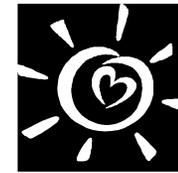


BOARD OF GOVERNORS
Executive Committee

Meeting Minutes – April 27, 2020

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, *Secretary*
 Stephanie Booth, MD
 Hilda Perez

**Absent*

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*

California Governor issued Executive Order No. N-29-20, which among other provisions amends the Ralph M. Brown Act and Executive Order No. 33-20, ordering all residents to stay in their homes, except for specific essential functions.

Members of the public can listen to this meeting via teleconference.

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
CALL TO ORDER	<p>Hector De La Torre, <i>Chairperson</i>, called the meetings to order for L.A. Care Executive Committee and L.A. Care’s Joint Powers Authority Executive Committee at 2:25 p.m. The meetings were held simultaneously.</p> <p>He welcomed everyone to the meetings and invited the members of the Committees, staff and guests to introduce themselves.</p> <p>Chair De La Torre summarized the process for this teleconference meetings as reflected on the meeting agenda.</p> <ul style="list-style-type: none"> • Public comments received by voicemail, email or text received by 2:00 p.m. today were provided in writing to the Executive Committee members. Public comments will be read for 3 minutes during the meeting. • Once the meeting has started, emails and texts for public comment should be submitted before the item is called by the meeting Chair. If you wish to submit public comment on an item, you must submit it at any time prior to the time the Chair starts consideration of the item. The Chair will ask for public comment and will announce the item. The Chair will announce when public comment period is over. 	

APPROVED

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
APPROVE MEETING AGENDA	The Agenda for today's meeting was approved.	Approved unanimously by roll call. 5 AYES (Ballesteros, Booth, De La Torre, Gonzalez, and Perez)
PUBLIC COMMENTS	There were no public comments.	
APPROVE MEETING MINUTES	The minutes of the March 24, 2020 meeting were approved, as submitted.	Approved unanimously by roll call. 5 AYES
CHAIRPERSON'S REPORT	Chairperson De La Torre thanked staff for their work and assistance to the Board for continuing L.A. Care's operations. The Leadership Team is the backbone of this operation. He added that he is proud of L.A. Care for stepping up in assisting the providers to assure access to care for and to assist L.A. Care members.	
CHIEF EXECUTIVE OFFICER REPORT	<p>John Baackes, <i>Chief Executive Officer</i>, reported: Recap of COVID crisis</p> <ul style="list-style-type: none"> • Staff has been working from home since March 16. On the weekend preceding March 16, Information Technology (IT) staff put together equipment to distribute to employees setting up a home office. IT has maintained a command center, which keeps everyone functioning. All key business indicators are being met by L.A. Care staff. Employees are remarkably upbeat and many are grateful to work from home. • Post pandemic, L.A. Care employees will want to continue to work from home. Mr. Baackes has asked Human Resources to come up with a work from home policy, and will continue to update this Committee. • He thanked IT and Facility department staff for their remarkable support during the transition to working from home. • L.A. Care's main role is to provide access to care for members, and we will continue to support the providers who care for L.A. Care members. • L.A. Care will advance Pay for Performance (P4P) incentive payments to Federally Qualified Health Centers (FQHCs) and other providers equal to what they received last year. The payments were scheduled to be paid in January 2021. \$20 million was disbursed to providers last week. If a provider earns more incentive than we have paid, they get more in January 2021. If they earn less they keep the difference. 	

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	<ul style="list-style-type: none"> • To help many members with social needs, L.A. Care has repurposed budgeted Community Health Investment Fund (CHIF) grants to direct \$6 million in grants to various agencies. Staff will present a motion at the May 7 Board of Governors meeting. Projects to be funded will include: <ul style="list-style-type: none"> ○ More recuperative care beds ○ Tents and supplies for homeless ○ Testing for congregate living ○ Telehealth ○ Eviction prevention ○ Meal delivery ○ Support for safety net clinics ○ Advanced payments for CHIF grants ○ For hospitals who have not seen CARES act funds. ○ Advanced payment of claims to hospitals (accelerated \$50 million) <p>Dino Kasdagly, <i>Chief Operating Officer</i>, added that prior timing for claims payments was 20 days for electronic and 25 days for paper. That has been reduced to 10 days and 15 days to support the providers. The reduction was accomplished by temporarily loosening quality assurance and payment integrity processes, which is not a best practice, but the goal was to get funds to providers quickly in the current emergency situation.</p> <p>Mr. Baackes asked Marie Montgomery, <i>Chief Financial Officer</i>, to report on Proposition 56 and other funds L.A. Care is responsible for distributing.</p> <p>Ms. Montgomery reported that in March L.A. Care sent out over \$550 million in hospital directed payment and quality assurance funds, and Cost Based Reimbursement Clinics (CBRC) funds to Los Angeles County Department of Health Services of about \$97 million. Staff is focused on distributing existing Proposition 56 and family planning funds that were received by L.A. Care in mid-April.</p> <p>Mr. Baackes noted that L.A. Care doing as much as possible so providers are not lacking funds and can continue to serve members. L.A. Care is also working with the Community Clinics Association of Los Angeles County, the Private Essential Access Community Hospitals and the Hospital Association of Southern California to coordinate aid for providers that need it most.</p> <ul style="list-style-type: none"> • In California, the unprecedented high level of unemployment will likely lead to additional enrollment in Medi-Cal. L.A. Care is working with a model developed by 	

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	<p>Health Management Associates that predicts Medi-Cal will increase by more than 1 million, which could be an additional 230,000-460,000 gain in members for L.A. Care. This is significant, but will not be a permanent gain in members. The challenge will be not to inflate infrastructure, so that when enrollment returns to pre pandemic levels, L.A. Care is not left with too much overhead.</p> <ul style="list-style-type: none"> • California Department of Health Care Services (DHCS) has announced that the current federal waiver, Cal AIM, is suspended for at least a year, and is instead asking that existing waivers be extended for Whole Person Care and Housing4Health programs. • Unfortunately, DHCS is pressing on with a proposed carve out of Prescription drugs from Medi-Cal benefits. L.A. Care and a coalition of health plans has submitted a letter asking that this proposal is delayed. A delay appears unlikely. • Cuts in the Medi-Cal program are likely due to lower federal payments which will likely lead to reductions in benefits, determining that categories of members are ineligible and lowering rates paid to providers of care. • L.A. Care has joined with 14 other plans in asking for federal support for the duration of the recession: <ul style="list-style-type: none"> ○ Seeking funds to maintain existing benefits through the Coronavirus Aid, Relief, and Economic Security (CARES) Act ○ With increased enrollment, asking for additional funds to keep Medicaid (Medi-Cal) programs whole ○ indefinitely suspend Medicaid Fiscal Accountability Proposed Rule (MFAR) regulations, which determine how hospitals receive directed payments ○ Amend the Medicaid regulations to allow presumptive eligibility ○ Suspend public charge rules • L.A. Care is also working with other health plans around the country on continued funding and benefits during the looming recession • This morning, the Supreme Court in unprecedented 8-1 decision, ruled in favor of insurance companies on the constitutional legality of the risk sharing payments due to plans through the Affordable Care Act. L.A. Care’s potential share is about \$23 million. <p>Member Perez asked if there is a written CEO report. Mr. Baackes responded that this will be included in his written CEO report for the May 7 board meeting. He will provide copies of letters sent to U.S. Congress California legislative delegation.</p>	

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	<p>Member Ballesteros commended L.A. Care’s support for community health centers and FQHCs, which he has announced at several local meetings, and clinics are very appreciative. Patient visits to facilities are down 20-50%, and L.A. Care’s advanced claims payment arrived at the right time to maintain cash flow amid the current level of operations. He expressed his and the clinics’ appreciation to the Board and Mr. Baackes for the support.</p> <p>As of April 1, through a cooperative agreement with Heritage IPA, L.A. Care moved 41,000 members to different IPAs (away from Heritage) because of quality concerns. An additional 15,000 members will move with their primary care physicians (PCPs) into L.A. Care’s directly contracted provider network. There will be announcements in the next few months about increases in L.A. Care’s directly contracted provider network.</p> <p>Member Booth commented that many of the doctor visits were postponed because of the stay at home order, and in keeping a health equity action plan in mind, this may be a good time to provide resources and training to assist providers with chronic disease management, such as diabetes and asthma care.</p> <p>Richard Seidman, <i>Chief Medical Officer</i>, responded that L.A. Care continues to provide information about telehealth, encouraging PCPs to use telehealth and on how to bill for those services. In-person visits are down but telehealth use is increasing.</p> <p>Member Ballesteros noted that many providers are providing services more than 50% of the time in telehealth and chronic disease management is ongoing, however, there are certain visits that cannot be done by telephone.</p>	
<p>2nd Quarter FY 2019-20 Vision 2021 Progress Report</p>	<p>Mr. Baackes referred to the report included in the meeting materials (<i>a copy of the report may be requested by contacting Board Services</i>).</p> <p>Member Booth commented that the improved report now clearly demonstrates how L.A. Care is a leader and role model for the community. Mr. Baackes thanked Member Booth for her comments and suggestions to improve the report.</p>	
<p>Government Affairs Update</p>	<p>Cherie Compartore, <i>Senior Director, Government Affairs</i>, reported that Governor Newsom announced on Friday that effective immediately, additional food services would be provided for seniors. The state in partnership with Federal Emergency Management Agency (FEMA) will contract with independent restaurants to provide seniors with three</p>	

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	meals daily. The cost of these services will be shared 75% by the state and 25% by local governments.	
Revise 2020 Board & Committee Meeting Schedule (EX)	<p>Linda Merkens, <i>Senior Manager, Board Services</i>, presented a motion to revise the Board meeting schedule to hold the June 4, 2020 at L.A. Care Health Plan, 1055 W. 7th Street, Los Angeles, CA 90017. The meeting was originally scheduled to be held offsite, but because of the public health orders related to the COVID-19 pandemic, that meeting will now be rescheduled to be held at L.A. Care’s offices.</p> <p><u>Motion EXE 100.0520</u> To approve the revised 2020 Board of Governors meeting schedule as submitted.</p>	<p>Approved unanimously by roll call. 5 AYES</p> <p>The Committee approved including this motion on the Consent Agenda for the May 7 Board of Governors meeting</p>
Annual Disclosure of Broker Fees	<p>Terry Brown, <i>Chief Human Resources Officer</i>, referred Committee members to the report included in the meeting packet (<i>a copy of the report may be requested by contacting Board Services</i>). This is to comply with the requirements of AB 2589 in reporting insurance broker fees associated with the various benefits L.A. Care offers to its employees. It is the disclosure of the commissions earned by Woodruff Sawyer, L.A. Care’s broker of record for the majority of various health and wellness insurers providing L.A. Care employee benefits for the last two fiscal years (2018-19 and 2019-20). Commissions are paid to Woodruff Sawyer on a monthly or annual basis, and the amount is based on the number of participants in the benefit program. This disclosure also includes commissions paid to LTC Solutions, Inc., the writing agent for the Genworth policy.</p>	
Authorization of Expenditures for existing programs under the Elevating the Safety Net (ESN) Initiative	<p>Mr. Baackes summarized a motion requesting authorization to add In Home Support Services (IHSS) Home Care Integration Training Program to the existing L.A. Care program with California Long-Term Care Education Center (CLTCEC), to align the work L.A. Care is doing to equip our non-clinical professionals with the tools and skills to serve members and work with providers.</p> <p>Member Gonzalez noted that the CLTCEC graduations are going on now. Given the current resources available, they do not have the right personal protective equipment (PPE) to continue. She asked if L.A. Care will try to provide PPE to the graduates. Mr. Baackes asked Dr. Seidman to make a request to the Los Angeles County Medicaid group that meets weekly, to try to source the PPE. Dr. Seidman will work on the request and will forward to the Office of Emergency Medical Services in Los Angeles County. He noted that everybody needs PPE, and medical practitioners are priority.</p>	

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	<p>Mr. Baackes reported that SoCal Transformation is a group looking for ideas about mitigating effects of the pandemic and pending recession. Mr. Baackes commented that he has proposed an idea to enhance local pandemic preparation that seeks resources from local businesses, to help the local economy.</p> <p>Dr. Seidman noted that there are good resources specific to IHSS workers for recommended practical everyday precautions.</p> <p>Member Booth added that she supports adding IHSS to the Elevating the Safety Net (ESN) program. She asked if payments would be made directly to doctors or to providers. Mr. Baackes responded that L.A. Care uses a vendor who administers direct payments to doctors for the ESN program.</p> <p><u>Motion EXE 101.0520</u> To delegate authority to the Chief Executive Officer to:</p> <ol style="list-style-type: none"> 1. Authorize expenditures of up to \$6 million to continue awarding providers in the Provider Loan Repayment Program, currently managed by Uncommon Good. 2. Approve and authorize integrating the California Long-Term Care Education Center (CLTCEC) IHSS+ Home Care Integration Training Program under Elevating the Safety Net in the FY 2020-21. 	<p>Approved unanimously by roll call. 5 AYES</p>
<p>Approve the Consent Agenda for May 7, 2020 Board of Governors meeting</p>	<ul style="list-style-type: none"> • Minutes of April 2, 2020 Board of Governors meeting • Revised 2020 Board of Governors Meeting Schedule • Quarterly Investment Report • WEX Health Contract Amendment • Toney Health Care Consulting Contract Amendment • TransUnion Contract Amendment • SAP Contract Amendment 	<p>Approved unanimously by roll call. 6 AYES (Ballesteros, Booth, Curry, De La Torre, Gonzalez, and Perez)</p>
<p>PUBLIC COMMENTS</p>	<p>There were no public comments.</p>	
<p>ADJOURN TO CLOSED SESSION</p>	<p>Augustavia J. Haydel, Esq., <i>General Counsel</i>, announced the items to be discussed in closed session. She announced there is no report anticipated from the closed session. The meeting adjourned to closed session at 3:29 p.m.</p>	

APPROVED

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	<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>CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to Section 54956.8 of the Ralph M. Brown Act Property: 11725 Rosecrans Ave., Norwalk, CA. 90650 Agency Negotiator: John Baackes Negotiating Parties: Hekmatravan Family Norwalk, LLC, and Levian Family Norwalk, LLC. Under Negotiation: Price and Terms of Payment</p> <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>April 2022</i></p> <p>CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Significant exposure to litigation pursuant to Section 54956.9(d) (2) of Ralph M. Brown Act One Potential Case</p>	
RECONVENE IN OPEN SESSION	The meeting reconvened in open session at 4:16 pm. No reportable actions were taken during the closed session.	
ADJOURNMENT	The meeting adjourned at 4:17p.m.	

Respectfully submitted by:

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

APPROVED BY:



Hector De La Torre, *chair*
Date:

APPROVED