# BOARD OF GOVERNORS

## Compliance & Quality Committee Meeting

## Meeting Minutes – May 18, 2017

L.A. Care Health Plan CR 1025, 1055 W. Seventh Street, Los Angeles, CA 90017

**Members**

G. Michael Roybal, MD, MPH, *Chairperson*
Al Ballesteros, MBA
Stephanie Booth, MD
Hilda Perez
Kimberly Uyeda, MD
** Absent ** Teleconference*

**Management**

John Baackes, *Chief Executive Officer*
Richard Seidman, MD, MPH *Chief Medical Officer*
Thomas Mapp, *Chief Compliance Officer*
Augustavia J. Haydel, *General Counsel*

| AGENDA ITEM/ PRESENTER | MOTIONS / MAJOR DISCUSSIONS | ACTION TAKEN |
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| **CALL TO ORDER** | Chair G. Michael Roybal, MD, called the meeting to order at 2:05 p.m. | |
| **APPROVAL OF MEETING AGENDA** | The Agenda was approved as submitted. | **Approved unanimously. 5 AYES (Ballesteros, Booth, Perez, Roybal and Uyeda)** |
| **APPROVAL OF MEETING MINUTES** | The March 16, 2017 meeting minutes were approved as submitted. | **Approved unanimously. 5 AYES** |
| **CHAIRPERSON'S REPORT** | No report | |
| **CHAIR ELECTION** | Augustavia Haydel, *General Counsel,* reviewed the process for Committee Chair election and asked for nominations for Committee Chair.<br>Member Perez nominated Member Uyeda and Member Booth nominated herself.<br>Results of the vote are: Member Uyeda – 3 votes, Member Booth 2 votes.<br>**Kimberly Uyeda, MD was elected Chair of the Compliance & Quality Committee.**<br>Chair Uyeda suggested that consideration of a Vice Chair position for Board Committees be considered at a future Governance Committee meeting. | |

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| | Member Roybal thanked the Committee members for their support during his term as Chair of the Committee. Member Perez thanked Member Roybal for his leadership of and dedication to the Committee. | |
| **CHIEF EXECUTIVE OFFICER'S REPORT** | John Baackes, *Chief Executive Officer,* thanked Member Roybal for his hard work as Chair of this Committee. Mr. Baackes reported that the US House of Representatives passed a health care bill last week. The bill will now be considered by the Senate.<br><br>There are several sections of the bill that concern L.A. Care because of the potential effect on Medicaid beneficiaries:<br>• Changes in federal funding will cause significant increases in cost to states that over time will result in reduction of benefits or enrollment. California estimates that by 2020, there will be about $700 million less in funding for Medicaid from the federal government<br>• Increased frequency of eligibility redetermination and new rules about continued coverage will also decrease federal funding.<br>• Reduction of $400 million in funding for In Home Supportive Services workers.<br>• Elimination of a mandate for enrollment and elimination of taxes to support premium subsidy will weaken the health benefit exchanges.<br><br>There are opportunities for the bill to be derailed. The bill is changing the Medi-Cal funding structure and goes beyond a repeal and replace of the Affordable Care Act. If the bill becomes law it will repeal the taxes that support the premium subsidies. There will be 24 million uninsured people. The cost increases for Medi-Cal and becomes higher than the consumer price index. A conversation is needed about how to maintain Medi-Cal sustainability with the current enrollment. L.A. Care continues to be vigilant and proactive through its trade associations and will lobby to preserve coverage for its members.<br><br>Member Booth asked about the distribution of Proposition 56 funds. Mr. Baackes will report on this at a future meeting.<br><br>The Congressional Budget Office scoring on current proposed American Health Care Act is expected to be released in a few days. | |
| **CHIEF MEDICAL OFFICER'S REPORT** | Richard Seidman, MD, MPH, *Chief Medical Officer,* reported on the following:<br>Health Services Staffing Updates | |



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| Richard Seidman, MD, MPH | o David Wedemeyer, *Senior Directory of Quality*, started March 10. Jim Banks, previous *Senior Director of Quality*, will be assisting with National Committee for Quality Assurance (NCQA) for Health Services until May 30.<br>o Dr. Alex Li, Sr. *Medical Director of Health Services*, will begin on May 22.<br>o Dr. Michael Brodsky, *Medical Director of Behavioral Health*, will begin on May 30.<br><br>National Commission on Quality Assurance (NCQA) accreditation onsite survey will take place May 22 and 23.<br>o Delegates have been selected for file review.<br>o Files have been selected, allowing ample time to prepare.<br><br>Member Booth asked what NCQA reviews. Dr. Seidman responded that for file review, they are looking for compliance with standards in four of five different categories to make sure all the elements required are included in the file.<br><br>Dr. Seidman continued his report on a Health Information Exchange Pilot:<br>o eConnect is an electronic link with hospitals to transmit L.A. Care secured data on admissions, transfers and discharges. It is limited to transactional information. This helps alleviate delays due to claims submissions. For example, the required post-partum visit clinical quality measure is tied to the delivery date. Due to a delay in claims submission, it was hard to identify the delivery date and meet the post-partum visit requirement. eConnect helps fill out the data and helps L.A. Care better serve newborns and new mothers.<br>o A second pilot for a Facebook social media campaign is planned in collaboration with Communications department staff, to promote Cervical Cancer Screening. The first pilot for Chlamydia Screening in 2016 was implemented by Health Education staff. In 30 days on Facebook the message displayed more than 61,000 times, generated 1,107 unique views, 200 "likes" and 18 shares. These campaigns target measure specific age ranges in low income zip codes in L.A. County.<br><br>Dr. Seidman noted that cervical cancer and chlamydia screenings are Healthcare Effectiveness Data and Information Set (HEDIS) measures. Member Roybal asked what we are doing to notify the providers to ensure that new mothers get the follow up appointment scheduled in a timely manner. Dr. Seidman responded that capability is still being developed. | |



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| | • Incentive programs are offered to L.A. Care's plan partners, contracted provider groups and to physicians. The incentive programs that we offer will be aligned with the priorities that are set by our regulators.<br>• Staff is currently working on a grant that includes 1,200 Medicare providers, some of which may not be in L.A. Care's network. The grant will provide funding for technical assistance to improve performance in Medicare's quality payment program. We are pursuing this effort because the technical assistance programs that are not limited to our own network and are helpful to other providers aligns well with the strategic goals. This is a good opportunity to show providers that are not yet in our network what L.A. Care can offer. Dr. Seidman noted that the grant provides about $500,000 for more than 1,200 practices.<br>• Pharmacy is addressing pain management and the opioid epidemic by setting quantity limits and limiting high risk patients to a single pharmacy. There is currently a shortage of pain management specialists.<br><br>Member Booth suggested reaching out to providers regarding the Centers for Medicare and Medicaid Services (CMS) requirements for alternative models of collecting data and teach the groups how to appropriately collect data.<br><br>Dr. Seidman noted that each provider group will need to be contracted with a pain management specialist to comply with new CDC guidelines. Research shows that narcotics are not an effective way to treat chronic pain. | |
| **CHIEF COMPLIANCE OFFICER REPORT**<br><br>Thomas Mapp | Thomas Mapp, *Chief Compliance Officer,* referenced his written report included in the materials for this meeting (*a copy of his report can be obtained by contacting Board Services).* He reported:<br>• Compliance work plan is going well, and a dashboard and matrix presentation will be presented to the Committee at a future meeting.<br>• In the last three months a compliance liaison program was initiated to work proactively within business units to conduct routine contact, monitor risk and resolve problems.<br>• Compliance issue log is used internally to identify and track issues. Compliance is working to develop methods to identify key metrics that may need additional attention.<br>• Revisions to Internal Compliance Committee Charter may be suggested at a future meeting. | |



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| | Elysse Palomo, *Senior Manager, Regulatory Audits and Governance Compliance,* reported:<br>• 2016 California Department of Health Care Services (DHCS) Medical Audit final report was issued and a corrective action plan was submitted timely to DHCS. The 2017 onsite is scheduled for September 18 –30, 2017.<br>• 2016 Mock CMS Program Audit (conducted by Gorman Health Group) revealed:<br>o Appeals & Grievances – 25 conditions involving timeliness, Part C and Part D clinical decision making and grievances.<br>o Pharmacy – 15 conditions mainly within Formulary Administration and 2 regarding Part D clinical decision-making.<br>o Coverage Determinations and Appeals and Grievances received notice of 5 Immediate Corrective Actions Required (ICARs)<br>o Formulary Administration received 4 ICARs<br>o Organization Determinations and Appeals and Grievances received 2 ICARs<br>• 2016 CMS Data Validation Audit evaluates the plan's ability to submit valid data each year.<br>o An onsite audit was conducted on April 25, 2017. Staff interviews were conducted regarding measure data collections and calculations, data systems and processes, data quality and completeness, reporting, and oversight of vendors. No major issues have been identified.<br>• Plan Denial Letter Monitoring Audit will involve providing CMS with samples of denial letters to review for timeliness.<br>• 2017 California Department of Managed Health Care (DMHC) Mental Health Parity and Addiction Equity Act Implementation Survey onsite audit was April 18 – 20, 2017. Sample files were delivered timely to DMHC. Focused on UM program and Beacon utilization management processes, and reviewing parity for physical health and mental health service delivery i.e. inpatient, outpatient, office visits.<br>• 2017 Los Angeles Department of Public Social Services (DPSS) Homecare Workers Healthcare Services onsite audit begins June 5 for review period of July 1, 2015 to present.<br><br>Mr. Mapp noted that L.A. Care received notification late yesterday of a formulary administration review by CMS for the Cal MediConnect (CMC) program. Corrective action plans (CAP) will be implemented for the pharmacy department. | |



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| | Malayan Boyd, *Compliance Program Manager, Delegated Provider Audits, Reviews & Oversight,* reported:<br>• L.A. Care has a Sanction Work Group comprised of Compliance, Legal Services, Provider Network Management, and Enterprise Integration. The group identified key criteria for a severe infraction that warrants a review for possible sanctions and possible types of sanctions. The next meeting will be focused on developing the intake process.<br>• Another initiative is the implementation of a formal CAP validation process to ensure that the delegated entities have implemented remediation.<br>• 2016 audit trends are:<br>o 16 of 23 PPGs (70%) failed to ensure that their contracted downstream providers conducted OIG screening for their employees. L.A. Care will implement monitoring of this standard.<br>o 13 of 32 PPGs (41%) failed to timely conduct new provider training.<br><br>Jonathan Ro, *Senior Director, Compliance (Internal Audit),* reported:<br>• Gennadiy Daych is a certified internal auditor and joins L.A. Care on May 9, 2017 as the Senior Manager of Internal Audit. Mr. Daych will initially focus on building an enterprise-focused audit team, deploying financial, operational and other audits.<br>• Recently concluded an audit of L.A. Care's member marketing material, to validate format and terminology used in marketing materials, submission to CMS where needed, and receipt by members. Favorable observations were that marketing materials were submitted timely to CMS and annual materials were sent timely to renewing members. Findings were that new member enrollment material was not provided timely to one newly enrolled member in a test of ten samples, one policy was not consistent with the Medical Marketing Guideline, and two policies have not been reviewed since 2013.<br>• An internal review of the Health Risk Assessment process has been conducted. Findings were that timeframes for Individual Care Plans (ICP) are not consistently met and a more effective process is needed to identify continuously enrolled CMC members for the 12-month ICP reassessment. Staff will continue to monitor.<br><br>Member Roybal suggested that the Board of Pharmacy should be made aware of SIU Case #1396, a member that filed a grievance against a pharmacy that charged cash for controlled substances which were covered by L.A. Care. Mr. Mapp responded that the | |



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| | issue will be forwarded to the pharmacy department and was submitted to DHCS as an isolated issue.<br><br>Shawnalynn Smith Thomas, *Senior Manager, Compliance Risk Management,* reported the following:<br>• Developing a 2017 risk assessment that captures existing or potential threats related to legal or policy noncompliance based on risks and remediation efforts in audit reports, analyses, and corrective action plans completed from 2015 through May 1, 2017. A draft document will be distributed to senior management by May 31. Risks identified preliminarily include:<br>o Provider network data/website<br>o Encounter data<br>o Vendor procurement to pay processes<br>o Delegation oversight of PPGs<br>• A 2018 risk assessment will include enterprise, internal audit, and compliance risk assessments, and is scheduled to begin September – October 2017. | |
| **COMMITTEE ISSUES** | | |
| **NEW CASE MANAGEMENT MODEL OF CARE FOR MEDICARE MEMBERS**<br><br>Rafael Amezcua, MD | Rafael Amezcua, MD, *Medical Director, Medicare, (a copy of his presentation can be obtained by contacting Board Services).* He reported:<br>• A Model of Care (MOC) is regulated by CMS and provides the structure for care management processes and systems that enable the health plan to coordinate care.<br>• The goal is to have member-centric, high touch, community and team based care management program to address the holistic needs of members, including physical, behavioral, and social needs.<br>• There are four sections of the MOC:<br>o Description of Population<br>o Care Coordination<br>o Provider Network<br>o Quality Measurement and Performance Improvement<br>• Dually eligible beneficiaries (eligible for benefits in Medicare and Medi-Cal) have a higher likelihood of having cognitive or mental impairment, three or more chronic conditions, being in fair or poor health, requiring assistance and are more likely to be a long-term care facility resident. There are burdens to caregivers, as well. | |



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| | • L.A. Care has identified six elements that are considered best practices to ensure we provide the right care to this population. These six elements came out of the Medicare Care Coordination Demonstration Project: Effective Care Management. The best practices are:<br>o Care Manager is the Hub and leads an integrated team<br>o Enhance member engagement<br>o Facilitate provider engagement<br>o Identify need for face-to-face encounters<br>o Comprehensive medication management<br>o Monitor and participate in transitions of care<br>• To ensure best practices staff is working on the following with a goal to implement the new MOC system by September:<br>o Build a network of providers that meet the member's specific needs<br>o Create an ongoing collaborative care management partnership to engage members and providers in fostering positive health outcomes<br>o Understand PPG current case management capacity and look for opportunity to improve<br>o Partner with exceptional provider groups on best practices and share lessons learned among other provider groups<br><br>Dr. Amezcua reported that L.A. Care partnered with AppleCare on a pilot because they are our partner with the largest amount of CMC members. The pilot was to demonstrate how best they can take care of our high risk members. In the process we identified their approach to care management and to ensure there are no gaps in care. Chair Uyeda asked if this could result in a subcontract with AppleCare for coordinated care management for a group of patients. Dr. Amezcua responded that is a possibility.<br><br>Member Roybal shared that community health workers can be effective with this population as they are able to develop a deep relationship with the patient and their support system. Dr. Amezcua noted that Vision y Compromiso has trained many Promotora program participants throughout California. There are three groups that have the bulk of our CMC members and seem to be doing a good job in coordinating care. L.A. Care will serve some members in house and will do the care management. The idea is to have care teams, including the community workers, at the Family Resource Centers so they will have the opportunity to be closer to the patients. | |



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| | Member Booth suggested that we do this for children as well. Mr. Baackes explained that initially the program will serve CMC members. In the future it may be expanded to other programs. Dr. Seidman added that this model is for patients already identified as high risk which require much closer case management.<br><br>Mr. Baackes reported that L.A. Care will contract with an organization which will train the In Home Supportive Services workers so they are integrated into the care team.<br><br>Member Ballesteros asked about care coordination for the high risk patients in clinics that are homeless, and how will L.A. Care interact with the clinic to best serve that population. Mr. Baackes responded that the AppleCare pilot will help determine the structure of the care management team and identify capacity. Mr. Ballesteros noted that AppleCare must communicate directly with other entities to minimize duplication of efforts.<br><br>Member Perez informed Dr. Amezcua that the L.A. Care health promoters will be eager to participate in the pilot program. | |
| **ADJOURN TO A CLOSED SESSION** | Augustavia J. Haydel, Esq., *General Counsel,* announced the following items to be discussed in closed session. A report is not expected in open session. The Committee adjourned to closed session at 3:45 p.m.<br><br>THREAT TO PUBLIC SERVICES OR FACILITIES<br>Consultation with Louis Anumudu, Information Security Officer | |
| **RECONVENE IN OPEN SESSION** | The Committee reconvened in open session at 3:55 p.m. There was no report on action taken during the closed session. | |
| **PUBLIC COMMENT** | There was no public comment. | |
| **ADJOURNMENT** | The meeting was adjourned at 4:09 p.m. | |

Respectfully submitted by:

Malou Balones, *Committee Liaison, Board Services*
Jennifer Carabali, *Committee Liaison, Board Services*
Linda Merkens, *Manager, Board Services*

APPROVED BY:

Kimberly Uyeda, MD, *Chairperson*
Date Signed: 12/7/17



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