BOARD OF GOVERNORS
Finance & Budget Committee
Meeting Minutes – August 23, 2021

L.A. Care HEALTH PLAN

1055 W. 7th Street, Los Angeles, CA 90017

Members
Robert H. Curry, *Chairperson*
Stephanie Booth, MD
Hector De La Torre
Hilda Perez
G. Michael Roybal, MD

**Absent ** Via Teleconference*

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 Nos. 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
CALL TO ORDER	Robert H. Curry, *Committee Chairperson*, called the L.A. Care and JPA Finance & Budget Committee meetings to order at 1:07 p.m. He welcomed everyone and summarized the process for public comment during this meeting as reflected on the meeting agenda. • The Governor's Executive Order temporarily set aside some provisions of the Brown Act because of public health guidelines. • Board Meetings are conducted electronically so that all attendees can be safe and practice social distancing. • Comments from anyone who would like to address the Board and its committees are welcome and there are instructions on the Agenda. • L.A. Care members need us to continue the work of the Board, and the meetings are run so that members of the public can hear the meeting and can submit their comments by voice mail, text, or email. • Staff sends all comments in writing to the Board before the meeting. • All public comment is included in the minutes of the meeting, and any comments that were not read during the meeting are added at the end of the minutes.	

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	• Submitters of public comment must identify the Agenda item which the comment is addressing. If the submitter does not identify an agenda item for the comment to be read, the submitter's comment will be read for 3 minutes at the "Public Comment" item. • At the appropriate item on the Agenda, staff will read for 3 minutes the public comment from each submitter. Depending on how many comments are submitted, the 3-minute time could be adjusted to allow for more submitters to have their comments read. • The Board will continue reviewing and improving how public comments are received and distributed to Board members.	
APPROVE MEETING AGENDA	The Agenda for today's meeting was approved.	**Approved unanimously by roll call. 4 AYES (Booth, Curry, De La Torre, and Roybal)**
APPROVE CONSENT AGENDA	• June 28, 2021 meeting minutes • Quarterly Investment Report **<u>Motion FIN 100.0921</u>** **To accept the Quarterly Investment Report for the quarter ending June 30, 2021, as submitted.** • Allocation of Funds to support L.A. Care's Projects with Non-Travel Meals and Catering and Other Expenses exceeding $10,000 **<u>Motion FIN 101.0921</u>** **To approve the allocation of funds to support L.A. Care's Projects with Non-Travel Meals and Catering and Other Expenses exceeding $10,000 in the total amount of $497,775 for FY 2021-2022.** • Everise Contract Amendment **Motion FIN 102.0921** **To authorize staff to increase funds to the existing $21 million contract, in the amount of $4.5 million, not to exceed a total spend of $25.5 million, with Everise for call center services and to extend through March 31, 2022.**	**Approved unanimously by roll call. 4 AYES** **The Committee approved including FIN 100, FIN 101, FIN 102, and FIN 103 on the Consent Agenda for the September 2, 2021 Board of Governors meeting.**

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	• Alchemy Communications, Inc. Data Center Service Lease Agreement Extension **<u>Motion FIN 103.0921</u>** **To authorize staff to enter into a new 5-year Alchemy Communications Inc. data center service lease agreement in an amount not to exceed $4,407,256.62.** • Change Health Resources, LLC Contract **<u>Motion FIN A.0821</u>** **To authorize staff to execute an amendment to increase funds in the amount of $1.1 million, not to exceed a total spend of $2 million with Change Healthcare Resources, LLC to provide staff augmentation services through May 31, 2022.**	
PUBLIC COMMENTS	There were no public comments.	
CHAIRPERSON'S REPORT	Chairperson Curry commended and thanked Richard Seidman, MD, MPH, *Chief Medical Officer,* for his presentation at the L.A. Business Journal Annual Event on health care. Dr. Seidman did an outstanding job in presenting what L.A. Care has done during the pandemic with the adoption of telehealth, phone calls and extreme response in order to support the members.	

CHIEF EXECUTIVE OFFICER'S REPORT	*(Board Member Hilda Perez joined meeting.)*
	
	John Baackes, *Chief Executive Officer,* reported:
	• Mr. Baackes congratulated Chairperson Curry for his award by the Los Angeles Business Journal for his hospital's work during the pandemic.
	• Mr. Baackes highlighted the amount of work that is facing the health plan, and the stress on employees associated with that is at the highest he has experienced in his career. Staff is managing tasks associated with the COVID-19 pandemic, and staff members are volunteering outside of their regular duties at events to assist the community such as food distribution, vaccine clinics and Back to School distributions of supplies.
	  ○ 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) program, which includes Enhanced Care Management (ECM), In Lieu of Services (ILOS) and Population Health Management (PHM).
	  ○ 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	

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	will need to be accomplished to make the transition of those prescription drug benefits as smooth as possible for L.A. Care members. • 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 and to create a better balance, which involves additional staff and reorganization. o Within the last two weeks, DHCS identified $350 million which will be available to Medi-Cal managed health care plans for vaccination incentive programs. 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 to 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 increasing the vaccination rate among Medi-Cal beneficiaries. The vaccination rate for L.A. Care members eligible to receive the vaccine is about 52%, compared to a county-wide rate of 74%. This gap is 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. • He noted that L.A. Care staff is going above and beyond the call of duty to implement all these new programs. Chairperson Curry asked about the likelihood that Medi-Cal members will be more confident to get vaccinated, since the Federal Drug Administration (FDA) has granted full approval of the Pfizer drug. Dr. Seidman noted that the COVID 19 vaccines received expedited approval for emergency use. People have been waiting for the full approval, which further indicates that the vaccinations are safe. The approval process took some time. The approval now should help people be more confident about the vaccination safety, and may influence some people get the vaccine. Businesses and other organizations have been reluctant to mandate vaccination without the full approval.	

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	Mr. Baackes added that L.A. Care is tracking the progress. There is a significant increase in the number of people getting vaccinated since the COVID Delta variant surge, and more L.A. Care members will be getting vaccinated beginning in July. Chairperson Curry noted that the public health officer stated that there is no longer an excuse for not getting vaccinated. He hopes that vaccine hesitancy will change given the proven data of the efficacy of the vaccines. Mr. Baackes stated that L.A. Care's final plan to be submitted to the California Department of Health Care Services for the vaccine incentive program will be very comprehensive and will be shared with the Board. Board Member Roybal asked if L.A. Care is evaluating a mandate for vaccination of its employees. Mr. Baackes stated that a draft policy was reviewed, particularly to mandate vaccination for Community Resource Centers and Sales staff who work directly with the public. A proposed policy on vaccination will be shared with Blue Shield, our partner in some of the Community Resource Centers. All other L.A. Care employees will be required to be vaccinated within 30 days from when they return to the office on January 2022.	
COMMITTEE ITEMS		
Chief Financial Officer's Report • Financial Report • 9+3 Forecast Update	Marie Montgomery, *Chief Financial Officer,* reported: <u>Membership</u> L.A. Care's June 2021 membership is 2,429,174, which is 26,169 members favorable to the forecast and 97,000 member months favorable to the year-to-date (YTD) forecast. The suspension of Medi-Cal eligibility redeterminations continues to drive the membership favorability in June. The forecast assumed redeterminations will likely not restart prior to the end of the fiscal year and L.A. Care will continue to experience modest growth. Membership for L.A. Care Covered (LACC) increased to almost 98,000 members; above the forecast by 2,700 members. Open enrollment has been extended, and it is expected that a small increase will continue in the future. <u>Consolidated Financial Performance for June 2021</u> June 2021 results compared to the 3+9 forecast show a $180,000 net deficit for the month, which is $4.6 million favorable to the forecast. The favorability for the month is driven primarily by the operating margin, which is favorable by $6 million.	

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	There are positive and negative variances for revenue and healthcare expenses. The favorability in revenues and the unfavorability in healthcare expenses are due to the delay in the pharmacy program transition which was expected to be carved out of Medi-Cal in April. The financial impact for pharmacy was not included in the forecast. Incurred claims for the month were favorable by $12 million. Provider incentives are $4.1 million unfavorable, due to the release of the announcement for the L.A. Care incentive program. Administrative expenses in June were $80,000 favorable, which includes $2.1 million in unplanned pharmacy administrative costs. Non-operating expense is $1.5 million unfavorable in June due to timing in grant spending. <u>Consolidated Financial Performance YTD</u> YTD the net surplus is $103 million; $149 million favorable to the forecast. The overall favorability is driven primarily by lower than forecasted incurred claims of $133 million. For the year-to–date financial performance, we have the significant impact in revenues and healthcare expenses due to the delay in the carve out of Medi-Cal pharmacy benefits. The financial impact for pharmacy was not included in the forecast. <u>Consolidated Financial Performance (3+9 to 9+3 Forecast Comparison)</u> The 3+9 forecast assumed a deficit of $67 million as compared to a projected net surplus of $136 million in the 9+3 Forecast. The improvement in net surplus of $203M is driven by lower incurred claims of $200 million. The significant increase in revenues and healthcare expenses is due to the delay in transitioning the pharmacy benefits program which was assumed to take effect in April in our 3+9 Forecast. Overall administrative expense for 9+3 Forecast decreased by $1 million compared to the 3+9 Forecast. However, excluding the Navitus administrative expenses for both forecasts administrative expense is actually lower by $12 million in the 9+3 forecast due to lower spending in Purchased Services, Professional Fees and Business Fees <u>Variance Walk 3+9 Forecast and 9+3 Forecast</u> The original budgeted deficit was $169 million. The 3+9 Forecast deficit was $67 million and the 9+3 Forecast is projected to be at a $136 million surplus. The favorable impact from the pharmacy benefit is included for the full fiscal year. The most significant favorable item is $172 million in incurred claims. This is the main driver for a net surplus position. The	

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	medical costs drivers steering committee has been meeting bi-monthly and is focused on needed improvements to healthcare costs, including fee for service and capitation rates, changing risk arrangements and improvements in overpayment recoveries. Shared risk members moving to dual risk increases capitation expense by $40.2 million and contributes to incurred claims favorability. The unfavorable $10.6 million shared risk relates mainly to the level of incurred claims for LACC and CMC. Lower incurred claims for 2020 increases the shared risk expenses. For LACC, the final RAF score improved to .80 for calendar 2020 and that improved the revenue, pushing further into an MLR rebate position of $9.7 million. The updated RAF carries forward into the CY 2021 RAF estimates. The administrative expense is close to $12 million favorable excluding the Navitus fees for the pharmacy benefits program. **<u>Motion FIN 104.0921</u>** **To accept the Financial Report for June 2021, as submitted.**	**Approved unanimously by roll call. 5 AYES**
• FY 2021-22 Operating and Capital Budget	Ms. Montgomery presented the FY 2021-22 Operating and Capital Budget. *Members Curry, Perez and Roybal are considered not to be voting on the sections of the Budget for which there might be a potential financial conflict of interest. Members Curry, Perez, and Roybal may have financial interests in Plans, Plan Participating Providers or other programs and as such refrained from the discussion of those issues identified below. In order to expedite the process, such members' vote on the Budget reflects a vote concerning the entire budget excluding those items for which the member is abstaining, as identified:* *<u>Members Curry and Roybal</u>* *Community Programs (excluding Community Clinic Program/ (SCOPE) Plan)* *<u>Member Perez</u>* *Health Promoters/Promotoras Program* <u>FY 2021-22 Budget</u> <u>Membership Trend</u> • FY 2019-20. The decline in membership from the previous fiscal year was expected to continue to accelerate until March 2020, when the pandemic hit. The monthly Medi-Cal eligibility redetermination process was suspended, leading to a steady increase in membership.	

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	• FY 2021-22. The suspension of Medi-Cal eligibility redeterminations continues to drive an increase in membership through the first nine months of the fiscal year. That increase is projected to continue through the end of the fiscal year • FY 2021-22. Expected a slow restart of the redetermination process in January 2022. Projecting a 5% annual decrease in Medi-Cal membership spread out over the remainder of the fiscal year. <u>Membership 2021-22 Projections</u> • The projected net membership loss for FY 2021-22 is expected to be 54,000 members or 2.21%, with member months growing approximately 695,000 or 2.43%. • Medi-Cal membership is projected to drop beginning in January 2022 by 5% annually (0.42% per month) through end of the fiscal year. It is expected the monthly Medi-Cal eligibility redeterminations will restart and the redeterminations that were delayed will be processed gradually over the course of the year. • LACC & CMC membership projections are modeled to include member retention and new enrollment, driven by enhanced subsidies and broker support. LACC's membership is projected to result in a net enrollment (retained and new) increase to 100,000 members during the open enrollment period. This is an opportunity for growth, as LACC is currently priced in the #1 position for all metal tiers in both regions within L.A. County. CMC assumes a small increase in membership. • PASC-SEIU projections assume a flat membership. <u>FY 2021-22 Budget Assumptions</u> • The budget does not include revenue, healthcare expenses and administrative costs for CalAIM programs (Enhanced Care Management (ECM), In Lieu of Services (ILOS) and Major Organ Transplant). The financial impact from CalAIM and other initiatives will be provided in a future forecast. • As part of the revised forecast, staffing levels will be based on the results of the HMA administrative benchmark project. • Pharmacy carve-out for Medi-Cal will be effective January 1, 2022, with significant reduction in revenue and healthcare expense for Medi-Cal, including Plan Partners. The impact to revenue is a decrease of $774 million and the impact to healthcare expenses including capitation is a decrease of $726 million. Administrative expenses in the Budget have also been reduced by $15.2 million because of projected lower Navitus (PBM) administrative fees.	

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	<u>FY 2020-21 9+3 Forecast vs FY 2021-22 Budget</u> A $9 million decrease in the operating margin is projected, which includes the Medi-Cal pharmacy carve-out. The revenue decrease and healthcare costs are driven primarily by the pharmacy carve-out. The FY 2021-22 Budget projects a net surplus of $91 million; a $45 million decrease from the 9+3 Forecast. The margin before non-operating income and expense is stable at 1.7%. The Budget assumes a decrease in interest income due to the lower interest rate environment. <u>FY 2021-22 Budget Rate Assumptions</u> • CY 2021-22 Medi-Cal Classic Rates: DHCS rates for CY 2021 were used and assume a 3% rate increase across all categories of aid for CY 2022. • Medi-Cal CCI Duals (Non CMC): Final DHCS rates for CY 2021 were used, removed the pharmacy component and the SNF 10% rate increase, and increased the remaining rate by 3% for CY 2022. • CMC: The current rate levels were projected to FY 2021-22 and assumed Medicare revenue will increase 2.5% in CY 2022 • LACC: The revenue is based on the CY 2021 rates and the CY 2022 rates submitted to Covered California. <u>FY 2021-22 Paid vs Reported Trends</u> The FY 2021-22 budget is based on the six-month pre-pandemic cost levels. These costs were trended forward to the budget period with small trends varying from low negatives to low positives. Adjustments were made to Medi-Cal directly contracted network (MCLA) inpatient costs to better align them with the trends in the current financials. Additional adjustments were made to various inpatient categories for expected favorable experience due to recent contract changes. Fee for service costs continue to be difficult to predict due to the constantly changing healthcare landscape during the COVID-19 pandemic. The Budget projections blend pre-pandemic cost levels with current financial results. If there is a significant increase in claims due to a post-COVID utilization resurgence as a result of pent up demand for services, the budget assumptions may not be sufficient. CBAS claims levels have been elevated due to changes enacted by the Department of Health Care Services (DHCS) to provide necessary services to members telephonically and for meal delivery versus	

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	in-center services during the public health emergency. CBAS expense is expected to be lower once these services go back to being provided in centers. <u>FY 2021-22 Shared Risk & Provider Incentive Assumptions</u> The shared risk expense was increased for the upcoming fiscal year. The shared risk surpluses more recently are generated through LACC and CMC. The Provider Incentive Budget is fairly consistent but it includes the Behavioral Health Initiative incentive for participating provider groups. <u>FY 2021-22 Administrative Expenses Assumptions</u> Overall administrative expense for FY 2021-22 Budget increased by $3 million compared to 9+3 forecast. The 9+3 Forecast includes 12 months of Navitus pharmacy expense as compared to 3 months in FY 21-22 Budget. Excluding the Navitus expense, total administrative expense is increased by $18.3 million. Administrative cost is lower on a pmpm basis however the administrative ratio increases due to the revenue decrease. <u>Community Programs</u> The budgeted amounts for these grant programs are higher than the current fiscal year. The increases are in spending for Elevating the Safety Net and the Community Resource Centers for L.A. Care and Blue Shield Promise. <u>Operating Margin by Segment</u> Overall MCR decreases from 93.5% to 93.1%. • Plan Partners – MCR projected to stay fairly flat from 96.1% to 96.4% • SPD/CCI – MCR decreases from 93.5% to 89.0%. • TANF/MCE – MCR increases from 94.1% to 95.3%. • CMC – MCR stays flat from 90.0% to 90.9%. • Commercial – MCR increases from 77.3% to 82.4%. We assume LACC continues at an MCR that puts us close to the MLR floor level. <u>Risks and Opportunities</u> Claims trends can either be an opportunity or a risk. L.A. Care could see continued improvement including re-contracting and recoveries, or deterioration due to pent up demand. L.A. Care could see better rates than assumed and better than expected	

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	membership, particularly in LACC, and improved administrative efficiency due to technology enhancements. The retroactive institutional member reclassification is a risk. This could be a risk or an opportunity depending on the approach DHCS takes. The In Home Supportive Services final reconciliation and the CCI risk corridor relating to the 2014 to 2016 period are still to be finalized. <u>Key Initiatives in the 2021-22 Budget</u> • Planning and preparation for the various CalAIM programs • Enhanced Care Management (ECM) rates are expected at the end of September. Health Homes and Whole Person Care will transition to ECM on January 1, 2022. • L.A. Care has selected four In-Lieu of Services to offer for January 1, 2022 • Expecting to receive the allocation for incentives budgeted at $600 million per year over a 2.5-year period. The incentives will be focused on funding priority areas including delivery system infrastructure, ECM and ILOS provider capacity building, ILOS take-up and quality • Major Organ Transplant transition to managed care January 1, 2022 • Planning and preparation for CMC transition to D-SNP <u>Balance Sheet</u> The total fund equity is estimated to be over $1.1 billion at the end of September 2022. The Board Designated funds of $102 million are projected at the end of the current fiscal year. In the Workforce Development Initiative of Elevating the Safety Net, the final $31 million to be designated for fiscal 2021-22. <u>Tangible Net Equity (TNE)</u> TNE forecast is based on the 9+3 forecast surplus of $136 million. Using June actuals, the September 2021 projection is 520% of TNE and 42 days of cash on-hand, and any additional improvement to surplus or reduction to healthcare expenses will further increase the percentage. The projection for the FYE 2021-22 is 621% and 49 days of cash on-hand. <u>Key Capital Projects FY 2021-22</u> The capital projects budget is comparable to the prior year's budget. The major components are: • Leasehold improvements are primarily related to the CRC buildouts.	

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	• In the implementation of SAP, the premium billing and disbursements phases have been completed. Focus is now on the automation of the Medi-Cal revenue, which is a very significant phase. L.A. Care will also focus on accounts payable, the general ledger and financial reporting phases. Budgeting and forecasting, and procurement will follow according to the roadmap from IT. Acacia Reed, *Chief Operating Officer*, presented the Key Capital Projects for FY 2021-22. • CalAIM is the implementation of DHCS program to improve the quality outcomes and drive delivery system transformation through value based initiatives, modernization of systems, and payment reform. • Care Catalyst (New Health Services Clinical System) is a multi-year program focused on replacing the existing Care Management platform (Clinical Care Advance – CCA) to effectively and efficiently manage the workflows, data integration, analytics, and reporting for all core functions in L.A. Care's Health Services organization. • CMS Interoperability Mandate introduces new policies designed to expand access to health information and facilitate a seamless exchange of data. L.A. Care is creating technical infrastructure to enable and support members and providers to use API-based technologies. • D-SNP Product Launch involves the launch of a Dual Eligible Special Needs Plan (D-SNP) product for CY 2023 in response to DHCS requirement to transition CMC and CCI to a statewide Managed Long-Term Services and Support (MLTSS) and D-SNP structure. • Oracle upgrade will ensure security and robust functionality of L.A. Care's Oracle database infrastructure and extend the life of the asset. • Provider Roadmap is a multi-year program focused on improving L.A. Care's provider data quality and management, including enhancements to data intake, standardization, validation, storage, and reporting processes. • QNXT Insourcing is a multi-stage initiative to more efficiently host core system (QNXT) to realize significant cost savings in hosting and management. L.A. Care IT staff will gain greater flexibility in release management, maintenance schedules, and in development of functionality. • VOICE Program is a multi-year customer service infrastructure program enhancing systems, tools, and processes that transform the way L.A. Care's members and providers navigate and find information, including self-service options.	

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	• Operational Efficiencies & Regulatory Enhancements include Enterprise-scale enhancements to technology platforms and business processes, to improve operational performance, regulatory compliance performance, and cost efficiency across multiple areas. Chairperson Curry asked if the January 1, 2022 transition of pharmacy benefits could be further delayed because of the work it will entail to put the system in place to handle the volume of Medi-Cal beneficiaries and due to the conflict of interest in the ownership of Magellan. Mr. Baackes responded that in discussions with the CEOs of other local health plans in California, the legal review of the mitigation plan from Centene and Magellan proposes that the contract with Magellan can move forward. The legislature is not opposing the transition, and there is also little interest among consumer advocates. He thought one of the plans that bid and lost would challenge it. The health plans have no course to delay the transition. The legal reviews by Inland Empire Health Plan (IEHP) and L.A. Care will hopefully be done by next week. Chairperson Curry asked about the difficulty in transitioning the administration of the pharmacy benefits in just a few months. Mr. Baackes noted that L.A. Care is putting a lot of work into this. L.A. Care has provided data prior to the indefinite suspension of the transition. DHCS is moving forward and is going by the original budget projection of cost savings for California. The estimate of cost savings is exaggerated. The health plans are using bigger PBMs that have large buying power. Out of the 14 states who have this done this in the past, 10 have reversed it within 2-3 years because the savings did not materialize. Mr. Baackes added that the other group that should have a bigger stake in the pharmacy transition is the California Primary Care Association, which represents the Federally Qualified Health Clinics (FQHCs) and other groups. L.A. Care is keeping abreast of the developments. **<u>Motion FIN 105.0921</u>** **To approve the Fiscal Year 2021-22 Operating and Capital Budget, as submitted.**	**Approved unanimously by roll call. 5 AYES** **Members Curry, Perez and Roybal considered not to be voting on the sections of the Budget for which there might be a potential financial conflict of interest.**

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• Monthly Investments Transaction Reports	Ms. Montgomery referred to the investment transactions reports included in the meeting materials. (*A copy of the report can be obtained by contacting Board Services*). This report is provided to the Committee to comply with the California Government Code and is presented as an informational item. L.A. Care's total investment market value as of June 30, 2021 was $1.7 billion. • $1.4 billion managed by Payden & Rygel and New England Asset Management (NEAM) • $72 million in Local Agency Investment Fund • $201 million in Los Angeles County Pooled Investment Fund	
• Quarterly Internal Policy Reports	Ms. Montgomery referred to the 3rd Quarter Expenditure Reports required by L.A. Care Internal Policies for FY 2020-21 included in the meeting materials. (*A copy of the reports can be obtained by contacting Board Services*). L.A. Care's internal policies require periodic reports on all expenditures for business related travel expenses incurred by employees, members of the Board of Governors, Stakeholder Committees, and members of the Public Advisory Committees. The Authorization and Approval Limits policy requires reports for executed vendor contracts for all expenditures and the Procurement Policy requires reports for all sole source purchases over $250,000. These are informational items only, and do not require approval. • Policy AFS-004 (Non-Travel Expense Report) • Policy AFS-027 (Travel Expense Report) • Policy AFS-006 (Authorization and Approval Limits) • Policy AFS-007 (Procurement)	
ADJOURN TO CLOSED SESSION	Augustavia J. Haydel, Esq., *General Counsel*, announced the items that the Committee will discuss in closed session. There was no public comment on the Closed Session items, and the meeting adjourned to closed session at 2:05 pm. CONTRACT RATES Pursuant to Welfare and Institutions Code Section 14087.38(m) • Plan Partner Rates • Provider Rates • DHCS Rates REPORT INVOLVING TRADE SECRET Pursuant to Welfare and Institutions Code Section 14087.38(n) Discussion Concerning New Service, Program, Technology, Business Plan Estimated date of public disclosure: *August 2023*	

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RECONVENE IN OPEN SESSION	The meeting reconvened in open session at 2:08 pm Ms. Haydel advised the public that no reportable actions were taken during the closed session.	
ADJOURNMENT	The next meeting will be held on September 27, 2021. The meeting was adjourned at 2:09 pm	

Respectfully submitted by:

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

APPROVED BY:

Robert H. Curry

Robert H. Curry, *Chair*
Date Signed 10-5-2021

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