

**BOARD OF GOVERNORS**  
**Executive Committee**

**Meeting Minutes – April 26, 2021**

1055 West 7<sup>th</sup> 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

**Management/Staff**

John Baackes, *Chief Executive Officer*  
 Terry Brown, *Chief Human Resources Officer*  
 Linda Greenfeld, *Chief Product Officer*  
 Augustavia J. Haydel, Esq., *General Counsel*  
 Tom MacDougall, *Chief Information & Technology Officer*  
 Marie Montgomery, *Chief Financial Officer*  
 Francisco Oaxaca, *Chief of Communications & Community Relations*  
 Noah Paley, *Chief of Staff*  
 Acacia Reed, *Chief Operating Officer*  
 Richard Seidman, MD, MPH, *Chief Medical Officer*

**California Governor issued Executive Order No. N-25-20 and N-29-20, which among other provisions amend the Ralph M. Brown Act. Members of the public can listen to this meeting via teleconference.**

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<b>CALL TO ORDER</b>	<p>Hector De La Torre, <i>Chairperson</i>, called to order the L.A. Care Executive Committee and the L.A. Care Joint Powers Authority Executive Committee meetings at 2:21 p.m. The meetings were held simultaneously. He welcomed everyone to the meetings.</p> <ul style="list-style-type: none"> <li>• For those who provided public comment for this meeting by voice message or in writing, we are really glad that you provided input today. The Committee will hear your comments and we also have to finish the business on our Agenda today.</li> <li>• If you have access to the internet, the materials for today’s meeting are available at the lacare.org website. If you need information about how to locate the meeting materials, please let us know.</li> <li>• Information for public comment is on the Agenda available on the web site. Staff will read the comment from each person for up to three minutes.</li> <li>• The Chairperson will invite public comment before the Committee starts to discuss the item. If the comment is not on a specific agenda item, it will be read at the general Public Comment item 2 on today’s agenda.</li> </ul>	

**APPROVED**

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<b>APPROVE MEETING AGENDA</b>	The Agenda for today's meeting was approved.	<b>Approved unanimously by roll call. 5 AYES (Ballesteros, Booth, De La Torre, Gonzalez and Perez)</b>
<b>PUBLIC COMMENTS</b>	There were no public comments.	
<b>APPROVE MEETING MINUTES</b>	The minutes of the March 22, 2021 meeting were approved as submitted.	<b>Approved unanimously by roll call. 5 AYES</b>
<b>CHAIRPERSON'S REPORT</b>	Chairperson De La Torre commended staff for doing a wonderful job in managing the incredibly difficult COVID-19 pandemic while continuing to serve L.A. Care's members. He noted that L.A. Care remains steady despite the challenges. He has attended a couple of the vaccination clinics and has seen staff volunteering to help members and others getting the vaccine. It was incredibly difficult to arrange the vaccination events, particularly after underserved communities, in the early months of the pandemic, were not getting vaccines at the same rates as other communities. It is still the case that healthier and wealthier communities are getting the vaccines at a much higher percentage than lower income underserved communities. L.A. Care is really trying to address this disparity by scheduling these vaccination clinics. He saw a report from the Center for Disease Control (CDC) that 8% nationwide of people who received the first dose of a two-part vaccine have not gotten the second dose. The effectiveness of the vaccine increases tremendously with the second dose. He feels we need to do more to promote and encourage people to get the second dose, and to overcome the recent misinformation and distrust around the Johnson & Johnson vaccine. L.A. Care is doing a great job, and there is more work to be done.	
<b>CHIEF EXECUTIVE OFFICER REPORT</b>	John Baackes, <i>Chief Executive Officer</i> , reported: <ul style="list-style-type: none"> <li>L.A. Care's vaccine clinics using the Johnson &amp; Johnson vaccine are directed to helping members and others receive the COVID-19 vaccine. Four of the 16 scheduled clinics were completed when the CDC and the Federal Drug Administration (FDA) announced a pause in administering the vaccine. On Friday, the CDC and FDA announced that the Johnson &amp; Johnson vaccine can again be administered. L.A. Care is working to reorganize the schedule to resume the vaccination events and continue to administering the vaccine.</li> </ul>	

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	<ul style="list-style-type: none"> <li>• He thanked Chairperson De La Torre for his compliments to the staff. L.A. Care’s staff has been working hard. The fiscal year budget was approved with a deficit, revised the financial projections, and is outperforming the restated budget. This is because of good work by staff, and he feels the organization is working hard together, and the success of a remote workforce will be considered as a return to the offices is considered at some point in the future.</li> <li>• Of concern in the future, there are major changes for managed care health plans in January 2022, in the implementation of new programs in Population Health Management (PHM), Enhanced Care Management (ECM) and In Lieu of Services (ILOS). There are currently more questions than answers about the responsibilities of health plans and the resources that will be available to implement these new programs. The new benefits are built on two federal 1115 waiver programs, Whole Person Care and Health Homes, which expire at the end of 2021, under a one-year extension. In the midst of the current pandemic, the new programs are creating an unrelenting stream of additional work for health plan staff. L.A. Care is working with state officials to help them understand the impact of the new programs on our workforce.</li> </ul> <p>Mr. Baackes asked Richard Seidman, MD, MPH, <i>Chief Medical Officer</i>, for his report:</p> <ul style="list-style-type: none"> <li>• Over 3,000 vaccines were distributed in the first week of scheduled COVID-19 vaccine events. The second and third weeks were canceled due to the pause in administration of the Johnson &amp; Johnson vaccine. Following the reauthorization to administer the vaccine, two of the four vaccine events for this week were successfully rescheduled, and L.A. Care will work with Los Angeles County Department of Public Health and Blue Shield Promise to reschedule all of the scheduled vaccine events and to address any concerns about the vaccine.</li> <li>• An estimated 500,000 L.A. Care’s members have received at least the first dose of a vaccine, and about half of those have received both doses. Of L.A. Care’s 2.2 million members, approximately 500,000 are children under 16 years of age and are not yet eligible to receive a vaccine.</li> <li>• There is continued focus on reaching the most vulnerable in Los Angeles County, which is estimated to be 25% of the population, particularly with messages to address vaccine hesitancy. A report received two weeks ago estimated that 40% of the available vaccine had been administered to that 25% of the population. This is a</li> </ul>	

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	<p>better performance than some areas in California and across the nation. There is more work to be done.</p> <ul style="list-style-type: none"> <li>• Female L.A. Care members are vaccinated at a higher rate than males, so messages are being developed to encourage the male members to get vaccinated.</li> <li>• L.A. Care's Cal MediConnect members have a higher rate of vaccination than members in other programs.</li> <li>• Geographically, data is showing that members in South Los Angeles and in the Antelope Valley have lower rates of vaccination.</li> </ul> <p>Mr. Baackes noted that L.A. Care membership continues to grow, and is currently just short of 2.4 million members. Many members have retained their benefits because of the suspension of the redetermination of eligibility process for Medi-Cal. Los Angeles County has a population of 10 million, so 1 in 4 residents receive their health coverage from L.A. Care.</p>	
<b>Strategic Vision Progress Report</b>	A written report was included in the meeting materials ( <i>a copy of the report can be obtained by contacting Board Services</i> ).	
<b>Government Affairs Update</b>	<p>Cherie Compartore, <i>Senior Director, Government Affairs</i>, reported:</p> <ul style="list-style-type: none"> <li>• In addition to the California Advancing and Innovating Medi-Cal (CalAIM) trailer bill that California's Governor administration and the Department of Health Care Services (DHCS) is working on, it is important to remember that it will be the general guidelines or framework and the legislature will enact legislation to implement the managed care related programs. L.A. Care has begun communicating the concerns about the program with legislative representatives as well.</li> <li>• It has been announced that AB 1400, which proposes single payor for health care, has stopped moving forward because additional funding sources are being sought. L.A. Care will continue to watch legislation and engage with legislators in this area.</li> </ul> <p>Member Gonzalez asked about the format of the legislative report in the meeting materials. Ms. Compartore offered to discuss individual legislation. Member Gonzalez asked about bills that are not included in this report. Ms. Compartore noted that only priority bills are listed on this report. A public comment had been received to include all bills, and Ms. Compartore will include all bills that are being monitored in future reports.</p>	

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	<p>Chairperson De La Torre noted that bills are submitted and are edited in committee to reflect a narrower focus on components that are more acceptable to other legislators, in order to garner votes to move forward through the legislative process.</p>	
<p><b>Approve Revised Legal Services Policy LS 007 (Legal Hold of Records, Documents; Preservation of Evidence)</b></p>	<p>Augustavia J. Haydel, Esq., <i>General Counsel</i>, summarized the revisions to Legal Services Policy &amp; Procedure No. LS-007 (Legal Hold of Records, Documents; Preservation of Evidence) pertaining to notifying staff and others of a placement of legal hold on documents and preservation of records, which expand the definition of covered individuals, ensure consistent use of defined terms, and comply with format of new template.</p> <p>Member Booth asked about current responsibilities of Board Members for preservation of records. Ms. Haydel indicated that the responsibilities of Board Members remain unchanged from the previous version. L.A. Care has retention guidelines. Member Booth asked for a copy of those guidelines.</p> <p><b><u>Motion EXE 100.0521</u></b>  <b>To approve the revisions to the attached Legal Services Policy &amp; Procedure No. LS-007 (Legal Hold of Records, Documents; Preservation of Evidence) and delegate authority to General Counsel or designee to make any non-substantive or technical changes.</b></p>	<p><b>Approved unanimously by roll call. 5 AYES</b></p>
<p><b>Approve Funding to support Charles R. Drew University of Medicine and Science</b></p>	<p>Mr. Baackes noted that when the <i>Elevating the Safety Net</i> program was created by the Board of Governors; unassigned financial reserves were set aside to fund the program. A request was previously approved for funding to Claremont College Keck Graduate Institute for a new Community Medicine Medical School. This additional request is also consistent with L.A. Care’s goal to expand access to medical services by building a pipeline of future safety net providers.</p> <p>Cynthia Carmona, <i>Senior Director, Safety Net Initiatives</i>, summarized a motion requesting approval to provide funding support for the development of a new independent medical education program (IMEP) at the Charles R. Drew University of Medicine and Science (CDU), College of Medicine. Since 1981 CDU has partnered with the University of California, Los Angeles (UCLA) with support from the state legislature, to train 24-28 medical students per year.</p> <p>There have been longstanding plans by CDU to have an independent medical education program, with support from UCLA. The new independent medical education program</p>	

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	<p>(IMEP) will admit 60 medical students annually starting in the summer of 2023. This program will complement, and not replace, the current CDU forty-year partnership with the University of California, Los Angeles (UCLA).</p> <p>As of April 15, 2021, CDU has raised \$11,975,00 towards the five-year, \$75 million comprehensive campaign, from institutions such as the Kaiser Foundation Hospitals and the California Endowment. To further support the fund raising efforts, CDU has been working with California legislature and Congress to seek appropriations or an earmark for the IMEP as well as inclusion in a higher education bond measure; has hired a major gift officer to secure major gifts to the university; and has planned meetings with several foundations to confirm additional funding support.</p> <p>CDU is seeking a one-time \$5 million grant from L.A. Care to support the following key developments:</p> <ul style="list-style-type: none"> <li>• Enhance the current Simulation Center to offer medical training activities for students and faculty;</li> <li>• Establish a center for faculty development to focus on the recruitment, retention and development of faculty;</li> <li>• Establish a service learning program for medical students to offer certifications as emergency medical technicians, community health workers and patient navigators; and</li> <li>• Develop a community health pre-matriculation training experience focused on professionalism and wellness activities for medical students.</li> </ul> <p>The IMEP builds on L.A. Care’s current funding support for CDU under our Elevating the Safety Net (ESN) initiative - Medical School Scholarship Program and Residency Support Program.</p> <p>L.A. Care considers this program well-aligned with our ESN guiding principles of increasing health access, promoting equity and cultural competence, as well as building a premier health care workforce. L.A. Care’s ESN programs seek to increase access for our members in Los Angeles County and improve equity and cultural competence among our provider network.</p> <p>Member Booth commented that this could be a great program, involving people who are really invested in the community and will be able to do a good job caring for them. She wants to be sure that it will help patients in Los Angeles County. She noted that hopes are high that the matriculating students will want to practice in Los Angeles County at</p>	

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	<p>the end of their residencies. But there is no commitment, and they may not want to remain in Los Angeles County. She also noted that this program will begin in 2023, and the benefit that may be seen for primary care doctors would not materialize until at least 2030, and for sub-specialty practice it could be 2034 or 2035. She asked about making recommendations to the school for requesting a commitment from students to remain in Los Angeles County, and for students to achieve Spanish language fluency.</p> <p>Ms. Carmona responded that the request is not for scholarship funding, and she will discuss the recommendations with CDU. Mr. Baackes stated that the recommendations could be presented to CDU as highly desirable outcomes. He noted that in the three years L.A. Care has worked with CDU, it seems CDU looks for students who are from the area, as those students are more likely to remain. Dr. Seidman commented that as an alumnus of CDU, he has remained in Los Angeles. CDU is committed to recruiting local students and training them to be sensitive to the needs of the community surrounding Martin Luther King Jr. Community Hospital. CDU recognizes the relatively low rate of physicians for the local population and the need to train students that are likely to remain in the area. The workforce is not sufficient to meet the needs of low-income parts of Los Angeles County. CDU acknowledges that the number of students has remained at 24 to 28 since 1981. By starting up this program to train 60 more students per year, significantly increasing the opportunity for students who are more likely to stay and serve the underserved communities in Los Angeles County.</p> <p>Member Gonzalez asked if there is support for students who may need additional services to ensure support for graduation. Mr. Baackes noted that the young adults entering the program will have already earned a Bachelor’s Degree, and with that accomplishment, they probably are not in need of much help. Dr. Seidman commented that CDU makes a very determined effort to support the students, while recognizing that these students have overcome many obstacles in being accepted to medical school. Students that may need support may be offered the opportunity to enroll in a transitional period, where additional support is available to enable them to successfully transition to medical school and to graduate. CDU also has an extensive network of funders to provide scholarships for the students. Ms. Carmona responded that as part of discussions with CDU, it was noted that in the first year of the program the workload for the new students is handled with sensitivity to avoid overload.</p> <p>Member Perez asked about opening L.A. Care’s funding opportunity to students at other universities. Mr. Baackes responded that research at the beginning of the program found</p>	

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	<p>that these two schools produced students that aligned with L.A. Care’s goals. The request for funding of the Claremont College Keck Graduate Institute Community Medicine program, was because of the goal of that program to graduate doctors who would want to work in the safety net. L.A. Care has limited funds and participates in programs that have the most promise. Ms. Carmona added that L.A. Care staff has met with a number of institutions with regard to the scholarships and residency programs. Not all are the same in terms of the focus and commitment to the communities L.A. Care is seeking to support.</p> <p>Member Perez stated that she understands that students may not accept a medical school opportunity if there is a requirement to remain in the area after graduation. Mr. Baackes acknowledged that L.A. Care funds the scholarships in good faith with students that understand the stated goal for graduates to remain in the community. His conversations with the students assures him that most, if not all, will serve Los Angeles County residents after graduation.</p> <p>Member Perez asked if other institutions that may have seen the benefit of these scholarships might be inclined to align with L.A. Care’s goals. Ms. Carmona indicated that no other institutions have reached out to her regarding the scholarships. There have been inquiries regarding residency support through <i>Elevating the Safety Net</i>, and it is sometimes clear that the program is not aligned.</p> <p>Dr. Seidman indicated that it is understandable that other institutions may not need additional funding for their students, and there may be a different focus for other institutions in the ways their students are trained.</p> <p>Member Booth suggested that additional information about the number of students that remain in Los Angeles County may help the Board in making these decisions.</p> <p>Member Ballesteros commented that he has seen that students recruited from the community do return to apply for positions in that community. The investment in those students represents a benefit to the community whether or not they return.</p> <p>Member Booth suggested that CDU be asked to provide data about the number of students that remain in Los Angeles County, to consider it highly desirable for graduates to (1) commit to remaining in Los Angeles County to practice medicine after graduation, and (2) achieve proficiency in a language (other than English) spoken in Los Angeles County.</p>	



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	<p>The Board directed that Ms. Carmona discuss addressing the suggestions by the Board and report at the May 6 Board of Governors' meeting.</p> <p><b><u>Motion EXE 101.0521</u></b>  <b>Authorize an expenditure in the amount of \$5 million for the Charles R. Drew University of Medicine and Science (CDU) to support the development of an independent medical education program (IMEP) in South Los Angeles for the period of July 1, 2021 through December 31, 2027,</b></p>	<p><b>Approved unanimously by roll call. 5 AYES</b></p>
<p><b>AB 2589 – Annual Disclosure of Broker Fees</b></p>	<p>Terry Brown, <i>Chief Human Resources Officer</i>, summarized the Annual Disclosure of Broker Fees report included in the meeting material to comply with the requirements of AB 2589 in reporting insurance broker fees associated with the various health and welfare benefits L.A. Care offers to its employees, identified below is the disclosure of the commission earned by Woodruff Sawyer, our broker of record for the majority of our various health and wellness insurers providing L.A. Care employee benefits for the last two fiscal years (2019-2020 and 2020-2021). Commission is 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. L.A. Care is paying 1.9%, and the median in Los Angeles County is 2.83%. L.A. Care also benefits from consulting services provided by the broker out of those fees.</p>	
<p><b>Approve the Consent Agenda for May 6, 2021 Board of Governors meeting</b></p>	<p>Approve the list of items that will be considered on a Consent Agenda for May 6, 2021 Board of Governors Meeting.</p> <ul style="list-style-type: none"> <li>• Minutes of April 1, 2021 Board of Governors Meeting</li> <li>• Revisions to Legal Services Policy LS-007 (Legal Hold of Records, Documents; Preservation of Evidence)</li> <li>• Quarterly Investment Report</li> <li>• Microsoft Agreement Renewal</li> </ul>	<p><b>Approved unanimously by roll call. 5 AYES</b></p>
<p><b>PUBLIC COMMENTS</b></p>	<p>There were no public comments for the closed session items.</p>	
<p><b>ADJOURN TO CLOSED SESSION</b></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 3:32 p.m.</p> <p><b>CONTRACT RATES</b>  Pursuant to Welfare and Institutions Code Section 14087.38(m)</p>	

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	<ul style="list-style-type: none"> <li>• Plan Partner Rates</li> <li>• Provider Rates</li> <li>• DHCS Rates</li> </ul> <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 2023</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 Two Potential Cases</p> <p><i>The following item was not discussed.</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>	
<b>RECONVENE IN OPEN SESSION</b>	The meeting reconvened in open session at 3:49 p.m. No reportable actions were taken during the closed session.	
<b>ADJOURNMENT</b>	The meeting adjourned at 3:50 p.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:

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Hector De La Torre, *Chair*

Date: \_\_\_\_\_

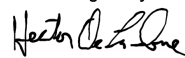
**APPROVED**

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APPROVED BY:

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Hector De La Torre, *Chair*

Date: 5/24/2021 | 3:49 PM PDT

**APPROVED**