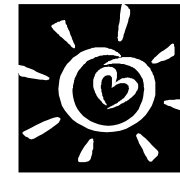


BOARD OF GOVERNORS
Executive Committee
Meeting Minutes – November 18, 2019

1055 West 7th Street, Los Angeles, CA 90017



L.A. Care
 HEALTH PLAN

Members

Hector De La Torre, *Chairperson*
 Al Ballesteros, *Vice Chairperson*
 Robert H. Curry, *Treasurer*
 Layla Gonzalez, *Secretary*
 Stephanie Booth, MD
 Hilda Perez

**Absent ** Via Teleconference*

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*

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
CALL TO ORDER	Hector De La Torre, <i>Board Chairperson</i> , called the meeting to order at 2:05 pm. He welcomed everyone to the meeting and invited the members of the Committee, staff and guests to introduce themselves. He announced that members of the public may address the Committee on each matter listed on the agenda before the Committee's consideration of the item, or on any other topic at the Public Comment section.	
APPROVE MEETING AGENDA	The Agenda for today's meeting was approved.	Approved unanimously. 5 AYES (Booth, Curry, De La Torre, Gonzalez and Perez)
PUBLIC COMMENTS	There were no public comments.	
APPROVE MEETING MINUTES	The minutes of the September 23, 2019 meeting were approved as submitted.	Approved unanimously. 5 AYES
CHAIRPERSON'S REPORT	Chairperson De La Torre reminded Board members to send him their committee preferences for 2020. The Committee membership will be announced at the December Board Meeting. Information about all the committees was distributed. He also announced that the Board Members were asked to nominate a charitable organization to receive Board Members donated stipends and to send their nominations	

APPROVED

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	to Board Services. Board Services will randomly select two organizations to be approved at the December 5 Board meeting.	
CHIEF EXECUTIVE OFFICER REPORT	<p><i>(Member Ballesteros joined the meeting.)</i></p> <p>John Baackes, <i>Chief Executive Officer</i>, reported that the Centers for Medicare and Medicaid Services (CMS) issued proposed regulations with fundamental changes in how states account for their share of funding. This could have serious impact on funding for the safety net.</p> <p>Marie Montgomery, <i>Chief Financial Officer</i>, explained that the regulation proposes additional transparency to align payments to provision of services related to situations where states may end up retaining a portion of the funding (e.g. MCO tax). Supplemental payments (IGT) payments, quality improvement and other programs could be affected. Significant funding may be at stake across all programs.</p> <p>Mr. Baackes added that he raised this issue to gather input from the Board members and perhaps hold a stakeholder meeting in early December.</p>	
Government Affairs Update 2020 State & Federal Policy Agenda	<p>Ms. Compartore summarized the motion included in the meeting packet to approve L.A. Care's 2020 annual policy platform.</p> <p>Member Booth asked why last year's statement about team based was taken out under quality support. Ms. Compartore responded that she felt team-based is too specific, but offered to add it back on. Member Booth also asked that the financial providers statement be included. Ms. Compartore will revise motion to be presented to the full board to include the financial providers' statements.</p> <p><u>Motion EXE 100.1219</u> To approve L.A. Care's 202- State and Federal Policy Agenda, as submitted.</p>	<p>Approved unanimously. 6 AYES (Ballesteros, Booth, Curry, De La Torre, Gonzalez and Perez)</p>
Community Health Investment Fund Priorities FY 2019-20 (EXE 101)	<p>Roland Palencia, <i>Director, Community Benefits</i>, summarized the reports provided as Attachments A and B. Attachment A includes all grants approved for the recently concluded fiscal year. Attachment B is all grants made in previous years that are still active. The cover memo details the decision making process. The report will be sent to all board members each year.</p> <p>Member Perez noted that she believes that site visits are important to get member input.</p>	

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	<p>Mr. Palencia noted that grant applications are highly vetted and go through a stringent process.</p> <p>Mr. Baackes noted that grant making is Mr. Palencia’s area of expertise. The grant funding comes from L.A. Care’s \$10 million Community Health Investment Fund (CHIF) annual budget and regular reports are required. Sponsorships are overseen by Francisco Oaxaca, <i>Senior Director of Communications and Community Outreach</i>, as part of Communications Department; the process for sponsorships is not as rigorous and there is no follow up.</p> <p>Member Booth noted that she had a discussion with Mr. Palencia earlier and explained it’s not that she thinks the program is not worthwhile. She feels it is perception, and L.A. Care needs to distribute money fairly and deservedly. Member Booth added she believes there is opportunity for data analysis and developing best practices. Member Booth will continue to talk to Mr. Palencia further. She is pleased with outcome of the discussion.</p> <p>Member Perez also wanted to say as a member representative, all comments are from the side of the member. It is not her intention to disrespect staff but to try to do better.</p> <p>Member Booth noted that fiscal year reporting might be helpful. Mr. Palencia clarified the timing of the reports and which grants are included in the report.</p> <p><u>Motion EXE 101.1219</u></p> <p>1. To approve the recommended use of the Community Health Investment Fund (CHIF) FY 2019-20 allocation of up to \$10 million in the following priority categories:</p> <ul style="list-style-type: none"> (1) Support safety net clinics’ infrastructure to provide high quality and coordinated services to help them thrive in a managed care environment at \$2.5 million, (2) Expand access to high-barrier services for low-income and vulnerable populations at \$1.5 million, (3) Improve community health for underserved populations by addressing the social determinants that lead to poor health outcomes at \$2.0 million, (4) \$4.0 million is recommended for Brilliant Corners, in partnership with the Los Angeles County Department of Health Services’ Flexible Housing Subsidy Pool fund, to provide housing for homeless individuals, including L.A. Care members. These funds will also support the goals of the Whole Person Care initiative under the new California Medi-Cal waiver. 	<p>Approved unanimously. 6 AYES</p>

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	<p>2. Delegate authority to implement the CHIF program to the CEO and also to approve grant investments of up to \$150,000 per applicant. Allow for CEO to adjust maximum or minimum priority category amounts noted above to align with community needs and requests. All other policies and approvals related to grant making investments will remain in place.</p>	
<p>Approve Consent Agenda for the Board of Governors Meeting</p>	<p>The Committee approved the following motions to be added to the Consent Agenda for the Board of Governors meeting on December 5, 2019:</p> <ul style="list-style-type: none"> • Approve November 7, 2019 meeting minutes • 2020 State & Federal Policy Agenda • Quarterly Investment Report • Revisions to Accounting & Financial Services Policies <ul style="list-style-type: none"> ○ AFS-006 (Authorization and Approval Limits) ○ AFS-025 (Tangible Net Equity and Working Capital Reserves) ○ AFS-027 (Travel Expenses) ○ AFS-029 (Annual Budgets and Board of Governors Oversight) • RCAC Members 	<p>Approved unanimously. 6 AYES</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 2:40 p.m.</p> <p>CONTRACT RATES Pursuant to Welfare and Institutions Code Section 14087.38(m)</p> <ul style="list-style-type: none"> • Plan Partner Rates • Provider Rates • DHCS Rates <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>November 2021</i></p> <p>CONFERENCE WITH LEGAL COUNSEL –EXISTING LITIGATION Section 54956.9(d)(1) of Ralph M. Brown Act:</p>	

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	<p>Names of cases:</p> <ul style="list-style-type: none"> • Dignity Health and Northridge Hospital Medical Center v. L.A Care Health Plan et al. (BC583522); Appeal No. B288886 • Dignity Health and Northridge Hospital Medical Center v. L.A Care Health Plan et al. (BS172353) • California Hospital Medical Center et al (Dignity) v. L.A. Care (JAMS. 1220056913) <p>CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION Pursuant to Section 54956.9(d)(1) of Ralph M. Brown Act: Name of Case: Butler v. L.A. Care Case No. 18STCV08155</p> <p>CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9 of the Ralph M. Brown Act Two Potential Cases</p>	
RECONVENE IN OPEN SESSION	The meeting reconvened in open session at 3:05 pm. No reportable actions were taken during the closed session.	
Employee Annual Incentive Plan (EXE 102)	<p>Terry Brown, <i>Chief Human Resource Officer</i>, presented a motion requesting approval of disbursement of funds for the Individual Annual Incentive Program. Annually L.A. Care has a program to provide additional compensation to employees that are not on a production incentive program. This year employees met the enterprise goals at 101% of target. Individual performance is also measured.</p> <p><u>Motion EXE 102.1219</u> To authorize the disbursement of funds up to \$7,200,000.00 for the Individual Annual Incentive Program, based on the completion of pre-determined individual goals and targets in support of L.A. Care’s FY 2018-19 Organizational Goals. Distribution of the annual incentive payout shall be guided by Human Resource Policy No. 602, Annual Organizational Incentive Program.</p>	Approved unanimously. 6 AYES
ADJOURNMENT	The meeting adjourned at 2:17 pm.	

Respectfully submitted by:

APPROVED BY:

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

Hector De La Torre, *Chair*
Date: _____

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Victor Rodriguez, *Board Specialist II, Board Services*

APPROVED BY:


Hector De La Torre, *Chair*
Date: 1-27-20

APPROVED