

Board of Governors
Regular & Supplemental Special Meeting Minutes #307
May 5, 2022

L.A. Care Health Plan, 1055 W. 7th Street, Los Angeles, CA 90017



L.A. Care
 HEALTH PLAN

Members

Hector De La Torre, <i>Chairperson</i>	George W. Greene, Esq.*
Alvaro Ballesteros, MBA, <i>Vice Chairperson</i>	Antonia Jimenez
Ilan Shapiro, MD, <i>Treasurer</i> *	Honorable Holly J. Mitchell *
Stephanie Booth, MD, <i>Secretary</i>	Hilda Perez
Christina R. Ghaly, MD	John G. Raffoul
Layla Gonzalez	G. Michael Roybal, MD, MPH
	Nina Vaccaro, MPH

Management

John Baackes, *Chief Executive Officer*
 Terry Brown, *Chief of Human Resources*
 Linda Greenfeld, *Chief Product Officer*
 Augustavia Haydel, *General Counsel*
 James Kyle, MD, *Chief of Equity & Quality Medical Director*
 Tom MacDougall, *Chief Technology & Information Officer*
 Thomas Mapp, *Chief Compliance Officer*
 Marie Montgomery, *Chief Financial Officer*
 Noah Paley, *Chief of Staff*
 Acacia Reed, *Chief Operating Officer*
 Richard Seidman, MD, MPH, *Chief Medical Officer*

All via teleconference

**Absent*

State and local officials continue to impose or recommend measures to promote social distancing to reduce transmission of the COVID 19 virus. It is prudent to use caution in protecting the health of the public, L.A. Care Health Plan’s employees and its members where adequate virtual means exist to permit the meeting to occur by teleconference/videoconference with the public being afforded the ability to comment in real time. The Board of Governors and all legislative bodies of the L.A. Care Health Plan will continue to meet virtually and the Board will review that decision as provided in the Brown Act.

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
WELCOME	<p>Hector De La Torre, <i>Chairperson</i>, called to order at 2:05 p.m. the regular and supplemental special meetings of L.A. Care Health Plan Board of Governors and regular meeting L.A. Care Health Plan Joint Powers Authority Board of Directors. The three meetings were held simultaneously.</p> <p>He announced that, for those with access to the internet, the materials for today’s meeting are available on the L.A. Care website. If you need information about how to locate the materials, please let us know.</p> <p>He welcomed members of the public and thanked those who have submitted public comment by voice mail, text or email. He informed participants that for those using the video software during the meeting, the “chat” function will be available to provide live and direct public comment to everyone participating in the virtual meeting. The Chat feature will be open throughout the meeting for public comment.</p>	

APPROVED

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	<p>Board Members have received in writing the voice messages and written comments that were sent before the meeting. All comments sent before and during the meeting will be read for up to three minutes. Public comments on any topic that are not listed on the Agenda will be heard at the Public Comment section of the Agenda, and comments on the items listed on the Agenda will be heard before the item is discussed by the Board. Submission of public comment must be sent before the public comment period for an item.</p> <p>Chairperson De La Torre noted that public comments should be related to the meeting topic on the Agenda. All are welcome to provide input. Public comments are read before the topic is discussed so that the Board can hear what the submitter has to say and can take that input into consideration as it takes action. He thanked participants for their public comment.</p>	
APPROVAL OF MEETING AGENDA	The agendas were approved as submitted.	Unanimously approved by roll call. 9 AYES (Ballesteros, Booth, De La Torre, Ghaly, Gonzalez, Jimenez, Raffoul, Roybal and Vaccaro)
APPROVAL OF FINDINGS UNDER THE RALPH M. BROWN ACT	<p>Augustavia Haydel, <i>General Counsel</i>, noted that the findings are required to support the current procedures, in order to maintain compliance with the Brown Act during the public health emergency.</p> <p><u>Motion BOG 100.0522</u></p> <ol style="list-style-type: none"> 1. Authorize remote teleconferencing consistent with the Ralph M. Brown Act; 2. Adopt findings as set forth in this Motion Summary and, 3. For all L.A. Care Health Plan and L.A. Care Joint Powers Authority meetings subject to the Ralph M. Brown Act that are not held within 30 days, delegate authority to the Executive Committees to authorize findings to continue remote teleconferencing consistent with the Ralph M. Brown Act. <p><i>(Board Member Perez joined the meeting.)</i></p>	Unanimously approved by roll call. 9 AYES
PUBLIC COMMENTS	<p>Submitted April 20, 8:08 pm, sender not self-identified</p> <p><i>Comment for April board meeting, see, you people are <expletive>!</i></p> <p>https://healthlaw.org/wp-content/uploads/2022/04/22stcp01429-Petition for writ of man e and declaratory relief.pdf</p> <p><i>See, you're liars!</i></p>	

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	<p>Submitted April 21, 12:48 am, sender not self-identified <i>(Make comment General comment) I called the lawyers going after you and told them for years I have asked LA Care at their board meetings why enrollees and their guardians haven't been notified they are victims of Synermed, just like in present they're not given access to the quality of your providers which they have the right to know about.</i></p> <p>Submitted April 21, 9:36 am, sender not self-identified <i>General comment April board meeting, why haven't I been notified by LA Care that my autistic child was harmed by Synermed? I have repeatedly asked about it!</i> https://centerforhealthjournalism.org/2022/04/15/lawsuit-seeks-records-penalized-la-county-health-plan-0?fbclid=IwAR0ta686_m9Qu38b6ff4zCoBwMyPwXQhUhityI3HBeeNAnVb7Hoz61YIj2M#comment-89821</p> <p>Submitted April 21, 1:30 pm, sender not self-identified <i>Comment above meant for May 2022 board meeting</i></p> <p>Submitted April 26 at 5:34 pm, via text, sender not self-identified <i>General comment May 2022 meeting Spanish translation requested for aforementioned article in texts about LA Care denying information about providers especially Synermed.</i></p>	
<p>APPROVE CONSENT AGENDA ITEMS</p>	<ul style="list-style-type: none"> • April 7, 2022 Meeting Minutes • Quarterly Investment Report <u>Motion FIN 100.0522</u> To accept the Quarterly Investment Report for the quarter ending March 31, 2022, as submitted. 	<p>Unanimously approved by roll call. 10 AYES (Ballesteros, Booth, De La Torre, Ghaly, Gonzalez, Jimenez, Perez, Raffoul, Roybal and Vaccaro)</p>
<p>Supplemental Special Meeting Agenda</p> <ul style="list-style-type: none"> • Approve Ntooitive Contract Amendment for Recruitment Marketing Campaign 	<p>John Baackes, <i>Chief Executive Officer</i>, introduced John Cota, <i>Senior Director, Creative & Marketing</i>. He noted that Mr. Cota has a long-lasting impact at L.A. Care. He was the inspiration and creator of the L.A. Care logo and the wings graphics featured in the current advertising campaigns. The wings have been important to extending the L.A. Care brand recognition. L.A. Care has conducted additional general advertising to attract nurses, and the contract with Ntooitive is necessary to continue that work.</p>	

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	<p>Mr. Cota summarized the motion to approve an amendment to the Statement of Work for the contract with Ntooitive to increase the contract by \$1.2 million to accommodate the advertising needed for the nursing recruitment efforts.</p> <p><u>Motion BOG 102.0522</u> To authorize staff to amend an existing statement of work with Ntooitive by increasing the total amount by \$1,200,000, specifically for the recruitment marketing campaign, that will run until September. This would increase the existing 2021-2022 fiscal year budget for Ntooitive from \$7,346,802 to \$8,546,802.</p>	<p>Unanimously approved by roll call. 10 AYES</p>
<p>CHAIRPERSON'S REPORT</p>	<p>Submitted May 5, 2022, 2:10 pm via chat <i>Chair Person De La Torre Item: 3 When will the BOG and all other public meetings be live and person to person? Andria McFerson RCAC 6 Chair</i></p> <p>Chairperson De La Torre noted that there is not yet a date for returning to in person Board meetings, as the public emergency is still in place. He noted that it is expected there will be an increase in hospitalizations due to the latest variant in the COVID 19 pandemic. L.A. Care will make an announcement when the Board has a timeframe to return to in person meetings. Mr. Baackes suggested that Richard Seidman, MD, MPH, <i>Chief Medical Officer</i>, could provide more information about this, because he monitors the directions from the Los Angeles County Public Health Department which provides the most precise information about the pandemic.</p> <p>Dr. Seidman stated that there are options for the Board to consider, with the advice and collaboration of L.A. Care's senior officers and in consideration of the public health guidance.</p> <p>Chairperson De La Torre noted that L.A. Care's Board is very collegial and whenever a member leaves the Board, their absence is felt by all. The Board will miss Antonia Jimenez and her many contributions, which always held the needs of members at the forefront of her service to Los Angeles County. Board Member Jimenez has served on the Board since 2018. He read an excerpt from the Resolution Commending Board Member Jimenez for her service:</p> <p><i>Whereas, Ms. Jiménez performed her duties as board member with distinction and grace, upholding her fiduciary responsibilities for the protection and furtherance of the L.A. Care mission to serve its membership and vulnerable populations through the Los Angeles County area of safety net providers; and</i> <i>Whereas, Ms. Jiménez, through her experience and expertise, contributed greatly to an understanding of the barriers facing diverse and vulnerable populations trying to access health care, and helped L.A. Care address those barriers; and</i> <i>Whereas, Ms. Jiménez has a long and distinguished record of public service, and has through her leadership and actions made a lasting impact on the health of Los Angeles County and its most vulnerable people; and</i></p>	

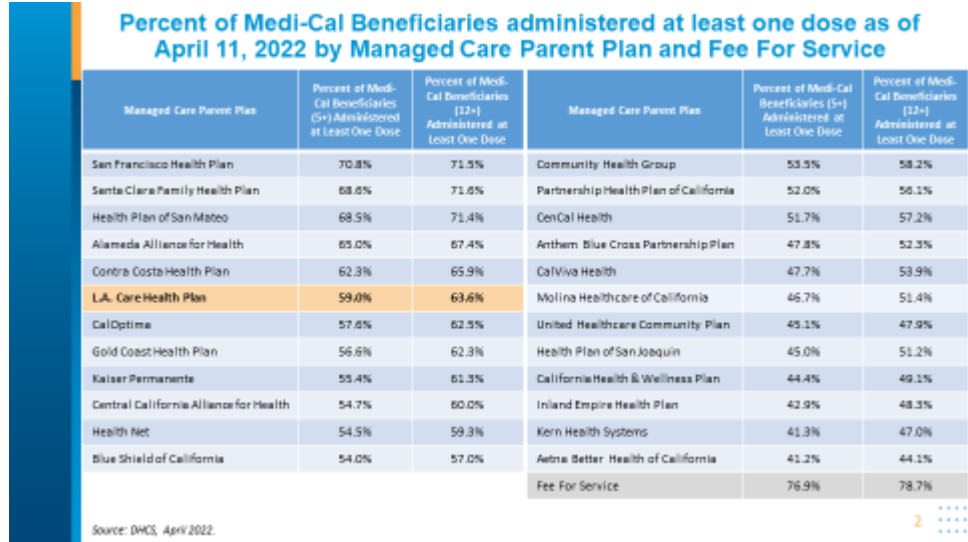
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	<p><i>Now, therefore, be it resolved that L.A. Care Health Plan, on behalf of its many stakeholders, wishes to express its sincerest thanks and deepest appreciation for the passion, dedication, commitment, enthusiasm and impact that Antonia Jiménez has shown in her service as a member of the Board of Governors.</i></p> <p>Board Member Jimenez thanked the Board Members and noted that she has enjoyed her time working with the Board, collaborating and being creative in finding ways to ensure that beneficiaries have access to services. She appreciates the support from Mr. Baackes and Chairperson De La Torre, from the Board Members and from all the teams at L.A. Care. Chairperson De La Torre thanked her for her service to L.A. Care Members in managing the portal to enrollment and access to services.</p>	
<p>CHIEF EXECUTIVE OFFICER REPORT</p>	<p>Submitted April 27, 7:34 pm, <i>5-5-2022 board meeting CEO report, Carolyn Rogers Navarro</i> <i>Add ^ who the <expletive> do you people think you are withholding "scorecard" info about providers from the public , I myself have asked about Synermed affecting my autistic child and about the quack doctors you enabled and said you'd peer review when I don't believe you did anything , now big shots at USC at suing you for the very things I've <expletive> about for the last 2 yrs, then your fined \$55 million by the state who also sees through your entitled BS, I'm sure there's even more on the horizon , DMHC admitted people are needlessly dead!</i></p> <p>Submitted April 28, 1:14am, sender not self-identified <i>^ my "language " does justice to what I think, your flagrant lack of oversight, lack of concern for enrollees going back as long as you've been in business is filthy and corrupt!</i></p> <p>Mr. Baackes reported:</p> <ul style="list-style-type: none"> • At the last several meetings he has commented about the licensure and contracts for the Medi-Cal managed care program, and in the last few years there seems to be a change in direction. Public health plans had felt that it was a partnership with state regulators, but now it feels that the public health plans are vendors. Decisions are announced after being made without stakeholder input. A recent example is the carve out of prescription drugs from the benefit programs of health plans, which is the opposite of integrating care, it is disintegrating care. Health plans are also disappointed with the deal to contract directly with Kaiser Permanente, with an announcement after it was done. • There are additional challenges ahead, primarily a new contract for January 1, 2024 with significant new challenges for L.A. Care. L.A. Care is the most delegated health plan in California, with three plan partners and a great deal of utilization management and care 	

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	<p>management has been delegated to entities in the provider network. The new contractual requirements will impose a heavy lift in terms of administrative and financial reporting through those relationships. L.A. Care is working on this already to be prepared when it happens.</p> <ul style="list-style-type: none"> • There are also ongoing discussions with California Department of Health Care Services (DHCS) about the negative effects of county-wide averaging on L.A. Care’s finances, and how to change that for 2023. Mr. Baackes will continue to report to the Board on the progress of those discussions and proposed solutions that will be best for L.A. Care’s members and providers. • L.A. Care has done well in launching the new requirements for California Advancing and Improving Medi-Cal (CalAIM), although there are still challenges to overcome. Many of the newly contracted providers are having difficulties with reporting requirements necessary to be compliant with the new regulations. There are a host of Community Supports (CS) to be added over a two-year period, and much of CalAIM is yet to be implemented and there is concern that the expectation that those CS will result in cost savings will not be attainable. L.A. Care continues to be open with feedback to DHCS about these new programs, and hopefully as one of the largest Medi-Cal plans, the feedback will have a positive impact. • As part of the implementation of CalAIM, L.A. Care had to change the Medicare program that serves dually-eligible beneficiaries. The financial alignment demonstration program known as CalMedi-Connect (CMC) ends on December 31, 2022. L.A. Care applied for a Dual Special Needs Plan (DSNP) designation through the Centers for Medicare and Medicaid Services (CMS). The DSNP model will be better financially because it has a quality metric implemented as a bonus, where the CMC model had a quality metric applied through a withhold of funds that had to be earned to get back to the benchmark rate. L.A. Care has one step remaining in the approval process and expects to have the approval by the June meeting. The DSNP will begin on January 1, 2023, and members will be automatically transferred into that program and there should be no interruption in services or benefits. • He reported that on May 1 undocumented residents in Los Angeles County will be eligible for Medi-Cal benefits paid by the state, with no federal funds. L.A. Care is coordinating the enrollment process with Los Angeles County Department of Public Social Services, and it is expected more than 70,000 will be enrolled in June, July and August, based on estimates provided by the state. • The public health emergency is expected to end in July, and it is widely expected that it will not be extended further and redeterminations of eligibility will resume for Medi-Cal members. If the public health emergency ends on July 15, redetermination information will 	

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	<p>be sent to members in August. Many beneficiaries may be dis-enrolled based on income eligibility or location of residence. There is an information campaign to help enrollees maintain coverage. L.A. Care's Consumer Advisory Committees are being prepared to help inform communities about the eligibility redetermination process. L.A. Care will use the Community Resource Centers to assist members. Medi-Cal beneficiaries who no longer meet the income eligibility will be able to get coverage and premium cost assistance through L.A. Care Covered. Those with incomes up to 200% of the federal poverty level can get 100% subsidy on the premium cost. The premium cost assistance will change at the end of this year if it is not extended by Congress. There will still be premium cost subsidy at a lower level than what has been provided under America's Rescue Plan. L.A. Care is preparing for all of this, and hopes to make it as easy and problem-free as possible.</p> <p>Board Member Jimenez noted that eligible Medi-Cal beneficiaries can renew coverage by telephone instead of visiting an enrollment center. Also available is BenefitsCal, an online portal where Californians can get and manage benefits online. This includes food assistance (Cal Fresh) formerly food stamps, cash aid (CalWORKs, General Assistance, Cash Assistance Program for Immigrants), and affordable health insurance (Medi-Cal). It is important that people know that they can use the call center or BenefitsCal to re-enroll. Mr. Baackes thanked Board Member Jimenez and applauded the more convenient ways for people to enroll, as transportation can be a challenge for the members.</p> <ul style="list-style-type: none"> California conducted a COVID-19 vaccine incentive program that provided additional funding for health plans to promote vaccines. Data was displayed on vaccination rates: <div data-bbox="443 935 1346 1474"> <p style="text-align: center;">Received at least one dose as of April 11, 2022 Percentage of 5+ years old, by county Comparing Medi-Cal Beneficiaries to all residents</p> <table border="1"> <thead> <tr> <th>County</th> <th>All Residents</th> <th>Medi-Cal Beneficiaries</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>STATEWIDE</td> <td>84.0%</td> <td>56.8%</td> <td>-27.2%</td> </tr> <tr> <td>Kern</td> <td>62.6%</td> <td>44.9%</td> <td>-17.7%</td> </tr> <tr> <td>Los Angeles</td> <td>83.8%</td> <td>62.0%</td> <td>-21.8%</td> </tr> <tr> <td>Orange</td> <td>82.5%</td> <td>60.9%</td> <td>-21.6%</td> </tr> <tr> <td>Riverside</td> <td>68.8%</td> <td>47.1%</td> <td>-21.6%</td> </tr> <tr> <td>San Bernardino</td> <td>65.8%</td> <td>44.6%</td> <td>-21.2%</td> </tr> <tr> <td>Ventura</td> <td>82.0%</td> <td>58.5%</td> <td>-23.5%</td> </tr> </tbody> </table> <p>Source: DHCS, April 2022</p> </div>	County	All Residents	Medi-Cal Beneficiaries	Difference	STATEWIDE	84.0%	56.8%	-27.2%	Kern	62.6%	44.9%	-17.7%	Los Angeles	83.8%	62.0%	-21.8%	Orange	82.5%	60.9%	-21.6%	Riverside	68.8%	47.1%	-21.6%	San Bernardino	65.8%	44.6%	-21.2%	Ventura	82.0%	58.5%	-23.5%	
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Mr. Baackes noted that Los Angeles County leads in the region in total population vaccination rate and in the rate for Medi-Cal members. There is still a substantial gap in those two rates.



Mr. Baackes noted that of the 24 health plans in California, L.A. Care is sixth in the vaccination rate. The first five plans with the highest rates are smaller health plans in the Bay area, which has overall higher vaccination rates.

Dr. Seidman commented that the results demonstrate a tremendous amount of collaboration and communication work. From the beginning, there was a strong effort to distribute vaccine supplies where it was most needed. That Los Angeles County is leading among most of the counties in California is the result of a robust collaboration throughout the County among County Departments such as Department of Public Health, many different community and faith based organizations (CBO), providers (including pharmacies, clinics, Los Angeles County Department of Health Services (DHS) and Department of Public Health), and classes in Continuing Medical Education on approaches to vaccine hesitancy. L.A. Care collaborated again with CBOs, pharmacies, clinics and DHS, to offer incentive funds to members and providers to promote vaccination rates. L.A. Care found that one of the best ways to overcome vaccine hesitancy was through personal conversations with trusted sources of truth that include the CBOs and providers, along with incentive funding and grants. L.A. Care also leveraged media, garnering over 3.5 million impressions and over 400,000 engagements through the work of L.A. Care’s Communications Team. The work is ongoing to encourage people to get

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	<p>vaccinated and boosted. Now that COVID therapeutics are available, L.A. Care is making a significant effort to encourage members to access these medications.</p> <p>Board Member Perez is happy that L.A. Care’s social media platforms are getting better, because this is a huge way to connect to everyone, not just L.A. Care members, but to everyone interested. She thanked the Communications Department and to all departments involved.</p> <ul style="list-style-type: none"> • Mr. Baackes noted that L.A. Care has been proactively working to expand a Palliative Care Program. He introduced Susan C. Stone, MD, MPH, <i>Medical Director, Care Management Services</i>, who presented information about L.A. Care’s Palliative Care Program (<i>a copy of her presentation is available by contacting Board Services</i>). <ul style="list-style-type: none"> ○ Palliative Care is a growing field of medicine with a goal to maximize the quality of life for patients experiencing a serious illness, their families and caregivers, by providing an additional layer of support using an interdisciplinary team. Palliative Care includes end of life care and terminal care. ○ While maximizing the quality of life for the patient is the main goal, effective palliative care can result in medical care cost savings. <p>2022 Program Expansion</p> <ul style="list-style-type: none"> ○ Member Satisfaction Survey ○ Expanding Provider Network <ul style="list-style-type: none"> ▪ Enhance Antelope Valley coverage ○ Additional training opportunities with DHS ○ Continued annual trainings with internal/ external stakeholders ○ Enhanced referral pathway for members in acute settings ○ Improved reporting ○ CBAS Center Partnerships <p>Future Program Goals</p> <ul style="list-style-type: none"> ○ Scaling Program Enrollment <ul style="list-style-type: none"> ▪ Development of a targeted engagement list ▪ Additional staffing to accommodate referrals <p>L.A. Care Partnerships include:</p> <ul style="list-style-type: none"> ○ DHS Palliative Care Outpatient Clinics <ul style="list-style-type: none"> ▪ LAC+USC, UCLA Harbor, Olive View ○ PPG Partnerships <ul style="list-style-type: none"> ▪ Optum (AppleCare), MedPoint, and Prospect ○ Long Term Care Palliative Care Pilot <ul style="list-style-type: none"> ▪ Facility management: Rockport, Cambridge ▪ Palliative Care Provider partner: Roze Room 	

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	<ul style="list-style-type: none"> ○ CalAIM program participants who meet the requirements <p>Mr. Baackes noted that L.A. Care is fortunate to have Dr. Stone as a member of the team, and members benefit from her management of this program.</p> <ul style="list-style-type: none"> ● Mr. Baackes acknowledged the retirement of Roland Palencia, <i>Director of Community Benefits</i>. ● Roland joined L.A. Care in 2006 and has been an outstanding ambassador for L.A. Care’s Community Benefits programs, and in working with the agencies that receive Community Health Investment Fund (CHIF) grants. ● At a retirement event on May 4, participants included colleagues, members of Roland’s family and representatives of many community-based organizations including clinics. ● Mr. Baackes noted that as an immigrant to the U.S. from Guatemala, Roland has given back so much to the community and is a role model for the value of immigrants to our communities. <p>Mr. Palencia thanked Board Members, Mr. Baackes, Linda Greenfeld, <i>Chief Product Officer</i>, Wendy Schiffer, <i>Senior Director, Strategic Planning</i>, Shavonda Webber-Christmas, <i>Director of Community Benefits</i> and the entire Community Benefits team, for their years of support. The important work of Community Benefits provides financial resources to address issues that are crucial and critical to the safety net, and in addition creates goodwill for L.A. Care. He introduced Ms. Webber-Christmas as the new Director of Community Benefits and assured the Board that Ms. Webber-Christmas is a strong advocate and will take Community Benefits to the next level. Ms. Webber-Christmas thanked Mr. Palencia for the introduction and she expressed her appreciation to the Members of the Board of Governors for their support of Community Benefits.</p> <p>Board Member Booth asked Dr. Seidman to comment on the fee for service vaccination rates. Dr. Seidman did not have any comments as that is not a population that L.A. Care serves.</p> <p>Board Member Perez thanked Mr. Palencia on behalf of the membership and the community. His hard work has definitely had an effect in Los Angeles County. She wished him the best in his new endeavors. If he will relax and enjoy the sun setting, he deserves all that and more.</p> <p>Board Member Vaccaro thanked Mr. Palencia on behalf of Community Clinic Association of Los Angeles County, the clinics and health centers for all of his contributions to the health centers. As a former leader at a health center, he has made tremendous contributions to the work that they do through his philanthropic support. He has been a fantastic thought partner in recognizing the most critical issues that impact health centers and the communities that they serve and has been a truly responsive grant maker. She is honored to have worked with him</p>	

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	<p>and she appreciates his dedication. She looks forward to working with Ms. Webber-Christmas and wishes Mr. Palencia all the best in his retirement.</p> <p>Board Member Booth noted that the CHIF program has come so far in just a few years, and she thanked Mr. Palencia for making sure that the Board is getting its money's worth.</p> <p>Chairperson De La Torre thanked Mr. Palencia for his work and for representing L.A. Care so well throughout his service to the organization.</p>	
<ul style="list-style-type: none"> • Vision 2024 Progress Report 	<p><i>Mr. Baackes referred Board Members to the written report included in the meeting materials.</i></p>	
<ul style="list-style-type: none"> • Grants and Sponsorship Report 	<p><i>Mr. Baackes referred Board Members to the written report included in the meeting materials.</i></p>	
ADVISORY COMMITTEE REPORTS		
<p>Executive Community Advisory Committee (ECAC)</p>	<p>Submitted May 5 at 2:01pm via email</p> <p><i>Chair De La Torre, Greetings to every member of the Board. Happy Cinco de Mayo. My name is Andria McFerson chair of RCAC 6. I filed a motion to reconvene the RCACs and return to our previous schedule. This is a follow up on RCAC 6 member's requests to still have a voice at least 6 times a year. It was followed up previously during an ECAC meeting and I asked how many RCAC meetings we were going to have for the rest of the year and staff told me much less so that is why the motion was filed. Many RCAC members asked "Can we please have more RCAC meetings throughout the year for them to speak about the trajectory of the COVID-19 pandemic and how it has affected the community?" Also, we need to know what we can do in order to lesson the outbreak and devastation in our own communities. We were told that staff does not make the decisions on how many times RCAC members meet, we were told the Board makes those decisions. So with that being said this request is to solidify the awareness Lac receives of the feedback of the stakeholders and the overall community members of L.A. County. This motion is asking the Board to allow us to meet 6 times a year. I hope you guys consider going back to how the meetings were set up before so that we can enable preparedness plan for L.A. County starting with the advisory committee, the low income community, who are the ones who are most affected by the outbreak. Thanks, Andria McFerson, RCAC 6 Chair</i></p> <p>Submitted May 5 at 2:54pm via voicemail by Elizabeth Cooper, RCAC 2 Member</p>	

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	<p><i>Executive Community Advisory Committee, Motion ECA 100, I support it. I feel that the RCACs need to have more meetings and more participation so that they can discuss issues that may or may not be on the Board agenda. I do support this motion. I do hope that the members of the RCACs will be able to meet when it is safe for them to do so. I thank the Board for reconsidering this motion.</i></p> <p><i>To Chief Executive Officer, Mr. Baackes and to the public, I am concerned we have an upcoming election in June 2022, it's going to be all of the states constitutional officers, the governor, Secretary of State and also our elected officers, the US Senate. This is so important, voting. L.A. Care has sent many consumers to Sacramento to lobby on behalf. I want to thank the county of Los Angeles who has encouraged all members and all people to vote. They even have the forms on a non partisan way. Thank you L.A. County for encouraging people to vote, because it is so important. Your vote counts. Next month the primaries are so important. And the election in November. So Please [vote] members. Mothers, Happy Mothers Day. And Mothers please encourage all family members and friends, not just women, to go vote. California leads the way. voting is so important. It is the bedrock of our democracy. Local and state legislators are up for reelection. I have more issues but I am sorry, I hope my comments are read for this Thursday, May 5.</i></p> <p>Chairperson De La Torre noted that the primary in California will be held on June 7, and it is important to vote on the right day. He thanked everyone for their public comments.</p> <p>Board Member Gonzalez thanked the members that are listening to the Board meeting. She expressed appreciation for members attending and welcomed comments, suggestions and questions. She urged everyone to continue to use their masks, get vaccinated, and get the booster shot if eligible. She sends thoughts to those who are affected by the pandemic or have friends or family affected by the pandemic.</p> <p>ECAC met on April 13.</p> <p>Mr. Baackes noted that the community advisory committees are a valuable and unique part of L.A. Care. He supports the motion.</p> <p>Board Member Booth asked about the risks in the public health emergency. Mr. Baackes commented that the meetings would be conducted using the guidelines developed by L.A. Care for the reopening of the community resource centers. Dr. Seidman commented that he understood the focus of the motion to be on the frequency of the meetings. A separate issue is if those meetings continue to be held virtually or will be held in person. If the Board wishes to meet in person, there are many levels of safety precautions that can be taken to minimize the risk of any spread of COVID at those meetings. Each individual has to consider their own</p>	

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	<p>individual risk in attending in person meetings. L.A. Care’s Community Resource Centers have been reopened with safety precautions. While L.A. Care requires vaccination for employees, the vaccination status of visitors is not known, so masks are required indoors for all parties.</p> <p>Mr. Baackes clarified that the motion only addresses the frequency of the meetings, and RCACs are assumed to return to in person meetings when the Board of Governors does so.</p> <p>Board Member Perez asked Auleria Eakins, EdD, <i>Manager, Community Outreach and Engagement</i>, to update the Board on the readiness of RCACs to restart the meetings. Dr. Eakins indicated that data from the initial RCAC member meetings is still being reviewed. L.A. Care will consult with Human Resources and Health Services staff to determine how the meetings will continue. When all the data is available and can be reviewed, L.A. Care will make an evidence-based decision on the RCAC meetings. The RCACs are currently being conducted virtually, with the possibility of in person meetings in the future.</p> <p><u>Motion ECA 100.0522</u></p> <p>Motion to reconsider the motion approved to only have quarterly meetings now with the Regional Community Advisory Committees and return to every other month or every 60 days. Allowing more inclusiveness after being disconnected for close to 2 years. This motion if for BOG reconsideration of the decisions to only have 4 RCAC meeting per year and go back to 6 meetings per year.</p> <p>Board Member Gonzalez continued her report:</p> <ul style="list-style-type: none"> • Dr. Seidman gave a COVID-19 update and Mr. Baackes gave a CEO update. They both gave those reports earlier today. Mr. Baackes encouraged members to volunteer and sign up for the DHCS Ambassadors Program. The program aims to spread awareness about Medi-Cal redeterminations through community advocates and volunteers. Mr. Baackes mentioned that it is a great opportunity for ECAC and RCAC members to join L.A. Care in spreading the word to increase the number of members that complete the redetermination process. • Dr. Kyle gave ECAC members an update from L.A. Care’s Equity Council Steering Committee, which has helped address food security in vulnerable communities by serving approximately 110,000 individuals. About 93% of L.A. Care’s community sponsorships went to organizations or events focused on health equity issues including access to care, social determinants of health, and social justice. He reported on: <ul style="list-style-type: none"> ○ Internally synergized efforts among departments to address health disparities ○ Consumer Health Equity Council collects input and feedback from L.A. Care members • Dr. Auleria Eakins, <i>Manager, CO&E</i>, reported: <ul style="list-style-type: none"> ○ A schedule of events and activities at CRCs and FRCs is on L.A. Care’s website. 	<p>Unanimously approved by roll call. 10 AYES</p>

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	<ul style="list-style-type: none"> ○ The RCACs participated in unofficial virtual check-in meetings in March and April after not meeting during the public health emergency. Check in meetings also allowed members to reconnect with L.A. Care staff and hear key information. ○ Mental Health Awareness Day is May 19. CO&E will host an education webinar via Zoom from 10:00 a.m. to 12:00 p.m. Michael Brodsky, MD, <i>Medical Director, Behavioral Health and Social Services</i>, will moderate a discussion with guest panelists about mental health and homelessness, Adverse Childhood Experiences and stigmas associated with mental health. ○ This year’s RCAC Community Partnership will focus on Technology Justice and will align with L.A. County’s community program called “Delete the Divide”. Staff is working with other departments and will work with ECAC members over the coming months about how to engage community based organizations and community members in this effort. ● Lynne Kemp, <i>Health Education Program Manager II, Health Education</i>, presented information about Population Needs Assessment. The purpose of the Population Needs Assessment is to: <ul style="list-style-type: none"> ○ Identify member health needs and health disparities ○ Identify gaps in health education, Cultural & Linguistics, and Quality Improvement programs ○ Identify and address health needs, health disparities and gaps in access or services <p>Board Member Perez thanked Board Member Gonzalez. She reported that CO&E staff sent information about the way L.A. Care is supporting the DHCS Coverage Ambassador Program and members have responded. Mr. Baackes attended the April ECAC meeting and encouraged members to join this effort to help Medi-Cal members continue their health care coverage. L.A. Care’s Community Resource Centers and Family Resource Centers have started to offer onsite services and continue with food pantries. Tomorrow there will be a walk-up or drive-through food pantry at the Pacoima site. Members can also get information about CalFresh, which provides funds to buy healthy food. The first class of CPR in Spanish will graduate at the Norwalk site. Information about the events and programs available can be found on L.A. Care’s social media platforms and on the website. May is Mental Health Awareness month, and information is available in Spanish. L.A. Care was a sponsor of the Cinco de Mayo celebration hosted by the Rose Bowl Legacy Foundation. Mr. Baackes opened the 2022 Southern California Healthcare Innovation Summit, where he discussed the initiatives L.A. Care has launched to support the safety net of providers in Los Angeles County. Board Member Perez is proud to be part of L.A. Care because of that. There is information on L.A. Care’s social media with details about nurse recruitment. Employees are encouraged to refer nurses and can earn a referral bonus.</p>	

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	<p>Board Member Perez noted that Cinco de Mayo is not a celebration for the independence of Mexico but is a way for immigrants to feel proud to be Hispanic or Latino. Board Member Perez also congratulated Mothers, who have a huge role in the household for health care, in bringing healthy food to the family table. Mothers are administrators, therapists, nutritionists and nurses.</p> <p>Chairperson De La Torre recognized Fatima Vazquez, Chairperson of ECAC, who joined the meeting for this item. He thanked all the Moms, and he noted that and many surveys have shown that Moms in the household make most of the health care related decisions in households such as insurance, primary care physicians, pediatricians. He thanked Moms for trying to keep people healthy.</p>	
BOARD COMMITTEE REPORTS		
Executive Committee	<p>Submitted May 5 at 3:05pm via chat <i>This comment is for May BOG meeting item 8 or any other relative item. Chairperson De La Torre this is Andria McFerson RCAC 6 Chair. I am so happy to hear that there is a phone-line and website to update or renew Medical coverage. This will not just benefit those without transportation this helps people with COVID or any other major illness like cancer, and diabetes. Also Seniors, the Mentally ill and those who may be Mentally and Physically disabled who are most impacted that need assistance.</i></p> <p>Chairperson De La Torre reported that the Executive Committee met on April 26. Meeting minutes can be obtained by contacting Board Services and will be available on the website. The Committee received a report on Annual Disclosure of Commissions paid to brokers for employee health insurance programs. The Committee reviewed and approved Human Resources Policy HR-709 (Language Proficiency Assessment), which does not require full Board approval.</p>	
<ul style="list-style-type: none"> Government Affairs Update 	<p>Cherie Compartore, <i>Senior Director, Government Affairs</i>, reported:</p> <ul style="list-style-type: none"> It was announced earlier this week that California’s Budget Surplus has more than doubled since the beginning of the year. The surplus is expected to be \$68 billion. Shortly after the latest estimate of the budget surplus was released, Senate Leader Tony Atkins released the Senate Spending Plan. The Assembly will also release a spending plan, and the Governor will release a May Budget Revise. <ul style="list-style-type: none"> Senate Leader Atkins’ proposal includes a \$200 payment to each Californian within income levels and \$200 for each dependent per family. This proposal differs from the Governor’s proposal to send \$800 to each California with a registered vehicle to offset 	

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	<p>rising gas prices. The Senate Democrats proposal included billions in rent relief, homeless issues, infrastructure and significant mental health funding, as well as an additional contribution to the rainy day fund. Assembly Democrats are expected to release their funding priorities soon. There is a lot of money available so a lot of activity is expected with the State Budget.</p> <ul style="list-style-type: none"> ○ A date for release of the Governors May Revise has not been publicly announced, but we are hearing that it may be on May 13. Once the May Revise is released the Budget negotiations will begin. ○ L.A. Care has taken a support position on two budget proposals so far, and will encourage the legislature to adopt funding on: <ul style="list-style-type: none"> ▪ Along with LANES, a proposal for increased funding for data sharing ▪ Expansion of Medi-Cal to ages 26-49 regardless of immigration status, to start in 2023. ○ In the Board meeting packet is a matrix of legislative bills. <ul style="list-style-type: none"> ▪ AB2724 (Arambula), for the Kaiser direct contracting legislation. Briefly, this bill would allow a direct Medi-Cal contract in many California counties in 2024. Initially, the intent was for Kaiser to contract directly for Medi-Cal in 32 counties, but this legislation does not include a prohibition and could allow expansion to all 58 California Counties. Although Kaiser is a valued plan partner, L.A. Care takes exception to this proposal which offered no advance warning or transparency for stakeholders, and there is no protection in place for members or safety net providers. This will also allow the state administration to change regulations in the future without having legislation approved. L.A. Care is very concerned about this bill and has been meeting with legislators. There have been two hearings so far, one in the Assembly Health Committee which is chaired by the bill's author, Senator Arambula. The other was a Senate joint Budget and Health Committee hearing, which was vastly different from the Assembly hearing. Many of the Senate committee members sit on both committees. These committee members were very engaged, skeptical and asked a lot of questions and gave opinions on the proposal. There appeared to be a sincere interest on the part of the committee members to help those impacted, and to ensure there are guardrails in place to protect members and the safety net. Some concerns express include: <ul style="list-style-type: none"> ✓ There is no detail in the legislative language ✓ Gives DHCS too much authority to make changes in the future ✓ There is a significant concern that Medi-Cal members may be treated differently than existing enrollees ✓ Question of how safety net clinics will be supported 	

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	<ul style="list-style-type: none"> ✓ The impact of acuity in relation to rates, which led to an in-depth discussion about rates ✓ The Senators seemed angry that neither the administration or DHCS approached the Senate, and Members learned about it in the media. <p>Committee members said they would like to see amendments in print before the bill is sent to the Budget Trailer Bill language. L.A. Care is working with Local Health Plans of California (LHPC) representatives on amendments to the language. It is still unclear if this proposal will transition to Budget Trailer Bill language or if it will remain in Health Policy. This decision will be made by the leadership and L.A. Care will continue to be very engaged on this issue.</p> <p>Mr. Baackes noted that there was limited opportunity for testimony at the Committee Hearing, and L.A. Care was represented by Linnea Koopmans, CEO of LHPC. Jarrod B. McNaughton, CEO of Inland Empire Health Plan and Stephanie Sonnenshine, CEO of Central California Alliance for Health testified at the Arambula hearing representing local health plans. L.A. Care circulated a letter to all the members of the Los Angeles delegation in the Assembly and the Senate stating its position on this bill. Chairperson De La Torre thanked Ms. Compartore for the report and reiterated his personal opposition to the deal for all the reasons that have been cited.</p> <p>Ms. Compartore reported that L.A. Care has been meeting with members of the Los Angeles delegation in addition to LHPCs advocacy.</p> <p>Board Member Booth stated that she would like to discuss AB 35. Ms. Compartore described the recently introduced AB35, which will affect medical malpractice cases filed or arbitrations demanded on or after January 1, 2023. There is a proposition on the November ballot that would increase the Medi-Cal malpractice limits. If AB35 is signed into law the ballot initiative will be removed. Member Booth noted that the limit is currently \$250,000 for non-economic damages. Medical damages due to medical malpractice and financial damages (current and future expected earnings) do not have a limit. If there is no death involved, the limit for non-economic damages would be raised to \$350,000, and up to \$500,000 if it involves a death. Ms. Compartore added that the limit rises to \$750,000 initially, and would rise 2% thereafter.</p> <p>Member Booth noted that the limit would no longer apply to the total potential non-economic damages, but would apply to up to three separate entities involved. There are other underlying changes which increase the amount of contingency fees paid to an attorney, and integrated health systems are excluded. The language of this legislation was agreed on in closed discussions. There are many unknowns, but if this legislation is signed into law, medical</p>	

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	<p>malpractice insurance rates could skyrocket, which will have a negative disproportionate effect on safety net doctors.</p> <p>Board Member Raffoul noted that this legislation has not been a point of discussion and it appears the bill was amended in the Senate on April 27, 2022. Hospital associations have not yet had the opportunity to respond to this legislation.</p> <p>Chairperson De La Torre noted that the legislation had to be introduced by the deadline. Board Member Booth noted that this is also passing through the legislative process quickly. Member Raffoul stated he will alert the hospital associations to start a public discussion. Ms. Compartore reported that the California Hospital Association, California Medical Association and other health facilities are supporting this bill. Board Member Booth is very concerned about this legislation as there is little information available.</p>	
<ul style="list-style-type: none"> • Approve prioritizing investments in four of the ten Elevating the Safety Net (ESN) initiative programs for an additional five years. (BOG 101) 	<p><i>Board Members Ballesteros and Vaccaro may have financial interests in Plans, Plan Participating Providers or other programs and as such should consider refraining from the discussion of such issues. In order to expedite the process, those Board Members' vote on this motion reflects a vote concerning the entire motion excluding the Provider Recruitment Program and Residency Support Program, for which the member is abstaining.</i></p> <p>Mr. Baackes introduced Cynthia Carmona, <i>Senior Director, Safety Net Initiatives</i>, who has in her management portfolio the Elevating the Safety Net (ESN) program. noted that staff approached the Board five years ago to request setting aside 5% of L.A. Care's reserve funds to support a Safety Net Workforce Initiative, which was later renamed the Elevating the Safety Net program. The funds approved have not been completely expended, and the program could be run for another five years on a modified basis.</p> <p>Ms. Carmona noted that an extended presentation was heard by the Executive Committee in March outlining the ESN results of the last five years, and that presentation is available for Board Members who would like more detailed information. The motion is to hone in on some key effective programs under ESN. L.A. Care invested over \$90 million across 10 programs in the last five years. There is more than \$61 million remaining, which could be allocated to continue funding of four key ESN programs for an additional five years.</p> <p>Ms. Carmona described four programs which have demonstrated an impact on member access to care, increase in the number of providers in our network and diversity among program participants. Through our data collection and analysis, we have also identified opportunities for improving the eligibility criteria and funding priorities for each of the four programs.</p>	

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	<ol style="list-style-type: none"> 1. Provider Loan Repayment Program – \$26 million invested through the end of FY 2021-22 and we recommend investing up to \$4 million annually starting FY 2022-23 through FY 2026-27. 2. Provider Recruitment Program – \$22.5 million invested through the end of FY 2021-22 and we recommend investing up to \$4 million annually starting FY 2022-23 through FY 2026-27. 3. Medical School Scholarship Program – \$14.4 million invested through the end of FY 2021-22 and we recommend investing up to \$3.5 million annually starting FY 2022-23 through FY 2026-27. 4. In-Home Support Services Training Program – \$5.8 million invested through the end of FY 2021-22 and we recommend investing up to \$1 million annually starting FY 2023-24 through FY 2026-27. <p>Board Member Vaccaro asked if the programs are only available to Medical Doctors (MDs) or are Nurse Practitioners (NP) and Physicians Assistants (PA) included. Ms. Carmona responded that this question is reviewed more than annually, and although the program is not yet open to other professionals. The initial goal of the program is to create capacity within the system, and over the years adding the MDs provides the greatest improvement in capacity. L.A. Care did add psychiatrists and some other very specific provider types. Mr. Baackes commented that the idea was that our initial response was to feedback from federally qualified health centers that it was difficult to attract physicians from competing medical sites. L.A. Care believed that focusing on primary care and psychiatry is the best way to increase capacity for safety net care, which has resulted in 142 physicians added since 2018, and feedback from safety net care sites has been positive. If there were more resources, adding additional professionals would be considered. In the future, based on the financial performance, the Board may want to direct staff to expand the reach of this program. Dr. Seidman added that while the importance of adding NP and PAs helping add capacity to the provider network is appreciated, in the Medical managed care program, each individual PCP has a limit of 2,000 members assigned, and for each NP or PA, another 1,000 can be assigned. Board Member Ghaly asked if there was any discussion of having those threshold numbers changed. Dr. Seidman responded that he has not heard any discussion of changing the assignment limits.</p> <p>Board Member Booth asked about long term data. The information included in the meeting materials is good information on diversity of the participants. Board Member Booth would like more information that the benefit is not just a temporary increase in the number of patients that are seen, but contributes continual increases in access to care. The loan repayment program contributes approximately 20% additional funds for new physicians. It is hoped that this physician will keep working in the safety net. It is within the realm of possibility that the new physician will not work permanently in the safety net. If that physician leaves and is replaced, it</p>	

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	<p>does not increase access to care. Board Member Booth feels it is really important that the program continues to increase access. She asked Board Members to consider if this is a sustainable and expanding solution to the problem of too few doctors, and does the Board want to be certain that it is, before committing to funding for another five years. Board Member Booth feels it would be more than remiss to not find a solution that is more than just throwing money at the problem. Mr. Baackes noted that the information will become available in the future. Dr. Seidman noted that there are different groups of people in each program. The first cohort of medical scholars will graduate this June. All eight scholars are doing well in their training. Five are going on for additional training. Three will graduate and one will go to UCLA for residency, and the other two will go to other areas in California. For the loan repayment and recruitment programs, the participants may stay or may choose to move on after the program. Some will choose to continue to work in the safety net. In his experience, it is important to have physicians entering the safety net, and if loan repayment motivates those physicians to work in the safety net, it is an important contribution to improve access. L.A. Care will continue to track if those physicians remain in the safety net. Board Member Booth would like to have a sense that this program will be sustainable. Mr. Baackes noted that the data on sustainability will not be known for years, as the participants move through the program. Chairperson De La Torre noted that the statewide Mike Thompson Program may have applicable data about physicians staying in the safety net.</p> <p>Board Member Roybal noted that the loan repayment program has been very good in helping to attract and retain providers at county sites. He would like to know where the L.A. Care scholars will serve their residencies, and eventually where they work. He endorsed renewing the program, as it is too early to get data and funding is needed to continue the program.</p> <p>Board Member Ballesteros stated that he hears across the board, at the Community Clinic Association of Los Angeles County (CCALAC) and at the independent physician association (IPA) level, is that the program has been tremendously helpful and is the only program of its kind at the local level that helps the FQHCs recruit new providers in Medi-Cal. One of the grant criteria is that the individual is new to the Medi-Cal system, so it expands the capacity of the safety net. We all know the capacity of the safety net is not sufficient for Medi-Cal beneficiaries in Los Angeles County. The programs support organizations to recruit providers who work in skid row or work in parts of the county where it is hard to find primary care physicians. All of his colleagues in the FQHCs feel that component of the program is invaluable. He feels there would have been greater access problems without this program.</p> <p>Board Member Booth asked if L.A. Care should choose to fund more providers instead of paying back medical school loans. Dr. Seidman related that when he was recruiting physicians for a safety net clinic, many times he lost physicians with medical school debt to other larger</p>	<p>Approved by roll call. 7 AYES (Ballesteros- with exceptions noted, De La Torre, Ghaly, Gonzalez, Raffoul Roybal and Vaccaro- with exceptions noted),</p>

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	<p>and more commercially focused medical groups. He noted that the recruitment funds coupled with the loan repayment grants are a powerful combination to attract and retain physicians in the safety net. He strongly advised that both the programs be continued.</p> <p><u>Motion BOG 101.0522</u> Authorize an expenditure over the next five years in the amount of \$61.4 million by prioritizing four programs – Provider Loan Repayment Program, Provider Recruitment Program, Medical School Scholarship Program and In-Home Support Services Training Program – starting FY 2022-23 through FY 2026-27.</p>	<p>1 NAY (Booth), 1 ABSTENTION (Perez) <i>(Member Jimenez experienced technical difficulties and was not able to vote.)</i></p>
<p>Finance & Budget Committee</p>	<p>Chairperson De La Torre reported that the Committee met on April 26 <i>(contact Board Services to obtain a copy of approved meeting minutes)</i>. The Committee reviewed and approved a motion that was approved earlier today on the Consent Agenda. The Committee also reviewed and approved a contract amendment with Resources Global Professional which does not require full Board approval.</p>	
<p>Chief Financial Officer Report</p>	<p>Marie Montgomery, <i>Chief Financial Officer</i>, reported the financial results for March 2022:</p> <p><u>Membership</u> Membership for March 2022 is 2,561,075, 15,263 members favorable to the 3+9 forecast; and 37,594 favorable year-to-date (YTD), driven by the increased enrollment for the CalAIM mandatory managed care population. The forecast did not include those additional members for Plan Partners. Membership for L.A. Care Covered (LACC) held steady at 115,000 members for the second month in a row and CMC remains at approximately 18,000. As Mr. Baackes mentioned, L.A. Care expects new enrollment in May as eligibility is opened for ages 50+ regardless of immigration status.</p> <p><u>Consolidated Financial Performance</u> There is a \$16 million net surplus for March; \$1.9 million unfavorable to the 3+9 forecast. The operating margin is slightly favorable to the forecast by \$941,000. The unfavorable healthcare cost is mitigated by favorable revenue.</p> <p>The revenue for long-term care (LTC) is higher than the forecast by \$8.7 million. There is a higher number of LTC members than was assumed in the forecast. That additional institutional membership has healthcare associated healthcare costs, which has led to the unfavorability in this item.</p> <p>L.A. Care received the Cal MediConnect (CMC) Medicare Quality withhold earnings for CY 2020 which increased revenue by \$10 million. Because L.A. Care has a percentage of revenue arrangement with providers, it translates into a higher capitation expense and higher shared risk, resulting in a \$4.8 million net favorable impact on the operating margin. The vaccine incentive</p>	

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	<p>program is \$3.2 million favorable. Provider incentives were also favorable \$5.5 million due to timing. Incurred claims were \$6.6 million unfavorable to forecast partially due to higher LTC cases. The favorable LTC revenue mitigates this unfavorability. Community Based Adult Services (CBAS) continues to be unfavorable, at \$8.1 million vs the forecast in March. Lower utilization was assumed because these services were expected to move back to CBAS centers, which hasn't yet occurred due to the pandemic. Pharmacy was \$4 million unfavorable, which included a \$2.6 million adjustment to the provider capitation estimate. Shared Risk was \$3.7 million unfavorable due to a final true-up for CY 2021.</p> <p>Administrative expense was \$717,000 favorable to the 3+9 forecast which includes the Appeals & Grievances remediation and CalAIM program implementation. Non-operating expense is the biggest driver of unfavorability this month, \$3.6 million higher than the forecast. An \$8 million unrealized loss was reported this month because of the increase in interest rates. As the interest rate increases, the value of the investment portfolio decreases. This is not a reflection of deterioration of credit. L.A. Care holds bond positions until maturity and it does not affect the amount of the investment income that was planned when the investment was made.</p> <p><u>YTD Consolidated Financial Performance</u> The net surplus YTD is \$36 million; \$6.7 million unfavorable to the forecast. The large variances in revenues and healthcare costs are due to the Proposition 56 reconciliation for the state fiscal year (SFY) 2018-19 and the subsequent 18-month bridge period discussed in prior months; resulting in a \$280 million decrease to revenue and a \$264 million decrease to healthcare expense. The operating margin is favorable \$21 million.</p> <p>YTD Administrative expenses are unfavorable due to the \$55 million regulatory fines mitigated by the positive PCORI fee impact of \$22 million as discussed previously.</p> <p>Non-operating expense is \$1.8 million unfavorable YTD mainly due to an unrealized loss variance but offset by lower CRC spending and timing in grant spending. The unrealized loss is \$22 million for the fiscal YTD.</p> <p><u>Operating Margin by Segment</u> Overall the Medical Care Ratio (MCR) is 92.7%, versus forecast of 93.5%.</p> <p><u>Reported vs Paid Claims Trend</u> The month of March saw paid claims increase and reported claims level off so they are in the same position. We did assume higher fee for service claims related to the Omicron surge in the 3+9 forecast. Reported claims are consistent with recent periods. The margins are being pressured by the recent claims uptick, however the reserves being held are adequate to cushion</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>against moderately adverse development. Staff will continue to monitor these trends as they move into the new quarter.</p> <p><u>Key Financial Ratios</u></p> <ul style="list-style-type: none"> • The administrative ratio was 6.0%, higher than the forecast of 5.2% due to regulatory fines. • Working Capital and Tangible Net Equity are ahead of benchmarks. • Cash to claims is ahead of the benchmark due to the receipt of the pass-through funds of \$800 million, including the hospital directed payments which were paid in April. As previously reported, the cash to claims ratio will not fully recover until In-Home Support Services (IHSS) balances are settled with the Department of Health Care Services (DHCS). <p><u>Tangible Net Equity & Days of Cash on Hand</u></p> <p>The March 2022 Fund Balance was \$1.1 billion which represents 530% of Tangible Net Equity. The target of 600% was based on the average of 8 other Local Initiatives and County Organized Health Systems. L.A. Care has enough cash to cover operating expenses for the next 44 days.</p> <p><u>Motion FIN 104.0522</u></p> <p>To accept the Financial Reports for March 2022 as submitted.</p>	<p>Unanimously approved by roll call. 9 AYES (Ballesteros, Booth, De La Torre, Ghaly, Gonzalez, Perez, Raffoul, Roybal and Vaccaro)</p>
<ul style="list-style-type: none"> • Monthly Investments Transactions Report 	<p>Ms. Montgomery referred to the investment transactions reports included in the meeting materials. <i>(A copy of the report can be obtained by contacting Board Services)</i>. This report is provided to comply with the California Government Code and is presented as an informational item. L.A. Care's total investment market value as of March 31, 2022 was \$2.5 billion.</p> <ul style="list-style-type: none"> • \$2.2 billion managed by Payden & Rygel and New England Asset Management (NEAM) • \$73 million in Local Agency Investment Fund • \$253 million in Los Angeles County Pooled Investment Fund 	
<ul style="list-style-type: none"> • Quarterly Internal Policy Reports 	<p>Ms. Montgomery referred to the expenditure reports pursuant to internal policies which are included in the meeting materials. The reports relate to business travel and non-travel related expenses and authorization and approval policies and purchases over \$250,000.</p>	
<p>Compliance & Quality Committee</p>	<p>Committee Chairperson Booth reported that the Compliance & Quality Committee met on April 19. The meeting frequency has increased through an agreement by Committee members as the work of the Compliance department has grown increasingly complicated as L.A. Care faces an increasing array of regulations and contractual requirements. Compliance affects areas throughout the organization, and as the enterprise grows, the need for compliance also grows. Compliance & Quality Committee will now meet monthly. The Committee is prioritizing the reports it receives to appropriately prioritize and schedule reviews. The Committee also decided</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>to have a library of compliance related information for reference. A dashboard is being developed to show progress in L.A. Care’s compliance levels for different facets of the organization. The Committee is reviewing the Compliance & Quality Committee Charter to ensure it reflects the work of the Committee and that the Committee is effective in meeting expectations of a Board-level Compliance & Quality Committee.</p> <p>Chairperson De La Torre noted that Committee Chairperson Booth asked him to invite Board Members to send ideas for information that should be included in reporting from staff related to Compliance & Quality.</p>	
PUBLIC COMMENT on Closed Session Items	<p>There was no public comment.</p>	
ADJOURN TO CLOSED SESSION	<p>The Joint Powers Authority Board of Directors meeting was adjourned at 4:47 pm.</p> <p>Augustavia J. Haydel, <i>General Counsel</i>, announced the following items to be discussed in closed session. The L.A. Care Board of Governors adjourned to closed session at 4:47 pm. No report is anticipated from the closed session.</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>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 2024</i></p> <p>CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION Pursuant to Section 54956.9(d)(1) of the Ralph M. Brown Act Names of Six Cases:</p> <ul style="list-style-type: none"> • Methodist Hospital of Southern CA v. L.A. Care, Case No. 21STCV39978 • THC- Orange County, LLC DBA Kindred Hospital et al. v. L.A. Care, AHLA Case No. 6386 • THC- Orange County, LLC DBA Kindred Hospital et al. v. L.A. Care, Case No. 21STCV38231 • THC- Orange County, LLC DBA Kindred Hospital et al. v. L.A. Care, AHLA Case No. 6798 • USC Center for Health Financing, Policy, and Management, et al. v. Local Initiative Health Authority for Los Angeles County, Case No. 22STCP01429 	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<ul style="list-style-type: none"> Optum Health Plan of California v. L.A. Care, American Health Law Association, Arbitration No. 6276 <p>CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION Significant exposure to litigation pursuant to Section 54956.9(d)(2) of Ralph M. Brown Act: Three Potential Cases</p> <p>THREAT TO PUBLIC SERVICES OR FACILITIES Consultation with Tom MacDougall, <i>Chief Information & Technology Officer</i></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 Pursuant to Section 54957 of the Ralph M. Brown Act Title: Chief Executive Officer</p> <p>CONFERENCE WITH LABOR NEGOTIATOR Pursuant to Section 54957.6 of the Ralph M. Brown Act Agency Designated Representative: Hector De La Torre Unrepresented Employee: John Baackes</p>	
RECONVENE IN OPEN SESSION	<p>The Board reconvened in open session at 6:29 p.m.</p> <p>There was no report from closed session.</p>	
ADJOURNMENT	<p>The meeting was adjourned at 6:29 p.m.</p>	

Respectfully submitted by:
Linda Merkens, *Senior Manager, Board Services*
Malou Balones, *Board Specialist III*
Victor Rodriguez, *Board Specialist II*

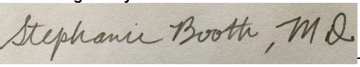
APPROVED BY:

Stephanie Booth, MD, *Board Secretary*
Date Signed _____

APPROVED

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	There was no report from closed session.	
ADJOURNMENT	The meeting was adjourned at 6:29 p.m.	

Respectfully submitted by:
Linda Merkens, *Senior Manager, Board Services*
Malou Balones, *Board Specialist III*
Victor Rodriguez, *Board Specialist II*

APPROVED BY:
DocuSigned by:

ER5CD19808044G4D
Stephanie Booth, MD, *Board Secretary*
Date Signed 6/15/2022 | 9:46 PM PDT

APPROVED