

Board of Governors
Regular and Special Meeting Minutes #284
December 5, 2019

L.A. Care Health Plan, 1055 W. 7th Street, Los Angeles, CA 90017



Members

Hector De La Torre, *Chairperson* **
 Alvaro Ballesteros, MBA, *Vice Chairperson*
 Robert H. Curry, *Treasurer* **
 Layla Gonzalez, *Secretary*
 Stephanie Booth, MD
 Christina R. Ghaly, MD
 George W. Greene, Esq. *

Antonia Jimenez*
 Hilda Perez
 Honorable Mark Ridley-Thomas*
 G. Michael Roybal, MD, MPH
 Ilan Shapiro, MD*
 Nina Vaccaro, MPH

*Absent **Via teleconference

Management/Staff

John Baackes, *Chief Executive Officer*
 Terry Brown, *Chief of Human Resources*
 Augustavia Haydel, *General Counsel*
 Dino Kasdagly, *Chief Operating Officer*
 Thomas Mapp, *Chief Compliance Officer*
 Marie Montgomery, *Chief Financial Officer*
 Richard Seidman, MD, MPH, *Chief Medical Officer*
 Tom Schwaninger, *Senior Executive Advisor Digital*

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
WELCOME	Alvaro Ballesteros, <i>Vice Chairperson</i> , called the meeting to order under a regular and Special Supplemental Agenda at 2:05 p.m. The meetings will be conducted simultaneously. Vice Chairperson Ballesteros announced that members of the public may address the Board on matters listed on the agenda before or during the Board’s consideration of the item, and on any other topic in the public comment section on the agenda.	
APPROVAL OF MEETING AGENDA	The agenda was approved as submitted.	Unanimously approved by roll call. 9 AYES (Ballesteros, Booth, Curry, De La Torre, Ghaly, Gonzalez, Perez, Roybal, and Vaccaro)
PUBLIC COMMENT <i>Comments are summarized, not verbatim.</i>	Elizabeth Cooper, <i>Member, Regional Community Advisory Committee (RCAC) 2</i> , wished everyone Merry Christmas, Happy Holidays, Feliz Navidad, and Shalom. She noted that over 770,000 people will lose food programs. California has been very progressive. She asked John Baackes, <i>Chief Executive Officer</i> , to inform members how they can help. Losing food benefits is a health issue and a health crisis. And the housing crisis is important. She encouraged people to call their elected representatives. She asked Mr. Baackes and the Board to do something to help as someone in the audience may be impacted.	

APPROVED

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Andria McFerson, <i>Chair, RCAC 6</i>, commented that she has been trying to get a formal complaint about Francisco Oaxaca, <i>Senior Director of Community Outreach and Engagement</i>, investigated. She can't seem to get a formal meeting with Thomas Mapp, <i>Chief Compliance Officer</i>. She even emailed Mr. Baackes and received an email basically saying it isn't his responsibility and he will forward the email to the right department, which is Mr. Mapp, and she still has not gotten that meeting. The incident happened at the ECAC meeting on September 11. She was interrupted during her comment during the ECAC meeting. The Chair called her to speak about the resource guide, about which she had written. After seeing the County resource guide, L.A. Care decided to make it happen, but only on the computer website. Her comment was about making the resource guide more accessible for seniors and disabled, people with learning disabilities and the homeless, who may not have access to a computer or the web. The Director of the Outreach and Engagement department completely took the floor and interrupted the meeting, stopping her from speaking after the Chair had called on me. She described her efforts to prepare for the meeting; for some strange reason she was stopped from speaking. It is all on record. She encouraged Board members to listen to the audio recording of the meeting. She has received retaliatory harassment for speaking about positive things – making it easier for seniors and the disabled. At the last meeting, the Vice Chair called point of order at least 10 times in order to not allow me to put a motion on the Agenda from RCAC 6 from a year ago. Ms. McFerson stated that the only difference between she and the Vice Chair is that she is African American. She asked the Board to investigate this. Mr. Baackes confirmed that the issue was referred to Compliance and an investigation is underway.</p>	
<p>CONSENT AGENDA ITEMS APPROVED BY A COMMITTEE</p>	<p>The items on the Consent Agenda approved by a Committee were considered by the Board:</p> <ul style="list-style-type: none"> • Approve November 7, 2019 meeting minutes as amended • Charitable Organizations to Receive Board Member Stipends <u>Motion BOG 100.1219*</u> To designate Homeboy Industries and Housing Works for California as authorized recipients of funds from Board Member stipends according to Legal Services Policy 300 for the calendar year 2020. • Quarterly Investment Report <u>Motion FIN 100.1219*</u> To accept the Quarterly Investment Report for the quarter ending September 30, 2019, as submitted. 	<p>The Consent Agenda items were unanimously approved by roll call. 9 AYES</p>

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<ul style="list-style-type: none"> • Revisions to Accounting & Financial Services Policies <u>Motion FIN 101.1219*</u> To approve the following Accounting & Financial Services Policies as attached: <ul style="list-style-type: none"> ○ AFS-006 (Authorization and Approval Limits) ○ AFS-025 (Tangible Net Equity and Working Capital Reserves) ○ AFS-027 (Travel Expenses) ○ AFS-029 (Annual Budgets and Board of Governors Oversight) • 2020 Compliance Work Plan <u>Motion COM 100.1219*</u> To approve the 2020 Compliance Work Plan, as submitted. • 2020 Risk Assessment <u>Motion COM 101.1219*</u> To approve the 2020 Risk Assessment Plan, as submitted. • 2020 Internal Audit Plan <u>Motion COM 102.1219*</u> To approve the 2020 Internal Audit Services Work Plan, as submitted. • 2020 Delegation Oversight Audit Plan <u>Motion COM 103.1219*</u> To approve the 2020 Delegation Oversight Audit Services Plan, as submitted. • Regional Community Advisory Committee (RCAC) Members <u>Motion ECA 100.1219*</u> To approve the following as members to the Regional Community Advisory Committee (RCAC), as reviewed by Executive Community Advisory Committee (ECAC) at its November 13, 2019 meeting: <ul style="list-style-type: none"> ○ Ana Patricia Urizar, Consumer, RCAC 2 ○ Lynnea R. Johnson, Consumer, RCAC 5 ○ Maria de Lourdes Ascencio, Consumer, RCAC 10 <p>PUBLIC COMMENT Ms. Cooper commented that disabled members don't have representation after Coordinated Care Initiative Council members were merged into RCACs. Her son, Jonathan, is disabled and he might consider running for the Board. She asked the Board to consider adding designated time on the agenda at RCAC meetings for CCI members to be heard.</p>	

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	<p>Mr. Baackes responded that he will discuss it with Chairperson De La Torre. Member Gonzalez noted that time is designated on the RCAC agendas for CCI members to provide input.</p> <p>Ms. Cooper responded that it has not been effective and there needs to be more concern about this issue. She asked that the Board Chairperson work with two consumer representatives to develop an effective way for former CCI members to raise issues at the RCAC meetings.</p>							
VICE CHAIRPERSON'S REPORT	<p>Vice Chairperson Ballesteros announced that Board committee assignments are on the table.</p> <ul style="list-style-type: none"> • L.A. Care Board Members also serve as the Board of Directors for the Joint Powers Authority; the JPA operates one of L.A. Care's commercial plans (PASC-SEIU workers). • The JPA Board Committees are the same as the L.A. Care Board Committees – same members and same structure, so the committees and members are the same for the JPA and L.A. Care. <p>2020 Board committee assignments are:</p> <table border="0"> <tr> <td data-bbox="443 743 903 992"> Executive Committee De La Torre, <i>Chair</i> Ballesteros, Vice-Chair Curry, Treasurer Gonzalez, Secretary Perez, Governance Committee Chair Booth, C&Q Committee Chair </td> <td data-bbox="1108 743 1276 954"> Governance Perez, <i>Chair</i> Booth Gonzalez Jimenez Vaccaro </td> </tr> <tr> <td data-bbox="443 1013 697 1224"> Finance & Budget Curry, <i>Treasurer</i> Booth De La Torre Perez Roybal </td> <td data-bbox="1108 1013 1537 1187"> Services Agreement Committee Gonzalez, <i>Chair</i> Jimenez Perez Greene </td> </tr> <tr> <td data-bbox="443 1245 751 1456"> Compliance & Quality Booth, <i>Chair</i> Ballesteros Curry Perez Shapiro </td> <td data-bbox="1108 1245 1415 1382"> Audit Ballesteros, <i>Interim Chair</i> Booth Gonzalez </td> </tr> </table>	Executive Committee De La Torre, <i>Chair</i> Ballesteros, Vice-Chair Curry, Treasurer Gonzalez, Secretary Perez, Governance Committee Chair Booth, C&Q Committee Chair	Governance Perez, <i>Chair</i> Booth Gonzalez Jimenez Vaccaro	Finance & Budget Curry, <i>Treasurer</i> Booth De La Torre Perez Roybal	Services Agreement Committee Gonzalez, <i>Chair</i> Jimenez Perez Greene	Compliance & Quality Booth, <i>Chair</i> Ballesteros Curry Perez Shapiro	Audit Ballesteros, <i>Interim Chair</i> Booth Gonzalez	
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	Vaccaro	
CHIEF EXECUTIVE OFFICER REPORT	<p>PUBLIC COMMENT</p> <p>Genevieve Claveruil stated that we have an acute homeless crisis in Los Angeles. There is no excuse for telephone numbers not to be answered by County services. She noted a lack of empathy for people in need.</p> <p>Ms. Cooper stated that she has an issue with transportation to Board meetings. She enjoys coming to the board meetings. She asked what can be done about crisis of people who will be left without food. It is a health crisis. L.A. Care has members who may be impacted. She asked what L.A. Care can do.</p> <p>Vice Chairperson Ballesteros responded that Mr. Baackes will discuss this during his CEO report later in the meeting.</p> <p><i>(Members Ghaly and Perez joined the meeting.)</i></p> <p>Ms. McFerson stated that she spoke before about adding ECAC and RCAC members included in the Los Angeles County homeless initiative so members can volunteer in the community to provide information about health care. Social determinants of health have impact on homelessness. Before she proposed a motion, Francisco Oaxaca spoke for over 20 minutes about how homelessness is not health care, so many people said no to her motion. Members could have been in the community helping as they used to do. Months later, L.A. Care gave \$20 million to a homeless organization but RCAC and ECAC members have nothing to do with the homeless initiative. Advisory Committee members want to go out to the people and give back. She has a document with her suggestions and she is willing to provide it. She asked if members can comment after Board discussion of a topic. She does not receive the Agenda ahead of the meeting. She asked if the Board could discuss items first and have public comment after each topic so members can give their feedback. <i>(Meeting Agendas and materials are available no later than 72 hours prior to each meeting. Call Board Services at 213 694-1250, ext 4050, or email boardservices@lacare.org to subscribe.)</i></p> <p>Vice Chairperson Ballesteros would be happy to receive the written suggestions.</p> <p>Mr. Baackes referred to his written report in the meeting materials <i>(a copy of his report is available by contacting Board Services).</i></p>	
LA Homeless Health Summit Report	<p>Mr. Baackes noted that in 2017 L.A. Care approved a five year \$20 million grant in support of Los Angeles County's Whole Person Care initiative, as part of the \$90 million required for a federal funding match. The grant helps with housing and other services, provided by an</p>	

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	<p>organization with experience and expertise in effectively providing services for the 300 individuals and families currently participating. The status of the program is reported at every Board meeting; 252 individuals and families have been housed to date.</p> <p>Over 60,000 are homeless in Los Angeles County, and the vouchers provided through this program do not increase the supply of affordable housing. About 20-30,000 L.A. Care members are homeless. L.A. Care conducted the Healthcare Homeless Summit to address the issues. This is the first time that providers (hospitals, community and county clinics, mental health and public health departments) could discuss ways to address homelessness. Co-sponsors include Health Net, Community Clinic Association of Los Angeles County, and Hospital Association of Los Angeles County. There were 70 participants. A report on the summit and its recommendations is included in the meeting materials (<i>a copy can be obtained by contacting Board Services</i>).</p> <p>The report includes information across seven areas of care to coordinate services among health and social services providers. L.A. Care assists members who need recuperative care on discharge from an acute care facility, and work with those members to help them find permanent supportive housing, coordinating each transfer for its members. Through L.A. Care's Government Affairs staff in Sacramento, the recommendations will be distributed to other health plans. Expanding the availability of housing is very complicated. L.A. Care is committed to moving forward. L.A. Care has also funded grants to assist people at risk, to assist them in maintaining their housing. L.A. Care is leading the field into an area of social services to assist those in vulnerable situations to integrate and harness social services for members to improve quality of life and improve cost efficiency. In addition to housing, L.A. Care is participating in a state pilot program to provide nutritionally tailored food for patients with congestive heart failure (CHF). Health care utilization will be studied for the 1500 people in the pilot program to determine if cost efficiencies were improved through the provision of food appropriate to their medical status. Other studies have shown material reduction in emergency room and hospital readmission rates. The ultimate goal is to have food provided as a covered Medi-Cal benefit. Projects that L.A. Care is underwriting (addressing homelessness, recuperative care, and Project Angel Food) are funded by reserves.</p>	
CEO Report (continued)	<p>Mr. Baackes reported that L.A. Care broadly advertised the change in transportation vendors, and L.A. Care members responded with a significant increase in member requests for transportation services (from 110,000 rides to 160,000 rides per month). Call The Car has responded in a very professional manner.</p>	

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	<p>Dino Kasdagly, <i>Chief Operating Officer</i>, noted that the service levels have increased far beyond previous levels. Although there may be issues, we try to make the transportation services helpful for our members.</p> <p>Mr. Baackes noted that transportation is also not a medical benefit. But more resources are needed to support L.A. Care members. We all need to be letting legislators know that there cannot be reductions in food benefits.</p> <p>Through the Elevating the Safety Net program, L.A. Care has provided 92 grants to clinics and practices to bring new primary care physicians into all areas of Los Angeles County, and 16 medical scholarships were awarded. There have been 2,130 graduates of the In Home Supportive Services care service worker training. The program helps current in home care givers learn new skills and develop a network to help them in their important work.</p> <p>L.A. Care faces a challenging future. Health plans are in transition of changing the Department of Health Care Services rate cycles from the current fiscal year to calendar year in January 2021. Proposed changes in federal rules could damage Los Angeles County's safety net.</p> <p>Member Perez commented that Members would like to meet the scholars and would appreciate information about the medical school programs.</p> <p>Mr. Baackes responded that Richard Seidman, MD, MPH, <i>Chief Medical Officer</i>, has arranged for the Dean from Charles Drew University to attend an L.A. Care board meeting to discuss their selection process. L.A. Care selected those medical schools because their graduates typically stay in Los Angeles County. He noted that the scholars have a responsibility to their education but he will consider the request.</p> <p>Member Ghaly noted that the homeless summit was excellent as it involved a variety of providers for a rich discussion on housing. She emphasized that the new Centers for Medicare and Medicaid Services transparency rule may represent an immense threat to public safety net institutions across California and among all the states. It would have a damaging effect on the safety net in Los Angeles County, and she thanked Mr. Baackes for the partnership and advocacy.</p>	
CHIEF MEDICAL OFFICER REPORT	<p>PUBLIC COMMENT</p> <p>Ms. Cooper thanked Dr. Seidman for his sensitivity. She asked that Mr. Baackes consider asking medical school scholars to visit RCACs as well as ECAC.</p>	
Community Health Investment Fund	<p><i>Members Ballesteros, Curry, Ghaly, Vaccaro and Roybal may have financial interests in Plans, Plan Participating Providers or other programs and as such refrained from the discussion and vote on this motion.</i></p>	

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<p>Priorities FY 2910-20</p>	<p>Member Booth presided over discussion and vote on this item.</p> <p>Roland Palencia, <i>Director, Community Benefits Programs</i>, reviewed the priorities of the Community Health Investment fund for 2019-20. This motion was brought to the November meeting and there were questions about the reports to the Board. Staff has worked with Board members to answer those questions. A report submitted annually to the Board includes outcomes and accomplishments about every grant. Mr. Palencia noted that Mr. Baackes mentioned several of the CHIF programs in his CEO Report.</p> <p><u>Motion BOG 102.1119</u></p> <ol style="list-style-type: none"> 1. To approve the recommended use of the Community Health Investment Fund (CHIF) FY 2019-20 allocation of up to \$10 million in the following priority categories: <ol style="list-style-type: none"> (1) Support safety net clinics’ infrastructure to provide high quality and coordinated services to help them thrive in a managed care environment at \$2.5 million, (2) Expand access to high-barrier services for low-income and vulnerable populations at \$1.5 million, (3) Improve community health for underserved populations by addressing the social determinants that lead to poor health outcomes at \$2.0 million, (4) \$4.0 million is recommended for Brilliant Corners, in partnership with the Los Angeles County Department of Health Services’ Flexible Housing Subsidy Pool fund, to provide housing for homeless individuals, including L.A. Care members. These funds will also support the goals of the Whole Person Care initiative under the new California Medi-Cal waiver. 2. Delegate authority to implement the CHIF program to the CEO and also to approve grant investments of up to \$150,000 per applicant. Allow for CEO to adjust maximum or minimum priority category amounts noted above to align with community needs and requests. All other policies and approvals related to grant making investments will remain in place. 	<p>Unanimously approved by roll call. 4 AYES (Booth, De La Torre, Gonzalez, Perez)</p> <p>5 ABSTENTIONS (Ballesteros, Curry, Ghaly, Vaccaro and Roybal)</p>
<p>CMO Report (continued)</p>	<p>PUBLIC COMMENT</p> <p>Ms. McFerson commented on providing information about Agenda items prior to Public Comment so participants have an understanding of the topic.</p> <p>Dr. Seidman referred to his written report in the meeting materials (<i>a copy of his report is available by contacting Board Services</i>).</p> <ul style="list-style-type: none"> • His report has information about L.A. Care’s actions to address vaping. • It is not too late to get a flu vaccine. 	

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	<ul style="list-style-type: none"> • Over 3000 are enrolled in care management program, Health Homes. A report on the first six months of the program will be available next year. • Member experience is an important way to improve services through the CAHPS survey, piloting other ways to get member feedback, and training providers. L.A. Care has added surveys in order to get results at the individual provider level for the highest volume practices, to get more information about member experience scores and find more opportunities to improve services. • In a recent satisfaction survey, L.A. Care was able to tie an improvement in customer satisfaction scores directly to changes made in the pharmacy program, showing that we can make changes that improve services for the members. • The National Committee on Quality Assurance will have a triennial on site survey in 2020. Staff will conduct internal mock audits to prepare. <p><i>(Member De La Torre left the meeting.)</i></p> <ul style="list-style-type: none"> • Clinical pharmacy program launched with a pharmacy in Wilmington, focused on patients with diabetes and hypertension. • L.A. Care is also partnering with USC School of Pharmacy with funding through the California Right Meds Collaborative, to train community pharmacies to deliver comprehensive medication management (focused on chronic conditions such as diabetes and hypertension). Pharmacies will sign value-based contracts with L.A. Care. 	
<p>Department of Health Care Services Contract Amendment</p>	<p><i>Member Ghaly may have financial interests in Plans, Plan Participating Providers or other programs and as such refrained from the discussion and vote on this motion.</i></p> <p>Augustavia J. Haydel, Esq., <i>General Counsel</i>, presented a motion to approve an amendment to L.A. Care’s contract with the Department of Health Care Services (DHCS). Amendment No. 25 implements the requirements of the federal “Mega Rule”. This amendment repeats the language of the entire contract to ensure compliance. Broad negotiation language is included in this motion to provide adequate authority to the Chief Executive Officer to execute the contract amendment.</p> <p><u>Motion BOG 101.1218</u> To delegate authority to L.A. Care Chief Executive Officer, John Baackes, to execute Amendment No. 25 to Contract 04-36069 between L.A. Care Health Plan and the California Department of Health Care Services, and to ratify any non-substantive changes to Amendment No. 25 which may be made or negotiated by the Chief Executive Officer and/or his designees.</p>	<p>Unanimously approved by roll call. 7 AYES (Ballesteros, Booth, Curry, Gonzalez, Perez, Roybal, and Vaccaro), 1 ABSTENTION (Ghaly)</p>

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COMMITTEE REPORTS		
Executive Community Advisory Committee (ECAC)	<p>PUBLIC COMMENT</p> <p>Ms. Claveruil commented that a new leap frog report shows USC has “C” grade in safety. She expressed her concern and hopes that efforts will be made to improve the score at least to the B+ that was achieved in the past.</p> <p>Member Gonzalez reported that ECAC met on November 13. ECAC members received a legislative update from Prity Thanki, <i>Local Government Advisor II, Government Affairs</i>. She spoke briefly about the Public Charge and AB 1494, which allows doctor visits using Telehealth.</p> <p>Mr. Oaxaca reported:</p> <ul style="list-style-type: none"> • More than 60 leaders in health care in Los Angeles County gathered at L.A. Care for the first ever L.A. Homeless Health Summit. The Summit was co-sponsored by L.A. Care, the Hospital Association of Southern California, the Community Clinic Association of Los Angeles County and Health Net, and was reported earlier today under the CEO report. • Mr. Oaxaca invited ECAC members to participate in the 10-year Anniversary of the Inglewood FRC on November 18, 20 and 22. • Over 150 people attended the Pomona Community Resource Center grand opening. L.A. Care and Blue Shield CEOs received proclamations from Tim Sandoval, Mayor of Pomona, Congresswoman Norma Torres, County Supervisor Hilda Solis, Representative from Senator Connie Leyva’s office, representative from Assembly Member Freddy Rodriguez’ office, and Rubio Gonzalez from City of Pomona District 1. • Hanan Obeidi, <i>Senior Director, Medi-Cal Administration</i>, provided an update on the strategies L.A. Care is working on to address Urgent Care Center issues. Also explained process for expanding the availability of urgent care services. • Torhon Barnes, <i>Program Manager, Safety Net Initiatives</i>, provided an update on the eight new Medical School Scholarship recipients in the “Elevating the Safety Net” program. • Ms. Gonzalez attended the RCAC 9 meeting where members reported receiving calls on breast cancer awareness. <p>Member Perez thanked Dr. Seidman and all L.A. Care staff for their efforts. She won’t be at ECAC next week, as she will participate in training at City of Hope. She thanked members for their efforts and comments. She also thanked Ms. Gonzalez for her diligence and commitment to the members.</p>	
2020 State and Federal Policy Agenda	Cherie Compartore, <i>Senior Director, Government Affairs</i> , summarized L.A. Care’s 2020 State and Federal Policy Agenda for 2020, as reviewed by the Executive Committee.	

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	<p><u>Motion EXE 100.1219</u> To approve L.A. Care’s 2020 State and Federal Policy Agenda, as submitted.</p>	<p>Unanimously approved by roll call. 8 AYES (Ballesteros, Booth, Curry, Ghaly, Gonzalez, Perez, Roybal, and Vaccaro)</p>
<p>Children’s Health Consultant Advisory Committee</p>	<p>PUBLIC COMMENT Ms. Claveruil noted that last month she raised issues about a Los Angeles County Department of Health Services pediatric services website which had an incorrect address for services. It took many weeks to change the address, leaving the map with the wrong address. Instead of correcting the corresponding map, the map was removed.</p> <p>Dr. Seidman reported that the members of the Children’s Health Consultant Advisory Committee met on November 19.</p> <ul style="list-style-type: none"> • The November 2019 CMO report was presented. • Cathy Mechsner, <i>Manager, Health Information Technology Program</i> and Whitney Franz, <i>Program Manager, Health Information Technology Program</i>, presented on Transforming Clinical Practice Initiative (TCPI) and Transform LA programs. 	
<p>Executive Committee</p>	<p>Vice Chairperson Ballesteros reported that the Executive Committee met on November 18 (<i>a copy of the minutes can be obtained by contacting Board Services</i>).</p>	
<p>Finance & Budget Committee</p>	<p>PUBLIC COMMENT Ms. Cooper asked the Board to be sure there is adequate funding for Community Outreach and Education because the RCACs are important.</p> <p>Member Roybal reported that the Finance & Budget Committee met on November 18 (<i>Minutes are available by contacting Board Services</i>). The Committee reviewed and approved the contract amendment with Language Line that does not require Board approval.</p>	
<p>Chief Financial Officer Report</p>	<p>Marie Montgomery, <i>Chief Financial Officer</i>, presented highlights of the September 2019 financial reports included in the meeting materials. (<i>A copy of the report can be obtained by contacting Board Services</i>):</p> <ul style="list-style-type: none"> • September 2019 membership is 2,171,636, which is 2,540 members unfavorable to the forecast, and 18,758 member months unfavorable for the year forecast. A challenge ahead of L.A. Care will be this membership enrollment trend. There have been improvements in 	

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	<p>auto assignment rates and new enrollment with undocumented adults that may offset this trend.</p> <ul style="list-style-type: none"> • September 2019 surplus is approximately \$4 million, unfavorable to the forecast by about \$4 million for the month. • Year to date surplus of about \$237 million is \$33 million behind the forecasted surplus but still a strong surplus number for the fiscal year. The margin is 3.4%. • Revenue year to date is \$13 million favorable, driven by a reclassification of Seniors and People with Disabilities (SPD) members rather than institutional for FY 2018-19, as reported last month. • Year to date medical expenses are unfavorable vs forecast by \$73 million driven by several factors. Staff will continue to monitor for the new year. • Administrative expenses are favorable to forecast by \$3 million, due to timing of advertising, printing, and various vendor spending. Some expenses were reclassified. • Non-Operating Income is favorable by over \$23 million, driven by \$16.1 million grant timing, \$3.6 million investment income, and \$3.2 million unrealized gains on investments. • Overall MCR is 92.2% vs forecast of 91.4%, due to higher fee for services claims. Plan Partners MCR is slightly above forecast. SPD/CCI SPD and CCI MCR is behind the forecast due to unfavorable claims trends. • The administrative ratio was 5.3%, equal to forecast. • Working Capital and Tangible Net Equity are ahead of benchmarks. • Cash to claims ratio is also ahead of target. <p><u>Motion FIN 102.1219</u> To accept the Financial Report as submitted, for the period ended September 2019, as submitted.</p> <p>Ms. Montgomery referred to the report on investment transactions included in the meeting materials for Committee member review. <i>(A copy of the report can be obtained by contacting Board Services).</i> As of September 30, 2019, L.A. Care’s total investment market value was \$2.5 billion</p> <ul style="list-style-type: none"> • \$2.3 billion managed by Payden & Rygel and New England Asset Management • \$61 million in Local Agency Investment Fund • \$105 million in Los Angeles County Pooled Investment Fund 	<p>Unanimously approved by roll call. 8 AYES (Ballesteros, Booth, Curry, Ghaly, Gonzalez, Perez, Roybal, and Vaccaro)</p>
<p>Compliance & Quality Committee</p>	<p>Member Booth reported that the Committee met on November 21. <i>(Minutes are available through Board Services).</i></p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<ul style="list-style-type: none"> • Dr. Seidman presented the November 2019 Chief Medical Officer report and spoke about the dangers of vaping and using e-cigarettes and provided an update on L.A. Care’s Health Homes program. • Mr. Mapp and his team presented the November 2019 Chief Compliance Officer report, including draft compliance, risk assessment, internal audit and delegation oversight plans for 2020, which were approved earlier under the Consent Agenda. • Dr. James Kyle presented information about the Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey. <p>Member Booth noted that she and Member Perez attended the Pomona Community Resource Center (CRC) Grand Opening. The CRC is located in a beautiful building with well-planned workspaces and educational rooms. It is conveniently located to serve the surrounding community. The event was inspiring, with many local leaders in attendance. L.A. Care and Blue Shield deserve broad recognition for seeing beyond their competition as businesses to work together toward their common goal of improving health in Los Angeles County. Member Booth was honored to attend the first celebration of this extraordinary accomplishment. She expressed hope that others would take the opportunity to attend an upcoming CRC grand openings.</p>	
<p>PUBLIC COMMENT <i>Comments are summarized, not verbatim.</i></p>	<p>Wilma Ballew, <i>RCAC 2 Member</i>, commented that she is concerned about what people are requesting that L.A. Care do for members, particularly with regard to the scholars. She suggested that RCACs be polled to see how many people really want to see or hear certain things, such as having the scholars visit. She wished everyone Happy Holidays.</p> <p>Ms. Cooper first extended a thank you to the Board, and to Mr. Baackes and all staff at L.A. Care, particularly CO&E staff. She supports the motion to pay incentive bonus to the staff members. She would like to talk with Mr. Baackes about transportation. She thanked everyone for the housing efforts and she asked people to think about people with special needs who may be low income and have corporate owners who make it hard for tenants. Housing issues are not just about the homeless but should include people at risk of losing their housing.</p> <p>Liz Montez, <i>RCAC 8 member</i>, commented on colorectal cancer testing. She asked to have the test annually and not every three years.</p> <p>Ms. McFerson commented that before raises or bonuses are paid to L.A. Care staff at the end of the year there should be a survey among RCAC and ECAC members to make sure the members are satisfied with staff at L.A. Care. She thanked the Board for listening to her suggestions.</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<p>ADJOURN TO CLOSED SESSION</p>	<p>Ms. Haydel announced the following items to be discussed in closed session. The Board adjourned to closed session at 4:07 p.m.</p> <p>CONTRACT RATES Pursuant to Welfare and Institutions Code Section 14087.38(m)</p> <ul style="list-style-type: none"> • Plan Partner Rates • Provider Rates • DHCS Rates <p>REPORT INVOLVING TRADE SECRET Pursuant to Welfare and Institutions Code Section 14087.38(n) Discussion Concerning New Service, Program, Business Plan Estimated date of public disclosure: <i>December 2021</i></p> <p>CONTRACT RATES Pursuant to Welfare and Institutions Code Section 14087.38(m)</p> <ul style="list-style-type: none"> • Plan Partner Services Agreement <p>CONFERENCE WITH LEGAL COUNSEL –EXISTING LITIGATION Section 54956.9(d)(1) of Ralph M. Brown Act: Names of cases:</p> <ul style="list-style-type: none"> • Dignity Health and Northridge Hospital Medical Center v. L.A Care Health Plan et al. (BC583522); Appeal No. B288886 • Dignity Health and Northridge Hospital Medical Center v. L.A Care Health Plan et al. (BS172353) <p>California Hospital Medical Center et al (Dignity) v. L.A. Care (JAMS. 1220056913)</p> <p>CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION Pursuant to Section 54956.9(d)(1) of Ralph M. Brown Act California Hospital Medical Center <i>et al.</i>(Dignity) v. L.A. Care (19STCV41771 LASC)</p> <p><i>The following item was not discussed.</i></p> <p>CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION Pursuant to Section 54956.9(d)(1) of Ralph M. Brown Act: Name of Case: Butler v. L.A. Care Case No. 18STCV08155</p> <p>CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9 of the Ralph M. Brown Act Two Potential Cases</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION Significant exposure to litigation pursuant to Section 54956.9(d)(2) of Ralph M. Brown Act One Potential Case	
RECONVENE IN OPEN SESSION	The Board reconvened in open session at 4:59 p.m. There was no report about the closed session.	
Employee Annual Incentive Plan	<u>Motion EXE 101.1219</u> To authorize the disbursement of funds up to \$7,200,000.00 for the Individual Annual Incentive Program, based on the completion of pre-determined individual goals and targets in support of L.A. Care’s FY 2018-19 Organizational Goals. Distribution of the annual incentive payout shall be guided by Human Resource Policy No. 602, Annual Organizational Incentive Program.	Unanimously approved by roll call. 7 AYES (Ballesteros, Booth, Curry, Ghaly, Gonzalez, Roybal, and Vaccaro) 1 ABSTENTION Perez
ADJOURNMENT	The meeting was adjourned at 5:04 p.m.	

Respectfully submitted by:
 Linda Merkens, *Senior Manager, Board Services*
 Malou Balones, *Senior Board Specialist*
 Victor Rodriguez, *Board Specialist*

APPROVED BY:


 Layla Gonzalez, *Board Secretary*
 Date Signed 2/6/20

APPROVED