

**BOARD OF GOVERNORS**  
**Executive Committee**  
**Meeting Minutes – February 22, 2021**  
 1055 West 7<sup>th</sup> Street, Los Angeles, CA 90017



**Members**

Hector De La Torre, *Chairperson*  
 Al Ballesteros, *Vice Chairperson*  
 Robert H. Curry, *Treasurer*  
 Layla Gonzalez, *Secretary*  
 Stephanie Booth, MD  
 Hilda Perez

**Management/Staff**

John Baackes, *Chief Executive Officer*  
 Terry Brown, *Chief Human Resources Officer*  
 Augustavia J. Haydel, Esq., *General Counsel*  
 Marie Montgomery, *Chief Financial Officer*  
 Tom MacDougall, *Chief Information & Technology Officer*  
 Francisco Oaxaca, *Chief of Communications & Community Relations*  
 Noah Paley, *Chief of Staff*  
 Acacia Reed, *Deputy Chief Operating Officer*  
 Tom Schwaninger, *Senior Executive Advisor Digital, IT*  
 Richard Seidman, MD, MPH, *Chief Medical Officer*

**California Governor issued Executive Order No. N-25-20 and N-29-20, which among other provisions amend the Ralph M. Brown Act. Members of the public can listen to this meeting via teleconference.**

<b>AGENDA ITEM/PRESENTER</b>	<b>MOTIONS / MAJOR DISCUSSIONS</b>	<b>ACTION TAKEN</b>
<b>CALL TO ORDER</b>	<p>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 2:07 p.m. The meetings were held simultaneously. He welcomed everyone to the meetings.</p> <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> <li>• The Chairperson will invite public comment before the Committee starts to discuss the 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>	

**APPROVED**

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
APPROVE MEETING AGENDA	The Agenda for today's meeting was approved.	Approved unanimously by roll call. 6 AYES (Ballesteros, Booth, Curry, De La Torre, Gonzalez and Perez)
PUBLIC COMMENTS	<p>Feb 13, 4:58 pm, via Text, sender not self -identified  <i>Public comment 2-22 -2021 the summary of why I keep commenting at your meetings is because in 2014 after seeing my adult autistic daughter in a 10 day coma that could've been prevented I discover in early 2014 that Synermed was behind the harm done to her , so I go out of my way to report that fact to LA Care , much later in 2019 the DMHC verified that fraud and you f--/— idiots defended Synermed in response to my 2014 complaint and then you denied my daughter your services, so you discriminated against my autistic daughter and retaliated against us for telling you what I believe you already knew, that there was something wrong BIG TIME with those people ! Now I notice that no one has formally notified us that our daughter is a victim , this tells me 1000s of people have no idea they are Synermed fraud victims, my focus isn't the other affected HMOs, my focus is LA Care ignoring our very relevant grievances (I have 100s of copies ) and not helping with our daughter post surgical care , she may have died anyway but I will never know of your help may have helped, in any event she had the right to your services, thats what my complaints are, I believe there are many other victims besides my child who have been contacting me . My number is 626-217-0549 bohindy@gmail.com if there a rule I can't share my info show it to me! I don't give a damn what else Synermed called themselves you know perfectly well what I'm talking about!</i></p> <p>Feb 13, 5:41 pm, via Text, sender not self-identified  <i>Please add to last public comment, I asked you for a copy of your prior medical director justifying denying services to Vanessa in your board notes and you've ignored that request, I believe because this medical director had no actual authority to deny our child services in retaliation for the parents pointing out Synermed was committing fraud! It's suggested people look up what I'm talking about instead of taking LA Care at their word! Their word is trash! My kids dead and I'm going to pursue this indefinitely, if people belong</i></p>	

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	<p><i>in jail I will do what I can to make it happen! My child is not the only victim, I know of a dead disabled person where a judge had agreed it was dependent adult abuse !</i></p> <p><b>Feb 19, 5:09 am, via Text, sender not self-identified</b>  <i>More public comment 2-22-2021 meeting, I'm requesting formal notification that my daughter Vanessa is a Synermed fraud victim, the DMHC told you in (3 minutes expired, and the remainder of this person's comments are included at the bottom of these minutes as an addendum).</i></p> <p>Chairperson De La Torre stated that he interrupted the reading of public comment prior to the contact information being given because this particular submitter of public comment, who frequently submits public comment and to whom Chairperson De La Torre had personally expressed condolences for the loss of her daughter, had previously complained and filed complaints regarding her personal information being divulged through the public comment process. He does not want L.A. Care to be in a position of divulging her personal contact information in our meetings, even though she put it in her comments. All her comments were read as submitted except her phone number, because that is personal information, and he does not want L.A. Care in a position of divulging personal information through the public comments.</p>	
<b>APPROVE MEETING MINUTES</b>	The minutes of the January 25, 2021 meeting were approved with correction to delete question marks which were inserted as editor's notes.	<b>Approved unanimously by roll call. 6 AYES</b>
<b>CHAIRPERSON'S REPORT</b>	Chairperson De La Torre observed that unfortunately there are geographic pockets in Los Angeles County that do not have COVID-19 vaccination sites which limits access to the vaccine in those areas. He hopes that L.A. Care continues to push for expansion of vaccination sites, particularly throughout the underserved communities all over the county. Clearly, access to COVID-19 vaccine was missing in some communities. The vaccine must be easily accessible for all people.	
<b>CHIEF EXECUTIVE OFFICER REPORT</b>	<p>John Baackes, <i>Chief Executive Officer</i>, reported:</p> <ul style="list-style-type: none"> <li>State of California has indefinitely postponed implementation of a new prescription drug plan for Medi-Cal beneficiaries. Governor Newsom had proposed in 2019 that the State would take over the purchase of prescription medications for Medi-Cal and the prescription drug benefits would be taken out of the Medi-Cal benefits currently</li> </ul>	

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	<p>administered by health plans. His proposal included creation of a new bureaucracy on the basis of cost savings. A contract was issued to Magellan, a pharmacy benefit management company (PBM), at the end of 2019. The new program was to begin January 1, 2021. In November 2020, the start was postponed to April 1, 2021. Last week an indefinite postponement was announced.</p> <ul style="list-style-type: none"> <li>• On January 4, 2021, it was announced that Magellan had been acquired by Centene Corporation, which also owns Health Net, a provider of health coverage for Medi-Cal in California. The request for proposals (RFP) for a PBM that was issued by the State of California stated that the PBMs owned by health plans doing business with the State of California would not be eligible to bid because of the inherent conflict of interest. The acquisition of Magellan after the selection process, by a corporation that also owns a health plan doing business with the State of California, seems to create that conflict of interest. Health plans have been informed that the conflict of interest could not be resolved in time for the new PBM administration to proceed on April 1, 2021, and that State representatives will continue to work with Magellan and Centene to resolve it, with a decision about pharmacy benefits for Medi-Cal expected in May, 2021.</li> <li>• The members of Local Health Plans of California (LHPC), a statewide trade association that represents all 16 local, not-for-profit health plans including L.A. Care, unanimously agreed and recommended in writing to the State of California that implementation of the new PBM be postponed until at least January 1, 2022, and that Magellan be stripped of the contract for administration of the new program. The contract could be awarded to the second choice PBM or a new RFP could be issued.</li> <li>• The postponement of a new PBM program avoided an impossible mess that could have resulted from the significant changes to Medi-Cal pharmacy benefits in the midst of a pandemic and distribution of critical COVID-19 vaccines.</li> <li>• L.A. Care is not an entity that will receive or distribute vaccines. L.A. Care is very concerned about making the vaccine readily accessible for its members and is working to address member concerns about the vaccines and is distributing information to reassure the community and encourage people to get vaccinated. <ul style="list-style-type: none"> <li>○ Work on overcoming inequity gaps in accessing vaccine sites.</li> <li>○ Partnered with a variety of health systems with access to the vaccine to help identify eligible members and help them access a vaccine site.</li> <li>○ Flu vaccine clinics at the end of 2019 were conducted in conjunction with the USC School of Pharmacy.</li> </ul> </li> </ul>	

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	<ul style="list-style-type: none"> <li>○ L.A. Care is working with USC School of Pharmacy to develop a distribution of vaccine at L.A. Care’s Community Resource Center locations. These will be open for walk-up.</li> <li>● These efforts are hampered by the insufficient supply of vaccine to meet the needs of Californians.</li> <li>● The State of California issued a no-bid contract to Blue Shield of California to act as a third party administrator (TPA) in the distribution of the vaccine. The role of the TPA is not yet clear.</li> <li>● The Federal Emergency Management Agency (FEMA) has announced vaccination sites at the California State University in Los Angeles and at the Oakland-Alameda Coliseum, in Oakland, California.</li> <li>● The federal administration has stated it will deliver COVID-19 vaccines directly to Federally Qualified Health Centers (FQHC). The FQHCs know the patients who are eligible and most in need of vaccines. This will help address equity in distribution.</li> <li>● CalAIM will begin January 1, 2022, and it will be a major change in the Medi-Cal program. CalAIM is a multi-year initiative by California Department of Health Care Services (DHCS) to improve the quality of life and health outcomes of our population by implementing broad delivery system, program and payment reform across the Medi-Cal program. Two important aspects of the program are the enhanced care management benefit and an in lieu of services benefit. Both are modeled after successful ongoing components of previous waiver pilot programs: Whole Person Care (WPC) and Health Homes Program (HHP). WPC and HHP will terminate at the end of 2021. CalAIM will have financial and operational implications for L.A. Care, and will change the benefit programs, and implementation will be a challenge. Mr. Baackes noted that the changes are going in the right direction, and he will provide additional information at future meetings.</li> <li>● L.A. Care’s Financial Report through January 2021 shows positive results. Performance is better than was forecast in the Budget approved by the Board in September 2020. Staff remains focused on reducing administrative cost and has started an internal program called, <i>Re-engineering for Efficiency</i>.</li> </ul> <p>Member Gonzalez asked if vaccine outreach efforts were underway for L.A. Care’s members receiving the PASC-SEIU health plan.</p>	

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	<p>Richard Seidman, MD, MPH, <i>Chief Medical Officer</i>, responded that those members have been in a tier eligible for the vaccine for the last month and outreach work is being conducted for those members. Most of them receive care through the Los Angeles County Department of Health Services (DHS) facilities. Dr. Seidman reviewed the groups that would become eligible for vaccine and cautioned that there may be a tightening of supply of the vaccine in the next few weeks. He noted that it is hoped that a third vaccine, from Johnson &amp; Johnson, will receive emergency authorization for us before the end of February.</p> <p>Member Booth asked if L.A. Care was working with other nonprofit medical groups such as Kaiser Permanente. Mr. Baackes indicated he will speak to that organization.</p>	
FY 2019-20 Year-End Sponsorship Report	Mr. Baackes referred to the report included in the meeting materials ( <i>a copy of the report may be requested by contacting Board Services</i> ).	
<b>Government Affairs Update</b>	<p><b>Feb 21, 9:04 am, via Text, sender not self-identified</b>  <i>Government Affairs agenda Public comment, I'm requesting LA Care notify Synermed victims pursuant to Dept Of Managed Healthcare corrective action that your attorney signed, it states affected enrollees are to be followed up with. People who were harmed have the right to know! I know Synermed used another name, people were still affected by Synermed and you know it , stop using the other name they used to justify not telling people! Anyone who feels they were affected by Synermed is welcome to call /text 626-413-0199, you are NOT alone, YOU HAVE RIGHTS!</i></p> <p><b>Feb 22, 2:16 pm, via Text, sender not self-identified</b>  <i>Chair report Public comment, I consent to my phone number and email being published, what rule is there otherwise? Also you published grievances which were not public comment which had no reason to be published. I will be following up with Brown Ave office!</i></p> <p><i>Chair public comment If you edit my public comment I will report that as well, show me the rule I can't share my contact info  Request or asked for this to b read at govt affairs item</i></p>	

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	<p>Chairperson De La Torre stated that because there is a history of complaints for disclosing personal contact information, L.A. Care will not disclose personal contact information during public comment.</p> <p>Cherie Compartore, <i>Senior Director, Government Affairs</i>, reported:</p> <ul style="list-style-type: none"> <li>• At the federal level, this week the House of Representatives is expected to pass a \$1.9 trillion COVID relief package that includes funding for policy changes in Medicaid, public health and funding for some states and localities. A \$15 minimum wage increase is in that legislation. This bill is expected to pass the House on a party line vote. Some provisions may be changed by the Senate through the reconciliation process as a result of the Byrd Rule. Medicaid provisions are expected to remain in the bill. The minimum wage increase may be changed or removed. It is expected to be passed by the Senate in mid-March before the current federal unemployment payment increases end.</li> <li>• Some highlights of the Medicaid provisions in the COVID relief packet are: <ul style="list-style-type: none"> <li>○ Increased eligibility for Medicaid up to 12 months for mothers after giving birth. California has a similar law but it only impacts mothers with a post-partum diagnosis.</li> <li>○ Provides Medicaid coverage to prisoners that meet eligibility requirements 30 days prior to release. This will remain in effect for 5 years.</li> <li>○ Increases subsidies for health exchange coverage premiums.</li> <li>○ Provides an addition \$1,400 in stimulus payment for people with up to \$75,000 in annual income.</li> </ul> </li> <li>• A hearing on the nomination of Xavier Becerra, nominee for Health and Human Services Secretary, will be held on February 24. It is expected there will be significant opposition to the nomination by Republican lawmakers.</li> <li>• At the state level, Governor Newsom and the legislative leaders have reached agreement on a \$9.6 billion COVID relief bill for Californians. It includes a one-time \$600 stimulus payment for low-income residents who qualify and \$2.1 billion in grants for small businesses.</li> </ul> <p>Mr. Baackes asked Ms. Compartore to comment on the number of bills that have been introduced so far in the current legislative session that may have an impact on L.A. Care.</p> <p>Mr. Baackes asked Ms. Compartore to comment on the number of bills that have been introduced so far in the current legislative session that may have an impact on L.A. Care.</p>	

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	<p>Ms. Compartore reported that staff is tracking over 200 healthcare related bills, which is surprising as the legislature is not holding in-person hearings. Despite the remote hearings, the public will be able to provide input in a variety of ways. There are a number of bills related to telehealth. Assembly Member Wood, Health Committee Chair, has introduced a package of healthcare bills that deal with cost containment and price transparency. There are also a number of bills that would make some of the COVID relief measures permanent or more expansive. The California Nurses Association will re-introduce single payer legislation. The deadline for bill introduction was February 19. Staff will provide information on the proposed legislation at future meetings.</p> <p>Chairperson De La Torre noted that the large number of bills is to be expected given the reduction in bills introduced last year due to the pandemic and budget uncertainty. Ms. Compartore noted that the expected shortfall in revenue did not occur. The COVID-19 relief package may use some of those funds. Chairperson De La Torre noted that the revenue is more than \$10 billion higher than expected.</p> <p>Member Booth asked about AB 890. Ms. Compartore responded that a planned meeting on this did not occur. At this moment there are no scope of practice bills.</p>	
<b>Revised Communications Policy COMM 006 (Sponsorships)</b>	<i>This item was not discussed and will be brought to a future Committee meeting for consideration.</i>	
<b>L.A. Care Cash Balance Plan Restatement</b>	<p>Terry Brown, <i>Chief Human Resources Officer</i>, summarized the amendments to L.A. Care Cash Balance Plan (the “Plan”), a tax-qualified supplemental retirement plan for senior executives which was established on January 1, 2006, and was most recently restated effective January 1, 2017. The Plan recently received a favorable determination letter from the Internal Revenue Service regarding the Plan’s tax-qualified status, which is conditioned on restating the Plan to incorporate these Plan amendments. The proposed restated Plan would also amend the Plan to increase the age at which participants must generally begin receiving distributions from the Plan from age 70½ to age 72 in accordance with the Setting Every Community Up for Retirement Enhancement Act (the “SECURE Act”). Mr. Brown introduced Ed Bernard, a consultant in this area, who is available to answer any questions.</p>	

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	<p>Member Booth asked about some items in this document:</p> <ul style="list-style-type: none"> <li>On page 34 of the packet under Benefit Service, there is a statement that earning 2,280 hours of service. She asked why this number is used when a regular work year is usually 2,080.</li> </ul> <p>Mr. Brown responded that under this plan the monthly equivalency is 190 hours, so that results in the annual number of 2,280 hours. This is driven by Internal Revenue Service code.</p> <ul style="list-style-type: none"> <li>There is a schedule 6 that shows \$1 per year. Member Booth asked if this was for employees who became eligible after January 1, 2013.</li> </ul> <p>Mr. Bernard responded that schedule is to establish those employees as participants in the plan, as a placeholder. Mr. Brown noted that Public Employee Pension Reform Act changed L.A. Care's ability to use plans such as the Cash Balance Plan.</p> <ul style="list-style-type: none"> <li>Member Booth asked about how a participants age impacts participation in the plan. Mr. Brown noted that vesting occurs over three years, and employee contributions are fully vested.</li> <li>Member Booth asked about the statement in section 5.1 regarding attainment of normal retirement age.</li> </ul> <p>Mr. Bernard responded that under the IRS rules, a participant will become fully vested upon attaining normal retirement age during the vesting period. Mr. Brown clarified that vesting occurs when a participant attains normal retirement age as an employee or achieves three years of service, whichever occurs first.</p> <p><b><u>Motion EXE A.0221</u></b></p> <ol style="list-style-type: none"> <li><b>To approve the adoption of the restated L.A. Care Cash Balance Plan, in the form attached hereto, to accomplish the aforementioned purposes, effective as of the dates set forth in the restatement; and,</b></li> <li><b>To authorize and direct L.A. Care's General Counsel to execute the restated Plan.</b></li> </ol>	<p>Approved unanimously by roll call. 6 AYES</p>
<p><b>Approve the Consent Agenda for March 4, 2021 Board of Governors meeting</b></p>	<p>Approve the list of items that will be considered on a Consent Agenda for March 4, 2021 Board of Governors Meeting.</p> <ul style="list-style-type: none"> <li>Minutes of February 4, 2021 Board of Governors Meeting</li> <li>TransUnion Contract Amendment</li> </ul>	<p>Approved unanimously by roll call. 6 AYES</p>
<p><b>PUBLIC COMMENTS</b></p>	<p>There were no public comments for the closed session items.</p>	

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<b>ADJOURN TO CLOSED SESSION</b>	<p>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> <p><b>CONTRACT RATES</b> 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><b>REPORT INVOLVING TRADE SECRET</b> Pursuant to Welfare and Institutions Code Section 14087.38(n) Discussion Concerning New Service, Program, Business Plan Estimated date of public disclosure: <i>February 2023</i></p> <p><b>CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION</b> Significant exposure to litigation pursuant to Section 54956.9(d) (2) of Ralph M. Brown Act Three Potential Cases</p> <p><b>CONFERENCE WITH LABOR NEGOTIATOR</b> Section 54957.6 of the Ralph M. Brown Act Agency Designated Representative: Hector De La Torre Unrepresented Employee: John Baackes</p> <p><b>PUBLIC EMPLOYEE PERFORMANCE EVALUATION</b> Section 54957 of the Ralph M. Brown Act Title: Chief Executive Officer</p>	
<b>RECONVENE IN OPEN SESSION</b>	The meeting reconvened in open session at 5:21 pm. No reportable actions were taken during the closed session.	
<b>ADJOURNMENT</b>	The meeting adjourned at 5:21 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: 3/22/2021 | 5:44 PM PDT

**APPROVED**

## Public comments not ready during the meeting

*(continued from above) ... the corrective action to follow up with affected enrollees, your agency is withholding my dead autistic daughters protected health info from us by not notifying us, I don't care who is related to who, I don't care what else they called themselves! You have our conservator papers on file, your supposed to keep them 7 yrs! My signature requesting my child's records is attached.*

Feb 19, 5:45 am Text, sender not self-identified

*Public comment, you people are the villains, not me, you violated my dead adult autistic daughters rights, along with the rights of 1,000s of enrollees who aren't being notified they are Synermed fraud victims.*

*Last comment is 2-22-2021*

Feb 19, 5:56 am Text, sender not self-identified

*DMHC corrective action says to follow up with Synermed victims, I have not been formally notified my dead daughter is a victim! Stop withholding our daughter medical info from us! And other people*

Feb 19, 6:44 am Text, sender not self-identified

*Public comment 2-22 -21 I don't want my comments read for me, you have no reason other than controlling comments and trying to see them before your meetings!*

Feb 21, 10:12 am, Text, sender not self-identified

*Public comment governance, 2-22-21 your attorney needs to read DMHC documents that they sign! I have never been "followed up with" in reference to Synermed. I'm starting to wonder if LA Care kept records of complaints but never actually followed regarding grievances because 100s of my grievances were not acknowledged!*

Feb 21, 1:25 pm, Text, sender not self-identified

*Public comment 2-22-2021 please add to last public comment, or maybe didn't keep records, but I did!*

*2-22-21 Public comment governance, please affirm you can't hear me in my home, you were able to hear me in my home and record me before without my knowledge.*

February 22, 2:05pm, via Text, sender not self-identified

*2-22-21 comment I just noticed no Spanish translation today with the usual toll free number, do you expect Spanish speakers not to know about your committee meetings? Also it's stated there may be a toll call for English speakers unlike the usual toll free for Spanish speakers, some people still use pay phones*

February 22, 4:53pm, via Text, sender not self-identified

*Public comment at 2-22-21 meeting I was unable to hear the adjournment and kept being told I'm not allowed Access and then hung up on 3-4 times. I just made a Brown Act complaint, also I reported not being allowed to share my phone and email but not being told there is a rule that I can't do so.*