

# BOARD OF GOVERNORS

## Executive Committee

### Meeting Minutes – June 23, 2010

555 W. Fifth Street, Los Angeles, CA 90013-3036  
Conference Room 29F



**L.A. Care**  
HEALTH PLAN

#### Members

Thomas Klitzner, MD, *Chairperson*  
Walter Zelman  
Supervisor Don Knabe\*  
Mario Ramos  
James Lott  
Thomas Horowitz, DO  
\*absent      \*\* by telephone

#### Management/Staff

Howard A. Kahn, *Chief Executive Officer*  
Elaine Batchlor, MD, *Chief Medical Officer*  
Jim Brown, *Chief Operating Officer*  
Barbara Cook, *Chief of Human & Community Resources*  
Cindy Doorn, *Plan Partner Account Executive*  
Cherie Fields, *Director of Government Affairs\*\**  
Susanna Hathaway Murphy, *Attorney/ Advisor*

Augustavia J. Haydel, *General Counsel*  
W. Randy Stone, *Chief Financial Officer*  
John Wallace, *Chief of Staff*  
Mark Windisch, *Senior Advisor*

#### Public

Alan Bloom, *Care 1<sup>st</sup>*

| AGENDA ITEM/PRESENTER                             | MOTIONS / MAJOR DISCUSSIONS  | ACTION TAKEN  |
|---|--|---|
| CALL TO ORDER<br>Thomas Klitzner, MD              | Thomas Klitzner, MD, <i>Chairperson</i> , called the meeting to order at 2:35 p.m.   |   |
| APPROVAL OF MEETING AGENDA<br>Thomas Klitzner, MD | The agenda for today's meeting was approved, as submitted.   | Unanimously approved.<br>5 AYES (Horowitz, Klitzner, Lott, Ramos, Zelman) |
| APPROVAL OF MINUTES<br>Thomas Klitzner, MD        | The minutes for the May 26, 2010 meeting were approved as submitted.   | Unanimously approved.<br>5 AYES.  |
| ADJOURN TO A CLOSED SESSION                       | The Committee adjourned to a closed session at 2:38 p.m.<br>A. CONTRACT RATES<br>Pursuant to Welfare and Institutions Code Section 14087.38(m) <ul style="list-style-type: none"> <li>DHCS Medi-Cal Rate</li> </ul> B. REPORT INVOLVING TRADE SECRET<br>Pursuant to Welfare & Institutions Code Section 14087.38(n) <ul style="list-style-type: none"> <li>Discussion concerning new product line</li> </ul> |   |

**APPROVED**

| AGENDA<br>ITEM/PRESENTER                    | MOTIONS / MAJOR DISCUSSIONS   | ACTION TAKEN |
|---|---|--------------|
|   | <ul style="list-style-type: none"> <li>• Discussion concerning Los Angeles County safety net resources<br/><i>Estimated date of public disclosure: June 2012</i></li> <li>• Discussion of Healthy Kids Premium Implementation<br/><i>Estimated date of public disclosure: May 2012</i></li> </ul> <p>C. CONFERENCE WITH REAL PROPERTY NEGOTIATORS<br/>Pursuant to Section 54956.8 of the Ralph M. Brown Act<br/>Under Negotiation: Price and Terms<br/>Agency negotiator: Howard A. Kahn</p> <p>Property: "Gas Company Tower", 555 West 5th Street, Los Angeles<br/>Negotiating Parties: Maguire Properties/MPG Office Trust, L.A. Care</p> <p>Property: 600 Wilshire Boulevard, Los Angeles<br/>Negotiating Parties: Beacon Capital Partners, L.A. Care</p> <p>Property: 1055 West 7<sup>th</sup> Street, Los Angeles<br/>Negotiating Parties: Jamison Properties, L.A. Care</p> <p>Property: 777 South Figueroa Street, Los Angeles<br/>Negotiating Parties: Marsh &amp; McLennan/Marsh USA, L.A. Care</p> <p>Property: 3701-3731 Wilshire Boulevard, Los Angeles<br/>Negotiating Parties: Wilshire Colonnade Corp., L.A. Care</p> <p>D. PUBLIC EMPLOYEE PERFORMANCE EVALUATION<br/>Pursuant to Section 54957 of the Ralph M. Brown act<br/>Title: Chief Executive Officer</p> <p>E. CONFERENCE WITH LABOR NEGOTIATOR</p> <ul style="list-style-type: none"> <li>• Agency Negotiator: Howard A. Kahn<br/>Unrepresented Employee: All L.A. Care Employees</li> <li>• Agency Negotiator: Thomas S. Klitzner, MD<br/>Unrepresented Employee: Howard A. Kahn</li> </ul> |              |
| <p><b>RECONVENE IN<br/>OPEN SESSION</b></p> | <p>The Committee reconvened in open session at 3:50 p.m.<br/>There was no reportable action during the closed session.</p>  |              |

| AGENDA<br>ITEM/PRESENTER                                   | MOTIONS / MAJOR DISCUSSIONS   | ACTION TAKEN |
|--|---|--------------|
| <b>CHAIRPERSON'S<br/>REPORT</b><br><br>Thomas Klitzner, MD | There was no report from the Chairperson.   |              |
| <b>CEO REPORT</b>  | <p>Howard A. Kahn, <i>Chief Executive Officer</i>, reported:</p> <ul style="list-style-type: none"> <li>• To follow up on the discussion at the June 3, 2010 Board of Governors meeting, a summary of L.A. Care's ad hoc grantmaking policies is enclosed and will be included in the materials for the July 1, 2010 meeting. L.A. Care's grantmaking program is extensively known throughout the community. Information posted to the L.A. Care website, and the Sales team, members of the Regional Community Advisory Committees (RCACs), and staff at the Family Resource Centers frequently inform community members about grantmaking opportunities. L.A. Care's management team members involved in the Community Benefit programs have extensive experience in grant making:</li> <li>• As a follow up to a request from the Finance and Budget Committee, a report from Andrea Van Hook was included in the packet for that meeting earlier today, showing L.A. Care's sponsorship history over the past three years. The report will be included in Mr. Kahn's written report for the Board of Governors meeting July 1, 2010.</li> <li>• A Public Notice of WATTS Health Foundation Assets Transfer was posted by the Department of Managed Health Care (DMHC) on its website. The request from WATTS Health Foundation is to transfer the remaining charitable assets of approximately \$10 million to The California Endowment to be used to benefit the community of South Los Angeles. Public comments are due July 22, 2010.</li> </ul> <p><i>(Member Lott left the meeting.)</i></p> |              |
| <b>COMMITTEE ISSUES</b>                                    |   |              |
| <b>LEGISLATIVE<br/>UPDATE/ACTIONS</b><br><br>Cherie Fields | <p>Cherie Fields, <i>Director of Government Affairs</i>, reported:</p> <p><u>State Issues</u></p> <p>California Department of Health Care Services (DHCS) submitted a proposal for a Section 1115 Waiver to the Centers for Medicare and Medicaid Services (CMS). The proposal, which was included in legislative language from the California Senate, provides for mandatory enrollment of Seniors and People with Disabilities (SPD) in managed care. An option for counties to provide managed care to serve the SPD population other than the commercial or public plans is included, along with pilot program proposals for managed care enrollment of people eligible for California Children's Services (CCS)</p>  |              |

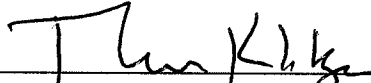
| AGENDA<br>ITEM/PRESENTER  | MOTIONS / MAJOR DISCUSSIONS  | ACTION TAKEN   |
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|   | <p>coverage and people eligible for both Medi-Cal and Medicare (dual eligibles). It also includes a provision for the continuation and expansion of Health Care Coverage Initiatives until 2014, depending upon county funding.</p> <p><u>Federal Issues</u><br/>Legislators in the House and Senate are working on provisions of the “extender” bill to continue enhanced reimbursement to physicians following expiration of the Federal Medical Assistance Percentage (FMAP) in January 2011.</p>   |  |
| CHILDREN’S HEALTH<br>INITIATIVE STATUS<br>Howard A. Kahn  | There was no report on this item.  |  |
| ANNUAL REVIEW OF<br>HUMAN RESOURCES<br>POLICIES<br>Barbara Cook   | Discussion of this item was postponed to a future meeting.   |  |
| RECOMMENDATION<br>FOR A THIRD FAMILY<br>RESOURCE CENTER<br>SITE<br>Lorena Chandler  | This item was not discussed by the Committee.  |  |
| FAMILY MEDICINE<br>RESIDENCY PROGRAM<br>AT NORTHRIDGE<br>HOSPITAL MEDICAL<br>CENTER EXTENDED<br>HOURS GRANT<br>Howard A. Kahn | <p><i>(Chair Klitzner asked Vice Chair Zelman to preside over discussion of this item.)</i></p> <p>Jim Brown, <i>Chief of Operations</i>, noted that the Board at its March 2010 meeting approved a motion for temporary financial support of the Family Medicine Residency Program at Northridge Hospital Medical Center (Residency Program). Prior to the release of funds for that motion by L.A. Care, the Residency Program proposed that extending clinic hours would benefit L.A. Care’s members and the physicians in the Residency Program and a request for an extended hours grant was submitted to hire a family nurse practitioner, extend the operating hours of the clinic, and provide office support to increase patients served by 60 per week.</p> <p><i>(Chair Klitzner abstained from discussion or vote on this item because the program is affiliated with UCLA.)</i></p> <p><b><u>Motion EXE 100.0710</u></b><br/><b>Approval of funding for an Extended Hours grant not to exceed \$70,000 to the Northridge Hospital Medical Center Residency Program. Award of the grant is for</b></p> | <p><b>Unanimously Approved. 3<br/>AYES (Horowitz, Ramos,<br/>Zelman), 1 ABSTENTION</b></p> |

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|   | the purpose of providing after-hours access to patients of the family practice program.   | (Klitzner)   |
| PATIENT CENTERED<br>MEDICAL HOME<br>INITIATIVE<br>Elaine Batchlor, MD           | Elaine Batchlor, MD, <i>Chief Medical Officer</i> , summarized a motion to approve funding of \$600,000 for a pilot program to transform up to ten L.A. Care network providers into Patient Centered Medical Home (PCMH) practices.<br><br><u><b>Motion EXE 101.0710</b></u><br><b>Approval of \$600,000 to support a Patient Centered Medical Home Initiative pilot program to support up to ten L.A. Care Health Plan network practices transform into patient centered medical homes. This request also includes up to \$400,000 for a contract with Qualis Health to conduct assessments and provide technical assistance for the practices, up to \$10,000 per practice to cover PCMH expenses, and up to \$100,000 for an external evaluation of this pilot initiative.</b> | Unanimously Approved.<br>4 AYES (Horowitz,<br>Klitzner, Ramos, Zelman) |
| HEALTH<br>INFORMATION<br>TECHNOLOGY II<br>INITIATIVE<br><br>Elaine Batchlor, MD | Dr. Batchlor introduced a motion to provide grant funding under an initiative previously approved by the Board of Governors to help community clinics purchase health information technology (HIT).<br><br>Staff agreed to the suggestion by the Committee that the HIT II Initiative be coordinated with the work of HITEC-LA.<br><br><u><b>Motion EXE 102.0710</b></u><br><b>Approval of five Health Information Technology II (HIT II) Initiative awards for a total of \$529,000 and up to \$40,000 for an HIT II initiative evaluation, for a total of \$569,000.</b>  | Unanimously Approved.<br>4 AYES  |
| SOUTH BAY<br>CHILDREN'S CLINIC<br>Roland Palencia                               | Roland Palencia, <i>Director, Community Benefits Program</i> , summarized a memorandum describing a request for \$210,000 to fund the infrastructure and initial staffing to open a new pediatric dental clinic in Lawndale. The proposal is consistent with previous L.A. Care awards to other clinics to support development and expansion of dental programs.<br><br>It was suggested that staff present future grant proposals following the outline of the grant criteria summarized in the ad hoc memorandum from Dr. Batchlor included in this packet.<br><br><u><b>Motion EXE 103.0710</b></u><br><b>Approval of a grant to the South Bay Children's Health Center in the amount of \$210,000 to open a new dental clinic in the city of Lawndale.</b>                    | Unanimously Approved.<br>4 AYES  |
| LOS ANGELES COUNTY  | Due to the number of Committee Members with a potential conflict of interest in this  |  |

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|---|---|--------------|
| DEPARTMENT OF<br>HEALTH SERVICES<br>INTERPRETER<br>SERVICES GRANT   | matter, the Committee agreed the motion will be forwarded for consideration at the July 1, 2010 meeting of the Board of Governors.  |              |
| HITEC-LA UPDATE<br>Elaine Batchlor, MD  | This item was not discussed by the Committee.   |              |
| REAL ESTATE UPDATE<br>Mark Windisch   | This item was not discussed by the Committee.   |              |
| STRATEGIC<br>DISCUSSION TOPIC:<br>PLANNING FOR<br>SENIORS AND PEOPLE<br>WITH DISABILITIES<br>ENROLLMENT<br>John Wallace | This item was not discussed by the Committee.   |              |
| APPROVAL OF<br>CONSENT AGENDA<br>ITEMS  | There was no Consent Agenda proposed for the July 1, 2010 meeting of the Board of Governors.  |              |
| PUBLIC COMMENT  | Chair Klitzner noted that the Governance Committee discussed delegating authority to the Services Agreement Committee for the implementation of the recommendations of the HMA report presented to the Board of Supervisors on April 13, 2010. A motion for consideration by the Board of Governors will be included in the materials for the July 1, 2010 meeting. |              |
| ADJOURNMENT   | The meeting was adjourned at 4:45 p.m.  |              |

Respectfully submitted by:  
Linda Merkens, *Manager, Board Services*  
Malou Balones, *Committee Liaison*

APPROVED BY:

  
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Thomas Klitzner, MD, *Chair*  
Date Signed: 7/25/10