

BOARD OF GOVERNORS
Executive Committee
Meeting Minutes – September 20, 2022
 1055 West 7th Street, Los Angeles, CA 90017



L.A. Care
 HEALTH PLAN

Members

Hector De La Torre, *Chairperson*
 Al Ballesteros, *Vice Chairperson*
 Ilan Shapiro MD, MBA, FAAP, FACHE, *Treasurer*
 Stephanie Booth, MD, *Secretary*
 Hilda Perez

Management/Staff

John Baackes, *Chief Executive Officer*
 Terry Brown, *Chief of Human Resources*
 Augustavia Haydel, *General Counsel*
 Linda Greenfeld, *Chief Products Officer*
 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*

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’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, and the Board of Directors and all legislative bodies of the Joint Powers Authority will continue to meet virtually and the Boards will review that decision on an on-going basis as provided in the Brown Act. Members of the public had the opportunity to listen to the meeting via teleconference, and share their comments via voicemail, email, or text.

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
CALL TO ORDER	Alvaro Ballesteros, <i>Vice Chairperson</i> , called to order the L.A. Care Executive Committee and the L.A. Care Joint Powers Authority Executive Committee meetings at 2:07 p.m. The meetings were held simultaneously. He welcomed everyone to the meetings. <ul style="list-style-type: none"> • For those who provided public comment for this meeting by voice message or in writing, we are glad that you provided input today. The Committee will hear your comments and we also have to finish the business on our Agenda today. • If you have access to the internet, the meeting materials are available at the lacare.org website. If you need information about how to locate the meeting materials, please let us know. • 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. 	

APPROVED

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	<ul style="list-style-type: none"> The Chairperson will invite public comment before the Committee starts to discuss an item. If the comment is not on a specific agenda item, it will be read at the general Public Comment. <p>He provided information on how to submit a comment live and directly using the “chat” feature.</p>	
APPROVE MEETING AGENDA	The Agenda for today’s meeting was approved.	Approved unanimously by roll call. 4 AYES (Ballesteros, Booth, Perez, and Shapiro)
PUBLIC COMMENT	There were no public comments.	
APPROVE MEETING MINUTES	The minutes of the August 23, 2022 meeting were approved as submitted.	Approved unanimously by roll call. 4 AYES
CHAIRPERSON’S REPORT	Vice Chairperson Ballesteros congratulated Board Members Vaccaro and Raffoul on their reappointment to 4-year terms ending October 31, 2026. Nominations for Board Officer seats will begin after the October Board meeting, and the Officer election will take place at the November Board of Governor’s meeting.	
CHIEF EXECUTIVE OFFICER REPORT	<p>John Baackes, <i>Chief Executive Officer</i>, reported:</p> <ul style="list-style-type: none"> There will be major changes in enrollment during the next 18 months. Of particular importance is the change in the commercial Medi-Cal insurer in Los Angeles County, from Health Net to Molina on January 1, 2024. Notices will be sent to Medi-Cal beneficiaries enrolled with Health Net, and they will transition to Molina on January 1, 2024. Molina currently has enrollment of about 90,000 Medi-Cal members. It is not clear if the provider network will adequately serve the over one million members currently enrolled with Health Net. L.A. Care may pick up some members during that transition. Kaiser Permanente will also begin serving Medi-Cal members under a direct contract with California Department of Health Care Services (DHCS) beginning January 1, 2024, and will no longer be a Plan Partner as of that date. 	

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	<ul style="list-style-type: none"> • Approximately 140,000 – 150,000 Los Angeles County residents ages 26-49 years, will become eligible to enroll in Medi-Cal on January 1, 2024. • Eligibility redetermination for Medi-Cal has been suspended during the public health emergency. It is speculated that the public health emergency will end in April 2023, and redeterminations will resume after 60 days, likely in June 2023. L.A. Care estimates that as many as 340,000 members will become ineligible. • L.A. Care continues to facilitate the implementation of the California Advancing and Innovating Medi-Cal (CalAIM) program. L.A. Care has been working closely with Health Net on CalAIM projects. L.A. Care has approached DHCS about the need to begin transitioning that CalAIM work to Molina. • DHCS rates for 2023 are being developed under different methodology. Early signs indicate that those rates could be beneficial to L.A. Care, but there could be changes. • A new Medi-Cal contract with additional provisions for reporting to DHCS will be effective January 1, 2024. There is added pressure to maintain performance and implement new programs and processes. <p>L.A. Care is committed to giving members and providers the highest possible levels of service.</p> <p>Board Member Ballesteros asked if redetermination of eligibility can be completed online. Mr. Baackes confirmed there is an online process. He also noted that approximately 60% of current members will have eligibility automatically confirmed by Los Angeles County Department of Public Social Services, and will not need to take any action to continue benefits. People who are no longer eligible for the Medi-Cal benefits can continue enrollment with L.A. Care through L.A. Care Covered.</p>	
COMMITTEE ISSUES		
Government Affairs Update	<p>Cherie Compartore, <i>Senior Director, Government Affairs</i>, reported:</p> <ul style="list-style-type: none"> • California Governor Newsom has taken action on approximately 300 bills submitted to him by the Legislature at the end of the session. He has vetoed 16 bills, as of September 19. • The Governor has until September 30, 2022 to act on the remaining approximately 600 bills. 	

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	<ul style="list-style-type: none"> • He has initially acted on bills that were prioritized by his administration during the legislative session, including bills addressing climate change, mental health, and changes to the cannabis law. <p>Government Affairs staff will provide a full report when the Governor has completed all of the bills.</p> <ul style="list-style-type: none"> • One bill with significant potential impact in Los Angeles County is a mental health bill signed into law by the Governor, named Community Assistance Recovery and Empowerment Court (CARE Court). This will be a new statewide program those over 18 years of age with a court-ordered treatment program for up to two years, to treat a diagnosis along the spectrum of schizophrenia as well as other specific psychotic diagnoses. This is being done to divert them from incarceration, homelessness or court-ordered conservatorship. The intent is to get adequate residential or mental health facility treatment for these individuals. To qualify, beneficiaries of the program must be unlikely to survive safely without supervision, or be a threat to themselves, and there must be an affidavit to this effect from a health care provider or court official, or proof that the person was detained as a result of a mental health crisis. The court orders an evaluation to determine if the person is eligible for the treatment program. Re-evaluation is conducted after 12 months of care. A few California counties are beginning the program in October 2023. Los Angeles County will begin the program in December 2024. The proposed initiative does not yet contain many details nor does it determine funding sources. So far, funding has been limited, even for the implementation phase. A workgroup will be convened in October 2023, and it is presumed that Los Angeles County Department of Health Services representatives will be involved in those discussions. • Last week, both the United States Senate and House of Representatives returned from the August recess. October 1 is the first day of the new budget year for Congress. A new budget or continuing funding resolution for the current budget must be approved by both houses by September 30, 2022. It is reported that a resolution will be passed to extend the current budget until beyond the November elections, as the political majority may change in either or both houses. The content of the funding in the continuing resolution is not yet known and will be debated in the coming weeks. 	
L.A. Care Health Plan Qualified Supplemental and	Terry Brown, <i>Chief Human Resources Officer</i> , summarized the motion:	

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Non-Qualified Supplemental Defined Contribution Plans Amendments (EXE 100)	<p>L.A. Care established the L.A. Care Health Plan Qualified Supplemental Defined Contribution Plan and the L.A. Care Health Plan Nonqualified Supplemental Defined Contribution Plan (respectively the "QSDCP" and "NSDCP" and collectively the "Plans"), supplemental retirement plans for senior executives who are not eligible to participate in the L.A. Care Cash Balance Plan, effective January 1, 2015. Together, the Plans provide defined contribution benefits based on a specified annual allocation.</p> <p>The motion will align the contributions for the Chief Executive Officer with the requirements of his employment contract signed in June, 2021. It will provide for the annual allocation for the Chief Executive Officer for the next two-year period, from March 23, 2022, to March 22, 2024.</p> <p><u>Motion EXE 100.1022</u> To (1) approve the amendment of the L.A. Care Health Plan Qualified Supplemental Defined Contribution Plan and the L.A. Care Health Plan Nonqualified Supplemental Defined Contribution Plan to continue the current annual allocations for the Chief Executive Officer for the period from March 23, 2022, to March 22, 2024, and (2) authorize and direct the Chair of the Board to execute appropriate amendments to those Plans.</p>	<p>Approved unanimously by roll call. 4 AYES</p>
Housing and Homelessness Incentive Program (EXE 101)	<p>Cynthia Carmona, <i>Senior Director, Safety Net Initiatives</i>, summarized the motion to approve non-binding plan priorities for the fund, and a small amount for implementation (<i>a copy of her presentation is available by contacting Board Services</i>):</p> <p>The Housing and Homelessness Incentive Program (HHIP) is a DHCS incentive program for Medi-Cal Managed Care Plans (MCPs). This is offered as a way for MCPs to earn funds to house more of the homeless members. The funding comes from the federal government through DHCS.</p> <ul style="list-style-type: none"> • The Housing and Homelessness Incentive Program (HHIP) is a voluntary Medi-Cal Managed Care Plan (MCP) Incentive Program that aims to improve health outcomes and access to whole person care services by addressing housing insecurity and instability as social determinants of health for the Medi-Cal population. • There are two program goals: <ul style="list-style-type: none"> ○ Help MCPs develop the capacity and partnerships to connect members to needed housing services, and ○ Reduce and prevent homelessness. 	

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	<ul style="list-style-type: none"> To draw down funds, MCPs must demonstrate progress toward HHIP program metrics. This requires collaboration with the local Continuums of Care (CoCs) and housing stakeholders. <p>L.A. Care is eligible to receive one-time funding up to \$290 million by March 2024 for completing 16 metrics related to improving infrastructure, services, and access to housing for members experiencing homelessness. Staff estimate that L.A. Care will meet enough metrics to earn approximately \$211 million, but may be able to earn more or less depending on performance. HHIP funds are one-time, but they can be spent over a longer timeframe (e.g. 5-10 years or more). Participation is optional, and L.A. Care submitted a letter of intent in April, 2022.</p> <p>Staff have assessed L.A. Care’s ability to meet the measures and developed the following estimates in collaboration with its partners.</p> <p>Ms. Carmona noted that each MCP must submit a non-binding Investment Plan (IP) per county to DHCS by September 30, 2022, detailing investments needed to achieve program metrics. DHCS is not requiring MCPs to specify how incentive funds will be spent. L.A. Care will utilize its normal processes to obtain board approval on individual contracts/projects as we move forward thru the process.</p> <p>There are 4 components to the IP:</p> <ol style="list-style-type: none"> Description of Investment Activities, including funding amounts, recipients, timelines, and impacted HHIP measures MCP Narrative of Risk Analysis to achieve HHIP goals and make successful investments Signed CoC Letters of Support Signed Attestation by MCP leadership <p>L.A. Care and Health Net are currently developing investment plans for Los Angeles County, in partnership with Core Planning Stakeholders and other partners.</p> <ul style="list-style-type: none"> Estimating which metrics we can meet (and what associated funding we expect) Estimating costs for required activities to meet metrics Identifying potential investments to improve infrastructure, care, and housing outcomes <p>Over the past four months, L.A. Care and Health Net have worked to plan our approach to HHIP in partnership with a core stakeholder group including Plan Partners, the four Los Angeles Continuums of Care (COCs – Glendale, the Los Angeles Homeless</p>	

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	<p>Services Authority (LAHSA), Long Beach, and Pasadena), the Los Angeles County CEO Homeless Initiative, and the Los Angeles County Departments of Health Services, Mental Health, and Public Health. We have sought input from LAHSA's Lived Experience Advisory Board and a Community Forum of various health, homeless service, and housing stakeholder organizations. Some investments will be needed simply to meet the HHIP metrics, while others are designed to improve infrastructure, care, and/or housing outcomes.</p> <p>The five top priorities in the IP are:</p> <ul style="list-style-type: none"> • Infrastructure: Health Information Exchange, Data Exchange, Workforce <ul style="list-style-type: none"> ○ Data exchange and connectivity between HMIS data system and health plans. ○ Data exchange w/other housing & homeless services partners (Los Angeles County Departments of Mental Health and Public Health, Community Supports providers) ○ Workforce development and support, especially for housing navigation and tenancy services • Street Medicine <ul style="list-style-type: none"> ○ Street Medicine extends beyond Primary Care Services (PCP); the goal can also be to stabilize and connect to PCP services (example: wound care). ○ Potential inclusion of behavioral health and public health partners ○ Potential Health Information Exchange (HIE) project ○ Technical Assistance and Capacity Building • Programs to Get & Keep People Housed <ul style="list-style-type: none"> ○ Expanding utilization of housing-related Community Supports (CS) ○ Increasing enrollment in Enhanced Care Management (ECM) for people experiencing homelessness • Housing Placement <ul style="list-style-type: none"> ○ Master lease buildings ○ Partner with COCs and County to increase utilization of tenant-based vouchers ○ Cover long term costs in order to unlock funding for master leasing and new development • Housing Accessibility <ul style="list-style-type: none"> ○ Field-based team to assess individual needs ○ Access to interim and permanent housing for people with additional needs for activities for daily living 	

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	<p data-bbox="495 172 1591 237">○ Enhanced services funding to get members placed in Adult Residential Facilities (ARFs) and/or Residential Care Facilities for the Elderly (RCFEs)</p> <p data-bbox="495 256 1591 362">Ms. Carmona highlighted the work being done to ensure the program priorities will align with the new Los Angeles County Homeless Initiative Framework. Ms. Carmona described the anticipated stages and funding amounts:</p> <table border="1" data-bbox="495 378 1608 834"> <thead> <tr> <th>Program Stage</th> <th>Measurement Period</th> <th>Report Due to DHCS</th> <th>Expected Payment Timing</th> <th>% of funds</th> <th>Potential Earnings</th> <th>Estimated Earnings</th> </tr> </thead> <tbody> <tr> <td>Local Homeless-ness Plan (LHP)</td> <td>Jan-Apr 2022</td> <td>6/30/2022 & 8/12/2022</td> <td>Oct-22</td> <td>5</td> <td>\$ 14,504,809</td> <td>\$ 14,504,809</td> </tr> <tr> <td>Investment Plan</td> <td>N/A</td> <td>9/30/22</td> <td>Nov-22</td> <td>10</td> <td>\$ 29,009,617</td> <td>\$ 29,009,617</td> </tr> <tr> <td>Reporting Period 1</td> <td>May-Dec 2022</td> <td>2/28/23</td> <td>May-23</td> <td>35</td> <td>\$101,533,660</td> <td>\$ 71,073,562</td> </tr> <tr> <td>Reporting Period 2</td> <td>Jan-Oct 2023</td> <td>12/31/23</td> <td>Mar-24</td> <td>50</td> <td>\$145,048,085</td> <td>\$ 96,698,723</td> </tr> <tr> <td>HHIP Program (Total)</td> <td>Jan 2022 - Oct 2023</td> <td>N/A</td> <td>Mar-24</td> <td>100</td> <td>\$290,096,170</td> <td>\$211,286,710</td> </tr> </tbody> </table> <p data-bbox="495 857 1591 1101">Board Member Booth asked about changes in funding that may happen if beneficiaries do not continue participating in the program. Ms. Carmona noted that the allocation of funds can be used over long periods. L.A. Care is working with partners to ensure the funding can be stretched to include future years. A large part of the support will also come through increased enrollment in the elements of CalAIM, such as Enhanced Care Management and utilization of the Community Supports housing services. This will be important to leverage resources available to enable members to maintain housing.</p> <p data-bbox="495 1123 1591 1442">Mr. Baackes complimented Ms. Carmona and Alison Klurfeld, of Klurfeld Consulting, for their work in developing L.A. Care’s proposed program. He noted that none of the funding will go directly to putting a roof over someone’s head. The program is funding collateral services that will work to match beneficiaries with housing resources available. A problem is that there may not be resources available. The available funding across California is \$1.3 billion in two years and does not fund construction of housing. He opined that the program is well intended but does not increase housing units. Member Booth noted that the expense of construction does not make it feasible. She recommended that using available structures, such as unused commercial buildings, could</p>						Program Stage	Measurement Period	Report Due to DHCS	Expected Payment Timing	% of funds	Potential Earnings	Estimated Earnings	Local Homeless-ness Plan (LHP)	Jan-Apr 2022	6/30/2022 & 8/12/2022	Oct-22	5	\$ 14,504,809	\$ 14,504,809	Investment Plan	N/A	9/30/22	Nov-22	10	\$ 29,009,617	\$ 29,009,617	Reporting Period 1	May-Dec 2022	2/28/23	May-23	35	\$101,533,660	\$ 71,073,562	Reporting Period 2	Jan-Oct 2023	12/31/23	Mar-24	50	\$145,048,085	\$ 96,698,723	HHIP Program (Total)	Jan 2022 - Oct 2023	N/A	Mar-24	100	\$290,096,170	\$211,286,710	
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	<p>be a better source for adding to the housing available. Ms. Carmona indicated that this program is an attempt to link programs within California to address the housing supply issues. While it doesn't solve that issue, this will leverage funding to address it as best as possible. Board Member Booth asked if we know the metrics for earning funding. Vice Chairperson Ballesteros asked if we know the funding for each area. Ms. Carmona responded that analysis has been done to answer both of these questions. Vice Chairperson Ballesteros commended Ms. Carmona for the work done to bring this project to fruition, and he thanked Mr. Baackes for his leadership in L.A. Care's participation in the program.</p> <p><u>Motion EXE 101.1022</u></p> <ol style="list-style-type: none"> To approve the Housing and Homelessness Incentive Program (HHIP) investment priorities. To approve a Housing and Homelessness Incentive Program (HHIP) Investment Plan of up to \$70 million. 	<p>Approved unanimously by roll call. 4 AYES</p>
<p>2023 Board of Governors Meetings Schedule</p>	<p><u>Motion EXE 102.1022</u> To approve the 2023 Board of Governors meeting schedule as submitted.</p>	<p>Approved unanimously by roll call. 3 AYES (Ballesteros, Booth and Perez). <i>Member Shapiro experienced technical difficulties and was unable to vote.</i></p>
<p>Approve Consent Agenda</p>	<p>Approve the list of items that will be considered on a Consent Agenda for October 6, 2022 Board of Governors Meeting.</p> <ul style="list-style-type: none"> September 1, 2022 Board of Governors Retreat/Meeting Minutes. 2023 Board of Governors Meetings Schedule Complete Cleaning Services Contract Amendment North Star Alliances Contract Amendment Change Health Care Resources Contract Amendment 	<p>Approved unanimously by roll call. 4 AYES (Ballesteros, Booth and Perez) <i>Member Shapiro experienced technical difficulties and was unable to vote.</i></p>
<p>PUBLIC COMMENTS</p>	<p>There were no public comments.</p>	
<p>ADJOURN TO CLOSED SESSION</p>	<p>The Joint Powers Authority Executive Committee meeting was adjourned at 3:04 p.m. 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 3:04 p.m.</p>	

APPROVED

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<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>September 2024</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"> • L.A. Care Health Plan’s Notice of Contract Dispute under Contract No. 04-36069 Department of Health Care Services (Case No. Unavailable) <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: Three Potential Cases</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><i>The following item was not discussed:</i></p> <p>CONFERENCE WITH LABOR NEGOTIATOR Section 54957.6 of the Ralph M. Brown Act Agency Designated Representative: Hector De La Torre Unrepresented Employee: John Baackes</p>	
<p>RECONVENE IN OPEN SESSION</p>	<p>The meeting reconvened in open session at 3:19 p.m. No reportable actions were taken during the closed session.</p>	

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ADJOURNMENT	The meeting adjourned at 3:19 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:

Hector De La Torre

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 Hector De La Torre, *Chair*
 Date: 10/30/2022 | 3:04 PM PDT

APPROVED