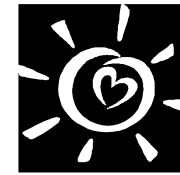


**BOARD OF GOVERNORS**  
**Executive Committee**  
**Meeting Minutes – March 25, 2019**

1055 West 7<sup>th</sup> Street, Los Angeles, CA 90017



**L.A. Care**  
 HEALTH PLAN

**Members**

Hector De La Torre, *Chairperson*  
 Al Ballesteros, *Vice Chairperson \**  
 Robert H. Curry, *Treasurer*  
 Layla Gonzalez-Delgado, *Secretary*  
 Stephanie Booth, MD  
 Hilda Perez

**Management/Staff**

John Baackes, *Chief Executive Officer*  
 Terry Brown, *Chief Human Resources Officer*  
 Augustavia J. Haydel, Esq., *General Counsel*  
 Marie Montgomery, *Chief Financial Officer*  
 Richard Seidman, MD, MPH, *Chief Medical Officer*  
 \*Absent \*\* Via Teleconference

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<b>CALL TO ORDER</b>  Hector De La Torre	Hector De La Torre, <i>Board Chairperson</i> , called the meeting to order at 2:37 pm.  He welcomed Dr. Booth to the Committee and welcomed everyone to the meeting and invited the members of the Executive Committee, staff and guests to introduce themselves.  He announced that members of the public may address the Committee on each matter listed on the agenda before or during the Committee’s consideration of the item, or on any other topic at the Public Comment section.	
<b>APPROVE MEETING AGENDA</b>  Hector De La Torre	The Agenda for today’s meeting was approved as amended.	<b>Approved unanimously.            5 AYES (Booth, Curry, De La Torre, Gonzalez-Delgado, and Perez)</b>
<b>PUBLIC COMMENTS</b>	There were no public comments.	
<b>APPROVE MEETING MINUTES</b>  Hector De La Torre	The minutes of the February 25, 2019 meeting were approved as submitted.	<b>Approved unanimously.            5 AYES</b>
<b>CHAIRPERSON’S REPORT</b>	There was no Chairperson report.	

**APPROVED**

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<p><b>CHIEF EXECUTIVE OFFICER REPORT</b></p> <p>John Baackes</p>	<p>John Baackes, <i>Chief Executive Officer</i>, provided a CEO and a Government Affairs update: Governor Newsom has proposed four things:</p> <ol style="list-style-type: none"> <li>1. Create individual mandate to mimic the tax penalty in the original Affordable Care Act.</li> <li>2. Increase subsidies for exchange participants, paid for by tax penalty revenue.</li> <li>3. Extend eligibility to age 26 for undocumented persons not eligible for Medi-Cal.</li> <li>4. Centralize pharmacy formulary and purchase to reduce cost.</li> </ol> <p>Mr. Baackes noted that health plans already use Pharmacy Benefit Managers to aggregate purchasing power. Health plans who are eligible for 340B pass along the benefit to the State. Providers eligible for 340B need to have the extra revenue to support health care for the uninsured. Medi-Cal beneficiaries will be affected, and it could affect care management for the most vulnerable patients. Mr. Baackes added that it may be difficult for the State to handle the administrative requirements. This is a very controversial executive order. The Local Health Plans of California will continue to raise serious questions around the execution of this proposal to shed light on the issues.</p> <p><u>Grants and Sponsorship Policies</u></p> <p>Francisco Oaxaca, <i>Senior Director, Communications and Community Outreach &amp; Education</i>, summarized revisions to the policies that the Committee requested at the last meeting to reflect additional oversight and transparency. Staff reviewed the potential impacts. Staff looked back 18-months; board approval would have been needed for about 30 grants. He also noted that sponsorship requests are received 5 or 6 weeks before events, and if there was not a meeting within that time frame, the sponsorship request would have been denied. There may also have been conflicts of interest for board members.</p> <p>There was a request by the committee for increased frequency in reports.</p> <p>Member Booth expressed that she feels her point was missed and noted that what the Board wants is to look at the equity of the distribution of the funds, the recommendations to ensure the money is spent well, and to make sure that the Board gets sufficient and more immediate feedback. Chairperson De La Torre added that the Board did not need to vote on every sponsorship, but wanted to receive relevant information.</p> <p>Mr. Baackes noted that staff can do a report every month.</p>	

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	Chairperson De La Torre also suggested a lower threshold for grants, to \$150,000 for reporting only, not for approval. If it goes over threshold, notification would be triggered. He asked that the report list high funding amounts (six figures) at the top and the rest at the bottom, with flags for repeat requests.	
<b>ADJOURN TO CLOSED SESSION</b>	<p>Augustavia J. Haydel, Esq., <i>General Counsel</i>, announced the items to be discussed in closed session. He announced there is no report anticipated from the closed session. There was no public comment on the closed session items, and the meeting adjourned to closed session at 3:45 p.m.</p> <p><b>PUBLIC EMPLOYEE PERFORMANCE EVALUATION</b> Section 54957 of the Ralph M. Brown Act Title: Chief Executive Officer</p> <p><b>CONFERENCE WITH LABOR NEGOTIATOR</b> Section 54957.6 of the Ralph M. Brown Act Agency Negotiator: Hector De La Torre Unrepresented Employee: Chief Executive Officer</p>	
<b>RECONVENIE IN OPEN SESSION</b>	The meeting reconvened in open session at 3:38 pm. No reportable actions were taken during the closed session.	
<b>Government Affairs Update</b>	The Government Affairs update were covered in the CEO report earlier in the meeting.	
<b>Annual Disclosure of Broker Fees</b>	<p>Terry Brown, <i>Chief Human Resources Officer</i>, referred members to the report included in the meeting packet. The base commissions are the same as disclosed in 2018 and have been reviewed and found to be within normal ranges for such commissions.</p> <p>Member Curry asked how often is the rebid. Mr. Brown reported that a broker goes out every year to review underlying policies and L.A. Care conducts request for proposal every three years.</p> <p>Chairperson De La Torre asked who determines the offerings. Mr. Brown reported that L.A. Care determines the offering, with recommendations of the broker.</p>	
<b>Human Resources Policies</b>	Mr. Brown presented the revisions to the Human Resources (HR) policies below. L.A. Care Policy HR-501 requires that the Executive Committee review the substantial changes to the HR Policies. In 2006, the Executive Committee was delegated the task of annual review of the Human Resource Policies. Policies are revised or written to reflect	

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	<p>desired changes to L.A. Care’s practices, and to incorporate any changes necessitated by law.</p> <p>Note that a doctor’s note is required for taking off unscheduled paid time off just one day prior or past the holiday.</p> <table border="1" data-bbox="510 358 1587 792"> <thead> <tr> <th data-bbox="510 358 674 428">Policy Number</th> <th data-bbox="680 358 865 428">Policy</th> <th data-bbox="871 358 1035 428">Section</th> <th data-bbox="1041 358 1587 428">Description of Modification or Reason for Creation</th> </tr> </thead> <tbody> <tr> <td data-bbox="510 433 674 646">HR-108</td> <td data-bbox="680 433 865 646"><b>Holidays</b></td> <td data-bbox="871 433 1035 646">Benefits</td> <td data-bbox="1041 433 1587 646">           1) Eligible Employees defined.            2) Procedure added for taking unscheduled PTO adjacent to a holiday.            3) Holiday pay for alternative work schedule added.         </td> </tr> <tr> <td data-bbox="510 651 674 792">HR-205</td> <td data-bbox="680 651 865 792"><b>Dress Code</b></td> <td data-bbox="871 651 1035 792">Employee Relations</td> <td data-bbox="1041 651 1587 792">           1) Dress code changed to include casual dress attire.            2) Dress attire definitions updated.         </td> </tr> </tbody> </table> <p><b><u>Motion EXE A.0319</u></b>  <b>To approve the revisions to Human Resources Policies: HR-108 (Holidays); HR-205 (Dress Code).</b></p>	Policy Number	Policy	Section	Description of Modification or Reason for Creation	HR-108	<b>Holidays</b>	Benefits	1) Eligible Employees defined. 2) Procedure added for taking unscheduled PTO adjacent to a holiday. 3) Holiday pay for alternative work schedule added.	HR-205	<b>Dress Code</b>	Employee Relations	1) Dress code changed to include casual dress attire. 2) Dress attire definitions updated.	<p>Approved unanimously.  <b>5 AYES</b></p>
Policy Number	Policy	Section	Description of Modification or Reason for Creation											
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<p><b>Approve Consent Agenda for the Board of Governors Meeting</b></p>	<p>The Committee approved the following motions to be added to the Consent Agenda for the Board of Governors meeting on April 4, 2019 (<i>the revised policies for grants and sponsorships will be revised</i>):</p> <ul style="list-style-type: none"> <li>• Revised Policy 603 (Grants)</li> <li>• Policy COMM 006 (Sponsorships) (old Policy 603.2)</li> <li>• RCAC Membership</li> </ul>	<p>Approved unanimously.  <b>5 AYES</b></p>												
<p><b>ADJOURN TO CLOSED SESSION</b></p>	<p>Ms. Haydel announced the items to be discussed in closed session. She announced there is no report anticipated from the closed session. There was no public comment on the closed session items, and the meeting adjourned to closed session at 3:45 p.m.</p> <p><b>CONTRACT RATES</b>  Pursuant to Welfare and Institutions Code Section 14087.38(m)</p> <ul style="list-style-type: none"> <li>• Plan Partner Rates</li> </ul>													

**APPROVED**

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<ul style="list-style-type: none"> <li>• Provider Rates</li> <li>• DHCS Rates</li> </ul> <p>REPORT INVOLVING TRADE SECRET Pursuant to Welfare and Institutions Code Section 14087.38(n) Discussion Concerning New Product Lines Estimated date of public disclosure: <i>March 2021</i></p> <p>CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Pursuant to Section 54956.9 (d) (2) of the Ralph M. Brown Act Two potential cases</p> <p>PEER REVIEW Welfare &amp; Institutions Code Section 14087.38(n)</p> <p>PUBLIC EMPLOYEE PERFORMANCE EVALUATION Section 54957 of the Ralph M. Brown Act Title: Chief Executive Officer</p> <p>CONFERENCE WITH LABOR NEGOTIATOR Section 54957.6 of the Ralph M. Brown Act Agency Negotiator: Hector De La Torre Unrepresented Employee: Chief Executive Officer</p>	
<b>RECONVENIE IN OPEN SESSION</b>	The meeting reconvened in open session at 4:15 pm. No reportable actions were taken during the closed session.	
<b>ADJOURNMENT</b>	The meeting adjourned at 4:15 pm.	

Respectfully submitted by:

Linda Merkens, *Senior Manager, Board Services*  
Malou Balones, *Senior Board Specialist, Board Services*  
Victor Rodriguez, *Board Specialist, Board Services*

APPROVED BY:

\_\_\_\_\_  
Hector De La Torre, *Chair*  
Date: \_\_\_\_\_

**APPROVED**

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APPROVED BY:

  
\_\_\_\_\_  
Hector De La Torre, *Chair*  
Date: 4-22-19

**APPROVED**