

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

**Meeting Minutes – August 23, 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<br>ITEM/PRESENTER | MOTIONS / MAJOR DISCUSSIONS   | ACTION TAKEN |
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| <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 2:11 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<br/>AGENDA</b>  | The Agenda for today’s meeting was approved.   | Approved unanimously by roll call. 5 AYES<br>(Ballesteros, Booth, De La Torre, Gonzalez and Perez).<br><i>Member Curry experienced technical difficulties and was not able to vote.</i> |
| <b>PUBLIC COMMENTS</b>             | There were no public comments.   |   |
| <b>APPROVE MEETING<br/>MINUTES</b> | The minutes of the June 28, 2021 meeting were approved as submitted.   | Approved unanimously by roll call. 5 AYES<br>(Ballesteros, Booth, De La Torre, Gonzalez and Perez).<br><i>Member Curry experienced technical difficulties and was not able to vote.</i> |
| <b>CHAIRPERSON’S<br/>REPORT</b>    | Chairperson De La Torre thanked the L.A. Care staff members for their work during the pandemic. The situation seemed to be improving in June, but the recent surge in cases because of the Delta variant and the slow-down in vaccinations is discouraging. Rates of hospitalization due to COVID-19 or the variants are increasing. The vaccination rate for L.A. Care members is slightly above 50% and there is still a lot of work to be done. He thanked staff for their ingenuity, for the public events and vaccination clinics, and in supporting events put together by other organizations. L.A. Care continues to encourage people to get vaccinated. A week or so ago, the rates of vaccination for Latinos and African Americans in Los Angeles County was under 50%. These are numbers that invite further infections and hospitalizations, and unfortunately will invite further fatalities. L.A. Care staff has been doing their regular jobs plus their “COVID-19 job” all at the same time. He thanked staff and he recommitted himself and colleagues on the Board of Governors to doing whatever is needed to increase the vaccination rates among L.A. Care members and throughout Los Angeles County, California and everywhere. We are not near the fall yet, when the ‘flu and other diseases spread. If the numbers are this bad in August, he is afraid for what may happen in the coming fall and winter months. L.A. Care staff is working long hours and will continue to do so, and the line between |   |

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|                                       | home and work lives has blurred. He thanked the staff and stated that the Board will support staff in every way it can to help get everyone through this very difficult time.   |              |
| <b>CHIEF EXECUTIVE OFFICER REPORT</b> | <p>John Baackes, <i>Chief Executive Officer</i>, thanked Chairperson De La Torre, on behalf of all his colleagues at L.A. Care, for the recognition of the tremendous effort that has been made over the last 18 months. He reported:</p> <ul style="list-style-type: none"> <li>• The amount of work that is facing the health plan and the stress associated with that is the highest he has ever seen in his career. Staff is managing tasks associated with the COVID-19 pandemic, and staff members are volunteering outside of regular duties for events to assist the community such as food pantries, vaccine clinics and Back to School events. <ul style="list-style-type: none"> <li>○ The staff is burdened with implementing significant changes in Medi-Cal programs which will start on January 1, 2022, under the California Advancing and Innovating Medi-Cal (CalAIM), which includes Enhanced Care Management (ECM), In Lieu of Services (ILOS) and Population Health Management (PHM).</li> <li>○ The California Department of Health Care Services (DHCS) is implementing a change to Medi-Cal prescription drug benefits which will take effect on January 1, 2022. The pharmacy department staff at L.A. Care has identified at least 18 tasks that will need to be accomplished to smoothly transition those prescription drug benefits for L.A. Care members.</li> </ul> </li> <li>• It has become apparent that employees are under a tremendous amount of stress and there is a lot of discussion about work-life balance. The management team is reviewing ways to mitigate the workload to create a better balance, which involves additional staff and reorganization. <ul style="list-style-type: none"> <li>○ Within the last two weeks, DHCS identified \$350 million which will be available to Medi-Cal managed health care plans for vaccination incentive programs. As Chairperson De La Torre noted, the rate of vaccination among Medi-Cal beneficiaries lags behind the overall rate of the general population by 20 points or more in California. It was determined that health plans are closer to the patients in Medi-Cal and could be the best agencies to get more people vaccinated. L.A. Care will submit a detailed plan to DHCS by September 1, and staff is working hard to develop that plan to meet the specifications and set in place the structure to administer that program. DHCS has set specific goals in the vaccination incentive program and health plans must meet milestones in</li> </ul> </li> </ul> |              |

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|   | <p>increasing the vaccination rate among Medi-Cal beneficiaries. The vaccination rate for L.A. Care’s members eligible to receive the vaccine is about 52% compared to a county-wide rate of 74%, a gap similar to most counties in California. Fortunately, the vaccination rate for Medi-Cal beneficiaries in Los Angeles County is 3 to 4% ahead of rates reported in other California counties. The DHCS vaccine incentive program will begin on September 22.</p> <ul style="list-style-type: none"> <li>• He noted that L.A. Care staff is going above and beyond the call of duty to implement all these new programs. He will provide more information at the upcoming Board Meeting on September 2.</li> </ul>  |              |
| <p><b>Government Affairs Update</b></p> | <p>Cherie Compartore, <i>Senior Director, Government Affairs</i>, reported:</p> <ul style="list-style-type: none"> <li>• The Biden Administration announced a permanent increase of 25-30% in the supplemental benefits for the Supplemental Nutrition Assistance Program, which is called CalFresh in California, starting October 1, 2021. There currently is a 15% COVID-19 related increase which will expire at the end of September. The new rates will be based on eligibility. L.A. Care will be conducting outreach and partnering with various organizations to spread the word and enroll more people who are eligible in CalFresh.</li> <li>• The California Legislature returned to Sacramento last week from summer recess. There are three weeks remaining in the current session. The Senate and Assembly Appropriations Committee must hear all bills with associated costs by August 26. Bills associated with a high cost will likely be moved into the suspense file. The actions of the Appropriations Committee will be closely monitored as bills that proceed from this Committee may have a chance to be passed at the end of the current session which ends on September 10. Approved bills will be sent to the Governor to sign into law or veto by October 10.</li> <li>• A written update on the California State Budget is included in the meeting materials. The update outlines key items that may impact L.A. Care’s strategic and operational interests.</li> <li>• A list of proposed legislation is also included in the meeting materials. By the September 2 Board Meeting we will have more information about which legislation will move forward.</li> </ul> |              |

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| 2022 Board & Committee Meetings Schedule  | <p><b>Motion EXE 100.0921</b><br/> <b>To approve the 2022 Board of Governors and Committees meeting schedule as submitted.</b></p>   | <p><i>The Executive Committee Members agreed by consensus to include this motion on the Consent Agenda for the September 2, 2021 Board Meeting.</i></p> |
| <p><b>Authorization of Expenditures for the Provider Loan Repayment Program under the Elevating the Safety Net Initiative</b></p> | <p>Cynthia Carmona, <i>Senior Director, Safety Net Initiatives</i>, summarized a motion to authorize an expenditure of up to \$6 million, resulting in 34 new provider awards, bringing the total investment in the Provider Loan Repayment Program (PLRP) under the Elevating the Safety Net Initiative (ESN) to \$18 million and 101 provider awards, since launching the ESN in the summer of 2018. There are 12 providers currently on the waiting list for this program.</p> <p>All providers awarded under the PLRP are committed to practicing in L.A. County’s safety net for at least three years and are contracted with L.A. Care to serve Medi-Cal members. The PLRP has experienced a 92% program retention rate with only nine providers no longer eligible for their award due to changes in employment status or complete payment of educational debt. The PLRP is currently administered by Uncommon Good.</p> <p>To continue the success of recruiting and retaining providers committed to practicing in L.A. County’s safety net, our review committee would like to propose two expenditure requests for consideration:</p> <ol style="list-style-type: none"> <li><b>1. PLRP new grant of \$6 million to award between 30 and 60 new providers</b><br/> The review committee requests approval of an additional \$6 million to award between 30 and 60 new providers who meet the eligibility criteria, including a three-year commitment to practice in L.A. County’s safety net. As of August 16, 2021, 12 new providers have applied for award funds and are waiting for approval.</li> <li><b>2. PLRP new grant of \$1.96 million to award up to 22 providers a two-year award extension</b><br/> The review committee requests approval of an additional \$1.96 million to support 22 current awardees by offering extended loan repayment assistance for an additional two years. Awards extensions will be available for providers who have committed to practicing in L.A. County’s safety net for at least three years under our PLRP.</li> </ol> |   |

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|  | <p>The total budget request proposed under this board motion is \$7.96 million to expand and sustain awards under our PLRP starting in FY 2021-22 through FY 2024-25.</p> <p>Mr. Baackes noted that some physicians recruited in the first two years of the program are now completing their third year and still have debt from medical school. L.A. Care could continue to retire that debt for physicians that remain committed to serving patients through the safety net of providers in Los Angeles County. The amounts will vary among the physicians in the program.</p> <p>Board Member Booth asked if there is any feedback from patients about the physicians in this program. Board Member Booth also asked about the physicians that did not remain in the program. Ms. Carmona responded that she does not have feedback information from patients about the participating physicians. She offered to provide Board Member Booth with information about physicians that have separated from the program.</p> <p>Richard Seidman, MD, MPH, <i>Chief Medical Officer</i>, stated that he has met some of the physicians in the program and they are very thankful for the support from L.A. Care and very committed to their positions with safety net providers. Those recipients have told Dr. Seidman that L.A. Care's support through medical school debt repayment enables them to practice in the setting of their choice without having to worry much about their medical school debt. Dr. Seidman noted that while this is anecdotal information, he has consistently heard positive feedback about the program from participating physicians. Board Member Booth stated that she appreciates the 92% that remain in the safety net and hopes that level of participation in the program will continue.</p> <p><b><u>Motion EXE 101.0921</u></b><br/> <b>To delegate authority to the Chief Executive Officer to:</b></p> <ol style="list-style-type: none"> <li><b>1. Approve and authorize an expenditure of \$6 million to award new providers who are eligible for Provider Loan Repayment Program award funds starting in FY 2021-22 through FY 2023-24.</b></li> <li><b>2. Approve and authorize an expenditure of \$1.96 million to extend awards for 22 providers for an additional two years for each participant, starting in FY 2021-22 through FY 2024-25.</b></li> </ol> | <p>Approved unanimously by roll call. 5 AYES<br/> (Ballesteros, Booth, De La Torre, Gonzalez and Perez)<br/> <i>Member Curry experienced technical difficulties and was not able to vote.</i></p> |
| <b>Approve the Consent Agenda for September 2,</b> | <p>Approve the list of items that will be considered on a Consent Agenda for September 2, 2021 Board of Governors Meeting.</p> <ul style="list-style-type: none"> <li>• Minutes of July 29, 2021 Board of Governors Meeting</li> </ul>  |   |

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| 2021 Board of Governors meeting | <ul style="list-style-type: none"> <li>• 2022 Board and Committee Meeting Schedule</li> <li>• Quarterly Investment Report</li> <li>• Allocation of Funds to support L.A. Care’s Projects with Non-Travel Meals and Catering and Other Expenses exceeding \$10,000</li> <li>• Everise Contract Amendment</li> <li>• Alchemy Communications, Inc. Data Center Service Lease Agreement Extension</li> <li>• Children’s Health Consultant Advisory Committee new member, James Cruz, MD</li> </ul>  | <p>Approved unanimously by roll call. 5 AYES<br/> <b>(Ballesteros, Booth, De La Torre, Gonzalez and Perez)</b><br/> <i>Member Curry experienced technical difficulties and was not able to vote.</i></p> |
| PUBLIC COMMENTS                 | There were no public comments for the closed session items.   |  |
| ADJOURN TO CLOSED SESSION       | <p>Board Member Perez announced that today is her Birthday. Today is a special day for her, as God has given her the gift of life. She feels fortunate to help with L.A. Care’s efforts during the pandemic. Her family is healthy and she has a lot of things to be thankful for. She thanked Board Services for their support and efforts to make the meetings possible, both when Board Members met in person or virtually. Although she cannot give part of her birthday cake personally, she offered a virtual slice to all. She feels honored and proud to be on the Board and to be a part of L.A. Care. It is important to address areas of needed improvement and pay attention to the issues raised by the members. Chairperson De La Torre thanked Board Member Perez for her service to L.A. Care and commended her work as a Board Member. Board Member Perez noted that her children would likely not like to have another mom, but if she could clone herself to do more, she would do so. On behalf of the Board, Chairperson De La Torre wished Board Member Perez a wonderful birthday.</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 2:41 p.m.</p> <p><b>CONTRACT RATES</b><br/> Pursuant to Welfare and Institutions Code Section 14087.38(m)</p> <ul style="list-style-type: none"> <li>• Plan Partner Rates</li> <li>• Provider Rates</li> <li>• DHCS Rates</li> </ul> <p><b>REPORT INVOLVING TRADE SECRET</b><br/> Pursuant to Welfare and Institutions Code Section 14087.38(n)<br/> Discussion Concerning New Service, Program, Business Plan<br/> Estimated date of public disclosure: <i>August 2023</i></p> <p><b>CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION</b><br/> Significant exposure to litigation pursuant to Section 54956.9(d) (2) of Ralph M. Brown Act<br/> Three Potential Cases</p> |  |

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| <b>RECONVENE IN<br/>OPEN SESSION</b> | The meeting reconvened in open session at 3:06 p.m. No reportable actions were taken during the closed session. |              |
| <b>ADJOURNMENT</b>                   | The meeting adjourned at 3:07 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:

DocuSigned by:



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Hector De La Torre, *Chair*

Date: 9/27/2021 | 8:24 PM PDT

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