

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

**Meeting Minutes – April 26, 2022**

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*
- 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 Product Officer*
- James Kyle, MD, *Chief of Equity & Quality Medical Director*
- 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.

<b>AGENDA ITEM/PRESENTER</b>	<b>MOTIONS / MAJOR DISCUSSIONS</b>	<b>ACTION TAKEN</b>
<b>CALL TO ORDER</b>	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 2:04 p.m. The meetings were held simultaneously. He welcomed everyone to the meetings. <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> </ul>	

**APPROVED**

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<ul style="list-style-type: none"> <li>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 item 2 on today's agenda.</li> </ul> <p>He provided information on how to comment live and directly using the "chat" feature.</p>	
<b>APPROVE MEETING AGENDA</b>	The Agenda for today's meeting was approved.	<b>Approved unanimously by roll call. 4 AYES (Ballesteros, Booth, De La Torre, and Perez).</b>
<b>PUBLIC COMMENT</b>	There were no public comments.	
<b>APPROVE MEETING MINUTES</b>	The minutes of the March 22, 2022 meeting were approved as submitted.	<b>Approved unanimously by roll call. 4 AYES</b>
<b>CHAIRPERSON'S REPORT</b>	Chairperson De La Torre noted two recent news items. The U.S. Department of Justice announced that it has determined that Kaiser Permanente has fraudulently billed over \$1 billion to Medicare and a legal process is underway. This will impact healthcare everywhere as Kaiser is a major healthcare organization. It was also announced that Centene Corporation, the parent company of Magellan, which began managing the Medi-Cal pharmacy benefits on January 1, 2022, is under investigation by the California Department of Health Care Services for improper actions. This will also impact healthcare in California, and will impact L.A. Care's members in Los Angeles County.	
<b>CHIEF EXECUTIVE OFFICER REPORT</b>	<p>John Baackes, <i>Chief Executive Officer</i>, reported:</p> <ul style="list-style-type: none"> <li>Like all healthcare providers, L.A. Care is finding it difficult to recruit nurses for open positions in utilization management (UM) and care management (CM). L.A. Care has started a public campaign in social media, radio and television, to advertise the open positions. The campaign specifies the recruitment for UM and CM, in order to attract nurses who may be considering positions other than direct patient care. L.A. Care is offering sign up bonuses. There has been a slight improvement in the successful recruitment of four nurses in the past week. L.A. Care is also recruiting in the customer service area.</li> <li>It was previously reported that the expansion of Medi-Cal eligibility for undocumented adults ages 50 and up may result in additional enrollment of up to</li> </ul>	

**APPROVED**

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>75,000 in May-July. L.A. Care is preparing for an increase in calls to the Member Services department.</p> <ul style="list-style-type: none"> <li>• The public health emergency has been extended to July 15, and it is expected that it will not be extended further. The state and county agencies are preparing to resume the process of eligibility redetermination for Medi-Cal when the public health emergency is lifted. The eligibility redetermination process has been suspended since the beginning of the public health emergency in February 2020, so there is a huge backlog. It is expected that redetermination kits will start to be distributed to current beneficiaries in August 2022. L.A. Care is preparing call center staff to help beneficiaries with that process and will be conducting an extensive outreach campaign to remind Medi-Cal members to complete the redetermination process and avoid interruption of coverage for members. L.A. Care will work closely with its partners including advisory committee members, federally qualified health centers (FQHCs) and others to assist Medi-Cal beneficiaries with the redetermination process. Medi-Cal members that may lose coverage due to an increase in income over the last two years, may be eligible for premium subsidies offered through the L.A. Care Covered program, and could maintain continuity of care by moving to that program.</li> <li>• Mr. Baackes has previously reported in his CEO Reports and will continue to update Board members on the extraordinary transformational change in the new Medi-Cal contract which will begin in January 2024. The changes will increase the health plan oversight role over Plan Partners and delegated entities, with more reporting required on financial arrangements and performance. Additional contract terms will put more of an administrative burden on all health plans, and it will be a major effort to make the necessary changes.</li> <li>• Those contract changes are similar to the significant work that L.A. Care has put into implementing the new California Advancing and Improving Medi-Cal (CalAIM) provisions which began on January 1, 2022. Mr. Baackes will be reporting utilization metrics so Board Members can get a sense of the scale of the changes in utilization management through Enhanced Care Management (ECM) and Community Supports (CS) programs in CalAIM. The prior Health Homes and Whole Person Care programs were replaced by ECM and CS, which had 40 vendor contracts. The implementation of ECM and CS increased the number of vendors to 59 for ECM and 50 for CS. The increase in administrative effort to monitor those contracts is significant. In the first six months L.A. Care is working particularly closely with</li> </ul>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>those contractors to help them become acclimated to the detailed reporting and billing requirements. Additional information will be provided at the upcoming Board Meeting.</p> <ul style="list-style-type: none"> <li>• A request to renew the Elevating the Safety Net (ESN) program will be brought for Board consideration. It was five years since the request was made to set aside funds to use for this program. ESN has become a significant four-part program and has not used all the funding that was set aside. Sufficient funding remains to renew ESN for five years, with some modifications.</li> <li>• The work L.A. Care has done through the Equity Committee includes an Anti-racism and Cultural Humility training program, run by Dr. Jan Marie Garcia at the University of California, Davis. The two-day training began for Chief Officers at L.A. Care last fall. L.A. Care has a goal to train all Directors and above, which resumed in April, and will continue through the end of the fiscal year in September.</li> </ul>	
<p><b>Vision 2024 Progress Report</b></p>	<p>Mr. Baackes noted that the written Vision 2024 Progress Report is included in the meeting materials to inform Board Members of L.A. Care’s progress on the tactical elements in the plan. The four broad attributes have remained the same, but new tactics are developed each year to make progress toward achieving the attributes.</p> <p>Board Member Booth asked about the number of ECM and CS providers indicated in the Vision Report. Mr. Baackes indicated that in order to meet the demand for services, the number of vendors has increased. There are limitations for the services, including staffing at the service sites. The process of building capacity for ECM and CS was closely monitored by state representatives, as the desire was that health plans support community based organizations through these programs. Richard Seidman, MD, MPH, <i>Chief Medical Officer</i>, noted that the number of providers in the network is driven by the demand for services, and the number in the Vision 2024 document may not be current.</p> <p>Board Member Booth asked if the Generating African Infant and Nurturers Survival Initiative would be conducted as a study, because the problem is so great and it is important to develop good baseline data. As a medical study there could be important generalized information that could help people caring for African American moms and babies.</p> <p>Mr. Baackes responded that within L.A. Care’s Quality Department there is examination of disparities and this is a key area. He asked James Kyle, MD, <i>Chief of Equity &amp; Quality Medical Director</i>, to comment on this program. Dr. Kyle noted that it is not an academic</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>exercise. Regional data is available, and it is pretty discouraging. L.A. Care has a cross functional team that is actively looking for ways to improve the numbers. L.A. Care is in contact with the Charles R. Drew University Center for Excellence in Black Birthing and is exploring the work of Doulas and Mid-wives to help with the network of providers. When the initiative is launched and operating, additional data will be gathered to assess the progress made. This is seen as a long-term initiative to generate the highest impact. The African American maternal and infant mortality rates are between three and five times that of white mothers, irrespective of economics or education, and there is a great deal of work to be done in this area. In terms of disparities, this is one of the highest priority initiatives. Dr. Kyle has also asked staff to begin cataloging disparities and prioritize efforts to eliminate or improve them. He will report more specifically at future meetings. He indicated it was not the intention of this initiative to design a medical study in this area, although data is being collected. There is much study of this area already, but solutions so far have not had much effect. The data seems to indicate that structural racism underlies this issue. The disparities in outcome for maternal and infant health among a population of people, irrespective of education or health status, does not appear to have a biological cause but may indicate issues with access to care, lack of attention from providers, lack of early intervention, and other structural issues. It appears that it is about resources, the numbers of providers and retraining providers, advocating on behalf of patients and training patients to advocate on their own behalf. There are a number of strategies which L.A. Care will evaluate and use the best strategies in Los Angeles.</p> <p>Augustavia J. Haydel, Esq., <i>General Counsel</i>, noted that Wendy Schiffer, <i>Senior Director, Strategic Planning, Strategy, Regulatory and External Affairs</i>, submitted a “chat” comment in response to Board Member Booth’s question about the number of ECM and CS providers indicated in the Vision Report:</p> <p style="padding-left: 40px;">Board Member Booth, it is a timing issue. Vision 2024 Progress Report covers the January to March quarter.</p> <p>Dr. Seidman indicated that it is likely that seven providers were added in the second quarter. He stated that the network is larger than it was before and the total number of ECM providers is very close to what Mr. Baackes reported.</p> <p>Continuing the discussion about the Generating African Infant and Nurturers Survival Initiative, Ms. Schiffer noted that this was not structured as a research study. A request for proposal has been distributed through the Community Health Investment Fund. The review panel is working on selecting the grantees, who are all doing different programs so</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	it does not necessarily lend itself to a research study but there will be an evaluation. More information will be provided at future meetings.	
<b>Government Affairs Update</b>	Mr. Baackes reported that the California State Legislature is still in session.  L.A. Care is monitoring bills that have been introduced, particularly the bill that will approve the direct contract for Medi-Cal, exempting Kaiser from the competitive bidding process in which the other commercial health plans are currently engaged. A hearing was held at the Assembly Budget Committee where two health plan members of Local Health Plans of California (LHPC) testified, Jarrod B. McNaughton, Chief Executive Officer of Inland Empire Health Plan, and Stephanie Sonnenshine, Chief Executive Officer of Central California Alliance for Health. It would be naïve to think that the approval of this contract through the legislative initiative will be stopped, but health plans are seeking amendments to the bill to ensure that the impact of the contract will not have unintended consequences. The focus is on how the contract approval might negatively affect patients and safety net providers. LHPC has proposed five broad amendments to the bill, and some of those amendments are expected to be adopted although the bill is expected to be approved and Kaiser awarded a direct contract to provide managed care services to Medi-Cal beneficiaries. Staff will continue to report to the Board at future meetings.	
<b>Annual Disclosure Commissions paid to brokers for employee health insurance programs</b>	Terry Brown, <i>Chief Human Resources Officer</i> , reported that L.A. Care is required to provide this report to the Board annually. The brokerage commissions paid in 2020-21 were the same as those paid in the prior year and are in line with the accepted ranges. In fact, L.A. Care is paying 2.7% of the overall premium, where the median in the marketplace for organizations of its size in California is 3.7%.	
<b>Approve Human Resources Policy HR-709 (Language Proficiency Assessment)</b>	Mr. Brown noted that a change in the policy is that a proficiency passing level grids were added as appendices to the policy. A comment was received from a Board Member prior to this meeting regarding sign language. L.A. Care will verify if there is a requirement for sign language, and if there is no requirement, it will be removed from this policy.  <b><u>Motion EXE A.0422</u></b> <b>To approve the Human Resources Policy &amp; Procedure HR-709 (Language Proficiency Assessment), as presented.</b>  Board Member Perez noted that at the last Executive Community Advisory Committee meeting she stated to Mr. Baackes that the Community Outreach & Engagement	<b>Approved unanimously by roll call. 4 AYES</b>

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>(CO&amp;E) is understaffed. Participation by CO&amp;E staff members is demanded by consumer advisory committee members who would like to be involved in many different activities. She feels that it could be understaffing or collaboration with other departments to help with the activities suggested by the members. She encourages members to be more proactive and be involved in many activities. Unfortunately, during the pandemic there was no opportunity to meet in person and the Regional Community Advisory Committee (RCAC) members are just beginning to meet again virtually. She understands that there are concerns about funding. At the same time, there is a way to reset projects. She would like to see, during her time remaining on the Board, that if L.A. Care wants members involved, she suggests that there be internal coordination of that effort. She encouraged consideration of this idea to create a conversation about full engagement of CO&amp;E in supporting members. She noted that CO&amp;E staff has been great in reaching out to members by telephone and email, asking if members need anything. She recommended that the Community Resource Centers and Family Resource Centers reach out to RCAC members to inform them of the programs available, instead of referring RCAC members to the website to find the information.</p> <p>Mr. Brown responded that he will follow up with CO&amp;E to make sure they have resources they need. Board Member Perez thanked Mr. Brown for being at L.A. Care events. She noted that the need she sees in the communities is apparent at the L.A. Care events. Even small support really helps. Families are struggling with the cost of rent, so any events that provide support for the community are really needed. She encouraged Board Members to participate in the community events.</p>	
Approve Consent Agenda	<p>Approve the list of items that will be considered on a Consent Agenda for May 5, 2022 Board of Governors Meeting.</p> <ul style="list-style-type: none"> <li>• April 7, 2022 Board of Governors Meeting Minutes</li> <li>• Quarterly Investments Reports</li> </ul>	<b>Approved unanimously by roll call. 4 AYES</b>
<b>PUBLIC COMMENTS</b>	There were no public comments.	
<b>ADJOURN TO CLOSED SESSION</b>	<p>The Joint Powers Authority Executive Committee meeting was adjourned at 2:50 p.m.</p> <p>Ms. Haydel 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 2:51 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"> <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 2024</i></p> <p>CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION Pursuant to Section 54956.9(d)(1) of the Ralph M. Brown Act Names of Five Cases:</p> <ul style="list-style-type: none"> <li>• Methodist Hospital of Southern CA v. L.A. Care, Case No. 21STCV39978</li> <li>• THC- Orange County, LLC DBA Kindred Hospital et al. v. L.A. Care, AHLA Case No. 6386</li> <li>• THC- Orange County, LLC DBA Kindred Hospital et al. v. L.A. Care, Case No. 21STCV38231</li> <li>• THC- Orange County, LLC DBA Kindred Hospital et al. v. L.A. Care, AHLA Case No. 6798</li> <li>• USC Center for Health Financing, Policy, and Management, et al. v. Local Initiative Health Authority for Los Angeles County, Case No. 22STCP01429</li> </ul> <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>THREAT TO PUBLIC SERVICES OR FACILITIES Consultation with Tom MacDougall, <i>Chief Information &amp; Technology Officer</i></p> <p>CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION Pursuant to Section 54956.9(d)(1) of the Ralph M. Brown Act Department of Managed Health Care Enforcement Matter Numbers: 18-799, 20-063, 21-428, 21-509, 21-680</p> <p>PUBLIC EMPLOYEE PERFORMANCE EVALUATION Pursuant to Section 54957 of the Ralph M. Brown Act Title: Chief Executive Officer</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	CONFERENCE WITH LABOR NEGOTIATOR Pursuant to Section 54957.6 of the Ralph M. Brown Act Agency Designated Representative: Hector De La Torre Unrepresented Employee: John Baackes	
<b>RECONVENE IN OPEN SESSION</b>	The meeting reconvened in open session at 4:14 p.m. No reportable actions were taken during the closed session.	
<b>ADJOURNMENT</b>	The meeting adjourned at 4:14 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:  
  
019D7F81EB7B442  
 Hector De La Torre, *Chair*  
 Date: 5/26/2022 | 10:43 AM PDT

**APPROVED**