

BOARD OF GOVERNORS
Executive Committee

Meeting Minutes – August 23, 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*
- 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.

| AGENDA ITEM/PRESENTER | MOTIONS / MAJOR DISCUSSIONS | ACTION TAKEN |
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| CALL TO ORDER | 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 2:16 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 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. • 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. • 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 item 2 on today's agenda. <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. 5 AYES (Ballesteros, Booth, De La Torre, Perez, and Shapiro) |
| PUBLIC COMMENT | There were no public comments. | |
| APPROVE MEETING MINUTES | The minutes of the June 28, 2022 meeting were approved as submitted. | Approved unanimously by roll call. 5 AYES |
| CHAIRPERSON'S REPORT | Chairperson De La Torre commented that President Biden signed legislation recently on a number of issues: the environment, some tax measures, but very importantly there was an extension on health insurance issues in that package. These will help people access health care. Additionally, there was a provision which will allow Centers for Medicare and Medicaid Services (CMS) to negotiate on some prescription drug prices, which is a wonderful thing to bring those costs down, as these will become benchmark prices for pharmaceuticals nationwide. The environmental issues and politics in Washington DC received a lot of attention, but the health care components did not. These provisions become effective right away. | |
| COMMITTEE ISSUES | | |
| Government Affairs Update | <p>Cherie Compartore, <i>Senior Director, Government Affairs</i>, reported:</p> <ul style="list-style-type: none"> The Inflation Reduction Act of 2022 was approved through Congress and significant changes were made. The federal subsidies for health care premium assistance will continue through 2025. L.A. Care continues to work on a permanent extension. There were changes to the Medicare program. Medicare will be allowed to negotiate prices for the 10 most expensive prescription drugs, increasing the number of drugs to 20 by 2029. Insulin is the first drug, and it will be capped at a cost of \$35 monthly | |

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| | <p>for Medicare enrollees, and a \$2,000 annual out of pocket cap for prescription drug spending for the Medicare Part D program. The Kaiser Family Foundation estimates this will impact 115,000 Medicare Part D beneficiaries in California. While most immunizations and vaccines are covered in Medicare Part D, there are some that are not covered, such as the vaccine against Shingles. The bill provides that all vaccines will not have a co-payment for Medicare Part D recipients. This provision will benefit over 500,000 Californians. A detailed matrix of all of the health provisions affecting Californians will be distributed.</p> <ul style="list-style-type: none"> • In California, the Legislature has until August 31, 2022 to pass legislation to be sent to the Governor for action. The Governor has until September 30, 2022 to take action on the legislation. A full matrix of all enacted legislation with a direct impact to L.A. Care will be distributed after the end of the legislative session. | |
| <p>Revisions to Legal Services Policy 603 (Grants & Sponsorships)</p> | <p>Board Member Booth commented that the revisions don't seem to resolve the duplication of consideration by the Executive Committee and then by the Board. In 2019 the limit for approval was increased to \$150,000. The Board of Governors has invested in these grant initiatives, and it may want to continue to consider the individual grant proposals. She noted that when one group receives a large grant, it takes away from the funding, which could be approved at smaller amounts for more entities. She noted that the provisions may not apply very often and may not help much. She asked for more information about the selection of these limits for approval. She would rather see more entities receive a smaller amount of funds.</p> <p>Shavonda Webber-Christmas, <i>Director, Community Benefits</i>, responded that it is not believed there will be a large number of grants that would not surface to the Board, but this would reduce some of those. Today will be the fourth grant presented for Board consideration, under the new policy there would have only been one grant presented. The new policy would reduce the number of grants presented to the Board. All grants would continue to be reported to the Executive Committee and to the Board. It was discovered that grants will also be reported to the Finance & Budget Committee.</p> <p>Board Member Booth noted that she has questions about the Grant under consideration on today's agenda. She feels that the maximum grant amount for Board consideration should remain at the level currently in the policy, report grants to Finance & Budget and submit the grant proposals to the Board of Governors for consideration.</p> | |

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| | <p>John Baackes, <i>Chief Executive Officer</i>, noted that he is in favor of the revisions to the policy to streamline the work done by staff. The grant proposals end up being approved in the long run and there is a reporting mechanism for the Board.</p> <p>Board Member Booth agreed that the revisions help staff, but doesn't really change the work of the Board.</p> <p>Ms. Webber-Christmas noted that in May 2020 the Board made an exception and raised the \$150,000 limit to \$250,000, and there would have been additional grant proposals considered by the Board in that time.</p> <p>Chairperson De La Torre commented that the proposal for revisions to the policy modifies the process. Grants will continue to be reviewed in some manner by the Board. Board Member Booth noted that the monthly or quarterly report does not include the same level of detail as the motions for grant proposals. Board Member Booth stated that she sees the approval of grant proposals as actions by the Board where Board Members investigate and inquire about the proposals. She agreed that most of the proposals are approved. Chairperson De La Torre noted that the authority is delegated to staff who are involved on a day-to-day basis. The reports are presented to the Board, and if there is any issue, Board members can ask for more information. This is a normal process.</p> <p><u>Motion EXE 100.0922</u> To approve Policy 603 as amended to optimize the Board of Governors' approval process for Community Health Investment Fund grants and authorize General Counsel and her designees to make edits to the policy as needed to effectuate the amendments.</p> | <p>Approved by roll call. 4 AYES (Ballesteros, De La Torre, Perez, and Shapiro), 1 NAY (Booth)</p> <p>The Committee approved including motion on the Consent Agenda for the September 1, 2022 Board of Governors' meeting.</p> |
| <p>CHIEF EXECUTIVE OFFICER REPORT</p> | <p>Mr. Baackes apologized for disrupting the order of the meeting, and he reported:</p> <ul style="list-style-type: none"> • He was on a call with Mark Ghaly, MD, MPH, California Health and Human Services Secretary, and representatives of other California health plans, concerning retroactively reallocating costs to health plans for out of network COVID-19 testing back to March 2020. This was a discussion of the issue so that health plans could inform Dr. Ghaly of their opinions. • There are significant impacts to L.A. Care enrollment in the next 18 months: <ul style="list-style-type: none"> ○ End of the public health emergency will initiate eligibility redetermination process for Medi-Cal beneficiaries, now expected to occur in early 2023. | |

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| | <ul style="list-style-type: none"> ○ 253,000 Members enrolled with Kaiser through L.A. Care will be directly enrolled with Kaiser in January 2024. ○ Undocumented residents between the ages of 26 and 49 who are eligible for Medi-Cal will be able to enroll in January 2024. ○ Some categories of fee-for-service Medi-Cal beneficiaries will be moved into managed care in January 2023. ● All of these will affect enrollment and finances. ● L.A. Care has closely followed 2023 and 2024 rate issues for Medi-Cal. ● L.A. Care’s application to convert Cal Medi-Connect to a Dual Special Needs Plan (DSNP) has met all qualifications and is approved to move forward. He commended the L.A. Care staff team for their hard work. The DSNP model is better for L.A. Care members, providers and for the health plan. <p>In response to Board Member Shapiro’s question about Kaiser, Mr. Baackes explained that Governor Newsom negotiated with Kaiser outside of the normal procurement process, and the State of California will award Kaiser with a direct Medi-Cal contract. Kaiser will not be required to participate in a competitive bidding process. Public entity health plans do not have to go through procurement. Commercial health plans participating in Medi-Cal occasionally go through a re-procurement process, where the health plans bid for the Medi-Cal contract. In February 2022 a request for proposal (RFP) was released by the Department of Health Care Services, which began the re-procurement process. The results of the process are expected to be announced soon. Just prior to releasing the RFP, it was announced that Kaiser, without bidding, would directly contract to provide Medi-Cal services in California. The reason given for not including Kaiser in the re-procurement is that it is a “closed system”. Approval by the Legislature was required for this contract, which identified the “alternative care delivery plan”. The characteristics were given for a statewide organization, with at least 4 million members, with a pharmacy providing benefits only to those members. Kaiser has contracts as a plan partner with 12 public entity health plans in California. Board Member Booth clarified that the legislation includes a description that can only be applied to Kaiser. Mr. Baackes noted that it is important that the re-procurement process requires that the health plan awarded a Medi-Cal contract would accept all applicants. But Kaiser limits enrollment to beneficiaries with prior affiliation in the previous six months. This puts other health plans on unequal footing. Chairperson De La Torre noted that L.A. Care, along with other public health plans, sent a letter to the Secretary of Health and Human Services in Washington DC, asking that the federal</p> | |

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| | <p>waiver necessary for the Kaiser direct Medi-Cal contract be declined. He commended Mr. Baackes for participating as a leader in appealing this issues to the federal administration.</p> <p>Mr. Baackes informed Committee Members that L.A. Care has no disagreements with the leadership of Kaiser in Los Angeles County, and continues to work harmoniously with Kaiser to serve L.A. Care’s members. There is disagreement with state representatives about the way this arrangement was reached and the bad policy precedent that it sets. Chairperson De La Torre agreed with Mr. Baackes and noted it was that the agreement with Kaiser circumvented the normal way that Medi-Cal contracts are handled in the State of California.</p> | |
| Plunum Health Grant | <p>Ms. Webber-Christmas summarized a motion to request an award up to \$500,000 to support implementation of Plunum Health’s Care Transformation Program (CTP) at Eisner Health, Saban Community Clinic, and Venice Family Health. It would allow each of those entities to use the Medical Home Network (MHN) model and implement a level of care management that has proven to be successful with high-cost, high-need patients, and addresses a full spectrum of health, social and behavioral health issues, integrates information in the patient electronic health record and ensures coordination among the entities serving the patients’ needs. The program involves emergency care, hospitalizations, and pharmaceuticals. Funds will be used to hire staff and for some of the technical information technology consultants that will be needed to make the system work in and among the entities.</p> <p>Mr. Baackes commented that this grant is innovative, and the Community Health Investment funds should be used for support of innovative ideas that could produce a best practice and could have wide applicability. This is based on a model that has proven to reduce overall health care cost and coordinate services. The grantee will be getting funds from other sources as well as L.A. Care.</p> <p>Board Member Ballesteros asked if this will be a new software program. Ms. Webber-Christmas responded that the new program is called MHN Connect, which integrates electronic health records to capture data and provide reports. Board Member Ballesteros asked if results of this new program would be available to inform a potential expansion of the program. Mr. Baackes responded that this applies an enhanced care management approach to assess any need for additional services for each patient. Board Member Ballesteros applauded the approach and noted that positive results could indicate that this program may be far-reaching.</p> | |

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| | <p>Motion EXE 101.0922 To award up to \$500,000 to Plunum Health to implement its evidenced based Care Transformation Program (CTP) at partner clinics to enhance care management, improve patient health status, and reduce system utilization costs.</p> | <p>Approved unanimously by roll call. 4 AYES (Ballesteros, Booth, De La Torre and Perez) <i>Member Shapiro experienced technical difficulties and was unable to vote.</i></p> <p>The Committee approved including motion on the Consent Agenda for the September 1, 2022 Board of Governors' meeting.</p> |
| Approve Consent Agenda | <p>Approve the list of items that will be considered on a Consent Agenda for September 1, 2022 Board of Governors Meeting.</p> <ul style="list-style-type: none"> • July 28, 2022 Board of Governors Meeting Minutes • Revisions to Legal Services Policy 603 (Grants & Sponsorships) • Plunum Health Grant • Quarterly Investment Report • Consolidated Allocation of Funds for Non-Travel Meals and Catering & Other Expenses • OptumInsight, Inc. Contract Amendment SOW #6 • Verizon Business Contract Amendment • UpHealth, Inc. (formerly Thrasys, Inc.) Contract Amendment • Cognizant Technology Solutions and Solugenix Corporation Contract Amendment for Staff Augmentation | <p>Approved unanimously by roll call. 5 AYES (Ballesteros, Booth, De La Torre, Perez, and Shapiro)</p> |
| PUBLIC COMMENTS | There were no public comments. | |
| ADJOURN TO CLOSED SESSION | <p>The Joint Powers Authority Executive Committee meeting was adjourned at 3:10 p.m. 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 3:12 p.m.</p> | |

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| | <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>August 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>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 | |
| RECONVENE IN OPEN SESSION | The meeting reconvened in open session at 4:05 p.m. No reportable actions were taken during the closed session. | |
| ADJOURNMENT | The meeting adjourned at 4:05 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:

Hector De La Torre, *Chair*

Date: _____

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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

Hector De La Torre, *Chair*

Date: 9/24/2022 | 5:01 PM PDT

APPROVED