

# BOARD OF GOVERNORS

## Provider Relations Advisory Committee

### Meeting Minutes – August 21, 2024

1055 W. 7<sup>th</sup> Street, Los Angeles, CA 90017



**L.A. Care**  
HEALTH PLAN

#### Members

George Greene, Esq., *Chairperson*

Richard Ayoub \*\*

Stephanie Booth, MD

Hector Flores, MD \*\*

Monica Gutierrez-McCarthy \*

Alice Kou, MD \*

Sabra Matovsky \*\*

Ashkan Moazzez, MD, MPH, FACS, CHCQM

Zahra Movaghar

John Raffoul

Amanda Ruiz, MD \*

David Silver, MD

David Topper \*

Michelle Tyson, MD \*\*

Haig Youredjian

*\*Absent \*\* Via Teleconference*

#### Management/Staff

John Baackes, *Chief Executive Officer*

Augustavia Haydel, Esq., *General Counsel*

Sameer Amin, MD, *Chief Medical Officer*

Noah Paley, *Chief of Staff*

Acacia Reed, *Chief Operating Officer*

| AGENDA<br>ITEM/PRESENTER       | MOTIONS / MAJOR DISCUSSIONS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | ACTION TAKEN                                                                                                                                                                                         |
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| <b>CALL TO ORDER</b>           | George Greene, Esq., <i>Committee Chairperson</i> , welcomed everyone and called the L.A. Care and JPA Provider Relations Advisory Committee (PRAC) meetings to order at 9:33 A.M. The meetings were held simultaneously.<br><br>Mr. Greene described the process for public comment.                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                      |
| <b>APPROVE MEETING AGENDA</b>  | Chairperson Greene informed Committee Members he was not able to attend the meeting in person due to an unexpected emergency issue, and requested approval to participate remotely. He stated that there are no individuals in the room with him.<br><br>Committee Member Matovsky also informed Committee Members she was not able to attend the meeting in person due to an unexpected emergency issue, and requested approval to participate remotely. She stated that there are no individuals in the room with her.<br><br><b>Remote participations of Chairperson Greene and Committee Member Matovsky were approved by roll call.</b><br><br><b>The Agenda for today's meeting was approved.</b> | <b>Approved unanimously by roll call. 10 AYES (Ayoub, Booth, Flores, Greene, Matovsky, Moazzez, Movaghar, Silver, Tyson and Youredjian)</b><br><br><b>Approved unanimously by roll call. 10 AYES</b> |
| <b>PUBLIC COMMENTS</b>         | There was no public comment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                      |
| <b>APPROVE MEETING MINUTES</b> | The May 15, 2024 meeting minutes were approved as submitted.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>Approved unanimously by roll call. 10 AYES</b>                                                                                                                                                    |

**APPROVED**

| AGENDA<br>ITEM/PRESENTER                | MOTIONS / MAJOR DISCUSSIONS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | ACTION TAKEN |
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| <b>CHAIRPERSON'S REPORT</b>             | <p>Chairperson Greene expressed his appreciation for Committee members' participation to the meetings. Chairperson Greene hopes that eventual successor to John Baackes, <i>Chief Executive Officer</i>, will continue the practice of engaging providers to prevent challenges and create opportunities to improve engagement. These meetings started as a forum for providers to present the challenges they experience and opportunities for working together. The providers can collaborate with L.A. Care to help improve the experience for L.A. Care beneficiaries. In the short time this committee has existed, L.A. Care has done substantive work in listening to providers and engaging in changes. The hospitals appreciate the actions taken already regarding prior authorizations, demonstrating L.A. Care's commitment to continue listening to providers. Chairperson Greene looks forward to more engagement in the future. Mr. Baackes has been a collaborator and a partner in challenging issues. Mr. Baackes has demonstrated commitment to continuing the dialogue, and he will be missed.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |              |
| <b>CHIEF EXECUTIVE OFFICER'S REPORT</b> | <p>Mr. Baackes thanked Chairperson Greene for his kind remarks. Mr. Baackes reported on Proposition 35. Low Medicaid/Medi-Cal reimbursement has been a subject for years. In 2022, Los Angeles County Safety Net Coalition (SNC) was established to address the issue of low Medi-Cal reimbursement. The low funding was particularly acute post COVID, when many providers, hospitals, and doctors were dealing with a shortage and high cost for nurses. SNC advocated for the reinstatement of the managed care organization (MCO) tax to provide funding for Medi-Cal. It was approved by the California Legislature and signed by the Governor last year and went into effect on July 1, 2023, for a three-year period. \$19 billion in additional federal money was generated. Eight billion went to the state's general fund and \$11 billion to Medi-Cal. The funding for Medi-Cal was scheduled to be distributed at toward the end of the three-year period, and the general fund money was allocated first. The SNC members were concerned that the Governor and the legislature could change the allocation in subsequent legislation.</p> <p>The SNC started a ballot initiative that will appear on the statewide November 2024 ballot. In May, the Governor cited a budget deficit and swept the remaining funding from the MCO tax proceeds into the general fund. Aside from targeted rate increases (TRI) for Medi-Cal funding has not improved. The ballot initiative is Proposition 35. A sample ballot package will be sent to voters with information about the initiative. Opposition to the initiative has not been announced. If Prop 35 succeeds, the budget deficit will continue in future years.</p> <p>The Medi-Cal rate increase this year was the first base rate increase in 25 years. The base rate has gone up, but it was always behind. Mr. Baackes noted that as a public agency, L.A. Care</p> |              |

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|                          | <p>cannot advocate for the ballot initiative. There is information available about the ballot initiative. There will be an advertising campaign funded by organizations represented on SNC. The hospital association, medical association, and primary care association have committed millions of dollars to the campaign to get this initiative on the ballot. He offered to provide information to organizations wanting to support the SNC.</p> <p>Mr. Baackes commented that prior authorization for medical services is a key for the managed care health plan. It ensures that services are provided appropriately and to avoid unnecessary costs. Prior authorization is a tool to properly allocate services for managed care plan members. Mr. Baackes was always been concerned about this issue and asked chief medical officers to review L.A. Care's prior authorization process to make it effective and efficient.</p> <p>Sameer Amin, <i>Chief Medical Officer</i>, noted that 14,000 codes have been identified as unnecessary, representing 24% of the codes used. Those are now eliminated in L.A. Care's direct network.</p> <p>Mr. Baackes is on the Board of America's Health Insurance Plans (AHIP), a national trade association with which L.A. Care is affiliated. In January 2024, AHIP brought in a new CEO and he reported that everyone he talked to on Capitol Hill in Washington D.C., asked if he could work on prior authorizations. It was remarked that if the industry does not do it, the legislators will enact legislation on it. Mr. Baackes is hoping that L.A. Care will be seen as a trendsetter and other managed care plans will look inwardly before getting defensive about prior authorizations. He supports reform on prior authorization that makes the process a way to help members get the right care, at the right place, and at the right time. Mr. Baackes thanked Dr. Amin for his leadership.</p> <p>Dr. Amin agreed that there is that happy medium using prior authorizations to drive value-based care, with the right controls in place versus creating an undue administrative burden on providers. It is incumbent upon L.A. Care, considering its place in the community, to lead on this issue. There are areas of care that had significant drop in the number of codes requiring prior authorization. For durable medical equipment, about 43% of the codes were removed from the prior authorization list. For digestive, respiratory, and muscular-skeletal surgeries, there have been more significant drops with almost 80% of the codes removed. With common complex radiology, laboratory and medications, 70% of the codes were removed.</p> |              |

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|                          | <p>Dr. Amin credited the Medical Management team led by Colleen Boltman, David Kagan, and Tara Nelson. L.A. Care is responsibly streamlining and making things easier for its providers and facilities to deliver care to its members. Being in Los Angeles County, L.A. Care has a significant delegation of responsibility to providers. The delegated entities are responsible for utilization management for their members. L.A. Care is collaborating with delegates on the prior authorization lists to help minimize the administrative burdens.</p> <p>Mr. Baackes reported a significant shift by the California Department of Health Care Services (DHCS) regarding the delegated model for how care is organized and delivered in Southern California for the last 35-40 years. As in Medi-Cal, DHCS and Centers for Medicaid and Medicare Centers (CMS) have determined the level of administrative cost in the system is too high. L.A. Care saw this in the contract that went into effect in January 2024. In January 2025, DHCS will require L.A. Care to report the administrative costs of its delegated entities. L.A. Care has been asking for information from delegates that have not been asked before, and there is some resistance. L.A. Care understands the providers' distress, but it is necessary. There is concern about the funds that L.A. Care is spending for Plan Partners. About 38% of L.A. Care's enrollment is through Plan Partners, the other 62% of members are enrolled through direct contracting with independent physician associations (IPAs) and hospitals. L.A. Care was required to report fees paid related to a series of codes for the target rate increase (TRI). This is a good outcome in the MCO tax from last year. L.A. Care has to demonstrate that the fees paid to providers do not exceed 87.5% of Medicare fee schedule. Providing this data to L.A. Care has caused distress to delegates. L.A. Care has contracted with a vendor to receive the data securely. L.A. Care is caught between the requirements of regulators and the needs of the delegated provider network. L.A. Care wanted to discuss this issue with this Committee.</p> <p>Committee Member Booth noted that the State wants to make sure that L.A. Care pays capitation to the IPAs. The IPAs distribute to the doctors individually. There are no details for when a primary care, a behavioral health or an OBGYN is paid, and whether it is less than equal to or more than 87.5% of the Medicare fee schedule.</p> <p>Mr. Baackes added that if it is more than 87.5% of the Medicare fee schedule, the regulators do not want L.A. Care to continue to pay them. If it is less, regulators want to make sure the money gets to them. L.A. Care is required to ask all the IPAs for data that in the past they have not provided to L.A. Care.</p> |              |

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|                          | <p>Committee Member Movaghar commented that the targeted rate increase (TRI) implementation has become a very complex process for the health plan and for the delegated groups. There are different types of contracts in the delegated networks:</p> <ul style="list-style-type: none"> <li>• Fee for service which is very straightforward</li> <li>• Case rate that includes visits and ancillary services</li> <li>• Capitated specialists that include capitated oncology services including drugs and visits.</li> <li>• Primary care capitation.</li> </ul> <p>Providers are trying to decide how it works because, at the end of the year, the risks stays with the delegated group and providers are going to look to the groups for adequate reimbursement. IPAs have to get ready for provider disputes or a lot of contract negotiations. There is significant administrative cost to this. With the medical loss ratio (MLR) policy, IPAs do not have information about how the MLR will be calculated, but hope that they are not seen as a delegated model like a third party administrator (TPA) that only manages utilization and pays claims, because IPAs do a lot of work other than being a TPA.</p> <p>Mr. Baackes appreciated Committee Member Movaghar's comments, and noted that dialogue is important. An enormous disconnect exists between DHCS plans and those that have to implement them. It is becoming increasingly clear that disconnect is getting bigger and there's an increasing burden for L.A. Care to try to implement the requirements. L.A. Care is asking for feedback from this Committee, along with ideas to share with DHCS on how to do it better. L.A. Care is in a better position when it goes to DHCS not to complain, but present ideas. L.A. Care was very disappointed that DHCS chose to implement in this way. L.A. Care wants to see the rates enhanced in response to providing the additional services. The proposed process will provide a lump sum payment at the end, which will likely result in haggling over how the payment was determined. L.A. Care wanted it to be included in the base rate. DHCS did not do it that way so now L.A. Care is stuck with the mess.</p> <p>Committee Member Movaghar noted in the MLR discussions, there is no overhead nor administrative fee included. Mr. Baackes confirmed this to be true. DHCS wants to have an overall 7% administrative cap. It does not align with the 85% DHCS wants to have as the minimum MLR. The minimum MLR is 85%, there may be 15% for profit as well as administrative expenses. Mr. Baackes noted that that, Afzal Shah, <i>Chief Financial Officer</i>, could not attend this meeting. He is meeting with actuaries and regulators on this issue. Mr. Baackes asked for ideas so that when L.A. Care meets with DHCS, it can present alternatives.</p> |              |

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|                          | <p>Committee Member Matovsky thinks there may be confusion in how the State is passing funding to health plans, and how the health plan passes funding. A compounding issue is provider led; the specialty costs have gone up 15% annually over the past three years. It is frustrating that rate increases now are for providers that potentially may have slow walked the rate increases that were needed in the extreme inflation during the COVID pandemic, and they benefit for not keeping pace with market demand and specialty needs. That is a complicated conversation, because the rate increases since COVID may, or may not, be reflected in the TRI payments, but are definitely wreaking havoc on financials and affect the ability to provide care.</p> <p>Mr. Baackes recognized that it has been a particularly difficult for their organization and all the FQHCs they represent, that is why he brought up this issue. Committee Member Matovsky agreed with Mr. Baackes and noted the lack of understanding at the State level. Some of the assumptions were off the mark. If there is an opportunity, her organization would be happy to be involved.</p> <p>Committee Member Flores expressed his appreciation for Mr. Baackes' leadership and noted that he will be missed. Committee Member Flores noted that part of the reason this Provider Relations Advisory Committee is important is to have a unified message. Part of the State's lack of understanding is that the provider community approaches regulators from different directions with self-interest issues. This confuses them and regulators do not want to act. He suggested that L.A. Care hold IPA summits, and this committee could be a driver for a pre-conference survey of IPAs on their pain point issues and potential solutions, so there would be a unified voice to the State, with a set of solutions. One issue in the delegated model is that it is treated overall as a business transaction and often not associated with clinical issues that result. Capitation rate is considered a proprietary issue, but many delegated models are not in a position to negotiate or have the leverage to negotiate the capitation needed to care for patients. Second, the infamous distribution and financial responsibility historically was rationalized by considering that IPAs had different capabilities and some were ready to take on a level of risk while other IPAs were not. That is now been boiled down to a purely business negotiation of getting the most out of IPAs for the least amount of money. He sees a need for transparency or standardization so IPAs are not put in financial situations they cannot possibly bear and end up cutting corners to balance their books. He proposed convening a group to start to problem solve to present a unified proposal to the State.</p> |              |

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|                                                                                       | Mr. Baackes thanked Committee Member Flores for his comments. Mr. Baackes noted that L.A. Care would be happy to take on the challenge of convening. The standardization of contracts between the plans and the delegated entities will be a project because contracts were developed individually with each delegated entity.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |              |
| <b>COMMITTEE ISSUES</b>                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |              |
| <b>Participating Physician Group (PPG) Scorecard and Internal Performance Metrics</b> | <p>Dr. Amin, Acacia Reed, <i>Chief Operating Officer</i>, and Suma Simcoe, <i>Deputy Chief Operating Officer</i>, presented the Participating Physician Group (PPG) Scorecard and Internal Performance Metrics. <i>(A copy of the report may be obtained by contacting Board Services.)</i></p> <p><u>Medical Management.</u></p> <p>Dr. Amin reported on the changes in Utilization Management (UM) for expedited urgent pre-service, post service, and standard routine requests. L.A. Care is operating at a very high rate, with a stellar performance from the UM team. This is a significant change in performance compared to a few years ago. Dr. Amin commended the UM team for maintaining the high performance.</p> <p>Dr. Amin reported on L.A. Care's population, how L.A. Care is responding to all the work it is doing, the joint operations meetings with L.A. Care's quality team and medical management team. Inpatient hospital admissions were down significantly compared to the prior year. There was significant improvement from March 2023 to January 2024 from the efforts of L.A. Care, its delegates and providers, making sure value based care is delivered to keep patients out of the hospital who do not need that care.</p> <p>The January 2024 numbers are starting to increase because of natural seasonality. Results show a significant hit at the end of last year. L.A. Care found a majority were respiratory infections consistent with public health issues at the time. The same goes for L.A. Care's non-obstetric ancillary patients. A core step in L.A. Care's new process is having conversations with providers about their issues to help them through it. There has been a slight increase in the readmission rate but overall the rate is lower than the prior year.</p> <p>Emergency department (ED) visits were climbing in the winter period compared to last year and staff reviewed these in detail. A lot were waves of RSV and viral infections, which were a little unusual. Staff will continue to review urgent cases. The vaccination rates, particularly for flu, are lower than in prior years, with some resulting from overall vaccine hesitancy. ED visits and hospital avoidable admissions were a main discussion topic in L.A. Care's quality and medical management meetings with delegates.</p> |              |

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|                          | <p>L.A. Care's meets with PPGs and providers in the direct network to discuss performance, and the data on quality, medical management and member experience was well-received.</p> <p>Dr. Amin provided an update on L.A. Care's work for the unhoused across the county. L.A. Care has earmarked at least \$1.2 billion between 2022 and 2029 to benefit unhoused members.</p> <p>At the last meeting, L.A. Care presented data from the third quarter of 2023, which showed 14,000 quarterly enrollment for Enhanced Care Management (ECM). L.A. Care has put new incentives in its contracts to increase ECM enrollment. New leadership is in place and new engagement with L.A. Care's ECM providers took effect by the fourth quarter. There was an increase from 13,900 to 15,000 in the quarterly enrollment, exceeding L.A. Care's internal goal for ECM enrollment.</p> <p>Acacia Reed, <i>Chief Operating Officer</i>, and Suma Simcoe, <i>Deputy Chief Operating Officer</i>, provided an update on Claims processing. The metrics for payments dispersed and claims received are appropriately aligned. No significant issues between June and July, and data is the same for the volume submitted electronically and service type.</p> <p>Ms. Simcoe noted the dip in June in the volume received and subsequent increase in July. The change in volume received is believed to be due to the Change Healthcare cyberattack in February, which impacted claims submissions for several providers, and L.A. Care received a higher volume as providers resumed submissions. There was a dip in the paid claims amount in June with an increase in July, because the payment cycle in June had 16 days in while in July there were 22 days in the payment cycle.</p> <p>There were no differences in the claims adjudication rate. Previously, new regulations were implemented that resulted in a backlog of 300,000 claims for several months in the queue. L.A. Care has put new processes in place and shifted the standard process to address that issue. The average claims processing timeline is 10 days, and L.A. Care has a 7-day payment flow.</p> <p>Ms. Reed noted a significant decrease in the overall denial rate due to significant work by the team to re-categorize coordination of benefits claims along with additional work that Ms. Simcoe and her team have been doing throughout the months since she joined the organization.</p> |              |

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|                          | <p>A system issue identified very recently involved about 180,000 claims. From the claims payment perspective, when L.A. Care denies a claim during a process run, it should send an EOB to the providers, but these claims just re-circled in the system. QNXT-Cognizant, which owns the software and the system, identified four issues and is working on fixing that issue.</p> <p>Ms. Reed reported that Provider Dispute Resolution (PDR) cases closed in May 2024 are 94%; L.A. Care's internal benchmark is 95%.</p> <p>Committee Member Hector Flores asked about the percentage rate of incomplete claims received that are recycled back to providers and how duplicate claims L.A. Care receives increase the workload.</p> <p>Ms. Reed responded that duplicate claims coordination and incorrect billing cause first pass claims denials. Ms. Simcoe added that once L.A. Care receives the claims for coordination of benefits from CMS, L.A. Care is already processing the claims, and providers are resubmitting claims for the secondary payment. This creates a duplicate claims volume.</p> <p>Ms. Reed noted that historically the percentage of denials of incorrect incoming claims is between 10-13%. Ms. Reed asked Ms. Simcoe to send the percentage of the volume for both the aggregated six months and just for July 2024 to Committee Member Flores.</p> <p>Committee Member Flores suggested that providers be informed about the process so they do not immediately submit duplicate claims that could potentially delay the process.</p> <p>Dr. Amin noted L.A. Care has internal processes and goals to educate providers as much as possible rather than just denying claims. There has to be a wait period before a claim is resubmitted. If providers keep submitting duplicate claims, it adds to the claims inventory and delays claims payment. These are points of discussion during the joint operating meetings. Ms. Simcoe and her team have worked with hospitals and have seen improvement based on conversations and information sharing. L.A. Care's Advanced Analytics team regularly looks into the claims with facilities, particularly those submitting incorrect claims.</p> <p>L.A. Care found that some hospitals were doing certain processes incorrectly. Ms. Simcoe's team has gone to those facilities and talked about how they are billing, and assisted them to correct their billing.</p> <p>Committee Member Tyson commented she thinks Call The Car (CTC) holds responsibility for claims and denials. L.A. Care came in during a transition and the process stalled. The</p> |              |

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|                          | <p>CTC team is actively working with L.A. Care staff. Committee Member Tyson commented that CTC's vendors live ride by ride, unlike large organizations or medical groups. She expressed her appreciation to everyone's efforts to understand and address any issues.</p> <p>Dr. Amin noted that CTC has complied and improved performance after corrective action plans were put in place. Noah Paley, <i>Chief of Staff</i>, added that the metrics in the dashboard reflect performance through May. June and July metrics show an upward trend in performance. L.A. Care is working with CTC on engaging an overflow alternate vendor, which will be completed by the end of the year. L.A. Care will provide an updated CTC performance through July.</p> <p>Do you have any opportunity to have hard stops if they are making a mistake so that the claim does not go through like for the common ones that basically have a hard stop before the. L.A. Care has SNF level edits with its vendors to certain HIPAA required fields and if it is normal for a modifier. L.A. Care can still use that data for quality purpose. L.A. Care has have certain aspects it does want to deny up front. L.A. Care wants that data which helps to navigate other things, so upfront edits are really focused on the SNF level HIPAA edits.</p> <p>L.A. Care is in discussion with a couple of the clearinghouses regarding soft denials that could give opportunity to fix and submit the claims so that L.A. Care can handle the volume better. L.A. Care is also doing some work on its Provider portal. The provider portal is still scheduled to be rolled out in the next few months, which is going to be a big change for everybody. The ability to see where the claim received is and that it is in queue, will be helpful in terms of reducing duplicate claims. People will at least know that there is something in queue, instead of continuing to resubmit it five times they will know that we have it.</p> <p><i>(Committee Chair Greene and John Baackes left the meeting.)</i></p> |              |
| <b>OPEN FORUM</b>        | <p>Dr. Amin noted this Committee was created so that L.A. Care could get input from its providers in terms of transparency, issues they are experiencing, and areas for improvement. Not necessarily just about how the health plan can improve, but how we can improve as a healthcare ecosystem. This open forum is for any comments or questions that people have.</p> <p>Dr. Amin thinks medicine needs to write its own script by getting together, describing and talking about problems. Some of the problems can be solved in a way that regulators have to agree with. He thanked everyone for their participation and collaboration. Dr. Amin is proud of L.A. Care for making sure claims are paid timely, utilization management is done in</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |              |

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| AGENDA<br>ITEM/PRESENTER | MOTIONS / MAJOR DISCUSSIONS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | ACTION TAKEN |
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|                          | <p>a timely manner, and prior authorization requirements are reduced. He is most proud of the engagement between plan, provider, and facility to get input.</p> <p>L.A. Care regularly meets with providers, which has been difficult post pandemic. L.A. Care first pass claims denials are going down and quality metrics are going up. L.A. Care is having important conversations not only with its delegates, but also with its direct network providers. The issues around L.A. Care's difficult to place patients have receded. L.A. Care's continues to build a relationship with its collaborators at LA County Department of Health Services (DHS) sites.</p> <p>Committee Member Flores would like to see how the direct contract is performing. Mr. Baackes' commented in a previous meeting that the State limits L.A. Care's ability to use that model for a maximum of 40,000 patients. Committee Member Flores would like to see how the Committee could advocate expanding that because directly contracted doctors that he knows really like it. He would like to get an overall perspective of how that program is doing because one of the challenges is L.A. Care's directly contracted physicians and primary care providers may refer the patient to a cardiologist who then says this patient needs a specialized intervention. That may end up in the hands of a non-professional non-contracted provider or the provider is contracted but in a non-contracted facility. He would like to learn how L.A. Care would address that, so that advocacy for expansion of the model includes accounting for challenges.</p> <p>He noted there is real crisis in access overall and a shortage of primary care in the independent and small practice pediatrician practices. They are having difficulty and are deselected from IPAs. They are seen as expensive because they tend to inherit the California Children's Services (CCS) patients that cannot make it to a children's hospital. Committee Member Flores is proud of family medicine and the role he plays in improving access for Medi-Cal patients, but the pediatric community does the heavy lifting since half of Medi-Cal patients are kids. The patients fall in the hands of pediatricians, many times solo small practices, independents, and not those working with FQHCs or large medical groups. Committee Member Flores would like to see attention on this issue.</p> <p>He suggested working toward vertical integration. All of these models are moving in the right direction to support efficiency and remove barriers to care. He noted frustrations that are sometimes self-inflicted and asked about a better way to do it.</p> <p>Dr. Amin thanked Committee Member Flores for his comments. L.A. Care's delegated providers have an important place in the health care ecosystem. His main push at the plan is</p> |              |

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|                          | <p>to help to collaborate with providers so they are able to make a significant difference for the providers that are underneath them, and for the members who are receiving care through them. L.A. Care has a direct network with providers that are happy with contracting directly through L.A. Care. Cap on enrollment has been uncomfortable for L.A. Care, and it dates back to regulatory issues many years ago. L.A. Care has been going back and forth with the regulators about lifting the enrollment cap, and has made some progress. Information has been exchanged with the State to demonstrate that L.A. Care has the administrative capacity to take on these members, and can do the utilization management, pay the claims and handle all the work that goes along with it.</p> <p>L.A. Care administrative capacity has grown dramatically over the last few years. L.A. Care has increased its utilization management team by over 40%, its case management team by over 60%. L.A. Care utilization management timelines are close to 100%, and claims are paid appropriately. L.A. Care's Appeals &amp; Grievances staff connect grievances to PPGs and there are conversations with various departments about reducing grievances.</p> <p>The State said that they would allow L.A. Care to add patients above the 40,000 cap, under certain circumstances, but fully lift the cap. The State advised L.A. Care it would get back to L.A. Care in the next two weeks. L.A. Care has some doctors waiting to join the directly contracted network.</p> <p>Committee Member Ayoub is the CEO of Project Angel Food. Project Angel Food will be honoring John Baackes and L.A. Care at their Angel Awards Gala on September 28. He invited everyone to join them. Committee Member Ayoub noted that L.A. Care and Mr. Baackes have been amazing partners. Dr. Amin thanked Committee Member Ayoub on behalf of Mr. Baackes. Mr. Baackes is very involved with and supports the members of this community.</p> <p>Committee Member Sabra Matovsky commended Noah Paley. A meeting was held with internal staff at L.A. Care about accelerating recognition for practitioners. She encouraged L.A. Care to finalize rules on how advanced practitioners would be allowed to practice. It would really help providers with access concerns. She expressed her appreciation for the help so far and would like to see that worked all the way through to closure. Dr. Amin thanked Committee Member Matovsky. There have been multiple conversations with L.A. Care's credentialing team about this specific issue and it is getting closer to a solution.</p> <p>Committee Member Silver commented his team has provided feedback that there are remarkable improvements timely claims payment. He added it is nice to say that things that</p> |              |

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|                          | <p>are going right, and he thinks a lot of it is better communication. Dr. Amin thanked Committee Member Silver. He added that there has been a huge cultural shift at L.A. Care over the last few years centered around communication. Dr. Amin noted that when he joined L.A. Care he heard a lot of concern that L.A. Care does not know how to get in touch with providers. L.A. Care opened up a line where a human being would pick up the phone and talk to providers. It is these simple things where people can feel like the system is more streamlined, and they can speak to a human being and get the concern fixed. That allows more collaboration and has been a massive cultural change. L.A. Care is headed in the right direction.</p> <p>Committee Member Youredjian, Western Direct Medical Supply, echoed Committee Member Silver comments. They are experiencing the same type of feedback with regard to claims and seeing great communication at regular meetings. From his provider perspective, initiatives put in place for CPT codes and prior authorizations had a tremendous benefit in internal operations and in expediting the delivery of care for patients. He expressed his appreciation to L.A. Care. With regard to prior authorizations there is work to do. L.A. Care has regular meetings to review whether the prior authorizations list can be pared down more. L.A. Care has experience doing this for a long period of time and has a lot of data about approval rates, denial rates, what is common, what L.A. Care's team does with a prior authorization category at a 99% approval rate.</p> <p>Dr. Amin thanked the Committee members. L.A. Care wants to make sure that it is not creating artificial barriers for its providers that could increase the administrative burden. There is more work that L.A. Care can do to help support providers and contribute to the system.</p> <p>Committee Member Tyson noted the release of some prior authorizations is encouraging. She is a physician working with IPAs, and experienced patient frustration because of prior authorizations. She appreciates the innovation. She loved the idea of doctors coming to the patients in different places. She suggested that L.A. Care create a committee to review the potential for transportation for physicians to visit patients where they are.</p> <p>Dr. Amin thanked Committee Member Tyson and noted her suggestion to advocate for more in-home services for members who have a difficult time leaving their homes to get care. L.A. Care has had discussions with providers who can do that in its network. On the delegated side, L.A. Care have significantly added to its direct referral list. L.A. Care calls it direct referral, not a prior authorization list. The list has grown significantly to improve</p> |              |

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|                          | <p>access and to make sure that L.A. Care’s providers are satisfied and to make sure the patients are seeing the providers. It has been a challenge because there are long wait times. When L.A. Care increases direct referrals, it also increases the wait time at the physician's office.</p> <p>Dr. Amin noted that staff would like the Committee to discuss the turnaround time for referrals to higher level of care. L.A. Care has seen delays for specialists asking for higher levels of care at tertiary facilities. L.A. Care will meet with providers. There are three parties involved to delegate. L.A. Care needs to align with the hospital. L.A. Care is trying to get a general sense of which delegates are difficult to deal with in the hospital system. Delegates have patients in the hospital awaiting higher and lower levels of care and are trying to get those patients moved to the appropriate facility. Dr. Amin and his team had multiple discussions about how to help in these situations. L.A. Care does authorize care for those patients, does not know the status and will reach out to each delegate to help. L.A. Care has UM teams to specifically work with hospitals for members with a much closer connection with the delegates. L.A. Care is making all efforts to make sure that members are referred to the community providers and keep people out of EDs. Due to insufficient urgent care facilities, patients end up going to the ED that is closer than the urgent care site. Dr. Amin suggested that facilities might want to have a night clinic or after-hours care to serve members. L.A. Care is working to form care collaboratives for the unhoused members. One site is about to open for skid row. L.A. Care’s medical management team is reviewing the network of urgent care sites to expand its network. This would be a way that to reduce ED visit volume.</p> <p>Committee Member Matovsky commented that providers are doing more preventive screening and early identification of potential early chronic conditions. There is a dearth of specialists available for that follow up care referrals. The Medi-Cal system is expanding at different levels, and some places in the system are not able to keep up with the expanded volume. There has been a huge expansion in primary care and in the Medi-Cal coverage for Californians, but there is a lack of access to specialty care. It is not a rate issue with specialists. There is not enough specialty capacity to treat people for some earlier stages of illness. A discussion on this topic was held with a larger PPG. During the discussion, it was noted that folks are pushed to get quality metrics taken care of, such as colorectal cancer screening, but there is no specialist to conduct a colonoscopy after a positive test. With the inflation of specialty care costs over the last two years, the math oftentimes does not work out for them to treat Medi-Cal members. It is an unfortunate reality in California based on how doctors are paid, and that is not necessarily something that L.A. Care can fix.</p> |              |

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|                          | <p>Dr. Amin noted that L.A. Care is trying to work on this, as Mr. Baackes mentioned regarding targeted rate increases (TRI). As a health care community, in order to close the quality gaps L.A. Care needs to have a network of providers and be able to sufficiently pay the providers to care for Medi-Cal members. There are also facility capacity constraints. It is often not the provider because even if there are doctors to do the work, there is no site available for a colonoscopy, because facilities would not schedule them. In trying to fit all the pieces together with the right doctor, at the right facility and the right time to get everything coordinated, and then the pieces fall apart.</p> <p>David Kagan, <i>Senior Medical Director, Direct Network</i>, noted the struggle in trying to transfer members is not necessarily a delay by L.A. Care; it is because there are 40 people waiting for care at the only higher level of care facility in the community.</p> <p>Dr. Amin noted the issues with a need to expand facility capacity so that the doctors who can do the work have a site to do the work. He added that L.A. Care might need an expanded Ambulatory Surgical Center (ASC) network. Priti Golechha, <i>Senior Medical Director, Care Delivery</i>, is reviewing an ASC strategy. It is a complicated issue because providers in the network have relationships with certain ASCs where they like to work, and do not have credentials at others. There are certain ASCs that have open doors and plenty of capacity, but no provider. Some are for ear, nose, throat (ENT) procedures and some are for GI procedures. It is complicated but is not insurmountable. L.A. Care will continue to work on that. There are distance parameters that L.A. Care must meet for specialists as well as primary care, Dr. Amin thinks it is less about who is contracted but more about a willingness to serve the member in the time period needed.</p> <p>The shortage of physician specialists for areas like rheumatology, infectious disease, cardiology and pulmonary has been discussed for quite some time. There is now a demand crunch. L.A. Care is considering ways to increase fellowships, and there are challenges in trying to find academic institutions to train for a specific specialty, and there is no quick solution. People outside of medicine and outside of the industry do not understand that an increase in fellowship spots will have a lead time of 5-10 years. There will be a period with a significant demand and insufficient supply.</p> <p>Dr. Amin thanked the Committee Members. He noted transparency in these meetings has led to significant changes.</p> |              |

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| ADJOURNMENT              | The meeting adjourned at 11:30 a.m. |              |
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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:

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George Greene, Esq., *Chairperson*

Date Signed 12/12/2024 | 8:55 AM PST

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