

BOARD OF GOVERNORS
Executive Committee

Meeting Minutes – April 22, 2019

1055 West 7th 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*
 Dino Kasdagly, *Chief Operating Officer*
 Richard Seidman, MD, MPH, *Chief Medical Officer*

**Absent ** Via Teleconference*

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
CALL TO ORDER Hector De La Torre	Hector De La Torre, <i>Board Chairperson</i> , called the meeting to order at 2:01 pm. He welcomed everyone to the meeting and invited the members of the 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 the Committee's consideration of the item, or on any other topic at the Public Comment section.	
APPROVE MEETING AGENDA Hector De La Torre	The Agenda for today's meeting was approved as amended.	Approved unanimously by roll call. 5 AYES (Booth, Curry, De La Torre, Gonzalez-Delgado, and Perez)
PUBLIC COMMENTS	<p>Estela Lara, <i>RCAC 2 Chair</i>, extended post Easter greetings to all. She stated that wristbands were distributed on Saturday for Care Harbor. She feels like a prisoner. She had a choice of either dental or vision service. Last year she had the opportunity for both in addition to medical care. She expressed that the wristband is embarrassing to wear for a week. She had her band put on her ankle. She stated that it feels humiliating to wear a label and suggested finding another way to identify people. She does not want it done this way again. Some people cannot wear the wristband because of work. She thanked the Board for supporting the Care Harbor.</p> <p>John Baackes, <i>Chief Executive Officer</i>, noted that Care Harbor is run by another organization and he will pass along her observations to the organizers.</p>	

APPROVED

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	<p>Andria McFerson, <i>RCAC 6 Chair</i>, asked each Board member if L.A. Care can acknowledge how important the volunteers are to the organization and to the community. Volunteers give back to the community, with a small stipend. The validity of the stipend is in question, as if the years are worth so little. The stipends save lives. Some volunteers use the funds to pay for medication to save lives in their families. It makes L.A. Care look good to have volunteers.</p> <p>Ismael Maldonado commented on a Treatment Authorization Request (TAR) and Proposition 63 funding for pharmacies. He had a panic attack recently and was not provided with medication. He has reported this to representatives in Washington DC and to local authorities. Mr. Baackes noted that Proposition 63 is a mental health act that was passed years ago. This was a carve out and is outside of L.A. Care purview or control. A significant amount of funds under Prop 63 remain unspent. Chairperson De La Torre offered that L.A. Care will see how it can engage mental health agencies to help with this.</p> <p><i>(Member Ballesteros joined the meeting.)</i></p> <p>Elizabeth Cooper, <i>RCAC 2 member</i>, stated her son has seizure disorder. He remains on prescription drug benefits only through his doctor's recommendation. The drugs keep his seizures from progressing. The enrollment fee for drug benefits is expensive for her. She requested that L.A. Care review the costs of Part D prescription drug plan co-payments. She also asked if customer solutions would be at meetings to help with durable medical equipment.</p> <p>Elliott Bailiff requested more seating for members waiting for the meetings to start.</p> <p>Deaka McClain stated that when she had her taxes done, she was told that the stipend amount is placed in the wrong box on form 1099 by L.A. Care. Marie Montgomery, <i>Chief Financial Officer</i>, will look into this issue.</p>	
<p>APPROVE MEETING MINUTES</p> <p>Hector De La Torre</p>	<p>The minutes of the March 25, 2019 meeting were approved as submitted.</p>	<p>Approved unanimously by roll call. 6 AYES (Ballesteros, Booth, Curry, De La Torre, Gonzalez-Delgado, and Perez)</p>

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CHAIRPERSON'S REPORT	There was no report from the Chairperson.	
CHIEF EXECUTIVE OFFICER REPORT John Baackes Coordinated Care Initiative Councils Transition Update	<u>PUBLIC COMMENT</u> Alma Whitehurst withdrew her request for public comment. Ms. Cooper stated that she is trusting each board member to take notice of her comment before they vote on the Coordinated Care Initiative Councils (CCI) transition. She asked for larger font for printed meeting materials. Mrs. Cooper does not agree that the CCI Chairs remain members of ECAC through September 2019. The CCI members have been moved to RCACs. There should be a task force to track the transition of people who were on the CCI Councils. Chairperson De La Torre clarified that the Committee is not voting on the CCI restructure item. The revised consumer advisory committee operating rules will be drafted and presented to the Board at a later date. Mr. Baackes noted that keeping the CCI Chairs on ECAC will allow time to get the new operating rules in place. Mary Jo Fernando would like information about the vision plan because right now she does not belong to Kaiser and she does not know where to get her eyeglasses. Ms. Fernando stated that she is diabetic and has glaucoma. She is very concerned where she can get her eyeglasses. Mr. Baackes responded that Board Services will assist her. Ms. McClain commented that she does not understand why CCI members are here when the process for the CCI transition is already going forward. Mr. Baackes responded that in November 2018, staff requested public comment regarding the CCI restructure. Staff went to every advisory committee meeting to ask for member input. Mr. Baackes is reporting today on the advisory committee member input. Ms. McClain stated that what she is wondering is why the members are giving comments today when a transition is already underway. Mr. Baackes responded that the Committee is hearing the comments. The next steps are being planned. Ms. McClain asked why CCI members are being sent to RCACs. Mr. Baackes noted that this is what was agreed to months ago. To comply with contractual requirements, L.A. Care has begun holding quarterly meetings of the new Cal MediConnect Consumer Committee. The CCI Councils do not meet the state requirements and are being disbanded. Members of CCI Councils will become members of their nearest RCACs.	

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	<p>Marcia Ramos thanked the Committee for the opportunity to participate and for adding specialists in the Antelope Valley to care for everyone; it's getting better. She added that she has concerns that some specialists have left the Antelope Valley. Mr. Baackes responded that he appreciates that members recognized improvements in the provider network in the Antelope Valley. He congratulated Member Ballesteros who runs JWCH Institute, which has taken over administration of the Antelope Valley Clinic.</p> <p>Member Perez noted that she understands there is still a lack of services in the Antelope Valley. She acknowledged Member Ballesteros, and noted that members are grateful for what his organization has done in the Antelope Valley.</p> <p>Ms. McFerson stated that she feels that L.A. Care, a non-profit organization, has turned into a for profit organization. Members did not have the right to vote to continue the CCI Council program. During the process, CCI Council members held secret meetings and other members were not allowed to know about those meetings. The decision was to disband CCI Councils was made by staff, ignoring member opinion. L.A. Care needs to acknowledge that the CCI members are important.</p> <p>Wilma Ballew, <i>CCI 2 Chair</i>, asked how many CCI chairs and vice chairs are in the audience. She stated that these are members that have stepped up and become very strong advocates in the community. They work hard to make sure that people can get care. She understands when people make comments about the CCI Chairs. She also understands that there is a person who had both CCI and RCAC membership at the same time.</p> <p>Chairperson De La Torre stated that the concept of Seniors and Persons with Disabilities (SPD) members having a say in what L.A. Care does is important. But government programs come and go. Members asked for more discussion about the CCI transition and staff took time to gather member input. As L.A. Care moves forward, SPDs will be embedded in the fabric of what L.A. Care does. That is the result that this board wanted, and what the members wanted. The consumer program will be different, but voices of L.A. Care's SPD members will be heard throughout L.A. Care.</p> <p>Mr. Baackes provided an update on the CCI Council Member transition into RCACs. <i>(A copy of the report may be requested by contacting Board Services.)</i></p> <ul style="list-style-type: none"> • California passed Coordinated Care legislation for people eligible for both Medicare and Medicaid benefits, that created Cal MediConnect (CMC). The original contract 	

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	<p>did not dictate specific guidelines for getting feedback from members. L.A. Care created the ad hoc CCI Councils.</p> <ul style="list-style-type: none"> • L.A. Care is the only public plan in California that has a standing committee of the Board to represent its members and has two board members elected by health plan members. • California revised the CMC contract and required that a member advisory committee be comprised of CMC members or family members of a CMC member, advocates, and providers. The existing ad hoc CCI councils did not meet that criteria. • L.A. Care currently has 16,000 members in the CMC program. • Staff proposed changes in the program, which drew push back from public. The Board expanded dissemination of information about the changes to plan members. • SPDs made up nearly 40% of RCAC members before the transition. After the transition, SPDS now make up 45% of RCAC membership. This is significant, as this population represents 17% of all L.A. Care membership. • CCI Council members transitioning into the RCACs received Code of Conduct training. Former CCI Council members have attended their first RCAC meetings as RCAC members in RCAC 1, 2 and 6. The remaining group will attend their first RCAC meeting on May 20 at RCAC 9 in Long Beach. <p>Member Perez thanked Mr. Baackes for listening and thanked the members for the pleasure and the honor to represent them. L.A. Care listens to the members. Sometimes the answer is no but it does not mean they are not listening. She is proud of the feedback from members. She thanked Chairperson De La Torre for his involvement and concern.</p>	
2nd Quarter FY 2018-19 Vision 2021 Progress Report	<p>Mr. Baackes reported that the quarterly update on L.A. Care’s strategic vision is included in the meeting materials provided. <i>(A copy of the report may be requested by contacting Board Services.)</i></p>	
Government Affairs Update	<p><u>PUBLIC COMMENT</u></p> <p>Ms. Cooper stated that the government is by the people. She is a parent of a developmentally disabled person. She feels this has been unfair. She asked for people to listen to her comments. She is not speaking against good members. She objects that CCI Council members stay on ECAC to September 2019. She was disrespected at the Council meeting.</p>	

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	<p>Cherie Compartore, <i>Senior Director, Government Affairs</i>, reported:</p> <ul style="list-style-type: none"> • The Legislature is back in session. April 26 is the deadline for bills with a fiscal impact to be heard in policy committee. There are approximately 200 bills that must be heard in Senate and Assembly health committees this week. • The Senate Budget Subcommittee on Health and Human Services is scheduled to hear the Governor’s Bulk Purchasing Executive Order that moves the pharmacy benefit out of Medi-Cal managed care and into fee-for-service. As updated at the last Board meeting, L.A. Care and its trade associations are very involved in this issue. 													
<p>Human Resources Policies</p>	<p><u>PUBLIC COMMENT</u></p> <p>Ms. McFerson doesn’t understand specifically about public comment. When Mr. Baackes spoke, she didn’t get a chance to speak after the discussion. L.A. Care needs to have empathy training for staff and providers. She has advocated for this for years. Stanford has virtual training to virtually experience being handicapped.</p> <p>Terry Brown, <i>Chief Human Resources Officer</i>, presented 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 desired changes to L.A. Care’s practices, and to incorporate any changes necessitated by law.</p> <table border="1" data-bbox="499 922 1591 1437"> <thead> <tr> <th>Policy Number</th> <th>Policy</th> <th>Section</th> <th>Description of Modification or Reason for Creation</th> </tr> </thead> <tbody> <tr> <td>HR-105</td> <td>Employee Group Insurance Plan</td> <td>Benefits</td> <td>1) Policy name changed to “Employee Benefit Plans”. 2) Revision, eligible employees updated and defined; 3) Benefits offered by L.A. Care updated; 4) Procedure for benefit enrollment updated.</td> </tr> <tr> <td>HR-106</td> <td>Employee Recruitment Referral Bonus Program</td> <td>Benefits</td> <td>1) Revision, policy moved from Benefits to Employment department; 2) Policy number changed from HR-106 to HR-323; 3) 90-day time limit added for referrals;</td> </tr> </tbody> </table>	Policy Number	Policy	Section	Description of Modification or Reason for Creation	HR-105	Employee Group Insurance Plan	Benefits	1) Policy name changed to “Employee Benefit Plans”. 2) Revision, eligible employees updated and defined; 3) Benefits offered by L.A. Care updated; 4) Procedure for benefit enrollment updated.	HR-106	Employee Recruitment Referral Bonus Program	Benefits	1) Revision, policy moved from Benefits to Employment department; 2) Policy number changed from HR-106 to HR-323; 3) 90-day time limit added for referrals;	
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				4) Procedure for referring candidates to the CSC department added.	Approved unanimously by roll call. 6 AYES
	HR-216	Recording of Time	Employee Relations	1) Reference to Payroll's Time Exception Report removed as it is no longer valid.	
Approve Consent Agenda for the Board of Governors Meeting	<p><u>Motion EXE A.0419</u> To approve the revisions to Human Resources Policies: HR-105 (Employee Group Insurance Plan); HR-106 (Employee Recruitment Referral Bonus Program); and HR-216 (Recording of Time).</p> <p>The Committee approved the following motions to be added to the Consent Agenda for the Board of Governors meeting on May 2, 2019:</p> <ul style="list-style-type: none"> • Quarterly Investment Report • Marsh & McLennan Contract Renewal • HealthCare Fraud Shield Contract • RCAC Membership • Ratify Election of RCAC 7 Vice Chair 				<p>Approved unanimously by roll call. 6 AYES</p>
ADJOURN TO CLOSED SESSION	<p>PUBLIC COMMENT</p> <p>Mr. Maldonado commented that there were prescription rate changes and members were not advised. He noted that members should be informed whenever there are changes in pharmacy rates. Mr. Baackes directed staff to speak with Mr. Maldonado regarding this issue.</p> <p>Ms. McFerson stated that L.A. Care was created by the public. L.A. Care staff should have empathy training. She added that it makes more sense if members of the public are able to comment on an issue after it is presented. She is a dually eligible for Medicare and Medi-Cal. She receives a subsidy for her pharmacy costs, but has less coverage, so she pays for her medications each month.</p> <p>Ms. Haydel announced the items to be discussed in closed session. She announced there is no report anticipated from the closed session. The meeting adjourned to closed session at 3:30 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 				

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	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>April 2021</i>	
RECONVENIE IN OPEN SESSION	The meeting reconvened in open session at 3:40 pm. No reportable actions were taken during the closed session.	
ADJOURNMENT	The meeting adjourned at 3:40 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: _____


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 Victor Rodriguez, *Board Specialist, Board Services*

APPROVED BY:



 Hector De La Torre, *Chair*
 Date: 5-28-19

APPROVED