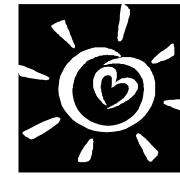


BOARD OF GOVERNORS
Executive Committee

Meeting Minutes – May 28, 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 2:10 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.	Approved unanimously. 5 AYES (Ballesteros, Booth, Curry, De La Torre, and Perez)
PUBLIC COMMENTS	There were no public comments.	
APPROVE MEETING MINUTES Hector De La Torre	The minutes of the April 22, 2019 meeting were approved as submitted.	Approved unanimously 5 AYES
CHAIRPERSON'S REPORT	There was no report from the Chairperson.	

APPROVED

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<p>CHIEF EXECUTIVE OFFICER REPORT</p> <p>John Baackes</p>	<p><i>(Member Gonzalez-Delgado joined the meeting.)</i></p> <p>John Baackes, <i>Chief Executive Officer</i>, reported:</p> <p>L.A. Care’s Elevating the Safety Net program is gaining recognition.</p> <ul style="list-style-type: none"> • L.A. Care has awarded 49 grants for primary care physicians, 34 of which are in the safety net practice. • The second group of eight medical school scholars (scholarship recipients) has been selected. They will be invited to the July Board meeting. • L.A. Care will be introducing a residency program. The funding is complicated but L.A. Care is committed to moving forward. <p>There are now 1,884 In-Home Supportive Services (IHSS) workers that have graduated from the California Long Term Care Education Center (CLTCEC) program. The funding for this program is coming from the operations budget. Mr. Baackes suggested that this program should be part of L.A. Care’s Elevating the Safety Net Program. The IHSS program is allowing some income to family caregivers and giving them purpose in what they do. It is important that home caregivers, especially those who care for people with chronic conditions, are able to learn about best practices. Mr. Baackes noted that Phase II improves their skills, especially those caring for people with severe chronic conditions.</p> <p>A report on the Elevating the Safety Program grants will be provided at the June 6 Board meeting.</p>	
<p>Government Affairs Update</p>	<p>Cherie Compartore, <i>Senior Director, Government Affairs</i>, reported that the federal administration has introduced several proposals that would impact eligibility for federally funded programs.</p> <p><u>State</u></p> <ul style="list-style-type: none"> • The Senate and Assembly Budget Committees have separately completed budget work. The next step is for a ten-member conference committee to meet. Senator Holly Mitchell has been named Chair of the conference committee. The purpose of the conference committee is to reconcile the Senate and the Assembly budget proposals. After the conclusion of Conference Committee, the legislative leadership will have final negotiations with the Governor. A budget agreement is expected by June 15, which is the constitutional deadline to pass the state budget. 	

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	<ul style="list-style-type: none"> • The Governor and Assembly has proposed expanding Medi-Cal Coverage for eligible undocumented persons 19-26 years of age. 90,000 young adults would gain coverage if enrolled; 76,000 are already enrolled for restricted Medi-Cal benefits for emergency and pregnancy related services. The Senate proposes coverage for eligible undocumented seniors over 65 years of age. In addition to resolving the issues of coverage for undocumented seniors and identifying funding, the Legislature must resolve the differences the Senate and Assembly had regarding the redirection of realignment funding for counties (75% versus 60%). • The Medi-Cal vision benefit has been approved but not funded. • The Senate and Assembly want the Governor to ask the federal government to approve a Managed Care Organization (MCO) tax that would bring in approximately \$2 billion annually for the Medi-Cal program. The Governor has stated he does not want the MCO tax request getting in the way of Waiver negotiations that will occur later in the year. The Legislature is pushing hard on the Governor to request approval of the tax, as the current tax expires in June 2019. The California administration has indicated that it will to work on it, but does not want the MCO revenue included in the budget. At the conference committee hearing, it was suggested that the MCO tax language be included in August budget trailer bills • The Governor proposed eligibility at up to 600% of the federal poverty level (FPL) for Covered California premium subsidies. The Assembly and Senate agreed on how the subsidies would be paid, as projected revenue from the individual mandate penalties may not adequately cover proposed subsidy increases. The premium subsidy and individual mandate proposals will be in separate legislative policy bills, not in the state budget. 							
L.A. Care Health Plan Retirement Plans Overview	<p>Terry Brown, <i>Chief Human Resources Officer</i>, reviewed the report on L.A. Care Health Plan Employee Retirement Plans. <i>(A copy of the report may be requested by contacting Board Services.)</i></p> <p>As of December 31, 2018, the Plans have approximately the following in assets (as reported by Fidelity):</p> <table data-bbox="506 1328 1528 1432"> <tr> <td>Deferred Compensation Plan for Eligible Employees</td> <td>\$48,170,137.70</td> </tr> <tr> <td>L.A. Care Health Plan Retirement Benefit Plan</td> <td>\$104,034,137.01</td> </tr> <tr> <td>Supplemental Plan for Management Employees</td> <td>\$3,351,246.45</td> </tr> </table>	Deferred Compensation Plan for Eligible Employees	\$48,170,137.70	L.A. Care Health Plan Retirement Benefit Plan	\$104,034,137.01	Supplemental Plan for Management Employees	\$3,351,246.45	
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	<p>Total Assets Across Plans as of December 31, 2018 \$155,555,521.16</p> <p>The Plans are operated and overseen by the Committee, which consists of Terry Brown (Chair, Chief Human Resources Officer), Marie Montgomery (Chief Financial Officer), Jason Chen (Senior Manager, Accounting - Treasury), and John Fong (Manager, I.T. Quality Assurance). Augustavia Haydel (General Counsel) is a legal advisor to the Committee. Sarah Viloría Diaz (Director, Human Resources Total Rewards) provides support to the Committee. Felicia Williams (Employee Benefits Administrator) conducts many of the day-to-day operational tasks related to plan administration.</p> <p>The Committee has a fiduciary responsibility to the Plans under California law similar to responsibilities articulated under the Employee Retirement Income Security Act (ERISA). The primary responsibilities of the Committee are:</p> <ul style="list-style-type: none"> • invest the assets of the plans; • administer the plans; • act for the exclusive purpose of providing benefits to participants and beneficiaries; and • engage in a prudent process for making all decisions related to the operation of the plans, including decisions related to the plan’s investments and related services. <p>The remaining sections of the memorandum described the ways in which the Committee seeks to meet their responsibilities through retirement plan best practices.</p>									
<p>Human Resources Policies</p>	<p>Mr. Brown presented a motion requesting approval of Human Resources policies. L.A. Care Policy HR-501 requires that the Executive Committee annually review substantial changes to the HR Policies. In 2006 the Executive Committee was delegated the task of an 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="495 1182 1602 1442"> <thead> <tr> <th data-bbox="495 1182 661 1255">Policy Number</th> <th data-bbox="667 1182 921 1255">Policy</th> <th data-bbox="928 1182 1136 1255">Section</th> <th data-bbox="1142 1182 1602 1255">Description of Modification or Reason for Creation</th> </tr> </thead> <tbody> <tr> <td data-bbox="495 1260 661 1442">HR-206</td> <td data-bbox="667 1260 921 1442">Education/ Meeting Time</td> <td data-bbox="928 1260 1136 1442">Employee Relations</td> <td data-bbox="1142 1260 1602 1442">1) Title changed from Education/Meeting Time to Meeting, Education and Training Time; policy number changed from HR-206 to HR-702 and</td> </tr> </tbody> </table>	Policy Number	Policy	Section	Description of Modification or Reason for Creation	HR-206	Education/ Meeting Time	Employee Relations	1) Title changed from Education/Meeting Time to Meeting, Education and Training Time; policy number changed from HR-206 to HR-702 and	
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APPROVED

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				moved from Employee Relations to Organizational Excellence.	Approved unanimously with suggested edits. 6 AYES
HR-320	Determination of Eligibility to Participate in Federal and State Health Care Programs	Employment	1) Policy moved from Human Resources Department to L.A. Care's Compliance Department and renamed: CMPRAC-003 Exclusion Monitoring for Participation in Federal and State Healthcare Programs.		
HR-707	Performance Management	Organizational Excellence	1) Performance rating scale increased from four to five levels. 2) "Low Meets" rating added.		
HR-709	Language Proficiency Assessment	Organizational Excellence	1) Procedures updated to reflect current testing and scoring process.		
<p>Member Booth suggested revision to the definition of interpretation. Mr. Brown assured that the suggested revision will be incorporated in the policy.</p> <p><u>Motion EXE A.0519</u> To approve the revisions to Human Resources Policies HR-206 (Education/Meeting Time); HR-320 (Determination of Eligibility to Participate in Federal and State Health Care Programs); HR-707 (Performance Management); HR-709 (Language Proficiency Assessment).</p>					
Approve Consent Agenda for the Board of Governors Meeting	<p>The Committee approved the following motions to be added to the Consent Agenda for the Board of Governors meeting on June 6, 2019:</p> <ul style="list-style-type: none"> • May 2, 2019 Board meeting minutes • RCAC Membership 				Approved unanimously 6 AYES
PUBLIC COMMENTS	There were no public comments.				
ADJOURN TO CLOSED SESSION	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 2:36 p.m.				

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<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>May 2021</i></p> <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 One potential case</p>	
RECONVENIE IN OPEN SESSION	The meeting reconvened in open session at 2:52 pm. No reportable actions were taken during the closed session.	
ADJOURNMENT	The meeting adjourned at 2:52 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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Victor Rodriguez, *Board Specialist, Board Services*

APPROVED BY:



Hector De La Torre, *Chair*
Date: 6-24-19

APPROVED