that the item is safeguarded in the locked room for disposal.
- 4.10** The responsible Accounting & Financial Services staff will complete a Fixed Asset Disposal Form for each asset to be disposed of and affix the asset tag to the disposal form.
- 4.10.1** For stolen assets, a copy of the police report should be attached to the disposal form.
 - 4.10.2** For lost assets, a written explanation acknowledged by the eCustodian's department Director should be attached.
- 4.11** The Fixed Asset Disposal form(s) should be reviewed and approved:
- 4.11.1** For Information Services Assets, the form should be reviewed and approved by the Controller, the Chief Technology and Information Officer CIO, and the Chief Financial Officer CFO or respective designees.
 - 4.11.2** For Non-Information Services Assets, the form should be reviewed and approved by the Controller, the Director of Facilities Services, and the Chief Financial Officer or designees CFO.
- 4.12** After approval is obtained, Accounting & Financial Services staff



will notify the Help Desk or Director of Facilities Services, as applicable, that the asset can be disposed of in the manner noted on the Fixed Asset Disposal form.

4.12.1 All assets that contain Protected Health Information (PHI), as defined by the Health Insurance Portability and Accountability Act (HIPAA), must be disposed of in accordance with ~~ISHD002-ITOI-010~~ Secure Data Disposal Policy. This includes desktop and laptop computers, hard drives, media, flash drives, external hard drives, and any other devices that can store data and may contain PHI.

4.13 Accounting & Financial Services staff will record the disposal date in the FAS System and General Ledger. The original Fixed Asset Disposal form will be retained in the Accounting & Financial Services department.

Impairment

4.14 Impairment exists when the carrying amount of an intangible asset exceeds its fair value and is non-recoverable and the loss shall be recognized in accordance with GAAP.

4.15 All capital assets, including software and development costs, shall be tested annually for impairment based on the evaluation by IT and Facility Services of all pertinent factors impacting the fair value, including any significant changes in the service potential (retired or no longer fulfilling the same purpose), the use of the software, costs of making necessary modifications, the effects of obsolescence, etc.

5.0 MONITORING

5.1 To verify that fixed asset assignments are being kept up to date, Accounting & Financial Services will, at least every other year, conduct a full physical inventory of all fixed assets capitalized and recorded in the FAS System.

5.1.1 The inventory process will include verification of the fixed asset Custodian, department, location, and floor.

5.1.2 Accounting & Financial Services will correct any outdated information in the FAS System.



5.1.3 The Chief Financial Officer-(CFO) and Chief Technology and Information Officer-(CIO) or Designees will be notified of any fixed assets that cannot be located or are reported as lost or stolen at the time of inventory

6.0 REPORTING

4.156.1 Finance department is responsible for presenting financial statements to the Board of Governors on a monthly basis.



NON-TRAVEL AND OTHER RELATED EXPENSES

AFS-004

DEPARTMENT	ACCOUNTING AND FINANCIAL SERVICES
Supersedes Policy Number(s)	1900

DATES					
Effective Date	8/21/1997	Review Date	9/26/2018 10/28/2019	Next Annual Review Date	9/26/2018 10/28/2020
Legal Review Date	10/21/2019 10/22/2019	Committee Review Date	10/28/2019		

LINES OF BUSINESS			
<input type="checkbox"/> Cal MediConnect	<input type="checkbox"/> L.A. Care Covered	<input type="checkbox"/> L.A. Care Covered Direct	<input type="checkbox"/> MCLA
<input type="checkbox"/> PASC-SEIU Plan	<input checked="" type="checkbox"/> Internal Operations		

DELEGATED ENTITIES / EXTERNAL APPLICABILITY			
<input type="checkbox"/> PP – Mandated	<input type="checkbox"/> PP – Non-Mandated	<input type="checkbox"/> PPGs/IPA	<input type="checkbox"/> Hospitals
<input type="checkbox"/> Specialty Health Plans	<input type="checkbox"/> Directly Contracted Providers	<input type="checkbox"/> Ancillaries	<input type="checkbox"/> Other External Entities

ACCOUNTABILITY MATRIX			
Accounting	All sections		

ATTACHMENTS
➤ Enter all attachments here (e.g., desktop procedures/job aids, templates, reports, letters) <u>See 2 attachments – No updates required</u>

ELECTRONICALLY APPROVED BY THE FOLLOWING		
	OFFICER	DIRECTOR
NAME	Marie Montgomery	Angela Bergman

DEPARTMENT	Finance Services	Accounting Services
TITLE	Chief Financial Officer	Controller

NON-TRAVEL AND OTHER RELATED EXPENSES

AFS-004

POLICY HISTORY		
REVIEW DATE	COMMENTS	NEXT ANNUAL REVIEW DATE
05/11/2009	Supersedes policy 1900	
05/07/2015	Annual Review	

DESKTOP PROCEDURES
Desktop procedures are incorporated by reference in all L.A. Care policies
DEFINITIONS
Please visit the L.A. Care intranet for a comprehensive list of definitions used in policies: http://insidelac/ourtoolsandresources/departmentpoliciesandprocedures

1.0 OVERVIEW:

1.1 This policy establishes L.A. Care Health Plan's (L.A. Care) policy for non-travel-related and other related expenses, incurred by employees, members of the Board of Governors, stakeholder [committees](#), and members of the Community Advisory Committees (CAC) on behalf of L.A. Care. Please refer to policy AFS-027, "Travel Expenses," for information on reimbursable travel and other expenses.

2.0 DEFINITIONS:

Whenever a word or term appears capitalized in this policy and procedure, the reader should refer to the "Definitions" below.

2.1 ~~2.1~~ Designee(s): A ~~"D~~esignee" is someone who is designated by the authorized approver to approve on their behalf when the authorized approver is not available or wishes to delegate this authority. A list of all qualified employees authorized as Designees will be kept in Accounts Payable department as an internal document maintained on a regular basis.

~~2.12.2~~ **Business Unit Manager:** A Business Unit Manager is someone who is authorized to make spending decisions for a department.

3.0 POLICY:

3.1 L.A. Care, as a public entity, has a fiduciary responsibility to utilize funds in a responsible and prudent manner. All employees, Board members, stakeholder committee members and CAC members have a fiduciary role when requesting reimbursement for business-related expenditures, to provide adequate supporting documentation, rationale, and explanation for all reimbursable expenses.

3.2 Expenses covered under this policy. Expenses covered under this policy are Non-Travel-Related Meal and Event Expenses, and expenses that are necessary, reasonable, appropriate, and allowable. Examples of such expenses include, but are not limited to:

3.2.1 Any lunch, event, or gathering at which stakeholders are in attendance, such as Board of Governors' meetings, stakeholder relationship events/outreach, and education events.

3.2.2 Any lunch, event, or gathering for internal staff only (no stakeholders in attendance), such as:

3.2.2.1 Recruitment or on-boarding/orientation events as approved by Human Resources (HR) department.

3.2.2.2 Discretionary staff spending for recognition, retention, and employee engagement as approved by HR department.

3.2.2.3 Group trainings and development sessions that extend through normal break or meal times as approved by HR department.

3.2.2.4 Weekend or Holiday work deemed mandatory or high-priority at the Officer or Deputy Officer-level.

3.2.2.5 Extenuating circumstances as approved by CFO or Designee only.

3.2.3 These expenses must be pre-approved in accordance with the procedures referenced in Section 3.0.

3.3 Expenses not covered under this policy. Under no circumstances will L.A. Care reimburse for any expenses that are not covered under this policy. Examples of expenses which are not covered under this policy and will not be reimbursed include, but are not limited to:

3.3.1 The purchase of alcoholic beverages.

3.3.2 Routine working lunches onsite or offsite.

3.3.3 Staff meetings.

3.3.4 Group trainings and development sessions that extend through normal break or meal times not approved by HR department.

3.3.5 Non-travel-related meal expenses or event expenses for:

3.3.5.1 Birthdays, retirement, or holiday parties.

3.3.5.2 Workplace programs and employee recognition retention and employee engagement not approved through the expense approval procedure referenced in Section 3.0.

3.3.5.3 **Gifts.** L.A. Care will not reimburse for purchases of gifts.

3.3.5.3.1 **Expression of Concern.** Contact the Human Resources department if an expression of concern is appropriate. L.A. Care will not reimburse personal expenses for such expressions of concern.

3.3.5.3.2 **Special Occasions.** L.A. Care will not reimburse the costs of personal gifts for special occasions, including holiday gifts, flowers, or birthday cakes.

3.3.5.3.3 **Credit Cards.** L.A. Care does not provide reimbursement for credit card late payment charges, annual credit card fees, or credit card service charges for non-sufficient funds/checks.

3.3.5.3.4 **Cellular Phone.** L.A. Care will not reimburse for the cost of purchasing and/or installing a mobile/cellular telephone and/or related communications equipment, except in accordance with L.A. Care policy ITOI-019, "Laptop and Mobile Devices." 91

3.3.5.3.5 Furniture, Equipment, and Other Capital Assets. L.A. Care will not reimburse for purchases of furniture, office or computer equipment, and other capital assets. These items should be acquired through the purchasing process.

3.4 Special Considerations

3.4.1 Stationery, Books, Supplies.

3.4.1.1 All supplies should be purchased directly by L.A. Care in accordance with AFS-007. If exceptional circumstances require that ~~the~~ employees, Board members, or CAC members incur the expense themselves, approval must be obtained from the ~~Accounting Procurement~~ department [prior to processing any employee reimbursements.](#) and the approval process outlined in Section ~~43.0~~ must be followed.

3.4.2 Tuition, Professional Licenses/Certification, Professional Exams.

3.4.2.1 For education expenses, such as tuition reimbursement where employees seek to expand and broaden their professional skills and knowledge through regionally accredited colleges, university programs, and recognized professional institutions, please see policy HR-710, “Reimbursement for Educational Expenses Policy” and consult with the ~~Human Resources Learning & Career Services~~ department.

3.4.2.2 For reimbursement of professional expenses for employees whose positions are required by regulation to maintain current licenses, certifications, or memberships in order to perform the duties and functions of the job, please see policy HR-118, “[Reimbursement for License/Certification Renewal Expenses.](#)”

3.4.2.3 ~~For t~~Training not covered above and ~~performed done~~ onsite, offsite, or online, [please](#) see policy AFS-027 “Travel and Other Expenses.”

3.4.3 Child/Dependent Care Expenses (Board and CAC Members only)

3.4.3.1 Board members and CAC members may seek reimbursement of reasonable out-of-pocket expenses related to care-taking services for their own children and/or dependents while attending L.A. Care business-related meetings and functions. Board and CAC members are encouraged to use personal resources to limit the amount of expense incurred. All child and/or dependent care expense reimbursement requests are subject to designated L.A. Care staff review and approval.

3.4.3.2 Reimbursement for child and/or dependent care services shall not be provided to Board members or CAC members when attending meetings or events at which child and/or dependent care services have been arranged and paid for

by L.A. Care unless special circumstances have been determined and pre-approved by designated L.A. Care staff.

3.4.3.3 Child and/or dependent care expenses shall not be reimbursed to L.A. Care employees.

3.4.4 Personal Property/Clothing and Household Expenses (Employees Only).

3.4.4.1 L.A. Care has no obligation or liability to reimburse for the cost of stolen or misplaced personal property. Therefore, individuals are discouraged from using personal items for business purposes.

3.4.4.2 All L.A. Care uniforms must be purchased and approved by the Sales and Marketing department ~~e~~Designee.

3.5 Disciplinary Action (Employees). Employees who violate this policy may be subject to disciplinary action up to and including immediate termination of employment. Failure of temporary agency staff members to comply with this policy will result in appropriate action up to ending the temporary staff member's assignment with L.A. Care.

3.6 Board and CAC Members. If a member of the Board or a CAC member fails to meet the requirements of this policy, he or she will be notified separately of such non-compliance by the CFO, the CEO or their Designees. Any repetition of the offence or any other circumstance of non-compliance which calls for corrective action may result in removal from the position in accordance with applicable laws and/or L.A. Care policies, procedures, operating rules, or by-laws.

4.0 Procedures PROCEDURES:

4.1 Expenses must be pre-approved in accordance with the following procedures:

Expense Approval Process:

4.1.1 The Business Unit Manager or Designee must complete and submit a Project & Event Justification Form (See Attachment 1) prior to expenses being incurred. Business Unit Manager or ~~e~~Designee must plan in advance to account for approval lead times.

4.1.2 The Business Unit Manager or ~~e~~Designee must use the most recent federal guidelines per diem rates for meals when determining request amounts for expenses covered under this policy. These per diem rates will provide per person dollar amount guidelines for breakfast, lunch, and dinner. The GSA per diem rate guidelines can be found at <http://www.gsa.gov/portal/category/100120>.

4.1.3 The Business Unit Manager or ~~e~~Designee must complete and acquire approval of the Project & Event Justification Form from the responsible director and officer or deputy officer before submitting to Accounting Services. Accounting Services will seek to obtain CFO and CEO approvals. The following limits indicate when Board of Governors approval will also be required.

4.1.3.1 Expenses of up to \$10,000 per project must be approved by CFO and CEO or respective eDesignees.

4.1.3.2 If the cost of project is greater than \$10,000 per project, approvals will be required by CEO and CFO as well as Board of Governors. Business Unit Manager or eDesignee must submit a motion through his or her division first to the Finance & Budget Committee, then to the Board of Governors for consideration, discussion, and approval.

4.1.3.3 Business Unit Manager or eDesignee must not submit more than one Project & Event Justification Form for one individual project or event in order to keep forms under the \$10,000 threshold and avoid Board of Governors' approval.

4.1.4 When the Project & Event Justification Form and motion (when applicable) are approved, the Accounting and Finance department will open a project code for the approved expenses and communicate this code to the Business Unit Manager.

4.1.5 The Business Unit Manager or eDesignee is responsible for managing to the dollar amount of the approved expense. The per-year spending shall not exceed the per-year dollar amount maximum of approved Project & Event Justification Form and/or motion.

4.1.6 After the expense is approved and when the actual purchases need to be made on expenses covered under this policy, the Business Unit Manager or eDesignee must submit a Non-Travel Meals Request Form for approval in advance of the event.

4.1.6.1 Exception for Extenuating Circumstances. If completing a Non-Travel Meals Request Form in advance of the event is not feasible due to extenuating circumstances, the form may be submitted after the event with CFO or CEO approval.

4.1.7 The Non-Travel Meals Request Form must include the assigned project code and be approved by the operational manager and officer or deputy officer.

4.1.8 Accounting and Finance will first ensure that the Project & Event Justification Form is properly approved, then either approves or rejects the Non-Travel Meals Request Form (Attachment 2) based on approved expense limits, which are not to exceed GSA limits.

4.1.8.1 Signed invoices and Check Request Forms should be submitted to Accounts Payable along with the approved Non-Travel Meals Request Form for payment.

4.1.8.2 Original itemized receipts are required under policy AFS-004 for reimbursement.

4.1.8.3 If not approved, the spending cannot be paid by L.A Care.

~~4.1.9 Monitoring and Reporting.~~

~~4.1.9.1 The Business Unit Manager or designee is responsible for ensuring that all expenses are processed timely and coded with the correct project codes.~~

~~4.1.9.2 Variance reports between actual versus budgeted project costs will be provided to Business Unit Managers on a monthly basis. Expenditures for expenses covered under this policy will be reported to the Board of Governors on a quarterly basis.~~

~~4.1.104.1.9~~ **Retroactive Approval.** A retroactive approval is considered only in eExtenuating cCircumstances. A request after the fact must be submitted to the applicable officer or deputy officer, and CFO or ~~d~~Designee for approval. Once the CFO or ~~d~~Designee has approved the expenditure, the requestor must bring the approval to the Accounting and Finance department for final processing.

~~4.1.114.1.10~~ **Overages.** Overages of 10% or less of the original project approval amount can be processed with CEO approval. For overages over 10% of the original project approval amount, the Business Unit Manager or ~~d~~Designee must complete the Expense Approval Process (Section 4.1).

~~4.1.124.1.11~~ **Disputes.** The CFO or ~~d~~Designee shall make the final determination on disputed expenses.

4.2 All decisions not approving projects/events are final and not appealable.

5.0 MONITORING

5.1 The Business Unit Manager or Designee is responsible for ensuring that all expenses are processed timely and coded with the correct project codes.

6.0 REPORTING

4.26.1 Variance reports between actual versus budgeted project costs will be provided to Business Unit Managers on a monthly basis. Expenditures for expenses covered under this policy will be reported to the Board of Governors on a quarterly basis.



Board of Governors
MOTION SUMMARY

Date: November 7, 2019

Motion No. BOG 102.1119

Committee:

Chairperson: Hector De La Torre

Issue: Renewal of Technical Support Services for Oracle Software Products

New Contract **Amendment** **Sole Source** **RFP/RFQ was conducted**

Background: L.A. Care requests approval to renew Oracle Technical Support Services through November 10, 2020, in an amount not to exceed \$2,210,000.

L.A. Care has used Oracle software products and services since 1999 for member auto assignment, encounter data processing and repository, the database for Enterprise Data Warehouse, and numerous other functions, all of which are vital components to L.A. Care's business continuity. The renewal of Support Services is necessary for continued operations on the existing Oracle platform.

A request for proposal (RFP) was not conducted as Oracle America, Inc. is a preferred vendor and the sole provider of these products and services. Oracle products require specific support and maintenance that can only be provided by the expertise of the product vendor.

Member Impact: This renewal directly impacts Member Support as Oracle applications are used for member auto-assignment and encounter data processing.

Budget Impact: This expense was anticipated and included in the Information Technology department budget for FY 2019-20.

Motion: **To authorize staff to renew Technical Support Services for L.A. Care's Oracle Software Products in an amount not to exceed \$2,210,000 through November 10, 2020.**



Board of Governors
MOTION SUMMARY

Date: November 7, 2019

Motion No. BOG 103.1119

Committee:

Chairperson: Hector De La Torre

Issue: Renewal of Salesforce, Inc. (Salesforce) Customer Relationship Management (CRM) software subscription services for customer solution center agents, other L.A. care users, and broker agents & other external users.

New Contract Amendment Sole Source RFP/RFQ was conducted

Background: In June of 2017 an RFP was conducted and L.A. Care selected Salesforce given its proven CRM expertise, health plan experience, and fit with L.A. Care’s VOICE program’s strategic goals. L.A. Care staff is now requesting to renew the subscription with Salesforce, extending its term for one year through October 31, 2020 in an amount up to \$2,800,000 to provide hosted services for:

- Customer Solution Center (CSC)- Provider Service Unit - Intelligent Desktop (IDT) to enable creation of service cases for Provider calls related to claims and workflow of such service cases, as necessary, to other L.A. Care departments for resolution; other departments include Claims department and Payment Integrity department
- Service Authorization Request (SAR) Release 2: Service Authorization Request used by CSC Member calls when necessary
- Member Outreach, Retention and Engagement (MORE) department to manage member communication preferences, campaigns, and touch points
- Other departmental apps and Broker Agent Portal users

Member Impact: The Salesforce-based IDT application is gradually replacing a number of separate applications used to track and answer inquiries, is used extensively in support of a variety of inquiries, outreach efforts, and escalation of issues for resolution, providing improved efficiencies in member support.

Budget Impact: The cost of the renewal was anticipated and included in the approved budget for the Information Technology (IT) department for FY19-20.

Motion: **To authorize staff to execute a contract with Salesforce in an amount up to \$2,800,000 for subscription services through October 31, 2020.**



L.A. Care
HEALTH PLAN

Board of Governors
MOTION SUMMARY

Date: November 7, 2019

Motion No. BOG 104.1119

Committee:

Chairperson: Hector De La Torre

Issue: Amend a contract with Cognizant to provide ongoing technical support for the Salesforce project.

New Contract Amendment Sole Source RFP/RFQ was conducted

Background: L.A. Care staff requests approval to amend an existing contract with Cognizant adding \$1,800,000 for continued Salesforce implementation activities relating to the VOICE program and Customer Solution Center (CSC) - Provider Service Unit Intelligent Desktop (IDT) rollout through December 31, 2020.

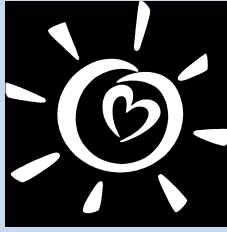
The work will center around several major projects:

- IDT Release 3A: Enable Salesforce workflow of Provider claims related service cases to Payment Integrity department and additional enhancements
- IDT Release 3B: Enable Salesforce service case management for Provider Service Unit of Prior Authorization Status calls and queries from providers
- SAR Release 2: Service Authorization Request enhancements
- Release 1 of Salesforce integration with CSC telephony infrastructure using the Bucher & Suter connector.

Member Impact: The Salesforce-based IDT application, which is gradually replacing a number of separate applications used to track and answer inquiries, is used extensively in support of a variety of inquiries, outreach efforts, and escalation of issues for resolution. The integration of the Salesforce tool with the phone system in the CSC in particular will enable our agents to greet callers by name when they call from a known phone number and to have their record retrieved before the agent picks up the phone.

Budget Impact: The cost was anticipated and included in the FY19-20 budget. The remaining amount will be included in next year's budget.

Motion: To authorize staff to amend the existing contract with Cognizant for an additional \$1,800,000 (total contract not to exceed \$3,175,000) for continued Salesforce implementation activities through December 31, 2020.



L.A. Care
HEALTH PLAN

Board of Governors
MOTION SUMMARY

Date: November 7, 2019

Motion No. BOG 105.1119

Committee:

Chairperson: Hector De La Torre

Issue: To execute a contract with iColor printing for \$1,402,500 to print and distribute the Medi-Cal annual member mailing.

New Contract **Amendment** **Sole Source** **RFP/RFQ was conducted**

Background: Funds are requested in the amount of \$1,402,500 to amend a contract with iColor Printing for a scope of work effective November 2019 for printing, kitting, fulfillment and delivery of materials for Medi-Cal members in our direct line of business.

The kit would include:

- Envelope
- Return postcard
- VSP flyers
- Medi-Cal flyer
- I Speak postcard
- How to access flyer
- Medi-cal Errata

This mailing is a regulatory requirement and is distributed every year in anticipation of the new benefit year. This will need to be delivered to a projected 850,000 households. iColor was selected from an RFP conducted in 2018 as a preferred vendor for printing services.

Member Impact: This motion will allow L.A. Care to deliver information to Medi-Cal members about how to access services, how to access information regarding benefits, providers available to them and changes to their plan in 2020.

Budget Impact: Sufficient funds have been budgeted in the FY 2019-20 budget for the iColor printing scope of work for November 2019.

Motion: **To authorize staff to amend the contract with iColor Printing with a new scope of work in the amount not to exceed \$1,402,500 effective in November 2019.**



L.A. Care
HEALTH PLAN

Board of Governors
MOTION SUMMARY

Date: November 7, 2019

Motion No. BOG 106.1119

Committee:

Chairperson: Hector De La Torre

Issue: Approval to increase the tenant improvement construction budget at the Metro L.A. Community Resource Center (CRC) location due to unanticipated design layout changes to accommodate our new partner Blue Shield.

New Contract **Amendment** **Sole Source** **RFP/RFQ was conducted**

Background: The Board authorized staff to finalize a 10-year lease and to perform tenant improvement construction at a cost of \$2,489,680 at the new Metro L.A. CRC, located at 1233 S. Western Ave, Los Angeles, CA. 90019. The Board also approved a new partnership with Blue Shield to co-locate in all of our CRC locations. As a result of this new partnership, L.A. Care had to alter the layout and design of the Metro L.A. location to accommodate Blue Shield by adding appropriate staff workspace and include a movable wall to bisect a conference room to provide maximum programming flexibility. These changes as well as encountering unknown existing conditions has resulted in a construction budget shortfall of \$224,000.

Staff is asking approval of an additional \$224,000 construction budget to augment the previously approved construction budget of \$2,489,680. The new total leasehold tenant capital improvement design and construction budget including contingency not to exceed is \$2,713,680.

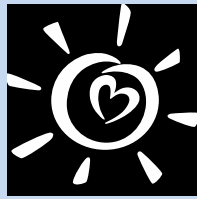
Cost Category	Budget
Architectural/Construction/Furniture	\$2,489,680
Additional construction costs	\$224,000

TOTAL \$2,713,680

Budget Impact: The FY 2019-20 budget includes sufficient capital funds for one-time capital leasehold improvement expenditures not to exceed \$2,713,680.

Member Impact: L.A. Care members will benefit by receiving conveniently well-integrated health education resources and services in the communities in which they live.

Motion: **To delegate to John Baackes, *Chief Executive Officer*, discretionary authority to authorize staff to enter into contractual agreements for capital improvements, furniture, equipment and contingency for one-time leasehold capital improvement construction at the Metro L.A. CRC not to exceed \$2,713,680 with any further budget details approved by the Finance & Budget committee.**



L.A. Care
HEALTH PLAN®

Board of Governors
MOTION SUMMARY

Date: November 7, 2019

Motion No. BOG 107.1119

Committee:

Chairperson: Hector De La Torre

Issue: Execute an agreement with Health Dialog to provide access to Nurse Advice Line (NAL) services and on-line Health Appraisal and Self-Management tools for a cost not to exceed \$9 million over three years.

New Contract **Amendment** **Sole Source** **RFP/RFQ was conducted**

Background: L.A. Care staff requests approval to execute a three-year contract with Health Dialog in the amount of \$9,000,000. The vendor will provide access to NAL services 24 hours per day, 7 days per week (24/7) to L.A. Care's direct line of business members in their preferred language. NAL provides members with timely access to licensed Registered Nurses to assist them in making informed decisions regarding care, promote appropriate triaging and redirection that may subsequently reduce emergency department utilization.

Health Dialog will also provide an online Health & Wellness Portal (HWP) through a subcontract with Cerner Corporation (Cerner). The HWP has health appraisal and self-management tools, such as health education materials and videos, that meet the National Commission on Quality Assurance (NCQA) Population Health Management (PHM) Standard for which L.A. Care receives NCQA auto credit. Through Health Dialog's delegated relationship with Cerner, administrative processes are streamlined such as contract execution, vendor management and relations, performance oversight and compliance.

The Health Education (HE) department conducted a competitive Request for Proposals (RFP) for both NAL and HWP services in February 2019. Nine vendors responded to the RFP. Proposals were reviewed by an interdepartmental evaluation committee comprised of stakeholders from high volume departments such as HE, Quality Improvement, Customer Solution Center, Procurement, Compliance and Privacy, Information Technology (IT) and more. Four vendors met the requirements related to performance metrics, quality control, issue resolution, and privacy/IT/business qualifications and were invited to present onsite: three for both NAL and HWP while one solely provided NAL services.

The committee selected Health Dialog because of their superior performance metrics, larger NAL staffing pool, NCQA certification for HWP, and proven ability to meet and exceed L.A. Care's key performance indicators (KPIs). Additionally, continuing a partnership with our current vendors allows for the continuity of services and avoids consuming the resources required to implement a new vendor. L.A. Care has been contracted with Health Dialog for NAL since February 1, 2016 and Cerner for HWP since April 1, 2015. Staff are pleased with both vendors' tools, services, and valued partnerships.

HE staff successfully negotiated and secured competitive rates for both NAL and HWP.

- For NAL services, L.A. Care successfully negotiated a PMPM of \$0.124, a 15% decrease from the current PMPM of \$0.147.
- Health Dialog also agreed to the removal of the existing 3% annual CPI increase, ensuring that the PMPM rates will remain the same throughout the contract term. Furthermore, fees for exceeding

Board of Governors
MOTION SUMMARY

the NAL utilization rate will now be based off of an average 3-month utilization as opposed to individual month utilization. This will reduce and even potentially eliminate overage fees associated with unanticipated utilization.

- For HWP services, L.A. Care successfully negotiated a new tiered payment structure that will assess the membership total on a bi-annual basis to allow for more accurate adjustments in fees and prevent overpayment due to unexpected membership changes. This payment structure will also decrease the current PMPM of \$0.045 at a rate of approximately 6% as membership increases, which is expected to happen over the contract term.

The total three-year contract amount for both NAL and HWP services is \$9,000,000: \$7,000,000 will be allotted for NAL services and \$2,000,000 for HWP. The proposed contract amount is based on current utilization and expenditure, membership projections, and anticipated 10% increase based on future initiatives and trends.

HE staff will assure vendor performance through monthly monitoring of NAL and HWP services. The agreement includes monthly service levels to assess vendor performance.

- For NAL, L.A. Care will monitor the vendor's compliance with the telephonic NAL key performance indicators, Nurse Chat, translation and interpreting requirements and Vendor's quality assurance processes through review of required reports, monthly meetings and annual audits. Failure to meet service levels will result in a credit to L.A. Care of 2% for each performance measure not met and a subsequent Corrective Action Plan.
- For HWP, L.A. Care will monitor vendor's compliance with the availability of the portal quality benchmark. The agreement will include monthly service levels to assess vendor performance. Failure to meet service levels will result in a 5% credit based on the charges for the month that Service Levels were not met and continue until vendor meets the target service levels.

The Master Services Agreement with the vendor contains a 60-day no-cause termination statement.

Member Impact: L.A. Care members will continue to benefit from access to an advice/triage line which better informs members regarding their healthcare options, along with the convenience of online health and wellness tools and information 24/7. Continuation of these services will promote member satisfaction and ensure L.A. Care's compliance with regulatory and accreditation requirements.

Budget Impact: Sufficient funds for both services are budgeted for FY 2019-20. Funds will be requested for subsequent fiscal years.

Motion: **To authorize staff to execute a three-year contract with Health Dialog to provide Nurse Advice Line and Health & Wellness Portal services for a total cost not to exceed \$9,000,000.**



November 1, 2019

TO: Board of Governors
FROM: John Baackes, *Chief Executive Officer*
SUBJECT: **CEO Report – November 2019**

Once again, it is the time of the year when many of us pause to reflect upon that for which we are thankful. This year, I am thankful for the opportunity and privilege to serve our more than two million members as Chief Executive Officer. I am equally grateful to work with a supportive Board of Governors and dedicated L.A. Care staff who consistently provide exceptional service and deliver outstanding results.

As you will see in this report, there is no shortage of good and exciting news. It is not difficult to see why I thoroughly enjoy leading this organization. From adding much-needed doctors to the safety net to expanding life-changing health and wellness resources throughout the county, we are hard at work to provide the best health care possible for our members.

Following is a snapshot of the progress we are making on some of our community- and provider-focused work.

	Since last CEO report on 8/30/19	As of 11/1/19
Elevating the Safety Net Grants for primary care physicians	—	92 grants awarded
	4	62 physicians hired
Elevating the Safety Net Grants for medical school loan repayment	3	23
Elevating the Safety Net Grants for medical school scholarships	—	16
Housing for Health Housing secured for homeless households	3	252
IHSS+ Home Care Training IHSS worker graduates from CLTCEC program	—	2,130

Below please find an update on organizational activities for the months of September and October.

September 2019

1. L.A. Care Receives 4-Star NCQA Health Plan Rating

I am exceptionally proud to report that L.A. Care’s new National Committee for Quality Assurance (NCQA) rating makes it the highest rated Medi-Cal managed care plan in Los Angeles County. NCQA works to improve health care quality through assessment of evidence-based standards,

measures, and programs, and assignment of accreditation status. L.A. Care's rating jumped from 3.5 to 4 stars for 2019-2020. The Quality Improvement team at L.A. Care attributes the rise to a number of member and provider campaigns designed to increase access to care, utilization of services and member satisfaction. Additionally, we have implemented a variety of interventions to support our members and providers. Some interventions include a webinar series offering provider education on quality improvement issues, as well as annual calls to members reminding them of various cancer screenings and wellness visits for children. Our new rating is a testament to the extensive efforts by L.A. Care staff to constantly improve our members' health.

2. L.A. Care and Blue Shield Promise Partnership to Expand Resource Centers Across L.A. County

After many months of planning, we announced in early September that L.A. Care and Blue Shield of California Promise Health Plan will invest a combined \$146 million as part of a five-year commitment to expand Community Resource Centers across L.A. County. This unique collaboration will help improve health outcomes in local communities and the total quality of life for members of both health plans. As mission-driven health plans, we know health is local – and bringing even more services to the community will increase our ability to identify health disparities and implement customized solutions.

The centers will also provide onsite support from community social service organizations focused on addressing social needs of health, such as food and income insecurity. By connecting members to these resources, they will be able to take an active role in their health care decisions and overall wellness.

Over the next five years, L.A. Care and Blue Shield Promise will jointly open seven new resource centers, remodel four existing centers and relocate three other existing centers to larger locations. In total, we will jointly operate 14 resource centers in L.A. County. Each center will serve approximately 72,000 people per year when services and staff are fully built out, serving more than one million Angelenos annually.

3. L.A. Care Awards \$2.4 Million for Physician Recruitment

On September 26 we announced the fourth round of Provider Recruitment Program grants as part of our Elevating the Safety Net initiative. As you know, the goal of the initiative is to recruit highly-qualified primary care physicians to the L.A. County safety net. The Provider Recruitment Program, one of five programs in the initiative, sent grant award letters to 20 clinics and practices. Nineteen each approved for \$125,000 to be used for salary subsidies, sign-on bonuses, and/or relocation costs for new primary care physicians recruited into the safety net. One practice received \$66,250. Each new recruit could treat up to 2,000 new patients in L.A. County. The fourth round awardees are:

- AltaMed Health Services Corp., Los Angeles
- AppleCare Hospitalist Medical Group, Lynwood
- Bella Medical Group, South Gate
- Community Health Alliance of Pasadena (CHAP), Pasadena
- Eisner Health, Los Angeles
- Family Health Care Centers of Greater L.A, Los Angeles
- Garfield Health Center, Monterey Park
- Harbor Community Clinic, San Pedro
- JWCH Institute, Los Angeles

- L.A. Christian Health Centers, Los Angeles
- Northeast Community Clinic, Wilmington
- QueensCare Health Centers, Los Angeles
- St. Isabel Family Medical Clinic, Harbor City
- St. John's Well Child and Family Center, Los Angeles
- Tarzana Treatment Centers, Inc., Lancaster
- The Children's Clinic, Long Beach
- Unicare Community Health Center, Los Angeles
- Valley Community Healthcare, North Hollywood
- Venice Family Clinic, Venice

4. L.A. Care Awards \$690,000 to Address Food and Income Security

California has one of the lowest rankings in the nation for participation in the Supplemental Nutrition Assistance Program (SNAP), known as CalFresh in this state. To ensure all eligible Angelenos are taking full advantage of these two benefits, L.A. Care announced it is giving seven community organizations a total of \$690,000 in grant funding as part of its Community Wellness Initiative IV. The funding will help more than 850 families enroll in CalFresh, 662 will be recertified in CalFresh, and more than 2,200 will receive assistance in preparing tax returns to receive an EITC. The EITC is a tax credit for low- to moderate-income working individuals and couples, particularly those with children. This year, outreach efforts will be especially important as there will be even more people who are eligible for CalFresh. As of June 1, Supplemental Security Income (SSI) recipients are newly-eligible for CalFresh. L.A. Care has been working with the L.A. County Department of Public Social Services to help get the word out.

5. Speaking Engagements

In September, I participated in the following speaking engagements:

- September 18 – Los Angeles State of Reform Health Policy Conference | Topic: Current and Future State of Health Care in California
- September 24 – AHIP National Conference on Dual Eligibles | Topic: Health Insurance Provider Solutions to Enhance the Coordination of Care for Dually Eligible Beneficiaries

October 2019

1. L.A. Care and Partners Co-Host Los Angeles Homeless Health Summit

In light of the continuing homelessness crisis, L.A. Care co-hosted the LA Homeless Health Summit along with Health Net, Hospital Association of Southern California, and Community Clinic Association of Los Angeles County on October 25. The purpose was to bring together partners from the health care safety net to collaborate on a health care policy agenda on homelessness. We had nearly 70 attendees from community health centers, hospitals, health plans, county health, and partner organizations. At the Summit, participants separated into four groups (community health centers, hospitals, health plans, county health) to identify barriers and solutions to effective health services to people experiencing homelessness. In addition, participants discussed policy recommendations to address the health care concerns and wellbeing of people experiencing homelessness in LA County.

As a follow-up this productive convening, the Homeless Health Summit Steering Committee members (L.A. Care, Health Net, HASC and CCALAC) will develop a report with recommendations based on the Summit as well as identify upcoming advocacy opportunities on homeless health issues.

2. L.A. Care Kicks Off Covered California Open Enrollment with a Series of Educational Events

Open enrollment season is once again upon us, which marks an important time of year for individuals and families to choose which health care coverage plan is right for them. At L.A. Care, we understand it can be a daunting process. As such, we held a number of fun and educational events at several of our Family Resource Centers to inform center visitors what is new for the 2020 Covered California Open Enrollment period. Attendees were able to determine eligibility for the new state premium subsidies, and L.A. Care representatives also explained the benefits included in the L.A. Care Covered™ product. The Open Enrollment Period for 2020 runs from October 15, 2019 to January 31, 2020, with renewals beginning on October 8.

3. L.A. Care Commits \$500,000 to Train Community Health Workers

I am pleased to announce that L.A. Care has rolled out the Community Health Worker Training Program – the fifth program of our Elevating the Safety Net initiative. We have committed a half million dollars to train 50 community health workers who will help L.A. Care members navigate the various medical and social services that will ultimately help improve health outcomes. We have partnered with Loma Linda University to provide two nine-week training courses. Seventeen of the trainees will work directly for L.A. Care while 33 will work for community-based care management entities (CBCME) helping to implement the Health Homes Program, a state program designed to serve Medi-Cal beneficiaries with complex medical needs who might benefit from enhanced care management. Because burnout is a big contributor to the physician shortage, it is our hope that community health workers will relieve some of the burden from physicians to help our members with social needs that impact health.

4. CCALAC Chief Operating Officer Joins the L.A. Care Board of Governors

As many of you already know, Nina Vaccaro, the Chief Operating Officer of Community Clinic Association of Los Angeles County (CCALAC), has joined L.A. Care's Board of Governors. Nina has a long history of working to improve the health of the most vulnerable populations, and L.A. Care is fortunate to have her join our board. Her experience will undoubtedly benefit our members. Please join me in welcoming Nina to the L.A. Care family.

5. Recognition by the Wesley Health Centers JWCH Institute

I am honored to report that on October 19, I was recognized by the Wesley Health Centers JWCH Institute with the Community Leadership Award during their annual benefit dinner. JWCH, which operates 15 primary care clinics and other specialty facilities, served more than 36,000 patients last year as part of its commitment to serving underserved populations in Los Angeles County. They have been a longtime partner and I am humbled to be recognized by such an outstanding organization.

6. Speaking Engagements

In October, I participated in the following speaking engagements:

- October 17 – Beecken Petty O'Keefe & Co. CEO Summit | Topic: L.A. Care and Health Care Prognostications for 2020

- October 25 – Southern CA Association of Non-Profit Housing (SCANPH) Annual Conference | Topic: Housing-Based Care Coordination Health Equity

Attachments:

- August and September 2019 CHIF grants and sponsorships report
- Physician Recruitment Program snapshot
- Modern Healthcare article
- California Health Report op-ed
- LAist article
- HealthLeaders article
- CalMatters op-ed



November 7, 2019

TO: Board of Governors

FROM: John Baackes
Chief Executive Officer

SUBJECT: **2019 Board of Governors Retreat Summary**

The Board of Governors' annual retreat took place on September 5, 2019. The Board Retreat focused on sharing information about L.A. Care's past successes and promising new opportunities as well as the shifting health care and policy environment in which L.A. Care operates.

Mark Ghaly, MD, MPH, the newly appointed Secretary of the California Health and Human Services Agency, was the guest speaker for the 2019 Board Retreat. Dr. Ghaly outlined Governor Gavin Newsom's priorities for his new administration, including the reduction of pharmacy costs and creation of a single payer health care commission for California. Dr. Ghaly also noted the Governor's focus on health as broader than just health care, including social factors as well. Dr. Ghaly also outlined priorities specific to his agency: (1) addressing health care for all Californians, including access to care; (2) partnership among government departments including a focus on data management and transparency; and (3) reforms focusing on the most vulnerable populations.

After Dr. Ghaly's introductory remarks, I asked Dr. Ghaly about opportunities for implementing changes to "in lieu of services" and using Medi-Cal funds to support social services that address the whole person. Dr. Ghaly noted that with the current federal administration, this type of change may not be feasible now, but it may be possible in the future. Los Angeles is a good market to demonstrate, through L.A. Care's initiatives, the value and benefit of programs that address social needs. I also brought up the need to align Medi-Cal and Covered California regulations in order to make it easier for public plans to enter the exchange market as L.A. Care has done. It took substantial effort on our part to add this product line and meet state regulations, and this administrative burden is preventing other public plans in California from entering the exchange market. Dr. Ghaly entertained questions from the Board regarding payment and reimbursement challenges facing providers, state changes to pharmacy administration, and a need for simplifying regulations to make it easier to administer programs.

Cherie Compartore, *Senior Director of Government Affairs*, introduced brief presentations by L.A. Care's federal and state lobbyists, respectively: John Russell, a principal at Dentons and Jim Gross, a partner at Nielsen Merksamer Parrinello Group.

John Russell’s presentation outlined the federal administration’s approach regarding health care as an attack on the safety net, and discussed several efforts underway. He reviewed the *Texas v. Azar* case, noting that the administration has joined the lawsuit arguing that the Affordable Care Act (ACA) is unconstitutional and that the case is likely to head to the Supreme Court in October of 2020. He discussed actions taken by DHHS, noting that recent waivers for Medicaid expansion (including those for Republican states) have been denied. Mr. Russell also explained changes that might be made to the methodology used in calculating the federal poverty level, noting that if the administration is successful in making these changes, fewer people will be considered “in poverty,” making them ineligible for entitlement programs as a result. Additionally, changes to how states are allowed to administer the food stamp program (SNAP, known as CalFresh in California), may result in the removal of certain waivers that many states have, effectively creating a situation in which people must provide evidence of employment in order to receive SNAP/Cal Fresh benefits. Finally, Mr. Russell briefly outlined the threat posed by the administration’s changes to the public charge rule, which applies to those applying for Legal Permanent Residence, noting that the changes will deter many people from enrolling into public programs.

Jim Gross focused his presentation on the differences between Governor Newsom’s administration and that of his predecessor, Governor Brown. He noted that Governor Brown was extremely focused on bringing the state out of debt and stabilizing the General Fund. He did not focus on health care, and many of the fiscal decisions made during his tenure resulted in changes to the health care system that had a negative impact on access to care and quality of care. Mr. Gross also noted that the Brown administration realigned many duties and funds and made local governments responsible for efforts like funding new Medicaid expansion under the ACA. Conversely, Governor Newsom has outlined a comprehensive strategy regarding multiple health care issues, calling for sweeping changes in how health care is paid for and delivered in California. Mr. Gross noted that many of Governor Newsom’s changes are far reaching, and their complexity will require a significant investment of time, money, and expertise for successful implementation.

Following the presentation on the federal and state landscape, I introduced the “Addressing Members’ Social Needs” panel, moderated by Penny Griego from the Communications Department. Panelist discussion focused on four topics, each is outlined below:

1. Housing – Alison Klurfeld, *Director, Safety Net Programs & Partnerships*. Ms. Klurfeld outlined the goals of the Housing for Health Program – to increase pathways to Permanent Supportive Housing and build partnerships; as well as the challenges – engagement with clients and long wait lists for housing. Ms. Klurfeld also highlighted how L.A. Care could continue to make an impact in the future by doing more housing work for a higher volume of people. She explained a new partnership with L.A. County’s Housing for Health, where L.A. County is applying for state funds to get housing for L.A. Care members who are currently being served in the Health Homes program.
2. CalFresh – Phinney Ahn, *Executive Director, Medi-Cal*. Ms. Ahn discussed recent changes to CalFresh (food stamp) eligibility for people who receive SSI/SSP, and outlined the multiple ways that L.A. Care is reaching out to members who may be eligible for this benefit. L.A. Care is using targeted outreach, social media, and has trained staff in how the new eligibility works. In the future, Ms. Ahn hopes that L.A. Care will weave this kind of social service benefit assistance into what L.A. Care staff does for members every day, and also that L.A. Care continues funding initiatives to increase enrollment into CalFresh through the Community Health Investment Fund.

3. Community Link – Michael Brodsky, MD, *Medical Director, Behavioral Health & Social Services*. Dr. Brodsky gave retreat attendees information about a new tool recently launched to help identify and assess members’ social needs, search for resources related to those needs, connect members to organizations, and receive feedback on if the member got the help they needed. The resource, called Community Link, is currently being used by Health Homes providers. In the future, L.A. Care Family Resource Center (FRC) staff, care managers, and call center staff will all be trained on how to use the tool to assist members. L.A. Care will also work with community based organizations to establish partnerships and help “close the loop” on any referrals made with the tool.
4. Family Resource Centers (FRCs) – Francisco Oaxaca, *Senior Director, Communications and Community Outreach & Education*. Mr. Oaxaca outlined the purpose of the FRCs, to have a place in the community that is a one-stop-shop for members and other community members to get information, services, and socialize. L.A. Care is working on expanding the FRCs to be present in every RCAC, and will use community needs assessments for each region to be sure services are specific to the community. L.A. Care has partnered with Blue Shield to co-brand FRCs and will rename them “Community Resource Centers.” These centers will offer expanded services, including telehealth. In the future, care management, social work, and community health workers will be located at FRCs to provide more direct services.

For the first time at a Board Retreat, a member story was presented by one of L.A. Care’s lead care managers, Delia Mojarro, *Director of Social Services*. Such stories are important to illustrate the types of challenges our members face on a daily basis, and demonstrate how L.A. Care staff can make an impact on a member’s life. Ms. Mojarro described a situation in which we assisted a member out of homelessness and poor health through persistent outreach from a team of skilled care managers and nursing staff.

**August 2019
Grants & Sponsorships Report
November 7, 2019 Board of Governors Meeting**

#	Organization Name	Project Description	Grant/ Sponsorship Approval Date	Grant Category/Sponsorship	August Grant Amount*	August Sponsorship Amount	FY 18-19 CHIF & Sponsorships Cummulative Total
1	Alliance for Housing and Healing	Annual Fundraiser	8/26/2019	Sponsorship	\$ -	\$ 5,000	\$ 5,000
2	American Heart Association	American Heart Walk Fundraiser	8/15/2019	Sponsorship	\$ -	\$ 10,000	\$ 10,000
3	Antioch University Los Angeles	Provide LGBTQ-affirmative mental health services, through the COLORS LGBTQ Youth Counseling Services, to underserved youth, their families, and partners, and to increase COLORS' capacity to double the number of clients it serves and enable the organization to expand its reach into new underserved geographic regions. Project will serve a minimum of additional 70 new clients and provide at least an additional 2,800 one-hour therapy sessions.	8/29/2019	Ad Hoc Grant	\$ 50,000	\$ -	\$ 50,000
4	APLA Health	CalFresh - Secure the approval of at least 290 electronic CalFresh applications, including approval for up to 73 gay men 18-29 and 116 adults 50 or older living with HIV; 50 semi-annual reports; and 50 recertification applications.	8/16/2019	Community Wellness Initiative IV Grant	\$ 100,000	\$ -	\$ 100,000
5	Asian Americans Advancing Justice	Annual Fundraising Gala	8/15/2019	Sponsorship	\$ -	\$ 3,500	\$ 3,500
6	Boyle Heights Art Conservatory	Health and the Working Artist Educational Workshop and Community Fair	8/29/2019	Sponsorship	\$ -	\$ 1,000	\$ 1,000
7	Central American Resources Center (CARECEN)	Provide rapid response services to immigrants, in particular to individuals and families from Central America. Services include legal representation, "Know Your Rights" workshops, referrals to health, mental health and social services, and engagement of youth and parent leaders in community organizing trainings. A minimum of 50 families will be provided with comprehensive legal services and over 4,000 will be provided training on public charge and census participation education.	8/29/2019	Ad Hoc Grant	\$ 150,000	\$ -	\$ 150,000
8	Chinatown Service Center	CalFresh and EITC - Secure the approval of at least 75 electronic CalFresh applications, 160 semi-annual reports, and 65 recertification applications. This grant will also assist 410 clients to receive Earned Income Tax Credit (EITC) on their 2018 tax returns.	8/16/2019	Community Wellness Initiative IV Grant	\$ 100,000	\$ -	\$ 230,000
		Annual Awards Gala	8/15/2019	Sponsorship	\$ -	\$ 5,000	

**August 2019
Grants & Sponsorships Report
November 7, 2019 Board of Governors Meeting**

#	Organization Name	Project Description	Grant/ Sponsorship Approval Date	Grant Category/Sponsorship	August Grant Amount*	August Sponsorship Amount	FY 18-19 CHIF & Sponsorships Cummulative Total
9	Coalition for Humane Immigrant Rights (CHIRLA)	Inform immigrants about their rights through "Know Your Rights" presentations and information on recent changes to the Public Charge rule and provide legal representation. Support CHIRLA's Census 2020 campaign to educate and inform the immigrant community about the importance of participating in the upcoming decennial Census. Reach, based on the number of offered programs, ranges from 1,500 to 50,000.	8/29/2019	Ad Hoc Grant	\$ 150,000	\$ -	\$ 150,000
10	Community Coalition	Community Fair	8/26/2019	Sponsorship	\$ -	\$ 5,000	\$ 5,000
11	Consulate General of Mexico in Los Angeles	Monthly Health Fairs and Health Resource Guide	8/15/2019	Sponsorship	\$ -	\$ 10,000	\$ 10,000
12	Downtown Women's Center	Dinner With a Cause Annual Fundraiser	8/15/2019	Sponsorship	\$ -	\$ 5,000	\$ 5,000
13	Familia Unida	Annual Wheelchair Wash	8/15/2019	Sponsorship	\$ -	\$ 5,000	\$ 5,000
14	Family Focus Resource Center	Health Fair	8/26/2019	Sponsorship	\$ -	\$ 1,000	\$ 1,000
15	Family Health Care Centers of Greater Los Angeles	Annual Fundraising Gala	8/29/2019	Sponsorship	\$ -	\$ 5,000	\$ 5,000
16	I Love Me Foundation	Breaking the Silence Awards Ceremony and Fundraiser	8/29/2019	Sponsorship	\$ -	\$ 5,000	\$ 5,000
17	KJLH	Taste of Soul Community Festival	8/29/2019	Sponsorship	\$ -	\$ 15,000	\$ 15,000
18	Koreatown Youth and Community Center, Inc.	EITC - Assist 667 clients to receive Earned Income Tax Credit (EITC) on their 2019 tax returns.	8/16/2019	Community Wellness Initiative IV Grant	\$ 100,000	\$ -	\$ 100,000
19	La Casa de San Gabriel Community Center	Annual Fundraising Dinner	8/26/2019	Sponsorship	\$ -	\$ 2,500	\$ 2,500
20	Maternal and Child Health Access	CalFresh - Secure the approval of at least 195 electronic CalFresh applications, 120 Semi-annual reports, and 116 recertification applications. Grantee will also release at least two communications to address public charge issues related to existing or new CalFresh regulations.	8/16/2019	Community Wellness Initiative IV Grant	\$ 100,000	\$ -	\$ 100,000
21	Maternal Mental Health NOW	Improve rates of detection, education and treatment for perinatal mood and anxiety disorders experienced by Black women through the facilitation of trainings and support groups at three partnering medical sites that serve low-income and Medi-Cal patients. At least 80 medical providers serving pregnant and postpartum women will report increased levels of knowledge, comfort and preparedness to use tools that incorporate cultural humility practices into their care, and at least 80 social service providers will report increased levels of knowledge, comfort and preparedness to incorporate culturally effective practices into their care.	8/29/2019	Ad Hoc Grant	\$ 150,000	\$ -	\$ 150,000
22	Pacific Asian Consortium in Employment - PACE	EITC - Assist 600 clients to receive Earned Income Tax Credit (EITC) on their 2019 tax returns.	8/16/2019	Community Wellness Initiative IV Grant	\$ 90,000	\$ -	\$ 90,000

**August 2019
Grants & Sponsorships Report
November 7, 2019 Board of Governors Meeting**

#	Organization Name	Project Description	Grant/ Sponsorship Approval Date	Grant Category/Sponsorship	August Grant Amount*	August Sponsorship Amount	FY 18-19 CHIF & Sponsorships Cummulative Total
23	Providence Little Company of Mary	CalFresh - Secure the approval of at least 245 electronic CalFresh applications, 26 Semi-annual reports and recertification applications. Grantee will also screen and refer up to 1,000 individuals for food insecurity in clinical and community settings.	8/16/2019	Community Wellness Initiative IV Grant	\$ 100,000	\$ -	\$ 100,000
24	Southern California Grantmakers	Support the health impact of the philanthropic sector in the Greater Los Angeles area and serve as a key resource for content learning, networking, and key partnerships with philanthropic partners.	8/29/2019	Ad Hoc Grant	\$ 20,000	\$ -	\$ 20,000
25	Southern California Resource Services for Independent Living	Disability Pride Parade and Community Festival	8/15/2019	Sponsorship	\$ -	\$ 7,500	\$ 7,500
26	Southside Coalition of Community Health Centers	Annual Back 2 School Health and Resource Fair	8/15/2019	Sponsorship	\$ -	\$ 2,500	\$ 3,000
27	Special Needs Network	Evening Under the Stars Annual Fundraiser	8/29/2019	Sponsorship	\$ -	\$ 5,000	\$ 15,000
28	The Grantsmanship Center	Provide the Grantsmanship Training Program to up to 26 L.A. Care grantees. The training is a comprehensive, five-day, in-depth experience that provides participants with a solid grasp on the world of grant proposal writing and development.	8/21/2019	Ad Hoc Grant	\$ 32,000	\$ -	\$ 32,000
29	University Christian Church	Wellness Rocks Community Fair	8/15/2019	Sponsorship	\$ -	\$ 500	\$ 500
30	Vision y Compromiso	17th Annual Conference	8/15/2019	Sponsorship	\$ -	\$ 12,110	\$ 12,110
Total of grants and sponsorships approved in August 2019					\$ 1,142,000	\$ 105,610	
<p>* Per the Community Health Investment Fund (CHIF) grant agreements, the first half of the grant award is released upon receipt of a fully executed agreement. The second half of grant award is released upon completion of at least half of the entire project objectives, which are detailed in the progress reports submitted every six months. Grantee must also have spent all funds from the first payment.</p>							

**September 2019
Grants & Sponsorships Report
November 7, 2019 Board of Governors Meeting**

#	Organization Name	Project Description	Grant/ Sponsorship Approval Date	Grant Category/Sponsorship	September Grant Amount*	September Sponsorship Amount	FY CHIF & Sponsorships Cummulative Total
1	Antelope Valley Partners for Health	AV Community Resource Fair	9/30/2019	Sponsorship	\$ -	\$ 2,500	\$ 2,500
2	Asian Pacific Health Care Venture	Complete a quality improvement project to improve patient satisfaction with the pediatric care team by at least 7% and improve retinal eye exam completion among adult diabetics by fourteen percentage points.	9/17/2019	Robert E. Tranquada, M.D. Safety Net Infrastructure X Initiative Grant	\$ 100,000	\$ -	\$ 160,000
3	Bartz Altadonna Community Health Center	Complete a quality improvement project to improve medication management by at least 10% for hypertensive partients at high risk for cardiovascular events and reduce cycle time to 60 minutes to improve patient satisfaction with wait times to 90%.	9/17/2019	Robert E. Tranquada, M.D. Safety Net Infrastructure X Initiative Grant	\$ 100,000	\$ -	\$ 100,000
4	California Community Foundation	Provide community-based education, outreach and assistance efforts for the 2020 Census for hard-to-count communities across L. A. County, including hundreds of thousands of individuals who overlap with L.A. Care Health Plan's membership.	9/15/2019	Ad Hoc 4 Grant	\$ 50,000	\$ -	\$ 50,000
5	Central Neighborhood Health Foundation	Complete a quality improvement project to increase colorectal cancer screenings for patients over 50 years old to 59% and improve patient's satsifaction with wait time by 20% by decreasing cycle time to less than 90 minutes.	9/17/2019	Robert E. Tranquada, M.D. Safety Net Infrastructure X Initiative Grant	\$ 100,000	\$ -	\$ 100,000
6	Charles R. Drew University of Medicine and Science	Train psychiatry and primary care residents in the Coordinated and Integrated care model.	9/19/2019	Ad Hoc 4 Grant	\$ 100,000	\$ -	\$ 157,500
7	Clinica Msgr. Oscar A. Romero	Complete a quality improvement project to increase the number of scheduled diabetic foot exams by 200 and improve patient satsifaction with office staff respectfulness by ten percentage points.	9/17/2019	Robert E. Tranquada, M.D. Safety Net Infrastructure X Initiative Grant	\$ 100,000	\$ -	\$ 101,000
8	Garfield Health Center	Complete a quality improvement project to increase colorectal screenings by eligible patients to at least 80% and improve patient satsifaction with office staff's helpfulness by at least seven percentage points.	9/17/2019	Robert E. Tranquada, M.D. Safety Net Infrastructure X Initiative Grant	\$ 100,000	\$ -	\$ 160,000

**September 2019
Grants & Sponsorships Report
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#	Organization Name	Project Description	Grant/ Sponsorship Approval Date	Grant Category/Sponsorship	September Grant Amount*	September Sponsorship Amount	FY CHIF & Sponsorships Cummulative Total
9	Imagine L.A.	Imagine Ball Fundraiser	9/30/2019	Sponsorship	\$ -	\$ 5,000	\$ 7,500
10	JWCH Institute Inc.	Expand CalFresh enrollment in the Antelope Valley, an underserved area with high food insecurity rates. This award builds on the efforts of grantees funded through L.A. Care's Community Wellness Initiatives I – IV to increase enrollment in CalFresh and in the Earned Income Tax Credit (EITC) program.	9/16/2019	Ad Hoc 4 Grant	\$ 100,000	\$ -	\$ 176,000
		Wesley Benefit Awards Dinner Annual Fundraiser	9/20/2019	Sponsorship	\$ -	\$ 10,000	
11	LAC + USC Medical Center	Kidz Health Fair	9/20/2019	Sponsorship	\$ -	\$ 1,000	\$ 153,500
12	Los Angeles Library Foundations	Literary Feast Annual Fundraiser	9/11/2019	Sponsorship	\$ -	\$ 5,000	\$ 5,000
13	Mexican American Opportunity Foundation	Aztec Awards Gala Annual Fundraiser	9/11/2019	Sponsorship	\$ -	\$ 5,000	\$ 7,500
14	National Immigration Law Center	Provider Webinar on Public Charge	9/30/2019	Sponsorship	\$ -	\$ 3,000	\$ 3,000
15	National Kidney Foundation	Kidney Walk and Community Fair	9/20/2019	Sponsorship	\$ -	\$ 2,500	\$ 2,500
16	Neighborhood Legal Services Los Angeles	Just Neighbors Annual Fundraiser	9/11/2019	Sponsorship	\$ -	\$ 2,500	\$ 5,500
17	Southbay Family Healthcare	Complete a quality improvement project to increase patients satisfied with time spent with provider to 50% and improve appropriate colorectal cancer screening by eligible patients by twenty percentage points.	9/17/2019	Robert E. Tranquada, M.D. Safety Net Infrastructure X Initiative Grant	\$ 100,000	\$ -	\$ 120,000
18	Special Olympics Southern California	Pier Del Sol Annual Fundraiser	9/30/2019	Sponsorship	\$ -	\$ 2,500	\$ 2,500
19	T.H.E. Health and Wellness Clinic	Complete a quality improvement project to improve childhood immunization status (CIS) Combo 10 to 50% and achieve at least a 10% improvement in patient perception of courtesy and respect.	9/17/2019	Robert E. Tranquada, M.D. Safety Net Infrastructure X Initiative Grant	\$ 100,000	\$ -	\$ 100,000
20	The Children's Clinic	Anniversary Gala	9/11/2019	Sponsorship	\$ -	\$ 2,500	\$ 2,500
21	The Positive Results Corporation	Purple Purse Tea Party Annual Fundraiser	9/20/2019	Sponsorship	\$ -	\$ 500	\$ 500

**September 2019
Grants & Sponsorships Report
November 7, 2019 Board of Governors Meeting**

#	Organization Name	Project Description	Grant/ Sponsorship Approval Date	Grant Category/Sponsorship	September Grant Amount*	September Sponsorship Amount	FY CHIF & Sponsorships Cummulative Total
22	UMMA Community Clinic	Complete a quality improvement project to improve HEDIS CIS Combo 10 to 50% and increase patients reporting ease of access to appointments by ten percentage points.	9/17/2019	Robert E. Tranquada, M.D. Safety Net Infrastructure X Initiative Grant	\$ 100,000	\$ -	\$ 100,000
23	United Friends of the Children	Multiple fundraising events happening year-round, packaged into one sponsorship	9/11/2019	Sponsorship	\$ -	\$ 15,000	\$ 25,000
24	Valley Community Healthcare	To provide initial support for approximately 5,000 reassigned Medi-Cal patients, including L.A. Care members, who were displaced through a California Department of Health Care Services (CA-DHCS) ruling to dissolve Mission City Community Network's Medi-Cal contract.	9/19/2019	Ad Hoc 4 Grant	\$ 50,000	\$ -	\$ 235,000
Total of grants and sponsorships approved in September 2019					\$ 1,100,000	\$ 57,000	

* Per the Community Health Investment Fund (CHIF) grant agreements, the first half of the grant award is released upon receipt of a fully executed agreement. The second half of grant award is released upon completion of at least half of the entire project objectives, which are detailed in the progress reports submitted every six months. Grantee must also have spent all funds from the first payment.

**Provider Recruitment Program (PRP)
Grant Awards/Hired Providers by Category
FY 2018-19 (to date)**

Provider Type	TOTAL Awards	TOTAL PCPs Hired
Family Medicine	38	24
Internal Medicine	10	13
OB-Gyn	30	6
Pediatrician	14	19
TOTAL	92	62
Organization Type	TOTAL Awards	TOTAL PCPs Hired
FQHC/Look-Alike	77	55
501c3 Licensed Clinic	3	1
Independent Private Provider	12	6
TOTAL	92	62
RCAC	TOTAL Awards	TOTAL PCPs Hired
RCAC 1 - Antelope Valley	4	3
RCAC 2 - San Fernando Valley/Santa Clarita Valley	14	10
RCAC 3 - West San Gabriel Valley	5	3
RCAC 4 - Metro Los Angeles/Glendale	18	12
RCAC 5 - West Los Angeles	4	4
RCAC 6 - South Los Angeles	17	15
RCAC 7 - Southeast Los Angeles	4	2
RCAC 8 - South Bay	8	3
RCAC 9 - Long Beach	4	2
RCAC 10 - East Los Angeles/Northeast Los Angeles	7	3
RCAC 11 - East San Gabriel Valley	7	5
TOTAL	92	62

L.A. Care Health Plan, Blue Shield Promise invest \$146 million in community centers



By Maria Castellucci
September 4, 2019

L.A. Care Health Plan and Blue Shield of California Promise Health Plan announced Wednesday they will jointly operate 14 new and existing community resource centers throughout Los Angeles county.

The effort is part of a \$146 million investment from both insurers over a five-year period with each group investing \$73 million. Such a collaboration among two insurers, which are typically competitors, is unique. But John Baackes, CEO of L.A. Care, said there is an advantage to working with Blue Shield Promise because they share members. Blue Shield Promise contracts with L.A. Care to offer Medi-Cal, California's Medicaid program.

"I don't know of any arrangement where there is a subcontracting relationship between plans that would otherwise be competitive and as a result, I don't know of any collaboration like this in the country," Baackes said.

L.A. Care Health Plan already operates six community resources centers and had been looking for ways to expand the services before Blue Shield Promise agreed to help with funding. The centers, which provide free services to the public and members related to areas like nutrition, fitness and childhood development, are incredibly popular in the community, Baackes said. Some community members have relied on the services for years.

The expansion of the centers is part of a larger strategy from both health plans to address social determinants of health.

"We are humble enough to know that what really impacts the majority of individuals are some of the social situations our members experience," said Dr. Greg Buchert, CEO of Blue Shield Promise. "And since we deal with the Medicaid population, we know that some of our members are maybe socially, culturally or linguistically challenged and having these resource centers available to them ... we can help them in their daily activities and along the way improve their health status."

Both health plans intend to track the members that use the centers and then how it impacts outcomes such as emergency room utilization.

"We absolutely want to see if there is a return on investment, this isn't just a PR gesture," Baackes said.

The centers will also enable both health plans to transition much of their care management services from over the phone to in-person. Right now, most members speak to community health workers or nurse care managers on the telephone because they aren't located close enough to meet face-to-face. The new centers will be strategically located close to members and be staffed with community health workers and nurse care managers.

"We want to facilitate more face-to-face connection between our care teams and the members we serve," Baackes said.

By the first quarter of 2021, the two health plans plan to open seven new community resource centers and co-brand all 14 centers with both logos, Buchert said.

Opinion: The ‘Public Charge’ Rule Creates a Chilling Effect that Threatens Us All

By John Baackes
October 7, 2019

Immigrant rights groups are calling the new “public charge” rule another brick in the Trump administration’s invisible wall, which sends the message that some people are not welcome in this country.

Not long after the election, the administration started rolling out proposals and policies designed to keep more people out of the U.S. Federal officials created a travel ban, added citizenship question to the Census, tried to overturn the Deferred Action for Childhood Arrivals program and reduced refugee admissions.

The courts have intervened in most of these cases, and they may do so again for the new “public charge” rule. But while we wait for that, our immigrant families are feeling threatened—which also impacts the larger community.

When someone applies to enter the country or become a permanent resident (green card holder), immigration officials use what they call a “public charge test” to determine if the person is likely to become primarily dependent on the government for subsistence. For more than 100 years, immigration officials only considered whether people had received public cash assistance and long-term institutional care when they made these decisions.

But starting Oct. 15, immigration officials will also consider whether people have enrolled in Medicaid, a low-income health program known as Medi-Cal in California; Supplemental Nutrition Assistance Program, known as CalFresh here; and housing assistance. All of these benefits impact the health and wellbeing of the recipients.

The new rule is doubly harmful because it is spreading fear to many who might not be impacted by the rule at all. It has already created a devastating chilling effect in certain communities. The Urban Institute reported that one in seven low-income immigrant families were afraid to access public benefits after the rule was first proposed last year. One legal analysis of the American Community Survey estimated that as many as 26 million people in families with immigrants might be dissuaded from participating in programs.

Of course, for those who are directly impacted, the results could be devastating. The Kaiser Family Foundation reports that nationwide, 13.5 million Medicaid and Children’s Health Insurance Program enrollees, including 7.6 million children, live in a household with a noncitizen or are noncitizens themselves and may be at risk for decreased enrollment as a result of the rule.

Remember, this rule is targeting people who are in this country legally. It is specifically targeting immigrants who have legal clearance to be here but are part of the working poor.

It is a cruel policy, and it threatens to harm the broader community. Health care costs will certainly rise for everyone if people drop off Medicaid rolls. People without health coverage will forgo regular health care and will end up with much costlier episodic care in the emergency room. Some will forgo vaccinations, which has the potential of creating outbreaks of preventable diseases.

As a health plan that is committed to providing access to health care for some of our most vulnerable populations, including immigrants, L.A. Care Health Plan has implemented an informational campaign to try to limit harm from the new rule. Our call center employees, staff at our Family Resource Centers and our member advisory committees have been armed with general information and a list of legal resources to pass on to any member who inquires about the new rule.

We also enlisted the National Immigration Law Center to conduct a webinar for our providers. About 300 providers participated, many of whom had witnessed their patients' fear firsthand. They, too, received general information about the rule, a list of legal resources to pass along to anyone with questions about their status, and information about how to respond should immigration enforcement officials show up at their offices.

It's disheartening to think that this informational campaign is necessary. We have to wonder, why would our government implement a policy that so clearly threatens the health of the country?

The new "public charge" rule has left some of our L.A. Care members with an agonizing choice to make—forgo public benefits, including health care, or risk their chance at permanent residency in the future. It is a personal choice. We can only help provide some of the information they need to make an informed choice.

Numerous lawsuits have been filed, and it's possible that the new "public charge" rule will not take effect on Oct. 15 as scheduled. But it's also clear that the Trump administration's efforts to curtail immigration will continue.

Immigrant rights advocates vow to keep up the fight against all rules and policy proposals that unfairly target these vulnerable populations.

Health care leaders must lend their voice to the fight.

John Baackes is the CEO of L.A. Care Health Plan, the nation's largest publicly operated health plan serving more than 2 million members.



Housing The Homeless Is Actually Saving LA Money

By Matt Tinoco
October 21, 2019

The reality of California's homeless crisis is that there is little social safety net to catch the very poorest residents before they fall to the streets.

As more than 100,000 people find homes on California's sidewalks, roadways and parks, the costs mount for local and state governments.

Nowhere is this more acute than the state's public health care system. Medi-Cal covers many homeless people's escalating health needs as they become sicker while living outside.

The state Department of Health Care Services wants to interrupt the cycle between the street, the hospital, and back again by trying to house the most vulnerable and reduce their health care costs.

The project began in 2016, and is known as "Whole Person Care." The pilot project is intended to model how Medi-Cal could take a more active role in addressing the state's homeless crisis. For now, more than two-dozen county level health agency administrators are given state funding with the mandate of providing housing for the so-called high-utilizers who wind up drawing a disproportionately high amount of public services.

"For any health plan in the United States, the idea of providing housing as part of a health care solution is ... You know, 20 years ago, nobody was talking about that," said John Baackes, the CEO of L.A. Care, which manages Medi-Cal in Los Angeles County.

Baackes oversees a health agency that insures more than one-fifth of L.A. County's 10 million residents. That includes tens of thousands of people who are homeless or close to losing their home. His agency also contributed \$20 million dollars to the Los Angeles vanguard of Whole Person Care, a program called Housing for Health.

"There's a lesson to be learned that if we invest in social services and safety net services for people who are living and working in poverty, we are going to have less demand on the health care system for those people," said Baackes.

A RAND Corporation analysis of Housing for Health in 2017 found that for every dollar Los Angeles County invested in the program, it wound up saving \$1.20 in reduced health care and social service costs in other county departments.

"When someone is really vulnerable living out on the street, they are costing a lot of money by visits to the ER, ambulance rides, police intervention," said Libby Boyce, Housing for Health's program director. "Obviously it does cost us dollars to provide the services to help them become stable. But there are a lot of people who use a lot of services, and for those, it is cheaper to house them. And it's the right thing to do."

Housing for Health provides permanent housing assistance — typically by rental subsidy — for about 11,000 people, according to Boyce. The program also manages about 2,300 shelter beds and about another 1,000 beds in residential care facilities.

Caseworkers help people accepted into the program find health practitioners in the area they move to who accept public health insurance. They also help the formerly homeless sign up for other public benefits programs they weren't able to access while they were homeless because they just didn't have a mailing address.

Ebony Palmer is one of those roughly 11,000 people receiving a rental subsidy through Housing for Health. Only 25, she spent the last several years bouncing around from hotel rooms, to her friends' floors, until she wound up living in her car with her son.

Palmer grew up in the California foster system and was adopted by a South Los Angeles family. She fell into prostitution as a teen, which became her main mode of survival. It proved a challenging world to escape.

"Everytime I tried to stop, someone would call me," she said. "I knew I had no money, nowhere to go, no food. And, of course, this person's calling; and, of course, they can help; so, of course, I answer."

She said she was living in her car when she became pregnant with a second child. It was at this point she looked for help from L.A. County's homeless service system.

"My mental health was deteriorating. Because of the life I lived, I'm always paranoid, and I'm always anxious," said Palmer.

With her history of homelessness and foster care, her criminal record, and the fact that she had one child and another on the way, Palmer had all the markers of what homeless service practitioners would call "high vulnerability."

Helping her with stable housing meant not only saving on her potential medical bills if she were to fall into chronic homelessness, but also keeping her young children with their mother and out of county custody.

Within four months of her assessment, a very pregnant Palmer and her then 6-year-old son moved into a two-bedroom apartment in Pomona. Her unit has air-conditioning, running water, and a door she can lock and feel safe behind. The unit rents for about \$1,500 month, but she says she pays about \$200 — roughly 30% of her current income. The rest is covered by Housing for Health.

Palmer's son attends elementary school nearby, and she spends most of her days taking care of her baby. Palmer says she can concentrate on her baby, who is about to turn one, instead of worrying how to pay the rent.

"Because now I have a budget, and I've been saving, and I've been planning. So now I'm able to do that. Give her a first birthday party. And I'm really proud of myself," she said.

The challenge, as always with homeless services in California, is that the need for assistance far outstrips how much there is to offer.

"We have, obviously, some tools in our toolbox, but we also need significantly more resources than we currently have to serve every person out there," said Boyce.

Subsidizing poor people's rent may keep those lucky enough to get the benefit from falling into chronic homelessness and cycling through the justice and emergency medical systems. But it's hardly a comprehensive solution to a crisis of inequality that has resulted in millions of Californians surrendering more than half of their income just to keep a roof over their head.

"We've already got more people walking around with vouchers, but there's no supply to be to for them to go," said Baackes, the L.A. Care CEO. "So I think the next iteration for us is to think about, well, what can we do about increasing the supply?"

As long as housing costs increase faster than incomes, the system will be left playing catch-up.



Price Transparency Is Coming. How Will You Prepare?

By John Commins
October 23, 2019

Price transparency has become a major flashpoint in healthcare as the industry's payers and providers point blame at one another for the industry's runaway costs. But there's no reason to think this kerfuffle will fade.

The public is stressed over rising healthcare costs and looking for answers. That anxiety has been noticed by Congress and the U.S. Department of Health and Human Services, which are each pursuing transparency initiatives vigorously.

When the Centers for Medicare & Medicaid Services proposed in July to require hospitals to disclose the rates they negotiate with payers, the proposed rule was panned immediately. American Hospital Association President and CEO Rick Pollack said it "misses the mark, exceeds the administration's legal authority and should be abandoned."

Hospitals were widely expected to mount a legal challenge. It's unclear whether the courts would allow the Trump administration to force disclosure of information that is generally considered to be confidential.

But even if the rule were vacated or the administration were to decide not to finalize it, the core issue is too big to go away. The push for price transparency will continue. Ultimately, the debate will not be about whether price transparency is needed. Rather, the debate will center on how much and what kind of price transparency.

With that in mind, payers and providers have a choice to make. They can continue to obscure prices from consumers and risk an even heavier government intervention. Or, they can acknowledge that demands for price transparency are not going away and accept a version that provides consumers with fast, simple-to-understand, and accurate estimates for how much their care will cost.

In this issue, HealthLeaders spoke with payers, providers, and policy experts who understand the need for price transparency, the challenges ahead, and what it will take to get there.

IT'S ALL ABOUT OUT-OF-POCKET COSTS

Richard Miller, chief business strategy officer at Northwell Health, says the Long Island–based health system has been working on improving price transparency for a decade, and he believes he knows what healthcare consumers want.

"We've actually just completed some consumer research that backed up our assumption that what consumers are most interested in is what their out-of-pocket costs will be when they get various healthcare services," Miller says.

"If someone is going in for a joint replacement, they want to know, 'What is the amount that I'm going to have to write a check for in order to pay for the services that I'm going to receive?'" he says.

Those out-of-pocket costs, he says, are not controlled by hospitals, but are driven by the cost-sharing provisions in their insurance coverage.

"It's going to vary not only as a function of the provider they choose, but it varies more significantly as a result of the insurance that they've chosen and where they're at during the course of the year with meeting their deductibles," he says.

"Whether it's a bundled payment or any other type of value-based payment mechanism, or just old vanilla fee-for-service, we reach out to the insurer via a phone call and we work with them to identify what those cost-sharing amounts will be for the patient," Miller says.

Northwell is in the process of implementing new technologies that will allow it to specify patient cost-sharing provisions electronically "so that we can give them a really good estimate up front before they have their procedure," Miller says.

Northwell's research also found that cost takes a back seat to quality for many healthcare consumers deciding where to receive care.

"To have the cost discussion in the absence of any quality information is really not getting complete information," he says.

Because healthcare consumers are driven primarily by out-of-pocket costs and quality, Miller says, they probably won't care about accessing a provider's payer-specific negotiated rates, as CMS proposes.

"They're most interested in how the cost will affect them," he says.

PAYERS, PROVIDERS PAN DISCLOSING NEGOTIATED RATES

There is a growing acceptance among payers and providers about disclosing out-of-pocket and other consumer-borne costs. But those stakeholders also share an opposition to HHS' call for disclosing negotiated rates between payers and providers. Such transparency wouldn't help patients, who likely aren't interested anyway, and it could actually raise healthcare costs, they argue.

Whether or not the theory is true, it's become a key talking point for both the AHA and America's Health Insurance Plans (AHIP).

"Mandating the disclosure of negotiated rates between insurers and hospitals is the wrong approach," the AHA's Rick Pollack says. "Instead, it could seriously limit the choices available to patients in the private market and fuel anticompetitive behavior among commercial health insurers in an already highly concentrated insurance industry."

AHIP president and CEO Matt Eyles says the mandate is not needed because "virtually all plans (nearly 95%) empower consumers to comparison shop for a doctor."

"And the vast majority of plans (about 90%) can show consumers their likely out-of-pocket costs—like copays, coinsurance, and deductibles—for specific procedures and services," Eyles says.

Eyles raises a concern frequently noted by both hospitals and insurers that "disclosing privately negotiated rates will make it harder to bargain for lower rates, creating a floor—not a ceiling—for the prices that hospitals would be willing to accept."

"Publicly disclosing competitively negotiated, proprietary rates will push prices and premiums higher—not lower—for consumers, patients, and taxpayers," he says.

John Baackes, CEO of L.A. Care Health Plan, says that's what happened a decade ago in Massachusetts when then-Attorney General Martha Coakley acquired and published the reimbursement codes for every hospital in the state.

"For certain codes, the most expensive hospitals were getting twice the reimbursement from insurers than the least-costly hospital," Baackes recalls. "Coakley's thinking was they'll go to the hospitals and get them to reduce the cost so that there'll be a more-level playing field. All that happened is the hospitals that were at the low end came to the payers and said, 'Hey, give us what those guys are getting.' "

For that reason, Baackes says, insurers have been "reluctant to share what they're paying the providers because many insurers believe it is a competitive advantage."

Hospitals feel the same way, he adds.

"They honor the proprietary nature of the reimbursements from the insurer because if that particular insurer is paying them more, they're not going to want to jeopardize their relationship with the insurer by advertising that," Baackes says.

"And when the insurer figures out that maybe they're paying more than everybody else, or particularly if the insurer is paying less than the average of other insurers, they don't want that out there because then the other insurers will come to the hospital and say, 'Well, if you're charging them less, I want to pay less too,' " Baackes says.

This penchant for secrecy between payers and providers won't change, Baackes says, "until we get the notion out there that the reimbursement relationship is not proprietary, but it is based on some sort of cost-plus system, where the hospital can then be transparent about what its real costs are to provide the services."

Besides, he says, the difference in the reimbursements among insurers is immaterial.

"It's very small, because the providers will look for consistency with reimbursements, and there aren't too many favored-nation arrangements," he says.

Baackes says the price transparency movement could be greatly enhanced by dumping the chargemaster and transitioning to a cost-based system.

"The chargemaster is total fiction," he says. "Yet that's what's used when some poor sucker walks in the door who doesn't have an insurance card in their wallet. And that's what they hound them for and drive people into bankruptcy over."

When hospitals try to fashion reimbursements from insurers around the chargemaster, Baackes says "we avoid those like the plague."

"The chargemaster is in the control of the hospital, and they could tomorrow raise everything 10% and then our costs go up 10% as well," he says. "We like to have more specificity. We're going to pay them a fee based on a Medicare reimbursement, which is more of a standard, but that is not transparent. It's between us and the hospital."

Under a cost-based reimbursement system, Baackes says, charges would be transparent because they're the same for everybody.

"If we went to a cost-based system, where the hospital or the doctor says, 'It cost me this much to provide the service, and I have this much markup so that I can make a living or keep the doors open,' then everybody has a better idea of what the real value of it is," he says, "because the chargemaster rate at a hospital has nothing to do with the underlying costs. It's sort of, 'What can we get away with?'"

"Now, there could be some arrangement where there is a slight discount because the insurer pays faster, or you could go to an arrangement where the insurer pre-pays the provider and that results in some sort of discount," Baackes says.

"But again, until we get over this idea that what the insurance paid the providers is proprietary information, you're never really going to crack the transparency thing," he says.

WHAT ABOUT VALUE TRANSPARENCY?

Suzanne Delbanco, PhD, executive director of Catalyst for Payment Reform, says the healthcare sector historically has had poor transparency not just with prices, but with quality, too.

"If you're a patient, and you are trying to choose a hospital for X procedure, the chances that you can actually find the information that you want to compare hospitals on that particular procedure and get your out-of-pocket costs ... and come up with some overall value choice is still largely impractical," she says.

"So, as consumers want to assess their options, it can be pretty challenging, and not just for the individual patient-consumer, but also for the employer-purchaser, trying to decide which health plan offerings to make available to their population," she says.

Delbanco says narrow networks pose their own challenges because patients want to be reassured that they're not compromising on quality for the sake of lower cost.

"If [employers] have a narrow network, are they going to be providing something that is a good value to their members or could they, without realizing it, be sending people to poor-quality providers?" she says.

A PUSHBACK FOR OBSCURITY?

Even with the growing public support behind the price transparency movement, there are no guarantees that it's going to happen, Delbanco says.

In fact, she says, it could get muddier "as providers continue to consolidate and amass more market power, and therefore put more terms into their contracts that are favorable for them. We're going to see a resurgence of gag clauses that prohibit this information from being shared."

She says she sees a scenario where "must-have" providers with major market power for payer network adequacy or competitive purposes are able not just to dictate higher prices, but also prohibit information sharing on negotiated rates.

"I'm putting it out there," she says, playing devil's advocate.

"There's obviously a much bigger cry for transparency than there has been, but we're also seeing provider consolidation continue," she says. "As much as we could all say what the right thing is, I don't know that it will happen."

There are also concerns among providers of losing patient volume if they have to be transparent on their quality and prices.

"Will people know how to interpret that correctly and make the right decision?" Delbanco says. "There is the risk, for example, that a provider who charges a higher price for a given procedure might actually ultimately take care of that patient at lower expense than another system whose price was lower."

"For example, if the higher-price hospital does a better job at getting things right the first time and there are no complications and no readmissions," she says, "that could be cheaper, but that kind of stuff is challenging to convey."

INTERVENTION IS COMING

With all the interest around price transparency, Delbanco foresees there being more state and federal intervention to make it happen.

"At the state level, we will see a handful more states pass laws that address these issues, and there are so many different ways to do it," she says. "I don't think we're going to see rate setting, where states try to say this is how much hospitals can get paid for X. We're more likely to see something like what Rhode Island has in place, putting a cap on how much prices can increase over time."

That legislative intervention could take the form of reference pricing, which Delbanco says has seen growing interest in recent years.

"In other words, if you tell the members of a health plan, that if you go to a provider that's higher than a reference price that we've set for something, then you have to pay the difference out of pocket," Delbanco says. "You can't do that, without transparency."

Whatever the method, Delbanco says, we're going to see more policy intervention for sure.



California Must Transform Health Insurance. Here's How

By Hector De La Torre and John Baackes, Special to CalMatters
October 31, 2019

Life packed a lot of hardship into Ma'Lissa Simon's 24 years. Bullied by schoolmates and siblings about her weight, anger drove her into gangs, drugs and even prostitution before the age of 18.

She spent some time in prison. Once she got out, transitional programs did not work and she ended up on the streets. It was not until she was six months pregnant with twins, in the hospital for gestational diabetes and kidney problems, that things started to change.

She learned about Housing for Health, an L.A. County program designed to improve health outcomes by helping individuals experiencing homelessness to move into permanent housing.

In 2017, L.A. Care Health Plan committed \$20 million over five years to Brilliant Corners, the agency that finds locations for the Housing for Health program.

The goal was to house 300 individuals experiencing homelessness – 291 individuals have been placed in housing so far. Ma'Lissa was the first.

This commitment represents just one of the steps L.A. Care has taken to address social factors that impact health.

Researchers maintain that medical care accounts for only 10-20% of all health outcomes. The other 80-90% is dependent on a variety of social factors such as housing, transportation, income and food security, and education.

It is clear that California needs to reevaluate how health insurance plans operate, especially Medicaid plans, the state and federal government-funded safety net plans serving the most vulnerable in every community.

For L.A. Care, the largest publicly-operated health plan in the country, health insurance has to be more than a plastic card in our member's wallet.

As a health plan serving nearly 2.2 million people, the vast majority of them Medi-Cal beneficiaries, we have taken numerous steps to address the various social factors that threaten our members' health. We are accountable and responsive to the communities we serve and in recent years, that has meant moving beyond clinical care.

While L.A. Care is committed to using reserve funding for grants to outside organizations that can address a wide variety of social factors, the health plan also operates six Resource Centers across Los Angeles County where many social factors can be addressed.

Each center is a safe, fun, and inclusive space where plan members and the wider community can access free health screenings and a range of fitness and nutrition classes. The centers enhance community connections and some care coordination, while offering access to agencies and organizations that can address social needs. L.A. Care recently announced a new \$146 million collaboration with the Promise Health Plan to expand and jointly operate the centers over the next five years.

Eventually, there will be 14 Community Resource Centers across L.A. County, offering even more services for members and non-members in the broader community.

These are just a few of the steps L.A. Care has taken to address the social factors that are impacting health outcomes in the region, certainly not all.

Our hope is that state and local government leaders will acknowledge what researchers have been saying for some time: medicine alone cannot cure what is ailing us.

We must treat the whole person, and address issues that may drag them and their physical and mental health down. To truly keep our communities healthy, we must go beyond clinical care and address the social needs that will make clinical care more effective.

It is working for Ma'Lissa Simon. She is in the apartment that L.A. Care's commitment helped to provide. She is healthy and plans to start looking for a job very soon. Her twins just turned 2, and keep mom on her toes. And they have a place to call home.

Hector De La Torre, a former California legislator, is chair of the L.A. Care Board of Governors, HDeLaTorre@lacareboard.org. John Baackes is chief executive officer of L.A. Care Health Plan, CEO@lacare.org. They co-authored this commentary for CalMatters.



October 28, 2019

TO: Board of Governors

FROM : John Baackes, *CEO*

SUBJECT: 4th Quarter FY 2018-19 Vision 2021 Progress Report

This report summarizes the progress made on the activities outlined in Vision 2021, L.A. Care's Strategic Plan. This is the fourth and final report for the 2018-19 fiscal year, which represents the first year of the three-year plan. Activities for this first year have been ongoing and on target.

L.A. Care's fourth quarter notable activities include:

- Health Homes program launched with enrollment of more than 900 members.
- Primary Care Psychiatrists are now eligible for the Physician Recruitment Program and Physician Loan Repayment Program as part of the Elevating the Safety Net initiative.
- Additional Community Health Workers were added to Family Resource Center/Community Resource Center sites to allow for member-centric care on site.
- Member360 (Optum Impact Symmetry Suite), a new analytic tool for provider quality and cost performance, member/population health & utilization, and care gap opportunities, has been deployed to provide L.A. Care with compiled and easily accessible data to drive health plan decisions. Product teams have been actively using Member360 since deployment.








1 High Performing Enterprise





A high functioning health plan with clear lines of accountability, processes, and people that drive efficiency and excellence.

Goal 1.1				
Members and providers get what they need from L.A. Care, accurately and consistently.				
Key Activities	<ul style="list-style-type: none"> Document and integrate health services processes. <i>Lead: Health Services</i> 		<ul style="list-style-type: none"> Health Services has adopted a documented Clinical/Population Health Model that will now serve as the basis for developing the business requirements for configuration of the new Health Services platform. The Utilization Management BRDs (Business Requirement Documents) were developed and approved over the past quarter. The Care Management/Population Health BRD development process is underway and nearly complete by the end of the 4th quarter. Current state improvements are ongoing as work continues to evolve towards the desired future state. 	Update

Color Indicator Legend			
	Green – On target, no issues		Red – Major issues, high risk
	Yellow – Some issues, probable risks, concerns		– Complete



Key Activities	<ul style="list-style-type: none"> Maintain focus on VOICE (Value Our Individual Customers Everyday), Total Provider Management, enrollment reengineering, claims/authorization stabilization, and IT (Information Technology) architecture. <i>Lead: Operations</i> 	<p>VOICE:  Total Provider Management Phase II: </p> <p>Claims & Encounters: </p>	<ul style="list-style-type: none"> Focus remains on multi-year transformative programs like VOICE, which focuses on transforming the way its customers navigate to find information and self-serve; Total Provider Management, which focuses on improving L.A. Care’s intake, validation and quality of provider data. Additionally, focus remains on work to reengineer membership enrollment and improve the processes that enable the claims processing of authorized services. 	Update
<p>Goal 1.2 Members across all products receive all the benefits they’re entitled to, accurately and consistently.</p>				
Key Activities	<ul style="list-style-type: none"> Refine and maintain benefit grids. <i>Lead: Product</i> 	<p>MCLA: </p> <p>CMC: </p>	<ul style="list-style-type: none"> Medi-Cal Product worked collaboratively with business units to firmly establish “benefits administration” as a fluid source of information in a useable format. This includes but is not limited to ensuring that the benefits grid and corresponding tools for members, providers, and staff in Salesforce is fully integrated in internal systems. This process will serve as a foundation for other lines of business. Medicare Product team completed benefit grid for 2020 benefit year and communicated the CMC benefit changes to the impacted business units as well as the configuration team. 	Update

Color Indicator Legend			
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Key Activities		LACC: 	<ul style="list-style-type: none"> LACC's 2020 benefits have been validated and tested. Due to launch live in the system on December 1, 2019.
	<ul style="list-style-type: none"> Use product segment data to analyze trends and design interventions to optimize health and utilization. <i>Lead: Product</i> 	MCLA: CMC: LACC: 	<ul style="list-style-type: none"> Medi-Cal Product participated in the development, testing, and refinement of Member360 (analytics tool) through ongoing consultation and feedback with the Optum and L.A. Care project teams. Medi-Cal has identified areas of opportunity to compare and contrast cost, utilization, and member trends by network and aid categories. Additionally, Medi-Cal Product has worked closely with the internal Data Science Team to identify cost trends among various membership segments to drive development of appropriate interventions (e.g., urgent care utilization, long term care placement). Medicare Product team is continuing to meet with the Medical Cost Drivers team, and has started building cross-functional teams to target and reverse the lowest-performing metrics. LACC, though Optum engagement with Member360, was able to stratify data to have a targeted campaign in support of Open Enrollment.

Color Indicator Legend	
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	– Complete



Goal 1.3

Providers receive the individualized information and resources they need to provide high-quality care with low administrative burden.

Key Activities	<ul style="list-style-type: none"> Provide practices with actionable performance reports and support in improving quality. <i>Lead: Health Services</i> 		<ul style="list-style-type: none"> Quality Improvement sent providers the fourth Provider Opportunity Report and Gaps in Care Lists of the year. Plans to evolve to an online reporting system are ongoing. Final measurement year 2018 performance reports and pay-for-performance (P4P) incentives were prepared. The goal is to have all of the reports and payments distributed in the next quarter. 	Update
	<ul style="list-style-type: none"> Celebrate top providers and improved performance. <i>Lead: Health Services</i> 		<ul style="list-style-type: none"> The first official kick-off planning meeting occurred for the next Provider Recognition Awards Dinner. January 30, 2020 is the date for the event and the program is coming together. L.A. Care will also work on producing an article to publish in the Pulse (monthly newsletter for providers) and Progress Notes (quarterly print newsletter) to recognize excellent performance in the P4P program. 	

Color Indicator Legend			
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Key Activities	<ul style="list-style-type: none"> Offer access to loan repayment and recruitment assistance for new physicians (Elevating the Safety Net). <i>Lead: Safety Net</i> 		<ul style="list-style-type: none"> Residency Support Program (RSP) – We are reviewing grant agreements with RSP awardees and will have contracts completed by the end of the year. Medical School Scholarships – No updates, but will review with executive leadership and the Elevating the Safety Net (ESN) Committee our future plans for maintaining or expanding the program. Physician Recruitment Program (PRP) – We continue to grow PRP with 61 new providers hired in practices across LA County (since Fall of 2018) and Cycle five applications are due Oct 17th. Physician Loan Repayment Program (PLRP) – We have disbursed more funds to offer awards to additional providers. PLRP continues to grow with 23 providers awarded. Please note: Primary Care Psychiatrists are now eligible providers under PRP and PLRP, this would only include psychiatrists employed by contracted entities in L.A. Care’s network and practicing in a primary care setting. ‘Elevating Community Health’ – The Community Health Worker (CHW) training program is under way, supporting the clinics and our community based care management entities (CB-CME’s) contracted with L.A. Care for our Health Homes program. 	Update
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Key Activities	<ul style="list-style-type: none"> Support practice transformation and use of electronic resources such as Electronic Health Records (EHRs) and virtual care. <i>Lead: Health Services, HIT</i> 		<ul style="list-style-type: none"> LA Practice Transformation Network (LAPTIN) ranks first in the country in practice transformation progress and top five in hospital utilization reduction. The program surpassed its goal by achieving \$136M in cost avoidance and exceeding six of nine diabetes and depression quality goals. LAPTIN received approval from CMS to extend program end from Sept. to Dec. 2019. California Technical Assistance Program (CTAP) helped providers achieve 7,300 adopt, implement, upgrade (AIU) and meaningful use milestones which earned \$8.5M towards the \$10.8M goal. The program concludes June 2020. L.A. Care is one of 59 organizations chosen for Network of Quality Improvement and Innovation Contractors (NQIIC). L.A. Care submitted a bid on the Clinician Quality Improvement Contractor (CQIC) task order; award is projected by the end of 2019. L.A. Care and First 5 LA are entering into a partnership to help medical practices improve child development by implementing screening tools and facilitating access to community resources. The program is anticipated to start by end of 2019. eManagement is implemented with 142 providers serving 124,000 MCLA members. 	Update
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2 High Quality Network





A network that aligns reimbursement with member risk and provider performance to support high quality, cost efficient care.

Goal 2.1				
Develop a contracting strategy with rates that support access to high-quality, cost efficient care.				
Key Activities	<ul style="list-style-type: none"> Conduct pricing analysis for hospital re-contracting efforts. <i>Lead: Operations/Finance</i> 	■	<ul style="list-style-type: none"> Focus remains on hospital re-contracting to improve internal operations and external partnerships. 	Update
	<ul style="list-style-type: none"> Define provider network requirements by product. <i>Lead: Product</i> 	MCLA: ■	<ul style="list-style-type: none"> L.A. Care is implementing a telehealth benefit for all product lines through collaboration with Operations and Health Services. This includes but is not limited to vendor contracting, defining the scope of telehealth benefits, and service areas and operational implementation. Telehealth will allow for the expanded access to care for all members, which may help reduce avoidable urgent care and emergency room utilization. Medicare Product team is working with Provider Network Management to explore the ideal Medicare product for our eligible members, and build a pool of providers who can best serve those needs. 	
		CMC: ■	<ul style="list-style-type: none"> Medicare Product team is working with Provider Network Management to explore the ideal Medicare product for our eligible members, and build a pool of providers who can best serve those needs. 	
	<ul style="list-style-type: none"> Analyze and report monthly hospital utilization changes. <i>Lead: Health Services</i> 	LACC: ■	<ul style="list-style-type: none"> LACC launched the UCLA limited network in early September 2019. 	
		■	<ul style="list-style-type: none"> Overall hospital utilization remains under control, in part due to continued manual adjudication of all inpatient acute claims and 	

Color Indicator Legend	
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■	Yellow – Some issues, probable risks, concerns
■	Red – Major issues, high risk
■	– Complete



			focus on identifying areas of performance improvement.	
Goal 2.2				
Administer benefits at the level that ensures the best outcome, whether through high quality delegated providers or directly.				
Key Activities	<ul style="list-style-type: none"> Optimize oversight of delegated functions. <i>Lead: Operations/Compliance/HS</i> 		<ul style="list-style-type: none"> Delegation Oversight has become its own department. It is working to centralize oversight activities and results as well as streamline all delegate communications. Delegation Oversight is creating a single point of contact account management and communications strategy to better manage communications with delegates. This will limit touchpoints between L.A. Care and delegated entities and will store all communications for ease of access and quality control. Simultaneously, Delegation Oversight is starting the transition to centralize auditors to develop a more streamlined process, improve turnaround times, and foster efficiencies. Finally, Delegation Oversight is developing its baseline performance scorecard which will show delegate performance across the network and amongst each delegated function. The scorecard will show performance by line of business and by demographic region to better inform how performance may impact care in certain communities (geographic and demographic). 	Update

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	<ul style="list-style-type: none"> Factor Value Initiative for IPA Performance (VIIP) scores into member assignment and network composition. <i>Lead: Operations, Health Services</i> 		<ul style="list-style-type: none"> VIIP continues to be useful and support IPAs quality improvement efforts. We continue to consider how best to incorporate VIIP and other quality measures into member composition and overall network strategy. 	
<p>Goal 2.3</p> <p>Build foundational capabilities to support expansion of the L.A. Care Direct Network.</p>				
Key Activities	<ul style="list-style-type: none"> Add primary and specialty providers to the direct network. <i>Lead: Operations</i> 		<ul style="list-style-type: none"> Strategic recruiting in L.A. County for the Direct Network continues and is incorporated as part of daily operations. 	Update
	<ul style="list-style-type: none"> Improve administrative and health services support to enable the direct network to scale up. <i>Lead: Operations, Health Services</i> 		<ul style="list-style-type: none"> Operations and Health Services are continuing to strengthen infrastructure to ensure there is appropriate support for a countywide Direct Network. 	
	<ul style="list-style-type: none"> Convert contracts to capitation when membership reaches an appropriate level. <i>Lead: Operations</i> 		<ul style="list-style-type: none"> The Direct Network committee continues to address all internal business operations (Health Services, Finance, Ops) to support the ongoing expansion of the Direct Network. As membership assigned to directly contracted PCPs increases, L.A. Care will implement the process necessary to change the reimbursement methodology accordingly. 	





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3 Member Centric Care

Member-centric services and care, tailored to the needs of our varied populations.

Goal 3.1				
Understand our member needs so we can respond more meaningfully and plan for the future.				
Key Activities	<ul style="list-style-type: none"> Implement Member360 analytics. <i>Lead: Operations</i> 		<ul style="list-style-type: none"> The production environment of both Optum Impact Pro and Impact Intelligence (Member360) have been deployed and are beginning to be used to identify areas of opportunity where L.A. Care can reduce costs and increase member outcomes. 	Update
	<ul style="list-style-type: none"> Develop a view of the member by product segment to assess needs, utilization, and costs <i>Lead: Product</i> 	MCLA:  CMC: 	<ul style="list-style-type: none"> Medi-Cal, in collaboration with Optum and L.A. Care Member360 teams is developing priorities for prospective phases of Member360, which will enhance quality and applicability of product, provider and member data. This is achieved by identifying new and/or improved technical and functional specifications of the Optum tool. Through direct collaboration with Optum, Medi-Cal identified opportunities to assess, compare, and contrast provider performance. Medicare Product team continues to utilize the Member360 tool to better identify key information regarding the Medicare membership, which allows the team and the organization to have a deeper understanding of the CMC and CCI members. Member data can now be produced by PPG through the medical 	

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		LACC: 	<p>cost drivers report, which helps to more closely manage member care and cost of care.</p> <ul style="list-style-type: none"> LACC team completed “Face of the Member” and Journey 4 (demographic reports) and utilized them to support Open Enrollment in 2020. 	
Goal 3.2				
Address members’ unmet social needs and make care accessible in the right way, at the right place, at the right time.				
Key Activities	<ul style="list-style-type: none"> Implement care management platform, and integrate with other health services functions over time. <i>Lead: Health Services</i> 		<ul style="list-style-type: none"> L.A. Care is continuing to develop more robust requirements, based on industry best practices, to optimize the way we manage the health of our members across all products and throughout the member’s care continuum to customize and configure the population health management system. 	Update
	<ul style="list-style-type: none"> Implement alternative approaches for urgent care, offsetting ED utilization. <i>Lead: Health Services</i> 		<ul style="list-style-type: none"> L.A. Care continued with the soft launch of Minute Clinic for all lines of business. Internal teams are working on the communications plan to help members appropriately select the right type of care to meet their needs (right place, right time). Teams are also monitoring utilization during this initial pilot year. Internal implementation teams continued working to bring a telehealth option to all lines of business by January 2020. 	

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Key Activities	<ul style="list-style-type: none"> Expand care management at Family Resource Centers (FRCs) <i>Lead: Health Services</i> 		<ul style="list-style-type: none"> Eight additional Community Health Workers (CHW) have been hired and trained on internal L.A. Care processes. They are now participating in a CHW certification curriculum with Loma Linda University as they are also starting to work with our Care Managers (CM) on member cases. There are a total of 10 Community Health Workers on the CM team, covering Community Resource Centers (formerly known as Family Resource Centers) at East LA, Lynwood, Inglewood, Palmdale, Pacoima and Pomona (when this site opens in November). 	Update
	<ul style="list-style-type: none"> Assess members' social needs that affect health and establish pathways to programs and resources that meet those needs. <i>Lead: Health Services</i> 		<ul style="list-style-type: none"> The community-based resource platform, Community Link, has been live since June. Initial phase community-based resource platform training for internal staff departments been completed by the Health Services Training Department. Communication plan efforts to inform L.A. Care staff of enterprise-wide social determinants of health priorities occurred in September. Internal communications on this topic with staff will be ongoing. 	





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4 Health Leader





Recognized leader in improving health for low income and vulnerable communities.

Goal 4.1				
Be a local, state, and national leader to advance health and social services for low income and vulnerable communities.				
Key Activities	<ul style="list-style-type: none"> Advocate for policies that improve access to care and quality of life for low income communities <i>Lead: Strategy Council</i> 		<ul style="list-style-type: none"> On September 23, 2019, L.A. Care submitted a comment letter communicating its strong opposition to the United States Department of Agriculture proposed revision to “broad based categorical eligibility” rule for the Supplemental Nutrition Assistance Program (SNAP). Because the cost of living in California is higher than the Health and Human Services federal poverty threshold, most notably in L.A. County, California implemented the SNAP categorical eligibility option. The Los Angeles Department of Public Social Services (DPSS) estimates that the removal of the SNAP categorical eligibility may result in more than 120,000 California households, including 40,000 households in L.A. County, losing access to SNAP benefits. Government Affairs staff held 23 legislative visits in Sacramento, district (L.A. County) and D.C. The topics discussed included CalFresh expansion, L.A. Care/Blue Shield of California Promise Health Plans Family Resource Center five-year commitment to expand Community Resource Centers across L.A. County, Housing 	Update


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			<p>for Health, Elevating the Safety Net and other key initiatives.</p> <ul style="list-style-type: none"> • Throughout July and August, 30 RCAC members attended 20 meetings with state legislative offices at the district level. The purpose of the meetings were for the RCAC members to share their personal stories and educate the legislative offices about the recent CalFresh expansion as well as the goal to increase overall CalFresh enrollment. • On August 23, 2019 L.A. Care hosted an education briefing specifically designed for staffers representing the L.A. County congressional, senate, and assembly offices. The purpose of the briefing was to keep local elected offices informed of important developments in the CalFresh Program. There were 40 offices present at the briefing. Presenters included L.A. County DPSS (CalFresh Nutrition Program) and Hunger Action LA. 	
	<ul style="list-style-type: none"> • Demonstrate the value of a public option <i>Lead: Strategy Council</i> 		<ul style="list-style-type: none"> • The Atlantic interviewed John Baackes in an article titled, “L.A.’s Health-Care Reform Is a Lesson for Democrats” regarding the strength and value of L.A. Care’s presence in L.A. County – not only as a health plan, but also as a community partner and through services provided in Family Resource Centers (now Community Resource Centers). KPCC and the New York Times also referenced L.A. Care as an example of a public option in California through our offering of LACC in the exchange marketplace. 	

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			<ul style="list-style-type: none"> State and federal activities related to public option continue to be monitored. 	
Goal 4.2				
Implement initiatives that improve the health and wellbeing of those served by safety net providers.				
Key Activities	<ul style="list-style-type: none"> Implement the Elevating the Safety Net initiative <i>Lead: Health Services</i> 		<ul style="list-style-type: none"> Residency Support Program (RSP) – We are reviewing grant agreements with RSP awardees and will have contracts completed by the end of the year. Medical School Scholarships – No updates, but will review with executive leadership and the Elevating the Safety Net (ESN) Committee our future plans for maintaining or expanding the program. Physician Recruitment Program (PRP) – We continue to grow PRP with 61 new providers hired in practices across LA County (since Fall of 2018) and Cycle five applications are due Oct 17th. Physician Loan Repayment Program (PLRP) – We have disbursed more funds to offer awards to additional providers. PLRP continues to grow with 23 providers awarded. Please note: Primary Care Psychiatrists are now eligible providers under PRP and PLRP, this would only include psychiatrists employed by contracted entities in L.A. Care’s network and practicing in a primary care setting. ‘Elevating Community Health’ – The Community Health Worker (CHW) training program is under way, supporting the clinics and our community based care management entities 	Update


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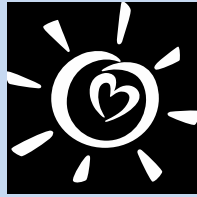
Key Activities			(CB-CME's) contracted with LA Care for our Health Homes program.	Update
	<ul style="list-style-type: none"> Launch FRCs (Family Resource Centers) in every RCAC (Regional Community Advisory Committees) <i>Lead: Strategy Council</i> 		<ul style="list-style-type: none"> Pomona location soft opens on Oct. 28 with grand opening events on 11/6 and 11/9 and full opening on 11/11. Negotiations on additional space at Boyle Heights in final stages. Leases for locations in Wilmington and Long Beach in final L.A. Care review. Metro L.A. plans in final city review. Construction will begin this quarter. Tours of potential locations in the San Gabriel Valley and in Norwalk taking place in Oct.-Nov. 	

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Key Activities	<ul style="list-style-type: none"> Implement Health Homes <i>Lead: Health Services</i> 	 <ul style="list-style-type: none"> Successful program launch with enrollment of more than 900 members at 21 Community Based-Care Management Entities (CB-CMEs) in Health Homes' first quarter. Certification, Readiness Plans and contracting completed with an additional seven CB-CMEs for an October 1, 2019 start with Health Homes. Outreach and engagement with potential CB-CME to join the network for January 2020. Data collection and assessment of CB-CME network readiness for the inclusion of the Severely Mentally Ill population in January 2020. Continued training and technical assistance offerings for CB-CMEs to support capacity and skill building. Ongoing collaboration with internal cross-functional teams resulting in deployment of several IT deliverables to facilitate member enrollment, program operations, payment, and oversight, including automated dissemination of Targeted Engagement Lists, ingestion of CB-CME data response files, and access to on-demand reporting. 	Update
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L.A. Care
HEALTH PLAN®

Board of Governors
MOTION SUMMARY

Date: November 7, 2019

Motion No. BOG 108.1119

Committee:

Chairperson: Hector De La Torre

New Contract Amendment Sole Source RFP/RFQ was conducted

Issue: Acceptance of the Financial Reports.

Background: N/A

Member Impact: N/A

Budget Impact: N/A

Motion: To accept the Financial Report as submitted, for the period ended August 2019, as submitted.



L.A. Care
HEALTH PLAN®

Financial Performance August 2019

Overall

The combined member months are 24.0 million year-to-date, which is 16,219 member months unfavorable to forecast. The year-to-date performance is a surplus of \$232.8 million or 3.2% of revenue and is \$29.3 million unfavorable to forecast.

MediCal Plan Partners

The member months are 10.9 million, which is 11,204 member months unfavorable to forecast. The performance is a surplus of \$97.5 million and is \$1.8 million unfavorable to forecast.

MediCal SPD-CCI

The member months are 2.4 million, which is 578 member months unfavorable to forecast. The performance is a surplus of \$45.8 million and is \$12.3 million unfavorable to forecast.

MediCal TANF-MCE

The member months are 9.1 million, which is 1,378 member months unfavorable to forecast. The performance is a surplus of \$77.1 million and is \$9.2 million unfavorable to forecast.

Cal MediConnect (CMC)

The member months are 178,424 which is 606 member months unfavorable to forecast. The performance is a surplus of \$2.6 million and is \$8.9 million unfavorable to forecast.

Commercial

L.A. Care Commercial consists of LACC and PASC-SEIU. The member months are 1.4 million, which is 2,452 member months unfavorable to forecast. The performance is a surplus of \$25.7 million and is \$5.3 million unfavorable to forecast.



Consolidated Operations Income Statement (\$ in thousands)

August 2019

Current Actual		Current Forecast		Fav<Unfav> Forecast		YTD Actual		YTD Forecast		Fav<Unfav> Forecast	
\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM
2,168,416		2,176,262		(7,846)							
						Membership					
						Member Months	24,038,739	24,054,958	(16,219)		
						Revenue					
\$ 673,851	\$ 310.76	\$ 658,552	\$ 302.61	\$ 15,299	\$ 8.15	Capitation	\$ 7,243,552	\$ 301.33	\$ 7,229,362	\$ 300.54	\$ 14,190 \$ 0.79
\$ 673,851	\$ 310.76	\$ 658,552	\$ 302.61	\$ 15,299	\$ 8.15	Total Revenues	\$ 7,243,552	\$ 301.33	\$ 7,229,362	\$ 300.54	\$ 14,190 \$ 0.79
						Healthcare Expenses					
\$ 362,664	\$ 167.25	\$ 347,316	\$ 159.59	\$ (15,348)	\$ (7.66)	Capitation	\$ 3,836,069	\$ 159.58	\$ 3,823,420	\$ 158.95	\$ (12,649) \$ (0.63)
\$ 107,724	\$ 49.68	\$ 78,888	\$ 36.25	\$ (28,837)	\$ (13.43)	Inpatient Claims	\$ 892,574	\$ 37.13	\$ 850,363	\$ 35.35	\$ (42,211) \$ (1.78)
\$ 53,886	\$ 24.85	\$ 58,453	\$ 26.86	\$ 4,567	\$ 2.01	Outpatient Claims	\$ 600,146	\$ 24.97	\$ 611,478	\$ 25.42	\$ 11,333 \$ 0.45
\$ 64,921	\$ 29.94	\$ 51,469	\$ 23.65	\$ (13,452)	\$ (6.29)	Skilled Nursing Facility	\$ 595,139	\$ 24.76	\$ 573,009	\$ 23.82	\$ (22,130) \$ (0.94)
\$ 59,328	\$ 27.36	\$ 57,054	\$ 26.22	\$ (2,274)	\$ (1.14)	Pharmacy	\$ 611,648	\$ 25.44	\$ 616,766	\$ 25.64	\$ 5,118 \$ 0.20
\$ 10,744	\$ 4.95	\$ 9,842	\$ 4.52	\$ (902)	\$ (0.43)	Provider Incentives and Shared Risk	\$ 75,486	\$ 3.14	\$ 73,093	\$ 3.04	\$ (2,393) \$ (0.10)
\$ 5,491	\$ 2.53	\$ 5,506	\$ 2.53	\$ 15	\$ (0.00)	Medical Administrative Expenses	\$ 55,958	\$ 2.33	\$ 56,463	\$ 2.35	\$ 504 \$ 0.02
\$ 664,758	\$ 306.56	\$ 608,528	\$ 279.62	\$ (56,231)	\$ (26.94)	Total Healthcare Expenses	\$ 6,667,019	\$ 277.34	\$ 6,604,590	\$ 274.56	\$ (62,428) \$ (2.78)
98.7%		92.4%		-6.2%		MCR(%)	92.0%	91.4%	-0.7%		
\$ 9,093	\$ 4.19	\$ 50,025	\$ 22.99	\$ (40,932)	\$ (18.79)	Operating Margin	\$ 576,533	\$ 23.98	\$ 624,772	\$ 25.97	\$ (48,239) \$ (1.99)
\$ 36,896	\$ 17.02	\$ 38,415	\$ 17.65	\$ 1,518	\$ 0.64	Total Operating Expenses	\$ 383,326	\$ 15.95	\$ 386,695	\$ 16.08	\$ 3,368 \$ 0.13
5.5%		5.8%		0.4%		Admin Ratio(%)	5.3%	5.3%	0.1%		
\$ (27,804)	\$ (12.82)	\$ 11,610	\$ 5.33	\$ (39,414)	\$ (18.16)	Income (Loss) from Operations	\$ 193,206	\$ 8.04	\$ 238,077	\$ 9.90	\$ (44,870) \$ (1.86)
\$ 1,549	\$ 0.71	\$ (2,830)	\$ (1.30)	\$ 4,379	\$ 2.01	Other Income/(Expense), net	\$ (10,873)	\$ (0.45)	\$ (20,032)	\$ (0.83)	\$ 9,159 \$ 0.38
\$ 3,691	\$ 1.70	\$ 2,393	\$ 1.10	\$ 1,298	\$ 0.60	Interest Income, net	\$ 35,804	\$ 1.49	\$ 33,326	\$ 1.39	\$ 2,479 \$ 0.10
\$ 48	\$ 0.02	\$ -	\$ -	\$ 48	\$ 0.02	Realized Gain / Loss	\$ (155)	\$ (0.01)	\$ (237)	\$ (0.01)	\$ 82 \$ 0.00
\$ 3,603	\$ 1.66	\$ (533)	\$ (0.24)	\$ 4,136	\$ 1.91	Unrealized Gain / Loss	\$ 14,804	\$ 0.62	\$ 10,985	\$ 0.46	\$ 3,819 \$ 0.16
\$ 8,890	\$ 4.10	\$ (970)	\$ (0.45)	\$ 9,861	\$ 4.55	Total Non-Operating Income (Expense)	\$ 39,580	\$ 1.65	\$ 24,042	\$ 1.00	\$ 15,538 \$ 0.65
\$ (18,913)	\$ (8.72)	\$ 10,640	\$ 4.89	\$ (29,553)	\$ (13.61)	Net Surplus (Deficit)	\$ 232,786	\$ 9.68	\$ 262,119	\$ 10.90	\$ (29,332) \$ (1.21)
-2.8%		1.6%		-4.4%		Margin(%)	3.2%	3.6%	-0.4%		



MediCal Plan Partners Income Statement (\$ in thousands)

August 2019

Current Actual		Current Forecast		Fav<Unfav> Forecast		YTD Actual		YTD Forecast		Fav<Unfav> Forecast	
\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM
975,449		981,016		(5,567)		10,929,182		10,940,386		(11,204)	
Membership											
Member Months											
Revenue											
Capitation											
\$ 243,646	\$ 249.78	\$ 242,886	\$ 247.59	\$ 760	\$ 2.19	\$ 2,652,032	\$ 242.66	\$ 2,655,566	\$ 242.73	\$ (3,535)	\$ (0.07)
\$ 243,646	\$ 249.78	\$ 242,886	\$ 247.59	\$ 760	\$ 2.19	\$ 2,652,032	\$ 242.66	\$ 2,655,566	\$ 242.73	\$ (3,535)	\$ (0.07)
Total Revenues											
Healthcare Expenses											
Capitation											
\$ 227,864	\$ 233.60	\$ 224,778	\$ 229.13	\$ (3,086)	\$ (4.47)	\$ 2,487,906	\$ 227.64	\$ 2,486,245	\$ 227.25	\$ (1,661)	\$ (0.38)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7	\$ 0.00	\$ 7	\$ 0.00	\$ -	\$ (0.00)
\$ (0)	\$ (0.00)	\$ -	\$ -	\$ 0	\$ 0.00	\$ 246	\$ 0.02	\$ 519	\$ 0.05	\$ 272	\$ 0.02
\$ 6,092	\$ 6.25	\$ 5,954	\$ 6.07	\$ (138)	\$ (0.18)	\$ 25,806	\$ 2.36	\$ 25,471	\$ 2.33	\$ (335)	\$ (0.03)
\$ 845	\$ 0.87	\$ 796	\$ 0.81	\$ (49)	\$ (0.06)	\$ 7,926	\$ 0.73	\$ 7,936	\$ 0.73	\$ 10	\$ 0.00
\$ 234,801	\$ 240.71	\$ 231,529	\$ 236.01	\$ (3,273)	\$ (4.70)	\$ 2,521,891	\$ 230.75	\$ 2,520,178	\$ 230.36	\$ (1,714)	\$ (0.39)
96.4%		95.3%		-1.0%		95.1%		94.9%		-0.2%	
\$ 8,845	\$ 9.07	\$ 11,357	\$ 11.58	\$ (2,512)	\$ (2.51)	\$ 130,141	\$ 11.91	\$ 135,389	\$ 12.38	\$ (5,248)	\$ (0.47)
\$ 5,473	\$ 5.61	\$ 5,511	\$ 5.62	\$ 38	\$ 0.01	\$ 56,037	\$ 5.13	\$ 56,516	\$ 5.17	\$ 479	\$ 0.04
2.2%		2.3%		0.0%		2.1%		2.1%		0.0%	
\$ 3,372	\$ 3.46	\$ 5,846	\$ 5.96	\$ (2,474)	\$ (2.50)	Operating Margin					
\$ 3,304	\$ 3.39	\$ 775	\$ 0.79	\$ 2,529	\$ 2.60	Total Operating Expenses					
Admin Ratio(%)											
\$ 6,676	\$ 6.84	\$ 6,621	\$ 6.75	\$ 55	\$ 0.09	\$ 74,104	\$ 6.78	\$ 78,873	\$ 7.21	\$ (4,769)	\$ (0.43)
2.7%		2.7%		0.0%		Income (Loss) from Operations					
Total Non-Operating Income (Expense)											
Net Surplus (Deficit)											
Margin(%)											
3.7%		3.7%		-0.1%		\$ 97,532	\$ 8.92	\$ 99,306	\$ 9.08	\$ (1,773)	\$ (0.15)



MediCal SPD-CCI Income Statement (\$ in thousands)

August 2019

Current Actual		Current Forecast		Fav<Unfav> Forecast		YTD Actual		YTD Forecast		Fav<Unfav> Forecast		
\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	
219,949		219,758		191								
						Membership						
						Member Months	2,414,680		2,415,258		(578)	
						Revenue						
						Capitation	\$ 1,759,142	\$ 728.52	\$ 1,744,120	\$ 722.13	\$ 15,023	\$ 6.39
						Total Revenues	\$ 1,759,142	\$ 728.52	\$ 1,744,120	\$ 722.13	\$ 15,023	\$ 6.39
						Healthcare Expenses						
						Capitation	\$ 174,282	\$ 72.18	\$ 175,960	\$ 72.85	\$ 1,678	\$ 0.68
						Inpatient Claims	\$ 353,301	\$ 146.31	\$ 333,322	\$ 138.01	\$ (19,979)	\$ (8.31)
						Outpatient Claims	\$ 316,496	\$ 131.07	\$ 321,054	\$ 132.93	\$ 4,558	\$ 1.86
						Skilled Nursing Facility	\$ 551,740	\$ 228.49	\$ 530,021	\$ 219.45	\$ (21,719)	\$ (9.05)
						Pharmacy	\$ 187,551	\$ 77.67	\$ 190,415	\$ 78.84	\$ 2,864	\$ 1.17
						Provider Incentives and Shared Risk	\$ 2,027	\$ 0.84	\$ 1,344	\$ 0.56	\$ (682)	\$ (0.28)
						Medical Administrative Expenses	\$ 17,831	\$ 7.38	\$ 18,049	\$ 7.47	\$ 218	\$ 0.09
						Total Healthcare Expenses	\$ 1,603,228	\$ 663.95	\$ 1,570,165	\$ 650.10	\$ (33,063)	\$ (13.85)
						<i>MCR(%)</i>	<i>91.1%</i>		<i>90.0%</i>		<i>-1.1%</i>	
						Operating Margin	\$ 155,914	\$ 64.57	\$ 173,954	\$ 72.02	\$ (18,041)	\$ (7.45)
						Total Operating Expenses	\$ 124,085	\$ 51.39	\$ 128,283	\$ 53.11	\$ 4,198	\$ 1.73
						<i>Admin Ratio(%)</i>	<i>7.1%</i>		<i>7.4%</i>		<i>0.3%</i>	
						Income (Loss) from Operations	\$ 31,829	\$ 13.18	\$ 45,672	\$ 18.91	\$ (13,843)	\$ (5.73)
						Total Non-Operating Income (Expense)	\$ 14,016	\$ 5.80	\$ 12,448	\$ 5.15	\$ 1,569	\$ 0.65
						Net Surplus (Deficit)	\$ 45,845	\$ 18.99	\$ 58,119	\$ 24.06	\$ (12,274)	\$ (5.08)
						<i>Margin(%)</i>	<i>2.6%</i>		<i>3.3%</i>		<i>-0.7%</i>	



MediCal TANF-MCE Income Statement (\$ in thousands)

August 2019

Current Actual		Current Forecast		Fav<Unfav> Forecast		YTD Actual		YTD Forecast		Fav<Unfav> Forecast	
\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM
827,084		827,574		(490)							
Membership											
Member Months											
						9,102,978		9,104,356		(1,378)	
Revenue											
Capitation											
\$ 194,584	\$ 235.27	\$ 191,490	\$ 231.39	\$ 3,094	\$ 3.88	\$ 2,136,027	\$ 234.65	\$ 2,134,172	\$ 234.41	\$ 1,855	\$ 0.24
\$ 194,584	\$ 235.27	\$ 191,490	\$ 231.39	\$ 3,094	\$ 3.88	\$ 2,136,027	\$ 234.65	\$ 2,134,172	\$ 234.41	\$ 1,855	\$ 0.24
Total Revenues											
Healthcare Expenses											
Capitation											
\$ 77,960	\$ 94.26	\$ 73,974	\$ 89.39	\$ (3,985)	\$ (4.87)	\$ 814,277	\$ 89.45	\$ 810,331	\$ 89.00	\$ (3,946)	\$ (0.45)
\$ 52,648	\$ 63.65	\$ 40,125	\$ 48.49	\$ (12,522)	\$ (15.17)	\$ 448,660	\$ 49.29	\$ 429,515	\$ 47.18	\$ (19,145)	\$ (2.11)
\$ 21,544	\$ 26.05	\$ 23,926	\$ 28.91	\$ 2,382	\$ 2.86	\$ 245,941	\$ 27.02	\$ 252,902	\$ 27.78	\$ 6,961	\$ 0.76
\$ 3,805	\$ 4.60	\$ 4,364	\$ 5.27	\$ 558	\$ 0.67	\$ 23,921	\$ 2.63	\$ 25,215	\$ 2.77	\$ 1,294	\$ 0.14
\$ 33,523	\$ 40.53	\$ 32,087	\$ 38.77	\$ (1,436)	\$ (1.76)	\$ 353,717	\$ 38.86	\$ 357,166	\$ 39.23	\$ 3,449	\$ 0.37
\$ 2,863	\$ 3.46	\$ 2,000	\$ 2.42	\$ (864)	\$ (1.05)	\$ 27,547	\$ 3.03	\$ 25,816	\$ 2.84	\$ (1,732)	\$ (0.19)
\$ 2,472	\$ 2.99	\$ 2,589	\$ 3.13	\$ 116	\$ 0.14	\$ 24,833	\$ 2.73	\$ 25,224	\$ 2.77	\$ 390	\$ 0.04
\$ 194,815	\$ 235.54	\$ 179,064	\$ 216.37	\$ (15,751)	\$ (19.17)	\$ 1,938,896	\$ 213.00	\$ 1,926,168	\$ 211.57	\$ (12,729)	\$ (1.43)
100.1%		93.5%		-6.6%		90.8%		90.3%		-0.5%	
\$ (230)	\$ (0.28)	\$ 12,426	\$ 15.01	\$ (12,656)	\$ (15.29)	\$ 197,130	\$ 21.66	\$ 208,004	\$ 22.85	\$ (10,874)	\$ (1.19)
Operating Margin											
\$ 13,426	\$ 16.23	\$ 13,323	\$ 16.10	\$ (104)	\$ (0.13)	\$ 134,663	\$ 14.79	\$ 134,626	\$ 14.79	\$ (37)	\$ (0.01)
6.9%		7.0%		0.1%		6.3%		6.3%		0.0%	
\$ (13,657)	\$ (16.51)	\$ (897)	\$ (1.08)	\$ (12,760)	\$ (15.43)	\$ 62,467	\$ 6.86	\$ 73,378	\$ 8.06	\$ (10,911)	\$ (1.20)
Total Operating Expenses											
Admin Ratio(%)											
\$ 2,038	\$ 2.46	\$ 534	\$ 0.65	\$ 1,503	\$ 1.82	\$ 14,622	\$ 1.61	\$ 12,872	\$ 1.41	\$ 1,749	\$ 0.19
Income (Loss) from Operations											
Total Non-Operating Income (Expense)											
\$ (11,619)	\$ (14.05)	\$ (363)	\$ (0.44)	\$ (11,257)	\$ (13.61)	\$ 77,089	\$ 8.47	\$ 86,251	\$ 9.47	\$ (9,162)	\$ (1.01)
-6.0%		-0.2%		-5.8%		3.6%		4.0%		-0.4%	
Net Surplus (Deficit)											
Margin(%)											



CMC Income Statement (\$ in thousands)

August 2019

Current Actual		Current Forecast		Fav<Unfav> Forecast		YTD Actual		YTD Forecast		Fav<Unfav> Forecast	
\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM
15,938		16,323		(385)		178,424		179,030		(606)	
Membership											
Member Months											
Revenue											
Capitation											
\$ 17,115	\$ 1,073.85	\$ 20,746	\$ 1,270.95	\$ (3,631)	\$ (197.10)	\$ 233,167	\$ 1,306.81	\$ 236,317	\$ 1,319.99	\$ (3,151)	\$ (13.18)
\$ 17,115	\$ 1,073.85	\$ 20,746	\$ 1,270.95	\$ (3,631)	\$ (197.10)	\$ 233,167	\$ 1,306.81	\$ 236,317	\$ 1,319.99	\$ (3,151)	\$ (13.18)
Total Revenues											
Healthcare Expenses											
Capitation											
\$ 10,507	\$ 659.27	\$ 9,978	\$ 611.26	\$ (530)	\$ (48.02)	\$ 108,134	\$ 606.05	\$ 108,512	\$ 606.11	\$ 378	\$ 0.06
\$ 7,033	\$ 441.29	\$ 4,168	\$ 255.33	\$ (2,866)	\$ (185.97)	\$ 47,130	\$ 264.14	\$ 43,222	\$ 241.43	\$ (3,907)	\$ (22.72)
\$ 1,756	\$ 110.21	\$ 1,764	\$ 108.08	\$ 8	\$ (2.13)	\$ 17,012	\$ 95.35	\$ 16,895	\$ 94.37	\$ (118)	\$ (0.98)
\$ 2,065	\$ 129.57	\$ 1,462	\$ 89.58	\$ (603)	\$ (40.00)	\$ 18,535	\$ 103.88	\$ 17,125	\$ 95.66	\$ (1,410)	\$ (8.23)
\$ 2,363	\$ 148.29	\$ 1,265	\$ 77.51	\$ (1,098)	\$ (70.79)	\$ 12,108	\$ 67.86	\$ 10,976	\$ 61.31	\$ (1,132)	\$ (6.55)
\$ 794	\$ 49.79	\$ 601	\$ 36.83	\$ (193)	\$ (12.97)	\$ 8,877	\$ 49.75	\$ 8,477	\$ 47.35	\$ (399)	\$ (2.40)
\$ 237	\$ 14.84	\$ 302	\$ 18.48	\$ 65	\$ 3.64	\$ 3,524	\$ 19.75	\$ 3,695	\$ 20.64	\$ 171	\$ 0.89
\$ 24,756	\$ 1,553.27	\$ 19,539	\$ 1,197.05	\$ (5,217)	\$ (356.22)	\$ 215,319	\$ 1,206.78	\$ 208,902	\$ 1,166.85	\$ (6,417)	\$ (39.93)
144.6%		94.2%		-50.5%		92.3%		88.4%		-3.9%	
\$ (7,641)	\$ (479.42)	\$ 1,206	\$ 73.90	\$ (8,847)	\$ (553.33)	\$ 17,847	\$ 100.03	\$ 27,416	\$ 153.13	\$ (9,568)	\$ (53.11)
Operating Margin											
\$ 1,484	\$ 93.13	\$ 1,810	\$ 110.86	\$ 325	\$ 17.73	\$ 15,525	\$ 87.01	\$ 16,143	\$ 90.17	\$ 618	\$ 3.16
8.7%		8.7%		0.1%		6.7%		6.8%		0.2%	
\$ (9,125)	\$ (572.55)	\$ (603)	\$ (36.96)	\$ (8,522)	\$ (535.59)	\$ 2,322	\$ 13.02	\$ 11,272	\$ 62.96	\$ (8,950)	\$ (49.95)
Total Operating Expenses											
Admin Ratio(%)											
Income (Loss) from Operations											
\$ 44	\$ 2.78	\$ (4)	\$ (0.22)	\$ 48	\$ 3.00	\$ 313	\$ 1.76	\$ 245	\$ 1.37	\$ 68	\$ 0.39
Total Non-Operating Income (Expense)											
Net Surplus (Deficit)											
Margin(%)											
\$ (9,081)	\$ (569.77)	\$ (607)	\$ (37.18)	\$ (8,474)	\$ (532.59)	\$ 2,636	\$ 14.77	\$ 11,517	\$ 64.33	\$ (8,882)	\$ (49.56)
-53.1%		-2.9%		-50.1%		1.1%		4.9%		-3.7%	



Commercial Income Statement (\$ in thousands)

August 2019

Current Actual		Current Forecast		Fav<Unfav> Forecast		YTD Actual		YTD Forecast		Fav<Unfav> Forecast	
\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM
129,996		131,592		(1,596)		1,413,475		1,415,927		(2,452)	
\$ 46,559	\$ 358.16	\$ 46,666	\$ 354.62	\$ (106)	\$ 3.54	\$ 463,184	\$ 327.69	\$ 459,187	\$ 324.30	\$ 3,998	\$ 3.39
\$ 46,559	\$ 358.16	\$ 46,666	\$ 354.62	\$ (106)	\$ 3.54	\$ 463,184	\$ 327.69	\$ 459,187	\$ 324.30	\$ 3,998	\$ 3.39
\$ 29,768	\$ 228.99	\$ 22,473	\$ 170.78	\$ (7,295)	\$ (58.21)	\$ 251,470	\$ 177.91	\$ 242,372	\$ 171.18	\$ (9,098)	\$ (6.73)
\$ 4,396	\$ 33.81	\$ 4,363	\$ 33.15	\$ (33)	\$ (0.66)	\$ 43,476	\$ 30.76	\$ 44,296	\$ 31.28	\$ 820	\$ 0.53
\$ 2,685	\$ 20.66	\$ 2,140	\$ 16.26	\$ (546)	\$ (4.40)	\$ 20,451	\$ 14.47	\$ 20,110	\$ 14.20	\$ (340)	\$ (0.27)
\$ 134	\$ 1.03	\$ -	\$ -	\$ (134)	\$ (1.03)	\$ 942	\$ 0.67	\$ 647	\$ 0.46	\$ (295)	\$ (0.21)
\$ 5,662	\$ 43.56	\$ 5,741	\$ 43.63	\$ 79	\$ 0.07	\$ 58,272	\$ 41.23	\$ 58,209	\$ 41.11	\$ (63)	\$ (0.12)
\$ 1,307	\$ 10.06	\$ 1,943	\$ 14.77	\$ 636	\$ 4.71	\$ 11,229	\$ 7.94	\$ 11,984	\$ 8.46	\$ 756	\$ 0.52
\$ 169	\$ 1.30	\$ 18	\$ 0.14	\$ (150)	\$ (1.16)	\$ 1,844	\$ 1.30	\$ 1,559	\$ 1.10	\$ (285)	\$ (0.20)
\$ 44,120	\$ 339.40	\$ 36,678	\$ 278.73	\$ (7,442)	\$ (60.67)	\$ 387,683	\$ 274.28	\$ 379,178	\$ 267.80	\$ (8,505)	\$ (6.48)
94.8%		78.6%		-16.2%		83.7%		82.6%		-1.1%	
\$ 2,439	\$ 18.76	\$ 9,987	\$ 75.90	\$ (7,548)	\$ (57.13)	\$ 75,501	\$ 53.42	\$ 80,008	\$ 56.51	\$ (4,507)	\$ (3.09)
\$ 4,084	\$ 31.41	\$ 4,089	\$ 31.07	\$ 5	\$ (0.34)	\$ 44,558	\$ 31.52	\$ 43,792	\$ 30.93	\$ (765)	\$ (0.60)
8.8%		8.8%		0.0%		9.6%		9.5%		-0.1%	
\$ (1,644)	\$ (12.65)	\$ 5,899	\$ 44.83	\$ (7,543)	\$ (57.47)	\$ 30,943	\$ 21.89	\$ 36,216	\$ 25.58	\$ (5,273)	\$ (3.69)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,222)	\$ (3.69)	\$ (5,222)	\$ (3.69)	\$ -	\$ (0.01)
\$ (1,644)	\$ (12.65)	\$ 5,899	\$ 44.83	\$ (7,543)	\$ (57.47)	\$ 25,721	\$ 18.20	\$ 30,994	\$ 21.89	\$ (5,273)	\$ (3.69)
-3.5%		12.6%		-16.2%		5.6%		6.7%		-1.2%	

Membership
Member Months

Revenue
Capitation

Total Revenues

Healthcare Expenses
Capitation
Inpatient Claims
Outpatient Claims
Skilled Nursing Facility
Pharmacy
Provider Incentives and Shared Risk
Medical Administrative Expenses

Total Healthcare Expenses
MCR(%)

Operating Margin

Total Operating Expenses
Admin Ratio(%)

Income (Loss) from Operations

Total Non-Operating Income (Expense)

Net Surplus (Deficit)
Margin(%)



Comparative Balance Sheet

August 2019

(Dollars in thousands)

ASSETS

CURRENT ASSETS

Total Current Assets	4,135,489	3,778,499	4,055,003	4,396,106	4,300,236	4,308,965	4,253,716
Capitalized Assets - net	104,605	108,263	108,229	110,386	110,109	110,730	112,215

NON-CURRENT ASSETS

	1,956	2,172	2,701	2,360	2,207	2,890	2,753
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TOTAL ASSETS

	\$4,242,049	\$3,888,934	\$4,165,933	\$4,508,851	\$4,412,552	\$4,422,585	\$4,368,683
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LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

Total Current Liability	3,486,097	3,055,313	3,174,780	3,476,578	3,348,126	3,349,878	3,314,945
Long Term Liability	2,932	2,722	2,710	2,854	3,576	3,521	3,466

Total Liabilities

	\$3,489,029	\$3,058,035	\$3,177,491	\$3,479,432	\$3,351,701	\$3,353,399	\$3,318,411
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FUND EQUITY

Invested in Capital Assets, net of related debt	104,605	108,263	108,229	110,386	110,109	110,730	112,215
Restricted Equity	300	300	300	300	300	300	300
Minimum Tangible Net Equity	182,766	168,403	161,904	160,809	160,633	159,816	160,986
Board Designated Funds	39,987	64,215	63,720	71,478	69,535	65,340	61,640
Unrestricted Net Assets	425,363	489,718	654,289	686,446	720,273	732,999	715,131

Total Fund Equity

	\$753,020	\$830,899	\$988,442	\$1,029,419	\$1,060,850	\$1,069,186	\$1,050,272
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TOTAL LIABILITIES AND FUND EQUITY

	\$4,242,049	\$3,888,934	\$4,165,933	\$4,508,851	\$4,412,552	\$4,422,585	\$4,368,683
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Solvency Ratios

Working Capital Ratio	1.19	1.24	1.28	1.26	1.28	1.29	1.28
Cash to Claims Ratio	0.46	0.40	0.52	0.67	0.62	0.63	0.64
Tangible Net Equity Ratio	4.12	4.93	6.11	6.40	6.60	6.69	6.52



Cash Flows Statement (\$ in thousands)

August 2019

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	YTD
Cash Flows from Operating Activities:												
Capitation Revenue	\$ 638,407	\$ 406,972	\$ 596,708	\$ 713,150	\$ 745,293	\$ 926,643	\$ 562,020	\$ 587,654	\$ 619,894	\$ 641,806	\$ 713,426	\$ 7,151,973
Other Income (Expense), net	\$ 3,682	\$ (90)	\$ 241	\$ 1,254	\$ 2,286	\$ 3,149	\$ 4,228	\$ 2,762	\$ 724	\$ 2,321	\$ 5,357	\$ 25,914
Healthcare Expenses	\$ (566,253)	\$ (640,460)	\$ (462,734)	\$ (615,151)	\$ (508,155)	\$ (547,646)	\$ (518,545)	\$ (556,697)	\$ (604,108)	\$ (586,277)	\$ (717,576)	\$ (6,323,602)
Operating Expenses	\$ (32,471)	\$ (41,276)	\$ (38,812)	\$ (29,411)	\$ (30,246)	\$ (29,377)	\$ (31,819)	\$ (35,500)	\$ (32,385)	\$ (31,504)	\$ (34,274)	\$ (367,075)
Net Cash Provided By Operating Activities	\$ 43,365	\$ (274,854)	\$ 95,403	\$ 69,842	\$ 209,178	\$ 352,769	\$ 15,884	\$ (1,780)	\$ (15,875)	\$ 26,346	\$ (33,067)	\$ 487,211
Cash Flows from Investing Activities												
Purchase of investments - Net	\$ 149,067	\$ (179,656)	\$ 52,077	\$ 13,073	\$ 26,570	\$ 66,471	\$ (3,779)	\$ 1,289	\$ (252,475)	\$ 25,985	\$ (37)	\$ (101,415)
Purchase of Capital Assets	\$ (4,355)	\$ (1,591)	\$ (1,984)	\$ (2,892)	\$ (1,319)	\$ (4,347)	\$ (1,855)	\$ (2,373)	\$ (1,997)	\$ (2,808)	\$ (3,650)	\$ (29,171)
Net Cash Provided By Investing Activities	\$ 144,712	\$ (181,247)	\$ 50,093	\$ 10,181	\$ 25,251	\$ 62,124	\$ (5,634)	\$ (1,084)	\$ (254,472)	\$ 23,177	\$ (3,687)	\$ (130,586)
Cash Flows from Financing Activities:												
Gross Premium Tax (MCO Sales Tax) - Net	\$ (26,802)	\$ 11,908	\$ 11,770	\$ (26,959)	\$ 11,719	\$ 11,998	\$ (26,337)	\$ 16,846	\$ 12,083	\$ (26,646)	\$ 150	\$ (30,292)
Pass through transactions (AB 85, IGT, etc.)	\$ -	\$ -	\$ -	\$ -	\$ (92)	\$ 587,558	\$ (190,372)	\$ (271,251)	\$ (106,984)	\$ 1,747	\$ 3,321	\$ 23,927
Net Cash Provided By Financing Activities	\$ (26,802)	\$ 11,908	\$ 11,770	\$ (26,959)	\$ 11,627	\$ 599,556	\$ (216,709)	\$ (254,404)	\$ (94,901)	\$ (24,899)	\$ 3,471	\$ (6,342)
Net Increase in Cash and Cash Equivalents	\$ 161,275	\$ (444,193)	\$ 157,266	\$ 53,064	\$ 246,055	\$ 1,014,449	\$ (206,459)	\$ (257,268)	\$ (365,248)	\$ 24,625	\$ (33,282)	\$ 350,284
Cash and Cash Equivalents, Beginning	\$ 598,403	\$ 759,678	\$ 315,485	\$ 472,751	\$ 525,815	\$ 771,870	\$ 1,786,319	\$ 1,579,860	\$ 1,322,592	\$ 957,344	\$ 981,969	\$ 598,403
Cash and Cash Equivalents, Ending	\$ 759,678	\$ 315,485	\$ 472,751	\$ 525,815	\$ 771,870	\$ 1,786,319	\$ 1,579,860	\$ 1,322,592	\$ 957,344	\$ 981,969	\$ 948,687	\$ 948,687
Reconciliation of Income from Operations to Net Cash Provided By (Used In) Operating Activities:												
Excess of Revenues over Expenses	\$ 14,215	\$ (802)	\$ 44,912	\$ 49,906	\$ 62,725	\$ 28,592	\$ 14,986	\$ (2,601)	\$ 31,431	\$ 8,335	\$ (18,913)	\$ 232,787
Adjustments to Excess of Revenues Over Expenses:												
Depreciation	\$ 1,789	\$ 1,494	\$ 2,191	\$ 1,822	\$ 2,216	\$ 2,124	\$ 2,125	\$ 2,168	\$ 2,274	\$ 2,187	\$ 2,165	\$ 22,555
Realized and Unrealized (Gain)/Loss on Investments	\$ 639	\$ 7	\$ (2,567)	\$ (2,259)	\$ (334)	\$ (2,489)	\$ (73)	\$ (2,250)	\$ (2,487)	\$ 815	\$ (3,651)	\$ (14,649)
Deferred Rent	\$ (62)	\$ (71)	\$ 45	\$ (120)	\$ 63	\$ 32	\$ 22	\$ 90	\$ 721	\$ (55)	\$ (54)	\$ 611
Gross Premium Tax provision	\$ 263	\$ 768	\$ 577	\$ 419	\$ 577	\$ 576	\$ (187)	\$ (265)	\$ 577	\$ -	\$ -	\$ 3,305
Total Adjustments to Excess of Revenues over Expenses	\$ 2,629	\$ 2,198	\$ 246	\$ (138)	\$ 2,522	\$ 243	\$ 1,887	\$ (256)	\$ 1,085	\$ 2,947	\$ (1,540)	\$ 11,823
Changes in Operating Assets and Liabilities:												
Capitation Receivable	\$ 1,122	\$ (12,349)	\$ (39,884)	\$ 77,849	\$ (13,645)	\$ 275,361	\$ (117,451)	\$ (49,349)	\$ (9,253)	\$ (14,700)	\$ 19,417	\$ 117,118
Interest and Non-Operating Receivables	\$ 1,325	\$ (406)	\$ (1,068)	\$ (1,062)	\$ 91	\$ (460)	\$ 35	\$ 372	\$ (1,202)	\$ 59	\$ (1,448)	\$ (3,764)
Prepaid and Other Current Assets	\$ (3,196)	\$ (2,402)	\$ 99,860	\$ (14,521)	\$ (10,600)	\$ (9,817)	\$ 48,455	\$ (1,025)	\$ (1,665)	\$ (3,061)	\$ 1,107	\$ 103,134
Accounts Payable and Accrued Liabilities	\$ 3,602	\$ (5,923)	\$ (7,631)	\$ 7,420	\$ 1,022	\$ (7,273)	\$ 2,524	\$ 88	\$ (121)	\$ 5,558	\$ (675)	\$ (1,409)
Subcapitation Payable	\$ 23,118	\$ (39,060)	\$ 30,434	\$ (38,957)	\$ 121,337	\$ 22,025	\$ 55,261	\$ 31,054	\$ 36,253	\$ 29,543	\$ (51,989)	\$ 219,019
MediCal Adult Expansion Payable	\$ (5,829)	\$ (244,519)	\$ (18,702)	\$ (4,221)	\$ 70,388	\$ 10,133	\$ 3,623	\$ 13,180	\$ (10,524)	\$ (927)	\$ (22,308)	\$ (209,706)
Deferred Capitation Revenue	\$ 1,894	\$ 13,256	\$ (17,419)	\$ (1,761)	\$ (896)	\$ 1,398	\$ 5,111	\$ 23,958	\$ (28,078)	\$ (104)	\$ 20,158	\$ 17,517
Accrued Medical Expenses	\$ 7,611	\$ 441	\$ 4,411	\$ 2,455	\$ (1,667)	\$ 5,006	\$ 3,783	\$ 5,447	\$ (24,901)	\$ 16,162	\$ 7,744	\$ 26,492
Reserve for Claims	\$ 1,236	\$ 24,664	\$ 18,110	\$ (6,994)	\$ (20,490)	\$ 27,161	\$ (15,479)	\$ (25,476)	\$ (11,988)	\$ (25,434)	\$ 5,901	\$ (28,789)
Reserve for Provider Incentives	\$ (4,177)	\$ (10,567)	\$ (17,643)	\$ (46)	\$ (10)	\$ 400	\$ 13,055	\$ 3,283	\$ 3,315	\$ 6,021	\$ 7,913	\$ 1,544
Grants Payable	\$ (185)	\$ 615	\$ (223)	\$ (88)	\$ (1,599)	\$ -	\$ 94	\$ (456)	\$ (227)	\$ 1,947	\$ 1,566	\$ 1,444
Net Changes in Operating Assets and Liabilities	\$ 26,521	\$ (276,250)	\$ 50,245	\$ 20,074	\$ 143,931	\$ 323,934	\$ (989)	\$ 1,077	\$ (48,391)	\$ 15,064	\$ (12,614)	\$ 242,601
Net Cash Provided By Operating Activities	\$ 43,365	\$ (274,854)	\$ 95,403	\$ 69,842	\$ 209,178	\$ 352,769	\$ 15,884	\$ (1,780)	\$ (15,875)	\$ 26,346	\$ (33,067)	\$ 487,211



DATE: September 23, 2019
TO: Finance & Budget Committee
FROM: Marie Montgomery, *Chief Financial Officer*

SUBJECT: Monthly Investment Transaction Report for August 2019

To keep the Committee apprised of L.A. Care's investment portfolios and to comply with California Government Code Section 53607, attached are the monthly investment transaction details from August 1 to August 31, 2019.

L.A. Care's investment market value as of August 31, 2019 was \$1.7 billion. This includes our funds invested with the government pooled funds. L.A. Care has approximately \$61 million invested with the statewide Local Agency Investment Fund (LAIF), and approximately \$104 million invested with the Los Angeles County Pooled Investment Fund (LACPIF).

The remainder as of August 31, 2019, of \$1.6 billion is managed by two independent asset managers, 1) Payden & Rygel and 2) New England Asset Management (NEAM) and is divided into three portfolios based on investment style,

1. Payden & Rygel - Short-term portfolio
2. Payden & Rygel - Extended term portfolio
3. New England Asset Management - Corporate notes extended term portfolio

The transactions within these three portfolios are included in the attached reports.

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN
Account Number:

08/01/2019
through 08/31/2019

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
08/05/19	08/06/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 08/15/19 Cpn 912796QV4	(49,975,337.50)		0.00	0.00	(49,975,337.50)
08/05/19	08/06/19	Buy	40,000,000.000	U.S. TREASURY BILL MAT 08/15/19 Cpn 912796QV4	(39,980,270.00)		0.00	0.00	(39,980,270.00)
08/06/19	08/06/19	Buy	4,000,000.000	CA LOS ANGELES METRO TRANS MAT 09/04/19 Cpn 2.20 54531HAL1	(4,000,000.00)		0.00	0.00	(4,000,000.00)
08/07/19	08/07/19	Buy	5,000,000.000	CT YALE UNIVERSITY CP-TXBL MAT 09/04/19 Cpn 98459SW46	(4,991,440.00)		0.00	0.00	(4,991,440.00)
08/09/19	08/09/19	Buy	25,000,000.000	U.S. TREASURY BILL MAT 08/29/19 Cpn 912796SF7	(24,974,305.56)		0.00	0.00	(24,974,305.56)
08/09/19	08/09/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 09/10/19 Cpn 912796VU0	(49,915,555.56)		0.00	0.00	(49,915,555.56)
08/09/19	08/09/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 09/10/19 Cpn 912796VU0	(49,915,555.56)		0.00	0.00	(49,915,555.56)
08/09/19	08/09/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 10/01/19 Cpn 912796VX4	(49,854,176.39)		0.00	0.00	(49,854,176.39)
08/09/19	08/09/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 10/01/19 Cpn 912796VX4	(49,854,176.39)		0.00	0.00	(49,854,176.39)
08/09/19	08/09/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 08/27/19 Cpn 912796VS5	(49,951,562.50)		0.00	0.00	(49,951,562.50)
08/09/19	08/09/19	Buy	30,000,000.000	U.S. TREASURY BILL MAT 08/27/19 Cpn 912796VS5	(29,970,937.50)		0.00	0.00	(29,970,937.50)
08/09/19	08/09/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 09/03/19 Cpn 912796VT3	(49,931,302.08)		0.00	0.00	(49,931,302.08)
08/09/19	08/09/19	Buy	10,000,000.000	U.S. TREASURY BILL MAT 09/03/19 Cpn 912796VT3	(9,986,260.42)		0.00	0.00	(9,986,260.42)

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN
Account Number:

08/01/2019
through 08/31/2019

Tr Date	St Date	Transaction Type	Units	Description		Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
08/09/19	08/09/19	Buy	50,000,000.000	CASH MGMT BILL MAT 09/16/19 Cpn 912796XK0		(49,894,444.44)		0.00	0.00	(49,894,444.44)
08/09/19	08/09/19	Buy	50,000,000.000	CASH MGMT BILL MAT 09/16/19 Cpn 912796XK0		(49,894,444.44)		0.00	0.00	(49,894,444.44)
08/09/19	08/09/19	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 08/12/19 Cpn 313384KH1		(49,991,666.67)		0.00	0.00	(49,991,666.67)
08/09/19	08/09/19	Buy	30,000,000.000	FHLB DISCOUNT NOTE MAT 08/12/19 Cpn 313384KH1		(29,995,000.00)		0.00	0.00	(29,995,000.00)
08/12/19	08/12/19	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 08/13/19 Cpn 313384KJ7		(49,997,222.22)		0.00	0.00	(49,997,222.22)
08/12/19	08/13/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 10/08/19 Cpn 912796VY2		(49,843,161.11)		0.00	0.00	(49,843,161.11)
08/12/19	08/13/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 08/15/19 Cpn 912796QV4		(49,994,830.56)		0.00	0.00	(49,994,830.56)
08/12/19	08/13/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 08/15/19 Cpn 912796QV4		(49,994,830.56)		0.00	0.00	(49,994,830.56)
08/06/19	08/14/19	Buy	3,090,000.000	TOYOTA 2019-C A2A CAR MAT 04/15/22 Cpn 2.00 89238UAB6		(3,089,856.32)		0.00	0.00	(3,089,856.32)
08/15/19	08/15/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 08/22/19 Cpn 912796SE0		(49,982,427.08)		0.00	0.00	(49,982,427.08)
08/15/19	08/15/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 08/22/19 Cpn 912796SE0		(49,982,427.08)		0.00	0.00	(49,982,427.08)
08/19/19	08/20/19	Buy	25,000,000.000	U.S. TREASURY BILL MAT 08/29/19 Cpn 912796SF7		(24,989,009.38)		0.00	0.00	(24,989,009.38)
08/19/19	08/20/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 08/22/19 Cpn 912796SE0		(49,995,000.00)		0.00	0.00	(49,995,000.00)

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN
Account Number:

08/01/2019
through 08/31/2019

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
08/08/19	08/21/19	Buy	5,000,000.000	FHMS KI04 A 1MOFRN CMBS MAT 07/25/24 Cpn 2.58 3137FNAV2	(5,000,000.00)		0.00	0.00	(5,000,000.00)
08/21/19	08/22/19	Buy	30,000,000.000	U.S. TREASURY BILL MAT 08/29/19 Cpn 912796SF7	(29,989,791.67)		0.00	0.00	(29,989,791.67)
08/21/19	08/22/19	Buy	30,000,000.000	U.S. TREASURY BILL MAT 10/08/19 Cpn 912796VY2	(29,925,387.50)		0.00	0.00	(29,925,387.50)
08/20/19	08/27/19	Buy	4,360,000.000	HONDA 2019-3 A2 CAR MAT 04/15/22 Cpn 1.90 43815NAB0	(4,359,694.80)		0.00	0.00	(4,359,694.80)
			<u>1,091,450,000.000</u>		<u>(1,090,220,073.29)</u>		<u>0.00</u>	<u>0.00</u>	<u>(1,090,220,073.29)</u>
08/01/19	08/01/19	Coupon		HOUSING URBAN DEVELOPMENT MAT 08/01/19 Cpn 2.54 911759MS4		5,554.13	0.00	0.00	5,554.13
08/01/19	08/01/19	Coupon		CA NEWARK USD GO/ULT MAT 08/01/19 Cpn 2.14 650264TC8		21,743.98	0.00	0.00	21,743.98
08/01/19	08/01/19	Coupon		CA RIVERSIDE SWR REV BAB TXB MAT 08/01/39 Cpn 7.20 769047HB0		79,920.00	0.00	0.00	79,920.00
08/01/19	08/01/19	Coupon		CA SAN FRANCISCO REDEV AGY-T MAT 08/01/19 Cpn 1.75 79770GGL4		61,556.25	0.00	0.00	61,556.25
08/06/19	08/06/19	Coupon		CA LOS ANGELES MTA CP TXB MAT 08/06/19 Cpn 2.35 54531HAJ6		7,210.96	0.00	0.00	7,210.96
08/06/19	08/06/19	Coupon		NGN 2010-R1 1A 1MOFRN NCUA G MAT 10/07/20 Cpn 2.68 62888VAA6		4,347.97	0.00	0.00	4,347.97
08/06/19	08/06/19	Coupon		NGN 2010-R3 2A 1MOFRN NCUA G MAT 12/08/20 Cpn 2.79 62888WAB2		5,942.82	0.00	0.00	5,942.82
08/06/19	08/06/19	Coupon		NGN 2011-R1 1A 1MOFRN NCUA G MAT 01/08/20 Cpn 2.68 62888YAA0		2,704.35	0.00	0.00	2,704.35

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN
Account Number:

08/01/2019
through 08/31/2019

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
08/07/19	08/07/19	Coupon		STATE STREET BANK CD FRN MAT 10/07/19 Cpn 2.32 8574P1MB9		6,160.33	0.00	0.00	6,160.33
08/15/19	08/15/19	Coupon		AMEX 2017-1 A CDT MAT 09/15/22 Cpn 1.93 02587AAJ3		1,954.13	0.00	0.00	1,954.13
08/15/19	08/15/19	Coupon		AMEX 2017-1 A CDT MAT 09/15/22 Cpn 1.93 02587AAJ3		8,041.67	0.00	0.00	8,041.67
08/15/19	08/15/19	Coupon		BACCT 2017-A1 A1 CDT MAT 08/15/22 Cpn 1.95 05522RCW6		4,208.75	0.00	0.00	4,208.75
08/15/19	08/15/19	Coupon		BACCT 2017-A1 A1 CDT MAT 08/15/22 Cpn 1.95 05522RCW6		430.63	0.00	0.00	430.63
08/15/19	08/15/19	Coupon		BACCT 2017-A1 A1 CDT MAT 08/15/22 Cpn 1.95 05522RCW6		3,250.00	0.00	0.00	3,250.00
08/15/19	08/15/19	Coupon		BACCT 2017-A1 A1 CDT MAT 08/15/22 Cpn 1.95 05522RCW6		812.50	0.00	0.00	812.50
08/15/19	08/15/19	Coupon		BACCT 2017-A1 A1 CDT MAT 08/15/22 Cpn 1.95 05522RCW6		6,500.00	0.00	0.00	6,500.00
08/15/19	08/15/19	Coupon		CHASE 2017-A1 A CDT 1MOFRN MAT 01/15/22 Cpn 2.50 161571HJ6		4,927.71	0.00	0.00	4,927.71
08/15/19	08/15/19	Coupon		CAPITAL ONE 2017-A1 A1 CDT MAT 01/17/23 Cpn 2.00 14041NFK2		8,125.00	0.00	0.00	8,125.00
08/15/19	08/15/19	Coupon		CAPITAL ONE 2017-A1 A1 CDT MAT 01/17/23 Cpn 2.00 14041NFK2		4,833.33	0.00	0.00	4,833.33
08/15/19	08/15/19	Coupon		CAPITAL ONE 2017-A1 A1 CDT MAT 01/17/23 Cpn 2.00 14041NFK2		2,853.33	0.00	0.00	2,853.33
08/15/19	08/15/19	Coupon		DRYROCK 2015-1 A CDT MAT 12/15/22 Cpn 2.20 06742LAH6		9,166.67	0.00	0.00	9,166.67

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN
Account Number:

08/01/2019
through 08/31/2019

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
08/15/19	08/15/19	Coupon		FIFTH THIRD 2019-1 A1 CAR MAT 05/15/20 Cpn 2.58 31680YAA5		1,833.30	0.00	0.00	1,833.30
08/15/19	08/15/19	Coupon		HONDA 2017-2 A3 CAR MAT 08/16/21 Cpn 1.68 43811BAC8		504.46	0.00	0.00	504.46
08/15/19	08/15/19	Coupon		HONDA 2017-2 A3 CAR MAT 08/16/21 Cpn 1.68 43811BAC8		432.79	0.00	0.00	432.79
08/15/19	08/15/19	Coupon		HARLEY 2019-A A2 CYCLE MAT 05/15/22 Cpn 2.37 41284WAB6		9,875.00	0.00	0.00	9,875.00
08/15/19	08/15/19	Coupon		JOHN DEERE 2017-B A3 EQP MAT 10/15/21 Cpn 1.82 47788BAD6		2,925.71	0.00	0.00	2,925.71
08/15/19	08/15/19	Coupon		JOHN DEERE 2018-A A3 EQP MAT 04/18/22 Cpn 2.66 47788CAC6		2,881.67	0.00	0.00	2,881.67
08/15/19	08/15/19	Coupon		JOHN DEERE 2019-A A1 EQP MAT 03/16/20 Cpn 2.63 47789JAA4		2,473.59	0.00	0.00	2,473.59
08/15/19	08/15/19	Coupon		MERCEDES 2018-A A4 LEASE MAT 10/16/23 Cpn 2.51 58772QAE6		1,568.75	0.00	0.00	1,568.75
08/15/19	08/15/19	Coupon		MERCEDES 2018-A A4 LEASE MAT 10/16/23 Cpn 2.51 58772QAE6		2,583.21	0.00	0.00	2,583.21
08/15/19	08/15/19	Coupon		MERCEDES 2019-A A2 LEASE MAT 02/16/21 Cpn 3.01 58772TAB6		5,794.25	0.00	0.00	5,794.25
08/15/19	08/15/19	Coupon		MERCEDES 2019-A A2 LEASE MAT 02/16/21 Cpn 3.01 58772TAB6		1,003.33	0.00	0.00	1,003.33
08/15/19	08/15/19	Coupon		MERCEDES 2019-A A2 LEASE MAT 02/16/21 Cpn 3.01 58772TAB6		2,633.75	0.00	0.00	2,633.75
08/15/19	08/15/19	Coupon		MERCEDES 2019-A A2 LEASE MAT 02/16/21 Cpn 3.01 58772TAB6		4,013.33	0.00	0.00	4,013.33

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08/15/19	08/15/19	Coupon		NISSAN 2018-A A2A LEASE MAT 02/16/21 Cpn 3.03 65478BAB7		3,982.77	0.00	0.00	3,982.77
08/15/19	08/15/19	Coupon		NISSAN 2018-A A2A LEASE MAT 02/16/21 Cpn 3.03 65478BAB7		2,394.01	0.00	0.00	2,394.01
08/15/19	08/15/19	Coupon		NISSAN 2019-A A1 LEASE MAT 04/15/20 Cpn 2.60 65479PAA7		1,006.57	0.00	0.00	1,006.57
08/15/19	08/15/19	Coupon		NISSAN 2019-A A2A LEASE MAT 07/15/21 Cpn 2.71 65479PAB5		7,129.56	0.00	0.00	7,129.56
08/15/19	08/15/19	Coupon		NISSAN 2019-A A2A LEASE MAT 07/15/21 Cpn 2.71 65479PAB5		9,259.17	0.00	0.00	9,259.17
08/15/19	08/15/19	Coupon		NISSAN 2019-B A2B LEASE 1MOFR MAT 10/15/21 Cpn 2.47 65478LAC3		5,400.56	0.00	0.00	5,400.56
08/15/19	08/15/19	Coupon		NISSAN 2019-A A1 CAR MAT 02/18/20 Cpn 2.71 65479KAA8		1,622.19	0.00	0.00	1,622.19
08/15/19	08/15/19	Coupon		NISSAN 2019-A A2A CAR MAT 01/18/22 Cpn 2.82 65479KAB6		12,363.35	0.00	0.00	12,363.35
08/15/19	08/15/19	Coupon		STATE STREET BANK CD FRN MAT 11/15/19 Cpn 2.29 8574P1ME3		4,055.19	0.00	0.00	4,055.19
08/15/19	08/15/19	Coupon		TOYOTA 2018-A A2A CAR MAT 10/15/20 Cpn 2.10 89238BAB8		4,007.17	0.00	0.00	4,007.17
08/15/19	08/15/19	Coupon		TOYOTA 2018-A A3 CAR MAT 05/16/22 Cpn 2.35 89238BAD4		7,269.33	0.00	0.00	7,269.33
08/15/19	08/15/19	Coupon		TOYOTA 2019-A A2A CAR MAT 10/15/21 Cpn 2.83 89239AAB9		2,735.67	0.00	0.00	2,735.67
08/15/19	08/15/19	Coupon		TOYOTA 2019-A A2A CAR MAT 10/15/21 Cpn 2.83 89239AAB9		4,256.79	0.00	0.00	4,256.79

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08/15/19	08/15/19	Coupon		USAA 2017-1 A3 CAR MAT 05/17/21 Cpn 1.70 90290AAC1		2,768.40	0.00	0.00	2,768.40
08/15/19	08/15/19	Coupon		USAA 2019-1 A2 CAR MAT 02/15/22 Cpn 2.26 90290EAB5		2,082.97	0.00	0.00	2,082.97
08/16/19	08/16/19	Coupon		FFCB FRN 3ML+0 MAT 11/16/21 Cpn 2.17 3133EKLZ7		14,193.30	0.00	0.00	14,193.30
08/18/19	08/18/19	Coupon		HONDA 2017-3 A3 CAR MAT 09/20/21 Cpn 1.79 43814PAC4		827.84	0.00	0.00	827.84
08/18/19	08/18/19	Coupon		HONDA 2017-3 A3 CAR MAT 09/20/21 Cpn 1.79 43814PAC4		3,238.85	0.00	0.00	3,238.85
08/19/19	08/19/19	Coupon		BNP PARIBAS YCD FRN MAT 09/18/19 Cpn 2.32 05586FYA9		4,078.15	0.00	0.00	4,078.15
08/20/19	08/20/19	Coupon		BMW 2018-1 A3 LEASE MAT 07/20/21 Cpn 3.26 05586CAC8		7,688.17	0.00	0.00	7,688.17
08/20/19	08/20/19	Coupon		BMW 2018-1 A3 LEASE MAT 07/20/21 Cpn 3.26 05586CAC8		624.83	0.00	0.00	624.83
08/20/19	08/20/19	Coupon		BMW 2019-1 A2 LEASE MAT 03/22/21 Cpn 2.79 05586VAB8		3,766.50	0.00	0.00	3,766.50
08/21/19	08/21/19	Coupon		IBRD FRN SOFR+22 MAT 08/21/20 Cpn 2.38 459058GK3		7,819.68	0.00	0.00	7,819.68
08/01/19	08/25/19	Coupon		FHMS K504 A2 CMBS MAT 09/25/20 Cpn 2.57 3137BMLC8		2,755.88	0.00	0.00	2,755.88
08/25/19	08/25/19	Coupon		FHMS KI03 A 1MOFRN CMBS MAT 02/25/23 Cpn 2.47 3137FJXN4		3,647.93	0.00	0.00	3,647.93
08/25/19	08/25/19	Coupon		FHMS KI03 A 1MOFRN CMBS MAT 02/25/23 Cpn 2.47 3137FJXN4		1,497.57	0.00	0.00	1,497.57

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08/25/19	08/25/19	Coupon		FHMS Q009 A 1MOFRN CMBS MAT 04/25/24 Cpn 2.68 3137FMTW		13,059.20	0.00	0.00	13,059.20
						<u>422,299.25</u>	<u>0.00</u>	<u>0.00</u>	<u>422,299.25</u>
08/01/19	08/01/19	Income	686.380	ADJ NET P&I MAT Cpn USD		686.38	0.00	0.00	686.38
08/01/19	08/01/19	Income	123,939.060	STIF INT MAT Cpn USD		123,939.06	0.00	0.00	123,939.06
			<u>124,625.440</u>			<u>124,625.44</u>	<u>0.00</u>	<u>0.00</u>	<u>124,625.44</u>
08/08/19	08/08/19	Contributn	360,000,000.000	NM MAT Cpn USD	360,000,000.00		0.00	0.00	360,000,000.00
08/09/19	08/09/19	Contributn	230,000,000.000	NM MAT Cpn USD	230,000,000.00		0.00	0.00	230,000,000.00
			<u>590,000,000.000</u>		<u>590,000,000.00</u>		<u>0.00</u>	<u>0.00</u>	<u>590,000,000.00</u>
08/01/19	08/01/19	Call	2,220,000.000	CA RIVERSIDE SWR REV BAB TXB MAT 08/01/39 Cpn 7.20 769047HB0	2,220,000.00		0.00	0.00	2,220,000.00
08/02/19	08/05/19	Sell Long	35,000,000.000	U.S. TREASURY BILL MAT 08/06/19 Cpn 912796VP1	34,921,466.33	76,591.66	21.88	0.00	34,998,057.99
08/16/19	08/19/19	Sell Long	25,000,000.000	U.S. TREASURY BILL MAT 08/20/19 Cpn 912796VR7	24,949,179.17	49,536.12	172.22	0.00	24,998,715.28
08/16/19	08/19/19	Sell Long	15,000,000.000	U.S. TREASURY BILL MAT 08/20/19 Cpn 912796VR7	14,971,695.83	27,533.33	89.58	0.00	14,999,229.16

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08/23/19	08/26/19	Sell Long	50,000,000.000	U.S. TREASURY BILL MAT 08/27/19 Cpn 912796VS5	49,951,614.59	45,746.52	52.09	0.00	49,997,361.11
08/23/19	08/26/19	Sell Long	20,000,000.000	U.S. TREASURY BILL MAT 08/27/19 Cpn 912796VS5	19,980,645.83	18,298.61	20.83	0.00	19,998,944.44
08/29/19	08/29/19	Sell Long	5,000,000.000	U.S. TREASURY BILL MAT 09/03/19 Cpn 912796VT3	4,984,664.24	13,983.33	104.17	0.00	4,998,647.57
			<u>152,220,000.000</u>		<u>151,979,265.97</u>	<u>231,689.58</u>	<u>460.77</u>	<u>0.00</u>	<u>152,210,955.55</u>
08/06/19	08/06/19	Pay Princpl	58,482.355	NGN 2010-R1 1A 1MOFRN NCUA G MAT 10/07/20 Cpn 2.68 62888VAA6	58,482.36		(80.97)	0.00	58,482.36
08/06/19	08/06/19	Pay Princpl	25,111.390	NGN 2010-R3 2A 1MOFRN NCUA G MAT 12/08/20 Cpn 2.79 62888WAB2	25,111.39		(54.11)	0.00	25,111.39
08/06/19	08/06/19	Pay Princpl	118,060.270	NGN 2011-R1 1A 1MOFRN NCUA G MAT 01/08/20 Cpn 2.68 62888YAA0	118,060.27		(36.87)	0.00	118,060.27
08/15/19	08/15/19	Pay Princpl	280,148.888	FIFTH THIRD 2019-1 A1 CAR MAT 05/15/20 Cpn 2.58 31680YAA5	280,148.89		0.00	0.00	280,148.89
08/15/19	08/15/19	Pay Princpl	29,568.591	HONDA 2017-2 A3 CAR MAT 08/16/21 Cpn 1.68 43811BAC8	29,568.59		83.53	0.00	29,568.59
08/15/19	08/15/19	Pay Princpl	25,367.589	HONDA 2017-2 A3 CAR MAT 08/16/21 Cpn 1.68 43811BAC8	25,367.59		83.16	0.00	25,367.59
08/15/19	08/15/19	Pay Princpl	153,518.431	JOHN DEERE 2017-B A3 EQP MAT 10/15/21 Cpn 1.82 47788BAD6	153,518.43		470.80	0.00	153,518.43
08/15/19	08/15/19	Pay Princpl	314,900.534	JOHN DEERE 2019-A A1 EQP MAT 03/16/20 Cpn 2.63 47789JAA4	314,900.53		(0.00)	0.00	314,900.53
08/15/19	08/15/19	Pay Princpl	141,330.553	MERCEDES 2019-A A2 LEASE MAT 02/16/21 Cpn 3.01 58772TAB6	141,330.55		0.68	0.00	141,330.55

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08/15/19	08/15/19	Pay Princpl	24,472.823	MERCEDES 2019-A A2 LEASE MAT 02/16/21 Cpn 3.01 58772TAB6	24,472.82		(44.86)	0.00	24,472.82
08/15/19	08/15/19	Pay Princpl	64,241.160	MERCEDES 2019-A A2 LEASE MAT 02/16/21 Cpn 3.01 58772TAB6	64,241.16		(138.78)	0.00	64,241.16
08/15/19	08/15/19	Pay Princpl	97,891.292	MERCEDES 2019-A A2 LEASE MAT 02/16/21 Cpn 3.01 58772TAB6	97,891.29		(199.20)	0.00	97,891.29
08/15/19	08/15/19	Pay Princpl	112,782.626	NISSAN 2018-A A2A LEASE MAT 02/16/21 Cpn 3.03 65478BAB7	112,782.63		1.14	0.00	112,782.63
08/15/19	08/15/19	Pay Princpl	67,792.835	NISSAN 2018-A A2A LEASE MAT 02/16/21 Cpn 3.03 65478BAB7	67,792.84		(224.67)	0.00	67,792.84
08/15/19	08/15/19	Pay Princpl	125,831.625	NISSAN 2019-A A1 LEASE MAT 04/15/20 Cpn 2.60 65479PAA7	125,831.63		0.00	0.00	125,831.63
08/15/19	08/15/19	Pay Princpl	345,779.121	NISSAN 2019-A A1 CAR MAT 02/18/20 Cpn 2.71 65479KAA8	345,779.12		(0.00)	0.00	345,779.12
08/15/19	08/15/19	Pay Princpl	607,628.127	TOYOTA 2018-A A2A CAR MAT 10/15/20 Cpn 2.10 89238BAB8	607,628.13		0.00	8.75	607,628.13
08/15/19	08/15/19	Pay Princpl	298,760.661	USAA 2017-1 A3 CAR MAT 05/17/21 Cpn 1.70 90290AAC1	298,760.66		0.00	8.19	298,760.66
08/18/19	08/18/19	Pay Princpl	43,622.919	HONDA 2017-3 A3 CAR MAT 09/20/21 Cpn 1.79 43814PAC4	43,622.92		121.00	0.00	43,622.92
08/18/19	08/18/19	Pay Princpl	170,670.690	HONDA 2017-3 A3 CAR MAT 09/20/21 Cpn 1.79 43814PAC4	170,670.69		410.34	0.00	170,670.69
08/01/19	08/25/19	Pay Princpl	1,447.233	FHMS K504 A2 CMBS MAT 09/25/20 Cpn 2.57 3137BMLC8	1,447.23		5.65	0.00	1,447.23
08/25/19	08/25/19	Pay Princpl	154,416.451	FHMS KI03 A 1MOFRN CMBS MAT 02/25/23 Cpn 2.47 3137FJXN4	154,416.45		(0.00)	0.00	154,416.45

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08/25/19	08/25/19	Pay Princpl	63,392.017	FHMS KI03 A 1MOFRN CMBS MAT 02/25/23 Cpn 2.47 3137FJXN4	63,392.02		88.79	0.00	63,392.02
			<u>3,325,218.180</u>		<u>3,325,218.19</u>		<u>485.64</u>	<u>16.94</u>	<u>3,325,218.19</u>
08/01/19	08/01/19	Mature Long	640,000.000	HOUSING URBAN DEVELOPMENT MAT 08/01/19 Cpn 2.54 911759MS4	640,000.00		0.00	0.00	640,000.00
08/01/19	08/01/19	Mature Long	2,035,000.000	CA NEWARK USD GO/ULT MAT 08/01/19 Cpn 2.14 650264TC8	2,035,000.00		0.00	0.00	2,035,000.00
08/01/19	08/01/19	Mature Long	7,035,000.000	CA SAN FRANCISCO REDEV AGY-T MAT 08/01/19 Cpn 1.75 79770GGL4	7,035,000.00		0.00	0.00	7,035,000.00
08/06/19	08/06/19	Mature Long	15,000,000.000	U.S. TREASURY BILL MAT 08/06/19 Cpn 912796VP1	14,966,333.33	33,666.67	(0.00)	0.00	15,000,000.00
08/06/19	08/06/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 08/06/19 Cpn 912796VP1	49,887,777.78	112,222.22	0.00	0.00	50,000,000.00
08/06/19	08/06/19	Mature Long	4,000,000.000	CA LOS ANGELES MTA CP TXB MAT 08/06/19 Cpn 2.35 54531HAJ6	4,000,000.00		0.00	0.00	4,000,000.00
08/07/19	08/07/19	Mature Long	5,000,000.000	CT YALE UNIVERSITY CP-TXBL MAT 08/07/19 Cpn 98459SV70	4,990,935.00	9,065.00	0.00	0.00	5,000,000.00
08/12/19	08/12/19	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 08/12/19 Cpn 313384KH1	49,991,666.67	8,333.33	0.00	0.00	50,000,000.00
08/12/19	08/12/19	Mature Long	30,000,000.000	FHLB DISCOUNT NOTE MAT 08/12/19 Cpn 313384KH1	29,995,000.00	5,000.00	0.00	0.00	30,000,000.00
08/13/19	08/13/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 08/13/19 Cpn 912796VQ9	49,832,194.44	167,805.56	0.00	0.00	50,000,000.00
08/13/19	08/13/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 08/13/19 Cpn 912796VQ9	49,832,194.44	167,805.56	0.00	0.00	50,000,000.00

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08/13/19	08/13/19	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 08/13/19 Cpn	313384KJ7	49,997,222.22	2,777.78	0.00	0.00	50,000,000.00
08/15/19	08/15/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 08/15/19 Cpn	912796QV4	49,956,077.78	43,922.22	0.00	0.00	50,000,000.00
08/15/19	08/15/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 08/15/19 Cpn	912796QV4	49,956,077.78	43,922.22	0.00	0.00	50,000,000.00
08/15/19	08/15/19	Mature Long	30,000,000.000	U.S. TREASURY BILL MAT 08/15/19 Cpn	912796QV4	29,973,646.67	26,353.33	0.00	0.00	30,000,000.00
08/15/19	08/15/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 08/15/19 Cpn	912796QV4	49,975,337.50	24,662.50	0.00	0.00	50,000,000.00
08/15/19	08/15/19	Mature Long	40,000,000.000	U.S. TREASURY BILL MAT 08/15/19 Cpn	912796QV4	39,980,270.00	19,730.00	0.00	0.00	40,000,000.00
08/15/19	08/15/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 08/15/19 Cpn	912796QV4	49,994,830.56	5,169.44	0.00	0.00	50,000,000.00
08/15/19	08/15/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 08/15/19 Cpn	912796QV4	49,994,830.56	5,169.44	0.00	0.00	50,000,000.00
08/20/19	08/20/19	Mature Long	35,000,000.000	U.S. TREASURY BILL MAT 08/20/19 Cpn	912796VR7	34,933,747.92	66,252.08	0.00	0.00	35,000,000.00
08/20/19	08/20/19	Mature Long	40,000,000.000	U.S. TREASURY BILL MAT 08/20/19 Cpn	912796VR7	39,935,444.44	64,555.56	0.00	0.00	40,000,000.00
08/22/19	08/22/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 08/22/19 Cpn	912796SE0	49,982,427.08	17,572.92	0.00	0.00	50,000,000.00
08/22/19	08/22/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 08/22/19 Cpn	912796SE0	49,982,427.08	17,572.92	0.00	0.00	50,000,000.00
08/22/19	08/22/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 08/22/19 Cpn	912796SE0	49,995,000.00	5,000.00	0.00	0.00	50,000,000.00

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Tr Date	St Date	Transaction Type	Units	Description		Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
08/27/19	08/27/19	Mature Long	10,000,000.000	U.S. TREASURY BILL MAT 08/27/19 Cpn	912796VS5	9,990,312.50	9,687.50	0.00	0.00	10,000,000.00
08/29/19	08/29/19	Mature Long	25,000,000.000	U.S. TREASURY BILL MAT 08/29/19 Cpn	912796SF7	24,974,305.56	25,694.44	0.00	0.00	25,000,000.00
08/29/19	08/29/19	Mature Long	25,000,000.000	U.S. TREASURY BILL MAT 08/29/19 Cpn	912796SF7	24,989,009.38	10,990.62	0.00	0.00	25,000,000.00
08/29/19	08/29/19	Mature Long	30,000,000.000	U.S. TREASURY BILL MAT 08/29/19 Cpn	912796SF7	29,989,791.67	10,208.33	0.00	0.00	30,000,000.00
			<u>948,710,000.000</u>			<u>947,806,860.36</u>	<u>903,139.64</u>	<u>(0.00)</u>	<u>0.00</u>	<u>948,710,000.00</u>
08/01/19	08/01/19	Withdrawal	(3,808.060)	CUSTODY FEE MAT Cpn	USD	(3,808.06)		(3,808.06)	0.00	(3,808.06)
08/05/19	08/05/19	Withdrawal	(40,000,000.000)	WD MAT Cpn	USD	(40,000,000.00)		(40,000,000.00)	0.00	(40,000,000.00)
08/12/19	08/12/19	Withdrawal	(70,000,000.000)	WD MAT Cpn	USD	(70,000,000.00)		(70,000,000.00)	0.00	(70,000,000.00)
08/15/19	08/15/19	Withdrawal	(210,000,000.000)	WD MAT Cpn	USD	(210,000,000.00)		(210,000,000.00)	0.00	(210,000,000.00)
08/19/19	08/19/19	Withdrawal	(50,000,000.000)	WD MAT Cpn	USD	(50,000,000.00)		(50,000,000.00)	0.00	(50,000,000.00)
08/22/19	08/22/19	Withdrawal	(75,000,000.000)	WD MAT Cpn	USD	(75,000,000.00)		(75,000,000.00)	0.00	(75,000,000.00)
08/26/19	08/26/19	Withdrawal	(60,000,000.000)	WD MAT Cpn	USD	(60,000,000.00)		(60,000,000.00)	0.00	(60,000,000.00)
08/27/19	08/27/19	Withdrawal	(40,000,000.000)	WD MAT Cpn	USD	(40,000,000.00)		(40,000,000.00)	0.00	(40,000,000.00)

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN
 Account Number:

08/01/2019
 through 08/31/2019

<i>Tr Date</i>	<i>St Date</i>	<i>Transaction Type</i>	<i>Units</i>	<i>Description</i>		<i>Proceeds / (Cost)</i>	<i>Accrued Interest (Purch) or Sold</i>	<i>G/L < 1 Yr Amort Cost</i>	<i>G/L > 1 Yr Amort Cost</i>	<i>Total Amount</i>
08/29/19	08/29/19	Withdrawal	(80,000,000.000)	WD MAT	Cpn USD	(80,000,000.00)		(80,000,000.00)	0.00	(80,000,000.00)
			<u>(625,003,808.060)</u>			<u>(625,003,808.06)</u>		<u>(625,003,808.06)</u>	<u>0.00</u>	<u>(625,003,808.06)</u>

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN-LOW DURATION PORT
 Account Number:

08/01/2019
 through 08/31/2019

Tr Date	St Date	Transaction Type	Units	Description		Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
08/05/19	08/07/19	Buy	1,780,000.000	U.S. TREASURY NOTE MAT 07/31/21 Cpn 1.75 9128287F1		(1,785,562.50)	(592.53)	0.00	0.00	(1,786,155.03)
08/05/19	08/07/19	Buy	1,780,000.000	U.S. TREASURY NOTE MAT 07/31/24 Cpn 1.75 912828Y87		(1,797,800.00)	(592.53)	0.00	0.00	(1,798,392.53)
08/06/19	08/14/19	Buy	420,000.000	TOYOTA 2019-C A3 CAR MAT 09/15/23 Cpn 1.91 89238UAD2		(419,996.56)		0.00	0.00	(419,996.56)
08/15/19	08/16/19	Buy	500,000.000	FHLB MAT 08/15/24 Cpn 1.50 3130AGWK		(498,825.00)		0.00	0.00	(498,825.00)
08/14/19	08/16/19	Buy	820,000.000	U.S. TREASURY NOTE MAT 07/31/21 Cpn 1.75 9128287F1		(822,690.63)	(623.91)	0.00	0.00	(823,314.54)
08/14/19	08/19/19	Buy	240,000.000	FHMS K029 A2 CMBS MAT 02/25/23 Cpn 3.32 3137B36J2		(251,203.13)	(398.40)	0.00	0.00	(251,601.53)
08/14/19	08/19/19	Buy	380,000.000	FHMS K029 A2 CMBS MAT 02/25/23 Cpn 3.32 3137B36J2		(397,708.59)	(630.80)	0.00	0.00	(398,339.39)
08/19/19	08/20/19	Buy	665,000.000	U.S. TREASURY NOTE MAT 07/31/21 Cpn 1.75 9128287F1		(667,831.45)	(632.47)	0.00	0.00	(668,463.92)
08/20/19	08/27/19	Buy	420,000.000	HONDA 2019-3 A3 CAR MAT 08/15/23 Cpn 1.78 43815NAC8		(419,996.51)		0.00	0.00	(419,996.51)
08/29/19	09/03/19	Buy	1,335,000.000	U.S. TREASURY NOTE MAT 08/31/24 Cpn 1.25 912828YE4		(1,325,196.09)	(137.53)	0.00	0.00	(1,325,333.62)
08/14/19	09/05/19	Buy	250,000.000	CA COVINA-VALLEY USD GO/ULT T MAT 08/01/24 Cpn 2.03 223093VM4		(250,000.00)		0.00	0.00	(250,000.00)

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN-LOW DURATION PORT
 Account Number:

08/01/2019
 through 08/31/2019

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
Fixed Income - cont.									
08/29/19	09/12/19	Buy	170,000.000	CA CONTRA COSTA CCD GO/ULT T MAT 08/01/24 Cpn 1.77 212204JE2	(170,000.00)		0.00	0.00	(170,000.00)
			<u>8,760,000.000</u>		<u>(8,806,810.46)</u>	<u>(3,608.17)</u>	<u>0.00</u>	<u>0.00</u>	<u>(8,810,418.63)</u>
08/01/19	08/01/19	Coupon		CA ST HSG FIN AGY REV-TXBL MAT 08/01/23 Cpn 2.93 13034PZM2		3,660.00	0.00	0.00	3,660.00
08/01/19	08/01/19	Coupon		HOUSING URBAN DEVELOPMENT MAT 08/01/23 Cpn 2.62 911759MW5		1,252.28	0.00	0.00	1,252.28
08/01/19	08/01/19	Coupon		CA SAN FRANCISCO REDEV AGY-T MAT 08/01/22 Cpn 2.38 79770GGP5		11,875.00	0.00	0.00	11,875.00
08/01/19	08/01/19	Coupon		CA SAN JOSE REDEV AGY TAB TX MAT 08/01/20 Cpn 2.26 798170AC0		3,614.40	0.00	0.00	3,614.40
08/01/19	08/01/19	Coupon		CA SAN JOSE REDEV AGY TAB TX MAT 08/01/21 Cpn 2.48 798170AD8		12,028.00	0.00	0.00	12,028.00
08/01/19	08/01/19	Coupon		CA SAN FRANCISCO REDEV AGY T MAT 08/01/23 Cpn 2.50 79770GGQ3		6,250.00	0.00	0.00	6,250.00
08/01/19	08/01/19	Coupon		CA VERNON ELEC SYS REV-TXBL MAT 08/01/22 Cpn 4.50 924397DD1		5,625.00	0.00	0.00	5,625.00
08/01/19	08/01/19	Coupon		CA VERNON ELEC SYS REV-TXBL MAT 08/01/22 Cpn 4.50 924397DD1		11,250.00	0.00	0.00	11,250.00
08/15/19	08/15/19	Coupon		AMEX 2017-1 A CDT MAT 09/15/22 Cpn 1.93 02587AAJ3		2,412.50	0.00	0.00	2,412.50
08/15/19	08/15/19	Coupon		BACCT 2017-A1 A1 CDT MAT 08/15/22 Cpn 1.95 05522RCW6		1,950.00	0.00	0.00	1,950.00

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN-LOW DURATION PORT
 Account Number:

08/01/2019
 through 08/31/2019

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
08/15/19	08/15/19	Coupon		CAPITAL ONE 2016-A6 A6 CDT MAT 09/15/22 Cpn 1.82 14041NFH9		1,506.05	0.00	0.00	1,506.05
08/15/19	08/15/19	Coupon		FIFTH THIRD 2019-1 A3 CAR MAT 12/15/23 Cpn 2.64 31680YAD9		704.00	0.00	0.00	704.00
08/15/19	08/15/19	Coupon		JOHN DEERE 2017-A A3 EQP MAT 04/15/21 Cpn 1.78 47787XAC1		625.51	0.00	0.00	625.51
08/15/19	08/15/19	Coupon		NISSAN 2017-B A3 LEASE MAT 09/15/20 Cpn 2.05 65479BAD2		542.03	0.00	0.00	542.03
08/15/19	08/15/19	Coupon		NISSAN 2017-B A3 LEASE MAT 09/15/20 Cpn 2.05 65479BAD2		732.47	0.00	0.00	732.47
08/15/19	08/15/19	Coupon		NISSAN 2018-A A3 LEASE MAT 09/15/21 Cpn 3.25 65478BAD3		893.75	0.00	0.00	893.75
08/15/19	08/15/19	Coupon		NISSAN 2018-C A3 CAR MAT 06/15/23 Cpn 3.22 65478NAD7		2,012.50	0.00	0.00	2,012.50
08/15/19	08/15/19	Coupon		NISSAN 2019-A A3 CAR MAT 10/16/23 Cpn 2.90 65479KAD2		1,305.00	0.00	0.00	1,305.00
08/15/19	08/15/19	Coupon		TOYOTA 2017-A A3 CAR MAT 02/16/21 Cpn 1.73 89238MAD0		401.10	0.00	0.00	401.10
08/15/19	08/15/19	Coupon		TOYOTA 2017-B A3 CAR MAT 07/15/21 Cpn 1.76 89190BAD0		856.67	0.00	0.00	856.67
08/15/19	08/15/19	Coupon		TOYOTA 2018-A A3 CAR MAT 05/16/22 Cpn 2.35 89238BAD4		822.50	0.00	0.00	822.50
08/15/19	08/15/19	Coupon		TOYOTA 2019-A A3 CAR MAT 07/17/23 Cpn 2.91 89239AAD5		1,358.00	0.00	0.00	1,358.00
08/15/19	08/15/19	Coupon		USAA 2017-1 A3 CAR MAT 05/17/21 Cpn 1.70 90290AAC1		167.36	0.00	0.00	167.36

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN-LOW DURATION PORT
 Account Number:

08/01/2019
 through 08/31/2019

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
08/21/19	08/21/19	Coupon		IBRD FRN SOFR+22 MAT 08/21/20 Cpn 2.38 459058GK3		5,345.10	0.00	0.00	5,345.10
08/25/19	08/25/19	Coupon		BMW 2016-A A3 CAR MAT 11/25/20 Cpn 1.16 05582QAD9		83.73	0.00	0.00	83.73
08/01/19	08/25/19	Coupon		FHMS J22F A1 CMBS MAT 05/25/23 Cpn 3.45 3137FJYA1		1,355.06	0.00	0.00	1,355.06
08/01/19	08/25/19	Coupon		FHMS K020 A2 CMBS MAT 05/25/22 Cpn 2.37 3137ATRW		613.03	0.00	0.00	613.03
08/01/19	08/25/19	Coupon		FHMS K504 A2 CMBS MAT 09/25/20 Cpn 2.57 3137BMLC8		990.68	0.00	0.00	990.68
08/01/19	08/25/19	Coupon		FHMS K725 AM CMBS MAT 02/25/24 Cpn 3.10 3137BWWE		2,095.20	0.00	0.00	2,095.20
08/01/19	08/25/19	Coupon		FHMS K726 AM CMBS MAT 04/25/24 Cpn 2.99 3137BYPR5		1,417.88	0.00	0.00	1,417.88
08/25/19	08/25/19	Coupon		FMPRE 2017-KT01 A 1MOFRN CMB MAT 02/25/20 Cpn 2.49 30258EAA3		1,516.08	0.00	0.00	1,516.08
08/01/19	08/25/19	Coupon		FNA 2011-M5 A2 CMBS MAT 07/25/21 Cpn 2.94 3136A07H4		353.22	0.00	0.00	353.22
08/31/19	08/31/19	Coupon		U.S. TREASURY NOTE MAT 02/29/24 Cpn 2.38 9128286G0		5,106.25	0.00	0.00	5,106.25
						90,720.35	0.00	0.00	90,720.35

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN-LOW DURATION PORT
 Account Number:

08/01/2019
 through 08/31/2019

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
08/01/19	08/01/19	Income	884.970	STIF INT MAT Cpn USD		884.97	0.00	0.00	884.97
08/05/19	08/07/19	Sell Long	3,540,000.000	U.S. TREASURY NOTE MAT 10/15/20 Cpn 1.63 9128282Z2	3,535,989.84	17,917.62	0.00	1,150.51	3,553,907.46
08/06/19	08/08/19	Sell Long	445,000.000	U.S. TREASURY NOTE MAT 07/31/21 Cpn 1.75 9128287F1	446,338.48	169.29	2,370.03	0.00	446,507.77
08/14/19	08/16/19	Sell Long	620,000.000	U.S. TREASURY NOTE MAT 06/15/22 Cpn 1.75 9128286Y1	623,996.09	1,837.98	4,819.69	0.00	625,834.07
08/14/19	08/16/19	Sell Long	250,000.000	U.S. TREASURY NOTE MAT 03/31/24 Cpn 2.13 912828W71	256,865.23	2,003.07	8,665.74	0.00	258,868.30
08/15/19	08/16/19	Sell Long	500,000.000	U.S. TREASURY NOTE MAT 01/31/24 Cpn 2.50 9128285Z9	521,658.48	543.48	22,340.26	0.00	522,201.96
08/14/19	08/19/19	Sell Long	547,304.680	FHMS KI03 A 1MOFRN CMBS MAT 02/25/23 Cpn 2.47 3137FJXN4	546,620.55	1,006.43	(684.13)	0.00	547,626.98
08/14/19	08/19/19	Sell Long	267,925.376	FHMS KI02 A 1MOFRN CMBS MAT 02/25/23 Cpn 2.42 3137FGZN8	267,548.61	483.38	0.00	(376.77)	268,031.99
08/20/19	08/22/19	Sell Long	420,000.000	U.S. TREASURY NOTE MAT 07/31/21 Cpn 1.75 9128287F1	421,952.34	439.40	2,907.09	0.00	422,391.74
08/29/19	09/03/19	Sell Long	1,335,000.000	U.S. TREASURY NOTE MAT 05/31/21 Cpn 2.13 9128286V7	1,346,941.99	7,363.47	6,533.48	0.00	1,354,305.46
			<u>7,925,230.056</u>		<u>7,967,911.61</u>	<u>31,764.12</u>	<u>46,952.16</u>	<u>773.75</u>	<u>7,999,675.73</u>

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN-LOW DURATION PORT
 Account Number:

08/01/2019
 through 08/31/2019

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
08/15/19	08/15/19	Pay Princpl	65,007.372	JOHN DEERE 2017-A A3 EQP MAT 04/15/21 Cpn 1.78 47787XAC1	65,007.37		0.00	83.42	65,007.37
08/15/19	08/15/19	Pay Princpl	67,468.324	NISSAN 2017-B A3 LEASE MAT 09/15/20 Cpn 2.05 65479BAD2	67,468.32		0.00	2.83	67,468.32
08/15/19	08/15/19	Pay Princpl	91,173.411	NISSAN 2017-B A3 LEASE MAT 09/15/20 Cpn 2.05 65479BAD2	91,173.41		0.00	(56.59)	91,173.41
08/15/19	08/15/19	Pay Princpl	38,394.912	TOYOTA 2017-A A3 CAR MAT 02/16/21 Cpn 1.73 89238MAD0	38,394.91		0.00	0.88	38,394.91
08/15/19	08/15/19	Pay Princpl	55,335.194	TOYOTA 2017-B A3 CAR MAT 07/15/21 Cpn 1.76 89190BAD0	55,335.19		0.00	1.31	55,335.19
08/15/19	08/15/19	Pay Princpl	18,061.098	USAA 2017-1 A3 CAR MAT 05/17/21 Cpn 1.70 90290AAC1	18,061.10		0.00	0.50	18,061.10
08/25/19	08/25/19	Pay Princpl	35,262.850	BMW 2016-A A3 CAR MAT 11/25/20 Cpn 1.16 05582QAD9	35,262.85		0.00	26.58	35,262.85
08/01/19	08/25/19	Pay Princpl	1,222.092	FHMS J22F A1 CMBS MAT 05/25/23 Cpn 3.45 3137FJYA1	1,222.09		0.03	0.00	1,222.09
08/01/19	08/25/19	Pay Princpl	520.247	FHMS K504 A2 CMBS MAT 09/25/20 Cpn 2.57 3137BMLC8	520.25		0.00	0.16	520.25
08/01/19	08/25/19	Pay Princpl	2,665.430	FNA 2011-M5 A2 CMBS MAT 07/25/21 Cpn 2.94 3136A07H4	2,665.43		10.53	0.00	2,665.43
			<u>375,110.930</u>		<u>375,110.92</u>		<u>10.55</u>	<u>59.08</u>	<u>375,110.92</u>

LA CARE
Cash Activity by Transaction Type GAAP Basis
Accounting Period From 08/01/2019 To 08/31/2019

Cash Date	Trade/Ex-Date	Settle/Pay Date	Custodian	Cusip	Description	Quantity	Income Amount	Principal Amount	Contributions/Withdrawals	Total Amount
BUY										
08/01/19	07/30/19	08/01/19	BKAMER19	375558AW3	GILEAD SCIENCES INC	6,000,000.00	(74,000.00)	(6,300,840.00)	0.00	(6,374,840.00)
08/01/19	07/30/19	08/01/19	BKAMER19	68235PAE8	ONE GAS INC	1,445,000.00	0.00	(1,513,247.35)	0.00	(1,513,247.35)
08/05/19	08/01/19	08/05/19	BKAMER19	05531FBH5	BB&T CORPORATION	5,000,000.00	(2,083.33)	(5,001,600.00)	0.00	(5,003,683.33)
08/09/19	08/09/19	08/09/19	BKAMER19	09248U718	BLACKROCK LIQ FUND T-FD-IN	2,350,831.56	0.00	(2,350,831.56)	0.00	(2,350,831.56)
08/23/19	08/21/19	08/23/19	BKAMER19	06406HCV9	BANK OF NEW YORK MELLON	3,750,000.00	(34,708.33)	(3,962,062.50)	0.00	(3,996,770.83)
08/23/19	08/21/19	08/23/19	BKAMER19	377372AL1	GLAXOSMITHKLINE CAPITAL	1,250,000.00	(11,484.38)	(1,308,162.50)	0.00	(1,319,646.88)
08/29/19	08/27/19	08/29/19	BKAMER19	02665WCZ2	AMERICAN HONDA FINANCE	2,250,000.00	(9,300.00)	(2,292,862.50)	0.00	(2,302,162.50)
TOTAL BUY						22,045,831.56	(131,576.04)	(22,729,606.41)	0.00	(22,861,182.45)
DIVIDEND										
08/01/19	08/01/19	08/01/19	BKAMER19	09248U718	BLACKROCK LIQ FUND T-FD-IN	4,322,245.81	5,285.08	0.00	0.00	5,285.08
TOTAL DIVIDEND						4,322,245.81	5,285.08	0.00	0.00	5,285.08
INTEREST										
08/01/19	08/01/19	08/01/19	BKAMER19	05531FAZ6	BB&T CORPORATION	0.00	43,000.00	0.00	0.00	43,000.00
08/01/19	08/01/19	08/01/19	BKAMER19	907818DG0	UNION PACIFIC CORP	0.00	80,000.00	0.00	0.00	80,000.00
08/03/19	08/03/19	08/03/19	BKAMER19	025816BW8	AMERICAN EXPRESS CO	0.00	74,000.00	0.00	0.00	74,000.00
08/07/19	08/07/19	08/07/19	BKAMER19	40428HPV8	HSBC USA INC	0.00	55,000.00	0.00	0.00	55,000.00
08/12/19	08/12/19	08/12/19	BKAMER19	459200HU8	IBM CORP	0.00	36,250.00	0.00	0.00	36,250.00
08/15/19	08/15/19	08/15/19	BKAMER19	210518CV6	CONSUMERS ENERGY CO	0.00	59,062.50	0.00	0.00	59,062.50
08/15/19	08/15/19	08/15/19	BKAMER19	25468PCT1	WALT DISNEY COMPANY/THE	0.00	63,750.00	0.00	0.00	63,750.00
08/15/19	08/15/19	08/15/19	BKAMER19	46625HJC5	JPMORGAN CHASE & CO	0.00	43,500.00	0.00	0.00	43,500.00
08/20/19	08/20/19	08/20/19	BKAMER19	38141GXE9	GOLDMAN SACHS GROUP INC	0.00	36,250.00	0.00	0.00	36,250.00
08/25/19	08/25/19	08/25/19	BKAMER19	61746BDJ2	MORGAN STANLEY	0.00	56,250.00	0.00	0.00	56,250.00
TOTAL INTEREST						0.00	547,062.50	0.00	0.00	547,062.50
SELL										
08/01/19	07/30/19	08/01/19	BKAMER19	053015AD5	AUTOMATIC DATA PROCESSNG	4,400,000.00	37,400.00	4,403,872.00	0.00	4,441,272.00
08/01/19	07/30/19	08/01/19	BKAMER19	828807CU9	SIMON PROPERTY GROUP LP	5,000,000.00	52,083.33	5,010,900.00	0.00	5,062,983.33
08/09/19	08/09/19	08/09/19	BKAMER19	09248U718	BLACKROCK LIQ FUND T-FD-IN	4,322,245.81	0.00	4,322,245.81	0.00	4,322,245.81
08/22/19	08/20/19	08/22/19	BKAMER19	235851AP7	DANAHER CORP	4,400,000.00	46,053.33	4,410,164.00	0.00	4,456,217.33

9/5/2019
8:53:45AM
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LA CARE
Cash Activity by Transaction Type GAAP Basis
Accounting Period From 08/01/2019 To 08/31/2019

Cash Date	Trade/Ex-Date	Settle/Pay Date	Custodian	Cusip	Description	Quantity	Income Amount	Principal Amount	Contributions/Withdrawals	Total Amount
08/23/19	08/21/19	08/23/19	BKAMER19	40428HPV8	HSBC USA INC	4,000,000.00	4,888.89	4,021,920.00	0.00	4,026,808.89
TOTAL SELL						22,122,245.81	140,425.55	22,169,101.81	0.00	22,309,527.36
WITHDRAW										
08/07/19	08/07/19	08/07/19	BKAMER19	CASHCASH6	C-04 BANK FEE	0.00	0.00	0.00	(692.49)	(692.49)
TOTAL WITHDRAW						0.00	0.00	0.00	(692.49)	(692.49)
GRAND TOTAL						48,490,323.18	561,197.09	(560,504.60)	(692.49)	0.00

Avg Date 11



L.A. Care
HEALTH PLAN

Board of Governors
MOTION SUMMARY

Date: November 7, 2019

Motion No. BOG 109.1119

Committee:

Chairperson: Hector De La Torre

Issue: With the accompanying memo, staff is recommending a Community Health Investment Fund (CHIF) program approach and priorities for FY 2019-20. The CHIF program includes support for the safety net, as well as expanding access to high-barrier services, addressing social determinants that lead to poor health outcomes such as poverty and food insecurity, and securing housing for homeless individuals, including L.A. Care members.

Background: On September 5, 2019, as part of the general organizational budget, the L.A. Care Board of Governors approved a CHIF funding allocation of \$10 million for fiscal year 2019-20. All grant considerations will include discussions with the Senior Director of Strategic Planning and Chief Executive Officer (CEO). Staff will solicit applications, convene a review committee composed of internal staff and community experts, and administratively select the grantees, and annually report approved grants to the Board. Grant requests over \$150,000 will be brought to the Board for final approval. Upon approval, a grant agreement will be delivered to the grantee outlining responsibilities and accountability to perform according to agreed objectives.

Member Impact: CHIF funds will help to support safety net providers and social service agencies to increase access to care, improve quality of care and address social determinants for underserved populations in Los Angeles County, including L.A. Care members.

Budget Impact: On September 5, 2019, as part of the general organizational budget, the L.A. Care Board of Governors approved a CHIF funding allocation of \$10 million for FY 2019-20.

Motion: 1. To approve the recommended use of the Community Health Investment Fund (CHIF) FY 2019-20 allocation of up to \$10 million in the following priority categories:

- (1) Support safety net clinics' infrastructure to provide high quality and coordinated services to help them thrive in a managed care environment at \$2.5 million,
 - (2) Expand access to high-barrier services for low-income and vulnerable populations at \$1.5 million,
 - (3) Improve community health for underserved populations by addressing the social determinants that lead to poor health outcomes at \$2.0 million,
 - (4) \$4.0 million is recommended for Brilliant Corners, in partnership with the Los Angeles County Department of Health Services' Flexible Housing Subsidy Pool fund, to provide housing for homeless individuals, including L.A. Care members. These funds will also support the goals of the Whole Person Care initiative under the new California Medi-Cal waiver.
2. Delegate authority to implement the CHIF program to the CEO and also to approve grant investments of up to \$150,000 per applicant. Allow for CEO to adjust maximum or minimum priority category amounts noted above to align with community needs and requests. All other policies and approvals related to grant making investments will remain in place.



October 21, 2019

TO: Executive Committee

FROM : Wendy Schiffer, *Senior Director, Strategic Planning*
Roland Palencia, *Director, Community Benefit Programs*

SUBJECT: Community Benefits, CHIF Program Priorities for FY 2019-20

In 2000, the Board of Governors established the L.A. Care Community Health Investment Fund (CHIF) program to improve health care access and quality of care for underserved populations and to support the safety net that serves them. Since then, CHIF has funded 675 projects with an investment of over \$86 million, benefitting community clinics, social service organizations, and the Los Angeles County public health system.

On September 5, 2019, the Board of Governors approved a CHIF funding allocation of \$10 million as part of L.A. Care's fiscal year 2019-20 budget, matching the previous fiscal year allocation.

CHIF Priorities Align with L.A. Care's Strategic Vision

L.A. Care is unique among health plans as our mission explicitly includes support for the safety net. CHIF funding is integral to L.A. Care's Strategic Vision to achieve our mission, specifically Strategic Direction 4 which describes L.A. Care as a "Recognized leader in improving health outcomes for low income and vulnerable populations in Los Angeles County."

All funded projects will aim to have the following features: organizational or systemic change, financial and programmatic sustainability, and long-term impact to support the safety net to thrive in the evolving healthcare reform environment. About 60% of funds are expected to be allocated to address social determinant issues such as housing, poverty and food insecurity.

To best support L.A. Care's strategic vision, Community Benefits staff has developed four overarching CHIF priorities:

- (1) Support safety net clinics' infrastructure to provide high quality and coordinated services and help community-based clinics to thrive in a managed care environment (recommended at \$2.5 million).
- (2) Expand access to high-barrier services for low-income and vulnerable populations (recommended at \$1.5 million).

- (3) Improve community health for underserved populations by addressing the social conditions that lead to poor health outcomes (recommended at \$2.0 million).
- (4) Additionally, \$4.0 million is recommended for Brilliant Corners, in partnership with the Los Angeles County Department of Health Services' Flexible Housing Subsidy Pool fund, to provide housing for homeless individuals, including L.A. Care members. These funds will also support the goals of the Whole Person Care initiative under the 2016 California Medi-Cal waiver. Release of funds to Brilliant Corners is contingent upon fulfillment of previous fiscal year grant objectives.

To select these priorities, which also reflect the previous fiscal year priorities, Community Benefits staff has solicited input from L.A. Care management staff throughout the organization and consulted with a number of grantees as well as philanthropic partners that invest in the safety net. Within each priority area, CHIF funds will be distributed via a combination of initiatives that will require a request for applications (RFA) process and via community-initiated proposals by individual organizations (ad hocs) that do not fit into any of the initiatives but align with priority areas.

Proposed CHIF Priority Areas and Allocations for FY 2018-19

1. *Support Safety Net Clinics' infrastructure to provide high quality and coordinated services and help community-based clinics thrive in a managed care environment.*

This CHIF priority will support projects that address the infrastructure capacity needs of safety net providers in the context of the reforms arisen by the implementation of the Affordable Care Act (ACA) and the evolving demands on the safety net.

Examples of projects that could be funded under this priority area include:

- Projects that provide optimal physical clinical and non-clinical space at safety net clinics to expand access, improve quality of care, enhance workflow systems, care integration, and increase efficiency. In the past, this has also included adaptable and accessible exam equipment.
- Technology infrastructure improvements that include hardware and software, data gathering, data analytics, data flow and interpretation to promote evidence-based care to improve quality, enhance access and impact specific HEDIS measures. Also, equipping clinics to collect and use patient experience and utilization data to drive and improve quality of care.
- Development of patient engagement technology such as online patient portals, texting support, video visits (telemedicine) and online appointment scheduling.
- Workforce development to develop the clinical and medical personnel capacities of the safety net.
- Supporting share services efforts and integration of systems among safety net providers.

The recommended allocation for this goal priority is \$2.5 million, and the individual grant amount may range from \$25,000 to \$250,000. The funds may be distributed in the form of initiatives such as the Robert E. Tranquada, M.D. Safety Net infrastructure initiative or through community-initiated ad hocs requests that do not fit in any of the initiatives released under this priority, but meet CHIF priorities.

2. *Expand access to high-barrier services for low-income and vulnerable populations.*

This priority addresses the services that remain difficult for low-income and vulnerable populations to access, such as dental, mental health, substance use disorder treatment, and specialty care. This priority area also addresses gaps within and between clinical and other health-related high-barrier systems of care or sectors that directly impact the quality of care for low income patients. Activities in this priority area also aim to reduce fragmentation of care by connecting physical, mental, oral health, and substance use disorder services with one another. Projects may focus on particular underserved populations that face unique barriers to care, such as the developmentally disabled, foster care youth, or re-entry (formerly incarcerated) populations.

Examples of projects that could be funded under this priority area include:

- Expansion of oral health services in underserved areas (dental deserts), hard to reach populations, or target a specific service need as well as increasing the dental provider workforce.
- Partnerships between community clinics and social services agencies to integrate wrap-around services that address social needs such as housing, food and transportation.
- Expanded access to substance use disorder services and resources for planning, training and certification.

The recommended allocation for this goal priority is \$1.5 million. The individual grant amount may range from \$25,000 to \$250,000. The funds may be distributed in the form of initiatives such as care coordination, oral health, dental workforce expansion, and cross-sector partnership initiatives or through ad hocs requests that do not fit in any of the initiatives under this priority.

3. *Improve community health for underserved populations by addressing the social conditions that lead to poor health outcomes.*

This priority focuses on social determinants of health and supports community efforts designed to improve physical and social environments that enable individuals and communities to live in optimal health. Projects will engage in strategic partnerships to address the environmental and social conditions that impact health that go beyond, but could also include, healthcare services by partnering with sectors which sole focus might not directly address medical or health issues yet it promotes a comprehensive approach to community wellness and health.

Examples of projects that could be funded under this priority area include:

- Design and implement prevention and education activities in environments that are not exclusively clinical or even health focused but that address other social determinants that clearly impact health outcomes such as economic inequity and financial security, food security, environmental justice, preventing housing evictions, or promoting safe neighborhoods.
- Community-wide coalition efforts that seek to address larger systemic health, infrastructure or social determinant issues with a large impact on health, resulting in “one good solution that solves many problems”.
- Outreach, enrollment, and retention efforts for benefit programs that enhance economic security such as CalFresh and Earned Income Tax Credit.

The recommended allocation for this goal priority is \$2.0 million. The average individual grant amount may range from \$25,000 to \$250,000. The funds may be distributed in the form of initiatives such as community wellness initiatives or through ad hoc requests that do not fit in any of the initiatives under this priority.

4. *Housing for the Homeless*

An additional \$4 million to Brilliant Corners is recommended to address homelessness and to provide support services that complement Los Angeles County's Whole Person Care initiative under the California Medi-Cal waiver. Through the Department of Health Services' Flexible Housing Subsidy Pool fund, and Brilliant Corners serving as the fiscal agent and manager of this initiative, CHIF funds will help to secure housing and supportive services to homeless Medi-Cal beneficiaries. The program will also support the Los Angeles County's Whole Person Care initiative to create and deploy much needed community resources to address the social determinants of health that impact LA Care's ability to improve health outcomes of its frequent user and high-cost members. In partnership with L.A. Care's Safety Net Initiative department, we are creating a referral pathway to this program for L.A. Care members who will constitute at least 75% of the beneficiaries. Furthermore, this CHIF contribution helps Los Angeles County to leverage as much as \$90 million per year over the next four years through the Whole Person Care pilot.

As of early September 2019, a total of 301 households have been enrolled in the program and 251 of those have secured housing, and 190 of those housed (79%) are L.A. Care members. All enrolled participants have been connected to services through the Housing for Health (HFH) Division at the Los Angeles Department of Health Services (DHS).

Application and Approval Process

In the attached motion, staff is requesting the delegation of authority to the Chief Executive Officer (CEO) to implement these CHIF priorities and for CEO to approve grant investments of up to \$150,000 per applicant. As these categories are estimates, the motion also allows the CEO to adjust maximum or minimum categorical amounts to align with evolving community requests and needs. All grant requests above \$150,000 will be brought to the Board for final approval.

Staff will solicit applications and administratively select the grantees. Both initiative and ad hoc grants will be reviewed by committees composed of L.A. Care staff members and community subject matter experts. L.A. Care departments and offices that have participated in previous review committees have included Health Services, Communications, Strategic Planning, Finance, Health Information Technology, Safety Net Initiatives, Health Education & Cultural and Linguistic Services, and Provider Network Operations.

As in previous years, staff will submit an annual Community Health Investment Fund Summary for the previous fiscal year that highlights grant outcomes, areas of impact, media coverage and community-wide acknowledgements.



L.A. Care
HEALTH PLAN

Board of Governors
MOTION SUMMARY

Date: November 7, 2019

Motion No. BOG 110.1119

Committee:

Chairperson: Hector De La Torre

Issue: Accept a childhood developmental screening grant from Los Angeles County Children and Families First Proposition 10 Commission (First 5 LA).

New Contract **Amendment** **Sole Source** **RFP/RFQ was conducted**

Background: Over the course of four years, L.A. Care will implement and evaluate a pilot program aimed at engaging medical practices in integrating developmental screening and monitoring protocols into practice workflow, and increasing community awareness and education on the use and importance of developmental screening and monitoring.

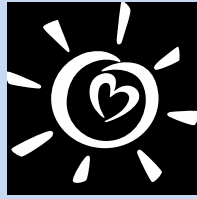
L.A. Care will leverage resources and grant funds to implement an intervention plan that will address primary, secondary, and tertiary prevention at the patient/family, provider, community, and health system levels. Primary prevention efforts will have the broadest reach with a focus on developmental screening and monitoring education and awareness. Secondary prevention efforts will focus on higher touch, tailored technical assistance provided directly to targeted pilot clinics/practices and their patients/families through a practice coaching model. Tertiary prevention efforts will have the smallest reach, however will impact families and patients with identified developmental delays and focus on how best to connect this patient population to care and resources.

At the health system level, L.A. Care will leverage internal resources and external relationships to strengthen delivery of developmental screening and monitoring interventions.

Member Impact: This grant will enable L.A. Care to continue to lead practice transformation efforts to improve outcomes for members and their families. L.A. Care members will benefit from faster resolution of child development issues, better use of validated screening tools and improved access to local resources for children.

Budget Impact: Award funding will support all associated expenses of the program and will offset budgeted internal expenses.

Motion: **To authorize L.A. Care to accept a grant from Los Angeles County Children and Families First Proposition 10 Commission (First 5 LA) in the amount of \$1,209,460 for the approximate period of November 1, 2019 to October 31, 2023.**



L.A. Care
HEALTH PLAN®
Board of Governors
MOTION SUMMARY

Date: November 7, 2019

Motion No. BOG 111.1119

Committee:

Chairperson: Hector De La Torre

Issue: Execute a contract amendment with Collective Medical Technologies (CMT) to provide Health Information Exchange services for the benefit of L.A. Care's directly contracted provider network (MCLA) members.

New Contract **Amendment** **Sole Source** **RFP/RFQ was conducted**

Background: L.A. Care entered into a contract with CMT effective September 30, 2019 through December 31, 2019 in the amount of \$356,700. L.A. Care entered into this engagement after a six-month no cost Proof of Concept from April 1, 2019 to October 1, 2019, where CMT successfully demonstrated their Health Information Exchange platform's capability and functionality. This amendment extends the term to September 29, 2020 and increases total compensation to \$1,314,300.

CMT's PreManage platform provides L.A. Care with real time member data (admission, discharge and transfer (ADT) data) and near real time notification when a member presents at an emergency department or is admitted or discharged from any hospital contracted with CMT. CMT currently has over 25 hospitals contracted in L.A. County and many more statewide.

This agreement will focus on five use cases. This includes continuation of the four use cases in the no cost proof of concept agreement and adds a Health Homes use case.

- 1) Safety Triple Threat Use Case - members on concurrent use of opioids, benzodiazepine-hypnotics and skeletal muscle relaxants during the past four years;
- 2) Pain Use Case - members who present to a hospital ED three or more times in a single month with a chief complaint of pain or diagnosis of pain
- 3) Overdose Use Case - members who present to a hospital ED because of an overdose
- 4) Pediatric Asthma Use Case - pediatric members between five and seventeen years of age who present to a hospital ED with a chief complaint of asthma-related complications or symptoms; and
- 5) Health Homes Use Case - members who are eligible or already enrolled in L.A. Care's Health Homes Program. Community Based Care Management Entities (CB-CMEs) contracted with L.A. Care will receive ADT data notifications from PreManage anytime a member assigned to them by L.A. Care receives emergency or inpatient services at a contracted hospital.

Health Services utilizes ADT data notifications to assist in identifying members to enroll into care management programs, and to inform care managers in a timely manner if members already enrolled have been seen in an emergency room or have been hospitalized.

L.A. Care will use CMT's services to comply with Health Homes regulations that require L.A. Care and CB-CMEs to receive ADT data notifications for enrolled Health Homes members.

No request for proposal was conducted because CMT demonstrated the platform's capability and functionality during a six month no-cost Proof of Concept period. No other vendor in the market

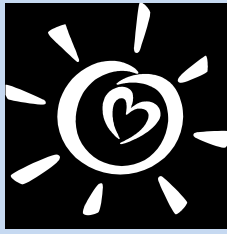
Board of Governors
MOTION SUMMARY

offers the functionality required to effectively support our business needs. L.A. Care's Investment Review Board has reviewed and approved the proposed agreement with CMT. L.A. Care negotiated a twelve-month agreement that includes a \$300,000 service credit.

Member Impact: L.A. Care members will benefit from timely and efficient care management interventions to connect members with the services they need when they need them.

Budget Impact: This was anticipated in the FY 2019-20 healthcare expense budget

Motion: **To authorize staff to execute a contract amendment with Collective Medical Technologies to extend the term to twelve months through September 29, 2020, and increase total compensation by \$957,600 for a new total of \$1,314,300.**



L.A. Care
HEALTH PLAN

Board of Governors
MOTION SUMMARY

Date: November 7, 2019

Motion No. BOG 112.1119

Committee:

Chairperson: Hector De La Torre

Issue: To execute a contract with Ntootive to support the advertising and integrated marketing strategies for the 2019-20 fiscal year marketing campaigns for L.A. Care's direct lines of business from October 2019 through September 2020.

New Contract **Amendment** **Sole Source** **RFP/RFQ was conducted**

Background: Funds are requested for the FY 2019-20 contract with Ntootive in the amount of \$5,261,983, effective October 1, 2019 through September 30, 2020. The contract with Ntootive is for a statement of work associated with Digital Marketing and Media Buying services for L.A. Care's portfolio of products and services including L.A. Care Covered (LACC), Cal MediConnect (CMC), Medi-Cal (MCLA), Family Resource Centers (FRCs), Community Resource Centers (CRCs) and the Parent Brand Initiative.

The Marketing Department conducted a Request for Proposals (RFP) in early 2019, intended to review and select individual vendors which would offer specialized services in the form of media buying, digital marketing services, creative development support and strategy/research consultation. Ntootive was among eight agencies (and sub agencies) that responded to the RFP and was selected as a result of the RFP.

The funding allocation includes the following:

- The funding is considered a "pass through" media cost that is managed by Ntootive at the direction of L.A. Care, and would provide advertising the following campaigns:
 - Elevating Healthcare Parent Brand Campaign
 - CMC Hot Zone and Broker Marketing Campaigns
 - MCLA Advertising Campaign
 - LACC Open Enrollment Campaign and Broker Marketing Campaigns
 - FRC Campaigns and the introduction of the CRCs in partnership with Blue Shield Promise Health Plan of California

The execution and launch of these campaigns aligns with organizational and product objectives aimed at creating brand and product visibility in the Los Angeles market and driving product growth through increased enrollment.

Member Impact: This motion will allow L.A. Care to continue to have a positive impact as a trusted source of information for members and potential members. L.A. Care will leverage its marketing and advertising programs to support the growth of all lines of businesses and increase visitors at all FRC/CRCs.

Board of Governors
MOTION SUMMARY

Budget Impact: Sufficient funds have been budgeted in the FY 2019-20 budget for the Ntootive contract term October 1, 2019 through September 30, 2020.

Motion: To authorize staff to execute a new contract with Ntootive in an amount not to exceed \$5,261,983 for the period of October 1, 2019 through September 30, 2020.

Board of Governors

Executive Community Advisory Committee

Meeting Minutes – September 11, 2019

1055 W. 7th Street, Los Angeles, CA 90017



L.A. Care
HEALTH PLAN

ECAC Members	RCAC Members/Public	L.A. Care Board of Governors/Staff
<p>Russell Mahler, <i>RCAC 1 Chair</i> Estela Lara, <i>RCAC 2 Chair</i> Cynthia Contreas-Wood, <i>RCAC 3 Chair</i> Silvia Poz, <i>RCAC 4 Chair</i> Maria Sanchez, <i>RCAC 5 Chair</i> * Andria McFerson, <i>RCAC 6 Chair</i> Fátima Vázquez, <i>RCAC 7 Chair</i> Ana Romo, <i>RCAC 8 Chair, ECAC Chair</i> Tonya Byrd, <i>RCAC 9 Chair</i> Damares O Hernandez de Cordero, <i>RCAC 10 Chair</i> Elda Sevilla, <i>RCAC 11 Chair, ECAC Vice-Chair</i> Lluvia Salazar, <i>At-Large Member</i> Deaka McClain, <i>At Large Member</i> Demetria Saffore, <i>CCI Area 1 Chair</i> Wilma Ballew, <i>CCI Area 2 Chair</i></p> <p>* <i>Excused Absent</i> ** <i>Absent</i> *** <i>Via teleconference</i></p>	<p>Mandie Henry, <i>RCAC 1</i> Ana Rodriguez, <i>RCAC 2</i> Fung Ha Leung, <i>RCAC 3</i> Theodora Parlanti, <i>RCAC 4</i> Martha Rodriguez, <i>RCAC 5</i> Jo Ann Cannon, <i>RCAC 6</i> Dalia Cadena, <i>RCAC 7</i> Maria Montes, <i>RCAC 8</i> Dorothy Lowery, <i>RCAC 8</i> Dioselina Garcia, <i>RCAC 8</i> Ravy Morrath, <i>RCAC 9</i> Janner Gavidia, <i>RCAC 10</i></p> <p>Eduardo Kogan, <i>Interpreter</i> Annette Mendez, <i>Interpreter</i> Sina New, <i>Interpreter</i> Vesna Loek, <i>Interpreter</i> Henry Tung, <i>Interpreter</i> Ivan Ho, <i>Interpreter</i></p>	<p>Hilda Pérez, <i>Member, Board of Governors</i> Layla Gonzalez, <i>Member Advocate, Board of Governors</i> Michael Brodsky, MD, <i>Medical Director, Behavioral Health and Social Services, Behavioral Health</i> John Baackes, <i>Chief Executive Officer, L.A. Care Health Plan</i> Kristina Chung, <i>Community Outreach Field Specialist, CO&E</i> Idalia De La Torre, <i>Field Specialist Supervisor, CO&E</i> Auleria Eakins, <i>Manager, CO&E</i> Hilda Herrera, <i>Community Outreach Liaison CO&E</i> Sylvia Gochuico, <i>Member Advocate, Customer Solution Center</i> Maribel Gonzalez, <i>Member Advocate, Customer Solution Center</i> Dania Jacob, <i>Department Assistant, CO&E</i> Rudy Martinez, <i>Safety and Security Specialist, Facilities Services</i> Kristin Mendoza, <i>Manager, Health Homes Program</i> Frank Meza, <i>Community Outreach Field Specialist, CO&E</i> Francisco Oaxaca, <i>Senior Director, Communications and Community Relations</i> Candace Nafissi, <i>Communications and Community Relations Specialist III, Communications Department</i> Cindy Pozos, <i>Community Outreach Liaison, CO&E</i> Jose Ricardo Rivas, <i>Community Outreach Field Specialist, CO&E</i> Victor Rodriguez, <i>Board Specialist, Board Services</i> Martin Vicente, <i>Community Outreach Field Specialist, CO&E</i> Mary Zavala, <i>Director, Health Homes Program</i></p>

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
CALL TO ORDER	Elda Sevilla, <i>ECAC Vice Chair</i> , called the meeting to order at 10:06 a.m. She reviewed the ECAC meeting rules.	

<p>APPROVE MEETING AGENDA</p>	<p>Andria McFerson, <i>RCAC 6 Chair</i>, stated that she has been trying to put a discussion of raising the stipend for RCAC members on the agenda since the July 2019 ECAC meeting and it has not been placed on the agenda.</p> <p>The Agenda for today’s meeting was approved as submitted.</p>	<p>Approved unanimously. 11 AYES (Ballew, Conteas-Wood, Hernandez de Cordero, Lara, Mahler, Poz, Romo, Saffore, Salazar, Sevilla, and Vazquez) 1 Nay (McFerson)</p>
<p>APPROVE MEETING MINUTES</p>	<p><i>(Ana Romo joined the meeting.)</i></p> <p>Lluvia Salazar, <i>RCAC At-Large Member</i>, stated on Page 9, her comments were not noted correctly. It should read, “We had an emergency with an L.A. Care member at the ECAC meeting”.</p> <p>Ms. McFerson, noted on page 9 she requested to have on the agenda a discussion of increasing the stipend.</p> <p>Deaka McClain, <i>CCI At-Large Member</i>, stated she was still reviewing the minutes and was not able to cast a vote.</p> <p>The meeting minutes for the July 10, 2019 ECAC meeting were approved, noting the above corrections.</p>	<p>Approved unanimously. 13 AYES (Ballew, Conteas-Wood, Hernandez de Cordero, Lara, Mahler, McFerson, Poz, Romo, Saffore, Salazar, Sevilla, and Vazquez) 1 Abstention (McClain)</p>
<p>STANDING ITEMS</p>		
<p>ECAC CHAIR REPORT</p>	<p>Ana Romo, <i>ECAC Chair</i>, presented the following motion for approval:</p> <p>To recommend the approval of Arcelia Sandoval RCAC 7 and Maritza Lebron RCAC 7 as members of the Regional Community Advisory Committee (RCAC).</p>	<p>Approved unanimously. 14 AYES (Ballew, Conteas-Wood, Hernandez de Cordero, Lara, Mahler, McClain, McFerson, Poz, Romo, Saffore, Salazar, Sevilla, and Vazquez)</p>
<p>BOARD MEMBER REPORT</p> <p>Hilda Perez</p> <p>Layla Delgado</p>	<p>Hilda Perez, <i>Member Representative, Board of Governors</i>, thanked all RCAC members that are in attendance at this meeting and reported:</p> <ul style="list-style-type: none"> The Board of Governors met on September 5 for an all-day retreat at the Joan Palevsky Center at the California Community Foundation and she thanked all the RCAC members who were in attendance at that meeting. 	

- The Board received presentations from guest speakers: Dr. Mark Ghaly, *Secretary for Health and Human Services Agency*, John Russell, *Principal at Denton’s Public Policy and Regulation*, and James Gross, *Nielsen Merksamer Parrinello Group, LLC*.
- Dr. Ghaly spoke about addressing aspects of health care for Californians, creating a partnership between government departments and health coverage entities, and designing programs for the most vulnerable populations, which, in their implementation, will lift outcomes for everyone.
- Mr. Russell and Mr. Gross spoke about the cases attempting to dismantle the Affordable Care Act (ACA), rule changes involving the public charge and work requirements for people on the Supplemental Nutrition Assistance Program (SNAP). California is moving forward to create a viable state health system despite the possibility that there will be no federal support.
- L.A. Care and Blue Shield Promise Health Plan have joined forces to build more Community Resource Centers in Los Angeles County. The plan is to open a resource center in each RCAC region. The Pomona Community Resource Center will open next.
- Richard Siedman, *Chief Medical Officer*, reported that the Health Effectiveness Data and Information Set (HEDIS) scores have been received, and anticipates that L.A. Care will receive a “Commendable” status. He noted that 249 people have enrolled in the Health Homes program with the possibility of enrolling up to 500 people by the end of September.
- Layla Gonzalez, *Member Advocate, Board of Governors*, attended meetings of RCAC 2, 3 and 10. The RCACs received training on emergency preparedness. Each RCAC announced the community partners that they selected to receive the sponsorship money for this fiscal year’s work plan projects.
- RCAC Members submitted tally sheets documenting the number of people they reached with information about colorectal cancer. Ms. Perez thanked RCAC members for their efforts in getting the message out.

(Ms. Gonzalez joined the meeting.)

Ms. McClain asked to provide information on Dr. Seidman’s report on L.A. Care’s new partnership with CVS Pharmacies. Ms. Gonzalez responded that members can go and get urgent care services, vaccinations, and also get prescriptions modified at selected CVS Pharmacy.

Estela Lara, *RCAC 2 Chair*, stated that it is important to note that Dr. Mark Ghaly was present. He is a very important federal government official. She asked for funding to family care givers. She stated caregivers are undervalued.

UPDATE FROM CHIEF EXECUTIVE OFFICER

John Baackes

John Baackes, *Chief Executive Officer*, provided the following updates:

New ruling regarding Public Charge

Members will be receiving a letter and a fact sheet from L.A. Care regarding the new ruling on Public Charge. The new rule adds a list of programs that would count against people who are seeking citizenship or permanent residency in the United States. Previously only cash assistance and government funded long term care services would count against people applying. Now Medicaid, SNAP, CalFresh and housing assistance services will also count against an application. With this rule change, L.A. Care is trying to clarify exactly what files will be shared with other agencies. The files that the Center for Medicare and Medicaid Services (CMS) holds are firewalled from other government agencies, but this may be subject to change by an Executive Order.

We learned at the retreat that when one applies for Medi-Cal, immigration status is checked. The information is protected but there will be record of the application in those data bases. There is a chance that it may impact citizenship application.

Community Resource Platform

Mr. Baackes introduced Michael Brodsky, MD, *Medical Director, Behavioral Health and Social Services, Behavioral Health* to provide a demonstration on L.A. Care's new Community Resource Platform. The Community Resource Platform can be accessed by using the following link: <https://communitylink.lacare.org/>

Ms. McClain stated that she visited the website, but accessed it through a different path. She was looking for farmer's markets that will allow her to use her food stamps and was not able to find the exact resources she was looking for.

Cynthia Contreas-Wood, *RCAC 3 Chair*, asked if there is a presentation that she can use to provide this information to RCAC 3.

Dr. Brodsky stated there is a presentation that will be available in a couple of months that can be distributed to members.

Ms. McFerson handed out a copy of a presentation to Committee members.

Francisco Oaxaca, *Senior Director, Communications and Community Relations*, noted that Dr. Brodsky's presentation is an agenda item and it is inappropriate for Ms. McFerson to distribute new material during his presentation.

Ms. McFerson responded that Mr. Oaxaca is not allowed to tell her what is appropriate and asked him to stop speaking.

Wilma Ballew, *ECAC member*, stated that Ms. McFerson should step out. Ms. McFerson responded that Ms. Ballew should step out.

Michael Brodsky, MD.

	<p><i>(Committee member called Point of Order; there was no statement of a violation of rules.)</i></p> <p>Mr. Oaxaca stated that Ms. McFerson’s presentation must be placed on the written agenda before discussion.</p> <p>Chairperson Romo asked Ms. McFerson to please respect Mr. Oaxaca’s comments <i>(in response to call for Point of Order)</i>.</p> <p>Idalia De La Torre, <i>Field Specialist Supervisor, Community Outreach and Engagement</i>, stated that this is the opportunity for Committee members to ask questions pertaining to Dr. Brodsky’s presentation and the Community Resource Platform.</p> <p>Ms. McFerson responded that her comments are in regard to Dr. Brodsky’s presentation.</p> <p>Ms. De La Torre called on Ms. Lara to ask a question and Ms. McFerson called Point of Order. Ms. McFerson stated that neither the Committee members nor staff know what she would like to say and she was not given an opportunity to make her statement. She commented that the website is not accessible for people who do not know how to use computers.</p> <p>Ms. Perez asked if L.A. Care will make the Community Resource Platform available to everyone who visits the Community Resource Centers. Dr. Brodsky responded that it will, and he confirmed that this type of link is being used by other health plans in Los Angeles County.</p> <p>Ms. Gonzalez shared information about meetings that will be held at the Alhambra Library in San Gabriel Valley about the public charge. There will be two sessions, one will be held tonight at 5:30 P.M and one on September 28 at 1:00 P.M. Translation and legal services will be available.</p>	
<p>COMMUNICATION AND COMMUNITY RELATIONS UPDATE</p> <p>Francisco Oaxaca</p>	<p>Mr. Oaxaca provided the following updates:</p> <p><u>Red Cross Presentations</u> Red Cross is currently presenting information to each RCAC about disaster preparedness for seniors and people with disabilities. CO&E Field Specialists will advise about the schedule for each RCAC. RCAC Members can contact Candace Nafissi, <i>Communications and Community Relations Specialist III, Communications Department</i>, if they have questions.</p> <p><u>Local Legislative Office visits</u> He thanked all who attended the legislative office visits. L.A. Care members visited about 25 legislators to inform them of CalFresh changes. The offices were receptive</p>	

and thanked L.A. Care for the information about the changes. Many of them did not know about the changes and they will now begin spreading the word.

CCI Restructure

At the last meeting, members wanted to confirm that the Executive Committee heard their feedback on the CCI Council transition. Mr. Baackes presented all public comments and responses pertaining to the restructure at the April 22 Executive Committee meeting; all ECAC members and CCI Council members were invited to attend and were offered roundtrip transportation and a stipend. Prior to the meeting, Executive Committee members received copies of all public comments and responses regarding the restructure. A copy of the document was also made available during the meeting.

Safety Net Initiative Event

L.A. Care's \$31 million initiative to address the growing physician shortage entered its second year by announcing a Residency Support Program. The initiative was launched last year with three programs – a physician recruitment program, a physician loan repayment program, and a medical school scholarship program. During a luncheon in July, L.A. Care announced the fourth program – a \$5.2 million commitment to establish 14 new residency positions at five medical facilities in Los Angeles County. Some of that funding will also go to new faculty positions. The luncheon also gave us the opportunity to introduce the eight 2019 L.A. Care medical school scholarship recipients. Since the initiative launched, 72 recruitment grants have been awarded, and 52 physicians have been hired. Eighteen of the new physicians have received loan repayment grants, and L.A. Care are now paying tuition for 16 medical school students, a very diverse group who are committed to supporting the safety net.

Blue Shield Partnership & FRC's Renamed

L.A. Care's Board of Governors approved a new partnership with Blue Shield of California Promise Health Plan. Together they invest a combined \$146 million to expand Community Resource Centers across Los Angeles County. This unique collaboration will offer a wide range of health related classes, personalized services and social support to help improve health outcomes for members of the two health plans and the community-at-large. Improved health outcomes will also reduce health care costs over time. Over the next five years L.A. Care and Blue Shield Promise will jointly open seven new resource centers, remodel four existing centers and relocate three other existing centers to larger locations. In total they will jointly operate 14 resource centers in Los Angeles County. Each center will serve approximately 72,000 people per year when services and staff are fully built out, serving more than one million Los Angeles County residents annually.

	<p>Ms. Byrd stated that she always has an issue arriving on time to all meetings when coming from Long Beach. Mr. Oaxaca responded that Citywide is using a new software to help understand these cases better and avoid them in the future.</p> <p><u>PUBLIC COMMENT</u></p> <p>Dorothy Lowery, <i>RCAC 8 member</i>, stated she does not understand why she has to fight with her doctor to find the cause of her illness. She speaks to doctors in regards to the case and they become upset with her.</p>	
OLD BUSINESS		
ECAC AD-HOC COMMITTEE - MEETING EFFECTIVENESS	<p>Ms. Saffore provided update on ECAC Ad-Hoc Committee on Meeting Effectiveness. The purpose is to determine if the current Meeting Effectiveness Guidelines stay as written or should be revised.</p> <p>The Ad-Hoc Committee members came up with following recommendations:</p> <ul style="list-style-type: none"> • Name Change • Meeting Effectiveness Guidelines • Reduce items in agenda and increase time for discussion • Use Stop Watch • Vice Chair role enhancement • Pilot recommendations for 2 ECAC meetings <p>Ms. Perez asked for clarification on using the stop watch for public comments section of the agenda. Ms. De La Torre responded that the rule will now be enforced. People making public comments will only be able to make one comment or ask one question.</p> <p>Ms. McFerson asked if a question is misunderstood or the person is disabled will they be allotted more time.</p> <p>Ms. De La Torre responded that accommodations will be made.</p> <p>Ms. Lara asked that if the issue is enforcing the rules, how can the Committee effectively enforce the rules. Ms. De La Torre responded that they will work with the ECAC Chair, and the Committee members will need to respect the Chair's authority.</p> <p>Ms. Byrd asked if the Committee can receive the Guidelines before they vote on them. Ms. De La Torre responded that voting will be postponed until the October ECAC meeting to give ECAC members time to review the guidelines.</p>	
ECAC AD-HOC COMMITTEE –	<p>Ms. Sevilla provided updates:</p> <p>The purpose is to plan disability awareness opportunities for ECAC Leadership.</p>	

<p>DISABILITY AWARENESS MONTH</p>	<p>The Ad-Hoc Committee members came up with following recommendation:</p> <ul style="list-style-type: none"> • Theme for the training “A Day of Dialogue: Disability Awareness and Inclusion”. • A pre-session survey on empathy • Pre and Post-test for participants • Incorporation of disability video or vignettes • Disability fact sheet • Disability 101 inclusive of basic facts, terms, visible and invisible • How can we be inclusive? • Any type of “walk in my shoes” activities • Resources <p>Mr. Mahler asked if these guidelines will be presented to all the RCACs.</p> <p>Ms. De La Torre responded that these guidelines only apply to ECAC.</p> <p>Ms. Gonzalez thanked Ms. Sevilla for her presentation and recommended that the Committee integrate the recommendations of the Ad-Hoc Committee into everything that L.A. Care is doing for members.</p> <p>Ms. Sevilla responded that these are great recommendations and will be taken into consideration.</p> <p>Ms. Perez stated that she believes this training should be given to everyone working with RCAC Members.</p> <p>Ms. Sevilla asked that the Committee move forward with the Ad-Hoc Committee’s recommendations.</p>	
<p>NEW BUSINESS</p>		
<p>HEALTH HOMES PROGRAM BENEFIT</p>	<p>Mary Zavala, <i>Director, Health Homes Program.</i> and Kristin Mendoza, <i>Manager, Health Homes Program,</i> provided information on L.A. Care’s Health Homes Program Benefit. <i>(A copy of the presentation can be obtained from CO&E.)</i></p> <p>Ms. Contreas-Wood thanked staff for their presentation and asked if members who are too ill to improve are excluded from receiving this service.</p> <p>Ms. Zavala responded that if members meet the eligibility criteria, even if they check off multiple boxes, they can enroll into the program.</p> <p>Ms. Gonzalez asked if members that are both Medicare and Medi-Cal recipients can also qualify for this service. Ms. Zavala responded that Medi Medi members that have Medi-Cal Managed Care will be eligible.</p>	

<p>2020 BOARD OF GOVERNORS CONSUMER AND CONSUMER ADVOCATE REPRESENTATIVES ELECTION PROCESS</p>	<p>Auleria Eakins, Ed.D, <i>Manager, CO&E</i>, reported that the draft rules for the consumer and consumer advocate election process will be distributed during the October and November RCAC meeting cycles. They will be reviewed and finalized in December. The draft rules will serve as a guide as to how members can nominate. She asked that they consider candidates that will contribute. If members are interested she asks that they review the draft rules once distributed.</p> <p>Ms. Perez stated that staff should be aware throughout the entire process. During the last election, she noted that RCAC Members were being pressured into voting for certain candidates. She recommended that they vote for someone with a humble heart to serve the community.</p>	
<p>FUTURE AGENDA ITEMS</p>	<p>Ms. McFerson asked that the motion that was passed by RCAC 6 be placed on the agenda.</p> <p>Russel Mahler, <i>RCAC 1 Chair</i>, asked that the topic of holding a health fair for the homeless be placed on the agenda.</p> <p>Ms. McClain asked that there be an emergency evacuation drill during ECAC so members know what to do in case of an emergency.</p>	
<p>PUBLIC COMMENTS</p>	<p>Ms. Lowery stated that a motion was passed at RCAC 8 to get doctors to have a protocol in place to ensure they find the root cause of certain illness and not just use members to get more money. There should be a standard procedure in place for diagnosing patients.</p> <p>Ms. Salazar stated that two weeks ago her daughter suffered an emergency and was sent to an urgent care that was far from her home. She went to an urgent care closer to her home and was treated very quickly and received great service. The urgent care is called Orthopedic for Children.</p>	
<p>ADJOURNMENT</p>	<p>The meeting was adjourned at 1:07 pm.</p>	

RESPECTFULLY SUBMITTED BY:

Victor Rodriguez, *Board Specialist II, Board Services*
Malou Balones, *Board Specialist III, Board Services*
Linda Merkens, *Senior Manager, Board Services*

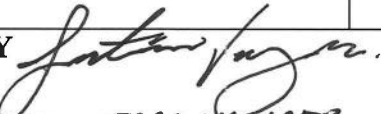
APPROVED BY

Ana Romo, *ECAC Chair*

Date _____

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RESPECTFULLY SUBMITTED BY:
Victor Rodriguez, *Board Specialist II, Board Services*
Malou Balones, *Board Specialist III, Board Services*
Linda Merkens, *Senior Manager, Board Services*

APPROVED BY 
FATIMA VASQUEZ, ECAC MEMBER
Ana Romo, *ECAC Chair*
Date 10/9/19

BOARD OF GOVERNORS

Children's Health Consultant Advisory Committee

Meeting Minutes –August 20, 2019

1055 W. Seventh Street, Los Angeles, CA 90017



Members

Lyndee Knox, PhD, *Chair*
 Linda Aragon, MPH *
 Edward Bloch, MD *
 Maria Chandler, MD, MBA **
 Tanya Dansky, MD *
 Rebecca Dudovitz, MD, MS

Tara Ficek, MPH
 Rosina Franco, MD ***
 Toni Frederick, PhD
 Gwendolyn Ross Jordan **
 Nayat Mutafyan **
 Maryjane Puffer, BSN, MPA

Diana Ramos, MD ***
 Richard Seidman, MD, MPH, CMO
 Diane Tanaka, MD *

* *Absent* ***Via Teleconference*
 ****Via Teleconference (Not posted - not counted as Quorum)*

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
CALL TO ORDER	Lyndee Knox, PhD, <i>Chair</i> called the meeting to order at 8:40 a.m. without quorum. <i>(Diana Ramos, MD, joined the meeting via teleconference at 8:45 a.m., but did not count towards the quorum.)</i> The Committee reached a quorum at 9:00 a.m.	
APPROVAL OF MEETING AGENDA	The Agenda for today's meeting was approved as submitted.	Approved unanimously. 9 AYES (Chandler, Dudovitz, Ficek, Frederick, Jordan, Knox, Mutafyan, Puffer, Seidman)
APPROVAL OF THE MEETING MINUTES	The minutes for the May 15, 2018 meeting were approved as submitted.	Approved unanimously. 9 AYES


AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
ANNUAL CHAIR AND VICE CHAIR ELECTION	<p><u>CHAIRPERSON ELECTION</u> Tara Ficek, MPH, Director, Health Systems, First 5 LA, was unanimously nominated and elected Chairperson of the Committee.</p> <p><u>VICE CHAIR ELECTION</u> Maryjane Puffer, BSN, MPA, Executive Director, L.A. Trust for Children's Health, was unanimously nominated and elected Vice Chair of the Committee.</p> <p><i>(Dr. Chandler left the meeting at 9:05 a.m.)</i></p>	<p>Approved unanimously. 9 AYES</p> <p>Approved unanimously. 9 AYES</p>
COMMITTEE ISSUES		
CHIEF MEDICAL OFFICER'S REPORT	<p>Richard Seidman, MD, MPH, Chief Medical Officer, referred to his written report <i>(a copy of his written report may be requested from Board Services.):</i></p> <p><u>Health Homes</u> L.A. Care successfully launched the Health Homes program on July 1, 2019, with an initial network of 21 contracted Community Based Care Management Entities (CB-CMEs), including L.A. County Department of Health Services (DHS). The rest are primarily Federally Qualified Health Centers (FQHCs) participating in L.A. Care's network providing primary care to its members.</p> <p>Member Seidman asked Member Chandler if she would like to provide any feedback about the program. Member Chandler responded that she has not had any clinical experience to date, and she will provide feedback at a later date.</p> <p><u>Access to Care</u> Advanced Access is a scheduling methodology that builds in same day access to care and is preferred over more traditional appointment scheduling practices. L.A. Care has developed and approved an Advanced Access policy and, in partnership with L.A. Care's contracted Independent Physician Associations and Medical Groups, is now collecting information on which primary care physicians (PCPs) in L.A. Care's network offer Advanced Access. As an incentive, PCPs that offer Advanced Access will be deemed compliant in the 2019 Provider Appointment Availability Survey.</p> <p><u>Healthcare Effectiveness Data and Information Set (HEDIS) and Consumer Assessment of Healthcare Providers and Systems (CAHPS) 2019 Preliminary Results</u> L.A. Care has submitted its Measurement Year 2018 HEDIS and CAHPS data to the National Commission on Quality Assurance (NCQA). L.A. Care anticipates</p>	

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>maintaining Commendable status for Medi-Cal and Accredited status for the Cal MediConnect and Covered California lines of business.</p> <p><u>Incentives</u> The Physician Pay for Performance (P4P) team is reviewing new measures included in the Managed Care Accountability Set to consider measures to add to the incentive program in 2019.</p> <p>Member Dudovitz stated that immunization registries can be clunky. She noted that unless there is a way to automate that process internally, physicians will duplicate entries. Member Seidman clarified that L.A. Care’s incentive program for achieving quality metrics is considering applying a withhold that will take revenue away from a practice, to encourage the practices to adopt the reporting methods.</p> <p><u>L.A. Care Covered VIIP Program</u> L.A. Care has joined forces with the Integrated Healthcare Association’s Align, Measure, Perform Program (formerly known as VBP4P). Joining this program enables L.A. Care to comply with a Covered California requirement to offer some portion of reimbursement in the form of value based pay and supports this Statewide program which measures and reports the performance of medical groups serving 95% of commercially insured members in California.</p> <p>Member Ficek asked how often the physician P4P program is reevaluated and reviewed. Dr. Seidman responded that the program is reviewed every year.</p> <p><i>(Member Franco joined the meeting by phone.)</i></p>	
<p>COMMITTEE MEMBERSHIP Richard Seidman, MD, MPH</p>	<p>Member Seidman discussed adding an L.A. Care consumer member to the Committee.</p> <p>Member Dudovitz asked if RCAC Members would be eligible. Member Seidman stated L.A. Care members would be eligible for the vacant seat.</p>	
<p>VALUE BASED PAY/ PROP 56 PROPOSALS James Kyle, MD Henock Soloman</p>	<p>James Kyle, MD, <i>Medical Director, Quality Improvement</i>, and Henock Solomon, <i>Manager, Incentives, Population Health Management</i>, presented information about the California Department of Health Care Services (DHCS) Value Based Payment (VBP) Program. <i>(A copy of the presentation can be obtained from Board Services.)</i></p> <p>The new proposed DHCS VBP program will provide incentive payments to providers for meeting criteria aimed at improving care for certain high-cost or high-need</p>	

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>populations. The program will be subject to Center for Medicare and Medicaid Services (CMS) approval.</p> <p>To address and consider health disparities, DHCS will pay an increased incentive amount for events tied to beneficiaries diagnosed as having a substance use disorder, serious mental illness, or who are homeless. The VBP program will be implemented for at least three years in the managed care delivery system, subject to funding approved in the final 2019 California budget</p> <p><u>Early Childhood Measures</u></p> <ul style="list-style-type: none"> • Well child visits in first 15 months of life • Well child visits in 3rd – 6th years of life • All childhood vaccines for 2 year olds • Blood lead screening • Dental fluoride varnish <p>Member Frederick asked if dental fluoride varnish is done by a dentist or a pediatrician. Member Seidman responded that there was a state policy implemented a decade ago by the Denti-Cal program. DHCS recognized that young children do not regularly go to a dentist, but they do visit their doctor. DHCS thought it would be a good idea for pediatricians to provide this service to their patients, but it has not been widely adopted.</p> <p>Member Puffer asked if there is a list of codes that are available to physicians. Mr. Soloman responded that the codes are published online.</p>	
<p>LA TRUST DATA EXCHANGE</p> <p>Maryjane Puffer, BSN, MPA</p> <p>Patricia Anton</p>	<p>Maryjane Puffer, BSN, MPA, <i>Executive Director L.A. Trust for Children's Health</i> and Patricia Anton, <i>Consultant, Anton Consulting, Inc.</i> presented information on the L.A. Trust Data xChange. <i>(A copy of the presentation can be obtained from Board Services.)</i></p> <p>The mission of the L.A. Trust for Children's Health is to improve student health and increase readiness to learn through health care access, advocacy, and programs.</p> <p>Strategic Objectives of the L.A. Trust for Children's Health:</p> <ul style="list-style-type: none"> • Increase awareness and access to wellness centers • Advocate for policy and legislation that supports student health • Provide backbone services that create shared value 	

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>The L.A. Trust Data xChange is a database that can provide insights and measurable connections between school based health clinics and student academic achievement (attendance, grades, and graduation rates).</p> <p>Member Frederick asked if children with private insurance and children with no insurance will be included in the data base. Member Puffer confirmed that the database will include information from children who have private insurance and no insurance.</p> <p>Member Knox asked if the system allows for entering in data or just pulling out data. Ms. Anton responded that it was designed to only pull data due to HIPAA privacy concerns. Due to lack of time, the presentation was not completed.</p> <p>Member Knox suggested including time on the next meeting agenda to finish the presentation and discussion. Member Seidman responded he will add the topic on a future Children's Health Consultants Advisory Committee meeting agenda.</p>	<p><i>The Committee, by consensus, agreed to continue the presentation and discussion at a future Children's Health Consultants Advisory Committee meeting.</i></p>
ADJOURNMENT	The meeting was adjourned at 10:10 a.m.	

Respectfully submitted by:
 Malou Balones, *Board Specialist III, Board Services*
 Victor Rodriguez, *Board Specialist II, Board Services*
 Linda Merkens, *Senior Manager, Board Services*

APPROVED BY:
 Tara Ficek, MPH, *Chair*: 
 Date Signed: 9/17/19

BOARD OF GOVERNORS

Compliance & Quality Committee Meeting

Meeting Minutes – August 15, 2019



L.A. Care Health Plan CR 100, 1055 W. Seventh Street, Los Angeles, CA 90017

Members

Stephanie Booth, MD, *Chairperson*
 Al Ballesteros, MBA
 Christina R. Ghaly, MD *
 Hilda Perez **
 Courtney Powers, JD *
 Ilan Shapiro, MD

Management

Richard Seidman, MD, MPH *Chief Medical Officer*
 Augustavia J. Haydel, *General Counsel*
 Thomas Mapp, *Chief Compliance Officer*
 James Kyle, MD, *Medical Director, Quality, Quality Improvement*
 Elysse Palomo, *Director, Regulatory Affairs, Compliance*
 * *Absent* ** *Teleconference*

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
CALL TO ORDER	Stephanie Booth, MD, <i>Committee Chairperson</i> , called the meeting to order at 2:03 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.	
APPROVAL OF MEETING AGENDA	The Agenda was approved as submitted.	Approved unanimously. 4 AYES (Ballesteros, Booth, Perez, and Shapiro)
PUBLIC COMMENT	There was no public comment.	
APPROVAL OF MEETING MINUTES	The May 16, 2019 meeting minutes were approved as submitted.	Approved unanimously. 4 AYES
CHIEF MEDICAL OFFICER’S REPORT Richard Seidman, MD, MPH	Richard Seidman, MD, MPH, <i>Chief Medical Officer</i> , referred to his written report (<i>a copy of the report can be requested from Board Services</i>): <u>Health Homes Program</u> At the end of July 2019, 153 members had enrolled in the Health Homes program with an expectation of reaching 500 enrollees by end of September, 2019. As of August 14 there are 285 enrolled in the program.	

APPROVED

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Chairperson Booth asked about how the enrollees are referred. Dr. Seidman responded that they are coming from a variety of sources. The referral network has 21 Community Based Care Management Entities. There will be a second round of entities going live on October 1.</p> <p><u>Access to Care (ATC)</u> Advanced Access is a scheduling methodology that builds in same day access to care and is preferred over more traditional appointment scheduling practices. L.A. Care has an Advanced Access policy and is gathering information about which primary care physicians (PCPs) in L.A. Care’s network offer Advanced Access. In partnership with L.A. Care’s contracted IPAs and Medical Groups, L.A. Care is requesting signed attestations from providers offering Advanced Access scheduling. As an incentive, PCPs that offer advanced access will be deemed compliant in the 2019 Provider Appointment Availability Survey. To date, approximately 1,100 providers have indicated that they offer Advanced Access. Final results are due in mid-July.</p> <p>Member Ballesteros asked when it is best for providers to use this method. Dr. Seidman responded that the goal is to build a schedule template with appointments and leave some slots open for same day appointments. Providers will rely on historical information to determine the number of appointments they should leave open each day.</p> <p>Member Shapiro stated that patients are responding really well to this type of appointment access. Dr. Seidman noted that members who perceive that they need medical care and are not able to get in to see the PCP may use the emergency room.</p> <p><u>HEDIS/CAHPS 2019 Preliminary Results</u> Measurement Year (MY) 2018 Healthcare Effectiveness Data and Information Set (HEDIS) and Consumer Assessment of Healthcare Providers and Systems (CAHPS) data has been submitted to the National Commission on Quality Assurance (NCQA). L.A. Care anticipates maintaining Commendable status for Medi-Cal and Accredited status for the Cal MediConnect and Covered California lines of business. More detailed presentations will be shared at the Compliance & Quality Committee later this year.</p> <p><u>Incentives</u> The physician P4P team is reviewing new measures included in the Managed Care Accountability Set (MCAS) to consider adding the measures to L.A. Care’s incentive program. After measure testing is completed, selected measures will be added to the program descriptions during the mid-year update (around September) for reporting</p>	

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>purposes only. Performance on new measures added in the mid-year update will not be factored into incentive payment calculations until MY 2020. Providers are expected to give vaccinations to patients in the immunization registry. Pharmacies are also providing services to patients that are in the registry.</p> <p>Member Shapiro stated that the best way to calculate cost efficiency is to show the cost to provide these immunizations to patients in the registry. He suggested having an incentive for Telehealth.</p> <p>Chairperson Booth asked if L.A. Care is going to pay for a vaccine that has been given why can't L.A. Care place it in California Immunization Registry. Dr. Seidman may not want to take responsibility for populating the registry. It is better if the individual entities that are administering the immunization be responsible. There is a lot of detailed information that is necessary to populate the registry. This is why many Providers have elected not to adopt it.</p>	
<p>MANAGED CARE ACCOUNTABILITY SET (MCAS)</p> <p>James Kyle, MD.</p>	<p>James Kyle, MD, <i>Medical Director, Quality, Quality Improvement</i> presented on the Managed Care Accountability Set (MCAS). <i>(A copy of his written report can be requested from Board Services.)</i></p> <p><u>Managed Care Accountability Set</u></p> <ul style="list-style-type: none"> • Formerly known as the External Accountability Set (EAS) • Based on the Centers for Medicare and Medicaid Services Adult and Child Core Set measures • Effective January 1, 2019 for MY 2019 • Measures were finalized by California Department of Health Care Services (DHCS) on May 29, 2019 • Increase in reporting for seven new measures <p>Progressively increasing oversight and sanctions, including financial penalties, will be imposed for measure performance below the Minimum Performance Level.</p> <p>Member Shapiro stated that he is testing birth health calendars as a sort of check list to ensure newborns are going to all necessary appointments. He also suggested creating an application with a calendar to remind patients to see their pediatrician.</p> <p>Dr. Seidman stated that there is an application that L.A. Care is exploring called Wild Flower to assist women with postpartum care and infant health checks.</p>	

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<p>CHIEF COMPLIANCE OFFICER REPORT</p> <p>Thomas Mapp Elysse Palomo</p>	<p>Thomas Mapp, <i>Chief Compliance Officer</i>, asked Elysse Palomo, <i>Director, Regulatory Affairs, Compliance</i>, to present his written report included in the meeting materials. <i>(A copy of his written report can be requested from Board Services).</i></p> <p><u>Key Compliance Initiatives and Activities</u></p> <ul style="list-style-type: none"> • 2019 DHCS Medical Audit for Medi-Cal onsite audit occurred from July 15-26, 2019. DHCS verbally listed the preliminary findings during the closing interview on July 26, 2019. A written report of the findings has not been released. • L.A. Care continues to conduct ongoing monitoring of its internal business units and delegates to ensure correction of deficiencies in preparation for the validation audit by Centers for Medicare and Medicaid Services (CMS) for Cal MediConnect (CMC). • On July 30, 2019, John Baackes, <i>Chief Executive Officer</i>, announced the creation of a Delegation Oversight department within L.A. Care to centralize management of all activities to ensure delegate performance. This includes audit implementation and planning, streamlining performance monitoring, and creating an account management and communications program to ensure that L.A. Care staff speaks with one voice to the delegated entities. • During the last three years there has been steady improvement in the performance of the Appeals and Grievances Department. <p>Lisa Marie Golden, <i>Director, Customer Solution Center Appeals and Grievances, CSC Appeals & Grievance</i> presented information on CMS Appeals & Grievances Pre-CAHPS Validation Audit and Member & Provider Material Review Process (Podio) Audit.</p> <p>Member Perez stated that L.A. Care has a Facebook page and other social media pages. She asked if members who post complaints on those pages get their issues addressed. Ms. Golden responded that there is an automatic reply referring them to Member Services and providing that Department's contact information.</p>	
<p>ADJOURN TO CLOSED SESSION</p>	<p><i>(The following two agenda items were not discussed.)</i></p> <p>PEER REVIEW Welfare & Institutions Code Section 14087.38(n)</p> <p>REPORT INVOLVING TRADE SECRET Pursuant to Welfare and Institutions Code Section 14087.38(n) Discussion Concerning New Service, Program, Business Plan</p>	

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	Estimated date of public disclosure: <i>August 2021</i> CONFERENCE WITH LEGAL COUNSEL –ANTICIPATED LITIGATION Pursuant to Section 54956.9 (d) (2) of the Ralph M. Brown Act One potential case	
ADJOURNMENT	The meeting was adjourned at 3:40 p.m.	

Respectfully submitted by:
 Victor Rodriguez, *Board Specialist II, Board Services*
 Malou Balones, *Board Specialist III, Board Services*
 Linda Merkens, *Senior Manager, Board Services*

APPROVED BY:

 Stephanie Booth, MD, *Chairperson*
 Date Signed: _____