

BOARD OF GOVERNORS

Executive Committee

Meeting Minutes – February 28, 2024

1055 West 7th Street, 1st Floor, Los Angeles, CA 90017



L.A. Care
HEALTH PLAN

Members

Alvaro Ballesteros, MBA, *Chairperson**
 Ilan Shapiro MD, MBA, FAAP, FACHE,
Vice Chairperson
 Stephanie Booth, MD, *Treasurer*
 John G. Raffoul, *Secretary*

Management/Staff

John Baackes, *Chief Executive Officer**
 Sameer Amin, MD, *Chief Medical Officer*
 Terry Brown, *Chief of Human Resources*
 Augustavia J. Haydel, Esq., *General Counsel*
 Todd Gower, *Interim Chief Compliance Officer*
 Linda Greenfeld, *Chief Products Officer*

Alex Li, MD, *Chief Health Equity Officer*
 Tom MacDougall, *Chief Technology & Information Officer*
 Noah Paley, *Chief of Staff*
 Acacia Reed, *Chief Operating Officer*
 Afzal Shah, *Chief Financial Officer*

*Absent ** Via Teleconference

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
CALL TO ORDER	<p>Ilan Shapiro, MD, <i>Vice-Chairperson</i>, called to order the regular meetings of the L.A. Care Executive Committee and the L.A. Care Joint Powers Authority Executive Committee regular meetings at 2:10 p.m. The meetings were held simultaneously. He welcomed everyone to the meetings.</p> <ul style="list-style-type: none"> • For those who provided public comment for this meeting by voice message or in writing, L.A. Care is glad that they provided input today. The Committee will hear their comments and the Committee also needs to finish the business on the Agenda today. • For people who have access to the internet, the meeting materials are available at the lacare.org website. If anyone needs information about how to locate the meeting materials, they can reach out to L.A. Care staff. • Information for public comment is on the Agenda available on the web site. Staff will read the comment received in writing from each person for up to three minutes. • Public comment will be heard before the Committee discusses an item. If the comment is not on a specific agenda item, it will be read at the general Public Comment. <p>He provided information on how to submit a comment in-person, or using the “chat” feature.</p>	
APPROVE MEETING AGENDA	The Agenda for today’s meeting was approved.	Approved unanimously.

APPROVED

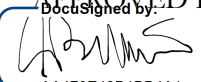
AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
		3 AYES (Booth, Raffoul and Shapiro)
PUBLIC COMMENT	There were no public comments.	
APPROVE MEETING MINUTES	<p>Committee Member Booth inquired about information regarding the proposed restructure of the consumer advisory committees that was to be provided to the Committee. Noah Paley, <i>Chief of Staff</i>, responded that work is ongoing to adjust and refine the proposal. Meetings are scheduled with the Regional Consumer Advisory Committee members to communicate and get feedback on the current refined changes. After that process is complete, the changes will be reviewed by the Executive Community Advisory Committee (ECAC). ECAC can then send a recommended motion to the Board of Governors.</p> <p>Committee Member Booth asked about information related to California Department of Health Care Services (DHCS) contractual mandates and staff recommendations. Mr. Paley indicated that staff has prepared a chart showing the DHCS mandates and staff recommendations to operationalize the DHCS contractual requirements that will be available for review by the Board members and the consumer advisory committee members.</p> <p>The minutes of the January 24, 2024 meeting were approved as submitted.</p>	Approved unanimously. 3 AYES
CHAIRPERSON'S REPORT	Vice Chairperson Shapiro noted that the redetermination of eligibility for Medi-Cal is ongoing and Medi-Cal eligibility has been expanded to undocumented California residents ages 26 to 49 years old. L.A. Care continues to transmit a message to the community that it will help with enrollment and make sure health care is accessible by supporting the provider community and increasing the provider work force that is caring for members.	
CHIEF EXECUTIVE OFFICER REPORT	There was no report from the Chief Executive Officer.	
<ul style="list-style-type: none"> Government Affairs Update 	<p>Cherie Compartore, <i>Senior Director, Government Affairs</i>, reported:</p> <p>The deadline recently passed for introduction of bills at the state legislature. Government Affairs staff is monitoring about 125 bills that may affect L.A. Care. The legislature is engaged in healthcare issues in spite of the looming massive budget deficit.</p>	

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	<p>Some proposed bills are spot bills and more detail will emerge over time. Government Affairs staff is reaching out to the legislative offices and bill sponsors, gathering information and holding preliminary conversations. Budget committee hearings have begun at a very high level and detail of the programs will not be released before the May Budget Revise comes out. Government Affairs will continue to monitor and participate in discussions into March and April and will provide recommendations to the Board on L.A. Care's positions at a future Board meeting.</p> <p>The first legislative matrix will be included in the March meeting materials and will be lengthy. The bills will narrow down as the session continues. The budget deficit is increasing by billions of dollars. The latest update from the Legislative Analyst Office (LAO) earlier this week indicated that the budget deficit is projected to be \$73 billion, \$15 billion more than the LAO deficit projection of \$58 billion in January. There is a vast difference between the projections by the Department of Finance (LAO) and the Governor. The May Budget Revise will include tax revenue received.</p> <p>The assembly budget committee recently held a hearing focused on the managed care organization (MCO) tax proposal. The legislation has nothing to do with the proposition proposed for the November ballot. The Governor wants the legislature to act earlier to obtain approval to collect \$1.5 billion additional revenue retroactively from Centers for Medicare and Medicaid Services (CMS). Local Health Plans of California, a trade association of which L.A. Care is a member along with other public health plans, some provider representatives such as California Medical Association (CMA) and others, participated on a panel for this hearing. The messaging in this hearing is support for the concept of MCO. Details on rates have not been determined. There will be more activity behind the scenes with various interest groups trying to make changes in the actual rate increases, but for now there appears to be support for MCO initiative.</p> <p>It seems that Sacramento will need to determine the roots of the \$58 billion budget deficit. The deficit will effect health plans, including L.A. Care. The state cannot technically reduce rates, because rates have to be actuarially sound. They cannot usually solve a budget problem with reducing rates. Many states have had lawsuits related to that exact issue. The last time this happened in 2008, benefits were reduced and reductions were made to rates for primary care and specialty pharmacy, resulting in litigation. Payments to health plans could be delayed. L.A. Care has about 90 days of reserve funds.</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
COMMITTEE ISSUES		
Approve Consent Agenda	<p>Approve the list of items that will be considered on a Consent Agenda for March 7, 2024 Board of Governors Meeting.</p> <ul style="list-style-type: none"> • February 1, 2024 meeting minutes • Quarterly Investment Report • Contract Amendment with Metcalfe Security • Approve Accounting & Financial Services Policies AFS-027 (Travel Expenses and Other Expenses), and retirement of AFS-004 (Non-Travel & Other Related Expenses) • Contract Amendment with Solugenix, Infosys and Cognizant for Information Technology staff augmentation services through September 30, 2024 • 2024 Compliance Program Work Plan <p>Board Member Booth asked that clarification on the contract amount for Solugenix be provided at the March 7 Board meeting.</p>	<p>Approved unanimously. 3 AYES</p>
PUBLIC COMMENTS	There were no public comments.	
ADJOURN TO CLOSED SESSION	<p>The Joint Powers Authority Executive Committee meeting adjourned at 2:29 pm.</p> <p>Augustavia J. Haydel, Esq., <i>General Counsel</i> announced the items for discussion in closed session. She announced there is no report anticipated from the closed session. The meeting adjourned to closed session at 2:30pm.</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>February 2026</i></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>CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION Significant exposure to litigation pursuant to Section 54956.9(d)(2) of Ralph M. Brown Act:</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Three Potential Cases</p> <p>CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION Pursuant to Section 54956.9(d)(1) of the Ralph M. Brown Act L.A. Care Health Plan’s Notice of Contract Dispute under Contract No. 04-36069 Department of Health Care Services (Case No. Unavailable)</p> <p>CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION Pursuant to Section 54956.9(d)(1) of the Ralph M. Brown Act</p> <ul style="list-style-type: none"> • Department of Managed Health Care Enforcement Matter Numbers: 18-799, 20-063, 21-428, 21-509, 21-680 • Department of Health Care Services, Office of Administrative Hearings and Appeals, In the matter of: L.A. Care Health Care Plan Appeal No. MCP22-0322-559-MF <p>PUBLIC EMPLOYEE PERFORMANCE EVALUATION, PUBLIC EMPLOYMENT and CONFERENCE WITH LABOR NEGOTIATOR Sections 54957 and 54957.6 of the Ralph M. Brown Act Title: Chief Executive Officer Agency Designated Representative: Alvaro Ballesteros, MBA Unrepresented Employee: John Baackes</p>	
RECONVENE IN OPEN SESSION	The meeting reconvened in open session at 2:50 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, *Board Specialist III, Board Services*
Victor Rodriguez, *Board Specialist II, Board Services*

APPROVED BY:
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Alvaro Ballesteros, MBA, *Board Chairperson*
Date: 3/28/2024 9:22 AM PDT

APPROVED