

**Board of Governors**  
**Regular Meeting Minutes #293**  
**December 3, 2020**

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



**Members**

Hector De La Torre, <i>Chairperson</i>	George W. Greene, Esq.*
Alvaro Ballesteros, MBA, <i>Vice Chairperson</i>	Antonia Jimenez
Robert H. Curry, <i>Treasurer</i> *	Hilda Perez
Layla Gonzalez, <i>Secretary</i>	G. Michael Roybal, MD, MPH
Stephanie Booth, MD	Ilan Shapiro, MD
Christina R. Ghaly, MD	Nina Vaccaro, MPH

**Management/Staff**

John Baackes, *Chief Executive Officer*  
Terry Brown, *Chief of Human Resources*  
Augustavia Haydel, *General Counsel*  
Acacia Reed, *Chief Operating Officer*  
Francisco Oaxaca, MBA, *Chief, Communications and Community Relations*  
Tom MacDougall, *Chief Information & Technology Officer*  
Thomas Mapp, *Chief Compliance Officer*  
Marie Montgomery, *Chief Financial Officer*  
Richard Seidman, MD, MPH, *Chief Medical Officer*

*\*Absent*

*\*\*All via teleconference (COVID-19)*

**California Governor issued Executive Order Nos. N-25-20 and N-29-20, which among other provisions amend the Ralph M. Brown Act. Members of the public can listen to this meeting via teleconference, and can share their comments via voicemail, email, or text.**

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<b>WELCOME</b>	<p>Hector De La Torre, <i>Chairperson</i>, called to order at 2:06 p.m. the regular meetings of L.A. Care Board of Governors and L.A. Care Health Plan Joint Powers Authority Board of Directors. The L.A. Care Board of Governors and the L.A. Care Health Plan Joint Powers Authority Board of Directors regular meetings were held simultaneously.</p> <p>He welcomed members of the public and thanked those who have submitted public comment by voice mail, text or email. Board Members have received in writing the voice messages and written comments that were sent before the meeting. Comments sent before and during the meeting will be read for up to three minutes. Just as at any other meeting, public comments on any topic that are not listed on the Agenda will be heard at the Public Comment section of the Agenda, and comments on the items listed on the Agenda will be heard before the item is discussed by the Board.</p> <p>For those with access to the internet, the materials for today's meeting are available on the L.A. Care website. If you need information about how to locate the materials, please let us know.</p>	
<b>APPROVAL OF MEETING AGENDA</b>	The agenda was approved as submitted.	<b>Unanimously approved by roll call.</b>

**APPROVED**

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		8 AYES (Ballesteros, Booth, De La Torre, Gonzalez, Jimenez, Perez, Roybal and Vaccaro)
PUBLIC COMMENT	<p><i>Given current public health guidelines and orders, public comments received by 2:00 p.m. have been provided to Board Members in writing. Public comment received was read during the meeting for three minutes for each person submitting comments. Additional comments not read due to time will be printed as an addendum at the end of these minutes.</i></p> <p><b>Text received on November 7, 2020 at 1:13 pm, Not self-identified</b>  <i>Public comment, next board meeting , people who would likely still be alive are dead , including my disabled child because LA Care and the state were ignoring anyone who tried to alert them that patients were being abused, live with that! I believe in Karma and you people and some state and county people deserve a horsewhipping for your willful negligence and arrogance!  Please add to last comment abused by Synermed</i></p> <p><b>Text received on November 22, 2020 at 11:07 am, Not self-identified</b>  <i>Public comment for next board or executive meeting (whichever come first since not listed) . On financial sheet in your Nov 5 2020 meeting packing Mercedes Benz’s, BMWs, and Harley Davidsons are mentioned multiple times but it’s not clear to a layperson why luxury items like this are listed ? What are they there for ,if it’s for company use you all can drive Toyota’s or Fords , that includes your executives, you’re supposed to be advocating, aren’t you?!</i></p> <p><b>Text received on November 27, 2020 at 10:21 am, Not self-identified</b>  <i>Public comment: I note that your vans are Mercedes brand which is within reason but please explain the BMWs and Harley Davidsons listed.</i></p> <p><b>Text received on December 1, 2020 at 10:29 am, Not self-identified</b>  <i>Public comment Dec 3 board meeting , you have mandated observers doctors ,nurses and social workers but I reported abuses against my adult autistic daughter and I don’t believe you handled her case right nor did report the doctors and nurses that abused her, instead you took those liars from Synermed at their word and closed your lame “peer review “ , you have people involved with your agency who need to be criminally investigated! There is no statute of limitations on negligence</i></p>	The Consent Agenda and Recommended Consent Agenda items were unanimously approved. 11 AYES (Ballesteros, Booth, De La Torre, Gonzalez, Greene, Jimenez, Perez, Ridley-Thomas, Roybal, Shapiro and Vaccaro)

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	<p><i>causing a death! Anyone affected by LA Cares negligence is welcome to text 626-217-0549</i></p> <p><b>Text received on December 1, 11:40 am, Not self-identified</b>  <i>Add to public comment, your doctor, nurses, lawyers and social workers are just going along with you negligence regarding several dead people I know about, it's suggested they actually do their jobs looking into your negligence because they may be called out in it later. I know or another special needs person besides my daughter who would still be alive if LA Care had paid attention to the abuses against my child. Your mandated observers need to take a serious look at what they are turning a blind eye to!</i></p> <p><b>Text received December 1, 11:58 am, Not self-identified</b>  <i>I already know the medical board has validated dependent adult abuse that happened under your watch. A family of a victim has told me!  In other words a civil rights violating under LA Cares watch!</i></p> <p><b>Voice message received December 3, 12:19 pm, from Elizabeth Cooper</b>  <i>Good afternoon, Members of L.A. Care Board of Governors, Mr. John C Baackes CEO of MCLA, and the public. My name is e cooper. I am speaking as a public person today. First I would like to wish each and every one for you a happy Christmas, during these challenging times. Also I am very happy this holiday season, peace for election, I am very happy for the American Medical association regarding justice for all patients. Which I do hope it will be considered I hope in the medical profession. Also I would like to speak on other items on the agenda.</i></p> <p>Marie Montgomery, <i>Chief Financial Officer</i>, explained that the entries on the investment transaction report show transactions undertaken by a financial management company on L.A. Care's behalf. The entries do not reflect vehicle purchases or leases by L.A. Care, the entries are investment transactions in the financial markets. L.A. Care does not direct these transactions, the firm managing investments on behalf of L.A. Care conducts the transactions based on LAC's investment guidelines.</p>	
<b>CONSENT AGENDA ITEMS APPROVED BY A COMMITTEE</b>	<b>PUBLIC COMMENT</b> <b>Text received December 1, 10:29 am, Not self-identified</b> <i>Public comment Dec 3 board meeting , you have mandated observers doctors ,nurses and social workers but I reported abuses against my adult autistic daughter and I don't believe you handled her case right nor did report the doctors and nurses</i>	

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	<p><i>that abused her, instead you took those liars from Synermed at their word and closed your lame "peer review " , you have people involved with your agency who need to be criminally investigated! There is no statute of limitations on negligence causing a death! Anyone affected by LA Cares negligence is welcome to text 626-217-0549</i></p> <p><i>Last public comment ties into agenda item conflict of interest, prior comments are general comments to be read after my mandated observer comment.</i></p> <p>Voice Message received December 3, 12:26 pm, from Elizabeth Cooper Board Chair De La Torre and Board members, <i>I would like you to consider the disabled and special needs population to donate funds for your charitable orgs this year. They are part of the la care family. In my heart I believe it would most welcome the contributions for the board of governors.</i></p> <p><i>(Member Ghaly joined the meeting.)</i></p> <p>Member Booth requested that Motion EXE 100.1220 be removed from the Consent Agenda and considered separately.</p> <p><i>(Member Shapiro joined the meeting.)</i></p> <ul style="list-style-type: none"> <li>• November 5, 2020 Board of Governors Meeting Minutes</li> <li>• Nomination for Charitable Organizations for donated Board Stipends  <b><u>Motion BOG 100.1220*</u></b>  <b>To designate Community Coalition and New Life Community Food Pantry Pomona as authorized recipients of funds from Board Member stipends according to Legal Services Policy 300 for the calendar year 2021.</b></li> <li>• Toney Health Care Consulting Contract Amendment  <b><u>Motion BOG 101.1220*</u></b>  <b>To authorize an amendment extending the current contract with Toney Health Care Consulting (SOW 3) for care management and utilization management services through December 31, 2021, at an additional cost of \$4,532,000, for a total contract not to exceed \$10,332,000.</b></li> <li>• <del>L.A. Care's Revised Conflict of Interest Code</del>  <b><u>Motion EXE 100.1220*</u></b></li> </ul>	

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	<p><del>To approve revisions of the Conflict of Interest Code of the L.A. Care Health Plan, as attached, for submission to the Los Angeles County Board of Supervisors and delegate authority to CEO and General Counsel (including respective designees) to make any non-substantive changes or changes that may be required by the County upon their review.</del></p> <ul style="list-style-type: none"> <li>• Quarterly Investment Report <b><u>Motion FIN 100.1220*</u></b> To accept the Quarterly Investment Report for the quarter ending September 30, 2020, as submitted.</li> <li>• Accounting &amp; Finance Services Policy AFS-029 (Annual Budgets and Board of Governors Oversight) <b><u>Motion FIN 101.1220*</u></b> To approve Accounting &amp; Financial Services Policy AFS-029 (Annual Budgets and Board of Governors Oversight), as submitted.</li> <li>• Allocation of Funds for L.A. Care Credentialing/Peer Review Committee Physician Stipends <b><u>Motion FIN 102.1220*</u></b> To approve the allocation of funds for L.A. Care Credentialing/Peer Review Committee Physician Stipends, in the amount of \$12,500, for the period of October 1, 2020 through September 30, 2021.</li> <li>• QPerior Contract Amendment <b><u>Motion FIN 103.1220*</u></b> To authorize staff to amend a contract with QPerior in the amount of \$450,000 (total contract not to exceed \$4,850,000) to provide services to December 31, 2021.</li> <li>• Westfall Commercial Furniture Contract Amendment <b><u>Motion FIN 104.1220*</u></b> To delegate authority to the CEO to amend our existing furniture agreement with Westfall Commercial Furniture to extend to January 1, 2024, carry over any unspent balance and to add \$1,000,000 to the agreement for a new total not to exceed \$2,575,000 to purchase standard office furniture, equipment and installation labor.</li> <li>• CHCAC Membership <b><u>Motion CHC 100.1220*</u></b></li> </ul>	<p>The Consent Agenda items were unanimously approved by roll call. 9 AYES (Ballesteros, Booth, De La Torre, Ghaly, Gonzalez, Perez, Roybal, Shapiro and Vaccaro). <i>Member Jimenez experienced technical difficulty and was unable to vote.</i></p>

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	<p><b>To appoint Susan Fleischman, MD, as member of Children’s Health Consultant Advisory Committee (CHCAC), for the L.A. Care Plan Partners seat.</b></p> <p>Augustavia J. Haydel, Esq., <i>General Counsel</i>, summarized the motion for L.A. Care’s Revised Conflict of Interest Code (“Code”), which is filed biennially with Los Angeles County. The Code identifies the positions within the organizations that are required to file Statement of Economic Interests (Forms 700s) and identify the corresponding level of disclosures. The required revisions include updated employee positions that are required to file a Form 700, and categories for the economic and financial interests which must be disclosed. Member Booth asked about use of the term “interim” in a title included in the code.</p> <p>Ellin Davtyan, <i>Associate General Counsel</i>, responded that interim positions are also required to file the statements of economic interest. And that the filing requirement for the position is not limited to “interim” positions and would extend to full time positions. She offered to update the language to clarify that in the Code before submission to the County.</p> <p><b><u>Motion EXE 100.1220</u></b></p> <p><b>To approve revisions of the Conflict of Interest Code of the L.A. Care Health Plan, as attached, for submission to the Los Angeles County Board of Supervisors and delegate authority to CEO and General Counsel (including respective designees) to make any non-substantive changes or changes that may be required by the County upon their review.</b></p>	<p><b>Motion EXE 100.1220 was approved unanimously by roll call. 9 AYES (Ballesteros, Booth, De La Torre, Ghaly, Gonzalez, Jimenez, Perez, Roybal and Vaccaro)</b></p> <p><i>Member Shapiro experienced technical difficulty and was unable to vote.</i></p>
<p><b>CHAIRPERSON’S REPORT</b></p>	<p><b>PUBLIC COMMENT</b></p> <p>Text received December 3, 12:26 pm, from Elizabeth Cooper</p> <p><i>Mr. De La Torre I am welcoming your report today to review L.A. Care policies on participation of diverse opinions and diverse members of la care. As a member I hope this next year of 2021 we encourage more Board members to take notice of the public comment and to direct the wonderful staff even if I might have different opinions as a RCAC members let them know that we as members also have interest in the survival of L.A. Care which impacts L.A. Care health plan.</i></p> <p>Chairperson De La Torre thanked Ms. Cooper for her comments and he noted that staff is discussing participation opportunities for members and hopes to reach out when programs can be safely implemented. He believes that COVID 19 will be with us well into 2021, and we need to keep doing all we can to prevent further spread of the disease.</p>	

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<p><b>CHIEF EXECUTIVE OFFICER REPORT</b></p>	<p><b>PUBLIC COMMENT</b></p> <p>Text Received December 3, 12:26 pm, from Elizabeth Cooper  <i>Happy Holidays to Mr. John C. Baackes, from L.A. Care. I appreciate the communication we have, as members, for the year 2020. It is my hope and my prayer that some of the polices some of the commitment for communication will be followed through. I, as a member, Elizabeth Cooper, of the Advisory Committee of L.A. Care and a community person, will continue to welcome and interact with staff on issues that impact my participation as a RCAC member. Mr. Baackes, I continually support Community Outreach &amp; Engagement, because that is one of the most important departments, so they can communicate and support members. I would also like to say that I appreciate the rest of your staff at L.A. Care. Dr. Kyle, I am interested in the outreach policy and member participation. I would like to hear from you, as a member, about more information about the Equity Council Steering Committee and how members who are interested in the Council can participate. Your response to my concern would be welcomed. That is such an important issue to me.</i></p> <p>John Baackes, <i>Chief Executive Officer</i>, reported (a copy of his written report may be obtained by contacting Board Services):</p> <ul style="list-style-type: none"> <li>• He announced that L.A. Care continues to fund the Elevating the Safety Net Initiative during this time of financial uncertainty. It is an investment in the future of the workforce serving L.A. Care’s members. Since the last report, eight more physicians have been hired through the grants that have been made since the fall of 2018. There are now 109 primary care physicians and one psychiatrist hired as a result of these grants.</li> <li>• The eighth Community Resource Center (CRC) opened at the corner of Western and Pico in Los Angeles and is referred to as the Metro CRC. There was a soft opening due to the pandemic and public health emergency. There will be a free food distribution tomorrow that includes a \$10 gift card at the Metro CRC. This will be the 26<sup>th</sup> food distribution event by L.A. Care and its community partners since the beginning of the pandemic. All L.A. Care CRC locations are open for appointment only to comply with the public health guidelines.</li> <li>• L.A. Care participated in the California Technical Assistance Program (CTAP), which is part of an effort by the California Department of Health Care Services (DHCS) to help providers transform their practices by installing electronic health records (EHR) to improve patient care. L.A. Care served as the vehicle for distribution of the grant to 2,165 MediCal health care providers in Los Angeles County.</li> </ul>	

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	<ul style="list-style-type: none"> <li>• L.A. Care has been selected to participate in the California Health Care and Homelessness Learning Community, which is a statewide initiative to bring together stakeholders throughout California to learn about innovative approaches, including healthcare, for people experiencing homelessness. L.A. Care joined with the Center for Health Care Strategies, California Health Care Foundation, and the Los Angeles Homeless Services Authority to expand collaboration.</li> <li>• L.A. Care has launched a project to thank 22,000 front line providers for their tireless efforts during the COVID-19 pandemic. Over the coming months, L.A. Care will conduct a series of activities to show appreciation, including a dedicated web page with personalized video messages of thanks and social media activities with a special focus on thanking providers. This will culminate in February with a week-long provider recognition and awards celebration.</li> <li>• L.A. Care has joined the Advancing Community Health Workers in Medi-Cal program launched by the California Health Care Foundation. The 16-month project is designed to enhance the capacity of Medi-Cal managed care plans and their partners to deploy community health worker and <i>promotor</i> programs that advance health equity. Mr. Baackes has joined the council charter as one of 16 health plan CEOs. Cynthia Carmona, <i>Senior Director of Safety Net Initiatives</i>, is working on a stakeholder group charter for this program.</li> <li>• There is bad news in the financial impact of COVID-19 and the economic recession. There is an alarming increase in cases of COVID-19 in Los Angeles County. L.A. Care is buoyed by the news about deployment of a vaccine soon.</li> <li>• Mr. Baackes noted an important positive indicator for the L.A. Care brand is the growth of enrollment in 2020. Since January, L.A. Care enrollment in Medi-Cal has grown from 1,972,000 to 2,153,000; a net gain of 181,000 members, a 9.2% growth rate. This can be partly explained by the suspension of the redetermination of eligibility process for Medi-Cal members. Through September, 137,000 (6.9%) Medi-Cal members were added to L.A. Care, when our commercial plan competitor, Health Net, added only 27,000 members (2.8%) in the same period. L.A. Care enjoys 69% of the market share in Los Angeles County and Health Net has 31%. More new Medi-Cal members are selecting L.A. Care as their health plan.</li> <li>• The assignment algorithm allocates new members that do not select a plan; 69% for L.A. Care and 31% for Health Net. The algorithm is determined by quality scores in the Healthcare Effectiveness Data and Information Set, where L.A. Care has scored higher than Health Net. This is a positive picture for the future of L.A. Care, as new enrollees are selecting L.A. Care.</li> </ul>	

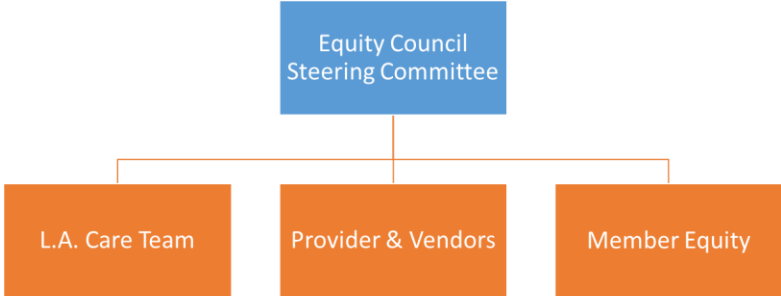


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	<ul style="list-style-type: none"> <li>• At the national level, there will be a new federal administration, although control of the legislature is not clear. L.A. Care is particularly interested in a stimulus package to include more Medi-Cal funding. Compared to the recession in 2008, where the recovery act included explicit funding for states to ensure the future of Medi-Cal, in the current economic recession it is not clear if additional funding will be provided to California so the State will not need to impose the reductions proposed in the budget if federal funding is not made available. There is a proposal to provide some funds before the end of 2020, but details are not available.</li> <li>• In an oral argument before the Supreme Court of the United States (SCOTUS) held on November 10, the questions from some of the Justices seemed to indicate that they would not declare the entire Affordable Care Act (ACA) unconstitutional. It appears they might rule on just the individual mandate in the ACA. The basis for the lawsuit is that that reducing the tax on individuals which do not have health care insurance to 0 in the legislation nullified the entire ACA. SCOTUS Justices indicated in their questions on November 10 that a ruling will be on the individual mandate portion of the ACA. This relieves the potential impact on the future of L.A. Care because of the membership that could be affected by a ruling that eliminated health coverage for many members under the ACA.</li> <li>• The Ninth District Court of Appeals has again struck down proposed changes to the public charge rules that would affect eligibility of legal immigrants for social service programs like Medicaid. While the decision on this and other changes are positive for continued eligibility for Medicaid, the court cases don't reassure those eligible for the program, and could negatively affect potential new applicants. It is hoped the rule will be rescinded by a new federal administration.</li> <li>• L.A. Care is working to draw attention to decisions by the California Department of Health Care Services (DHCS) which have negative financial impact on all Medicaid managed care plans in California. The decisions include a retroactive 1.5% rate reduction, and county-wide averaging, which resulted in a diversion of \$147 million from L.A. Care to Health Net. However, utilization of health care services has increased due to the pandemic. There is also a proposed reclassification of members in the Coordinated Care Initiative, which may result in an \$87 million cost to L.A. Care. The combination of reductions in payments for health plans and increases in cost of care are affecting health plans, which provide care for a majority of COVID cases. Health plans have reserve funds to allow them to continue to provide services despite negative financial periods.</li> </ul>	

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	<ul style="list-style-type: none"> <li>DHCS has also proposed changes to the pharmacy program, and has now postponed the start date of those changes from January 1 to April 1, 2021. This creates a hardship for health plans that must adjust their operations to the new start date. It is particularly confusing for members, as the required notification has been distributed and the cost of the notification is a loss to health plans that will not be recovered. It is expected that the COVID-19 vaccine will become available around April 1, 2021, and a major change to the prescription drug program for 13 million Medi-Cal members at the same time the vaccine becomes available could be disastrous. Health plans are asking DHCS to postpone the changes in the pharmacy program.</li> <li>These are challenges that L.A. Care staff will work hard to overcome.</li> </ul> <p>Member Booth asked that L.A. Care follow up with providers that were helped and to determine the improvements made through CTAP. Dr. Seidman offered a report detailing clinical improvements with a summary of the results achieved.</p>	
<b>Grants and Sponsorship Report</b>	Mr. Baackes referred Board Members to the report included in the meeting materials.	
<b>Payment Integrity</b>	<p>Mr. Baackes noted that in light of the current fiscal outlook, he felt it was important to provide the Board with a report on the ways L.A. Care is controlling costs and monitoring transactions for fraud, waste and abuse.</p> <p>Chad Roswick, <i>Senior Director II, Enterprise Shared Services</i>, provided information about the Special Investigations Unit and Payment Integrity. Special Investigations Unit (SIU) is responsible for the detection, investigation, and prevention of healthcare fraud and abuse. Payment Integrity ensures claim transactions are paid correctly by the responsible party for eligible members, per the contract, not in error or duplicate, and free of waste. A relatively small team has generated cost savings in recovering overpayment and correcting payments. In the last fiscal year, the savings amounted to over \$120 million.</p> <p>Highlights for 2019-2020 fiscal year include:</p> <ul style="list-style-type: none"> <li>Over 400 total active investigations</li> <li>60 active criminal investigations with various Federal and State Law Enforcement agencies</li> <li>3 Undercover Operations</li> <li>21 Arrests (17 Additional Pending)</li> <li>18 Pending Prosecutions</li> <li>11 Convictions</li> </ul>	

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	<p>The SIU and Payment Integrity will expand its oversight to include:</p> <ul style="list-style-type: none"> <li>• Behavioral Health <ul style="list-style-type: none"> <li>○ Billing for services not rendered</li> <li>○ Excessive billing schemes</li> </ul> </li> <li>• Hospice billing schemes</li> <li>• “Pill Mill” doctors prescribing excessive amounts of opioids</li> <li>• Home Health billing for services not rendered</li> <li>• Transportation - false billing</li> <li>• Ambulance up-coding</li> </ul> <p>Michael Devine, <i>Director, Special Investigation Unit (SIU)</i>, noted that he has a background in law enforcement and has built relationships with other agencies that benefit L.A. Care. Highlights for SIU in 2019-2020 include:</p> <ul style="list-style-type: none"> <li>• Over 400 total active investigations</li> <li>• 60 active criminal investigations with various Federal and State Law Enforcement agencies</li> <li>• 3 Undercover Operations</li> <li>• 21 Arrests (17 additional pending)</li> <li>• 18 Pending Prosecution</li> <li>• 11 Convictions</li> </ul> <p>The SIU was asked to provide training for the Federal Bureau of Investigations (FBI) and Department of Justice (DOJ). Law enforcement agencies are coming to L.A. Care SIU for help with their cases. An L.A. Care Senior Investigator with SIU has recently presented at the national conference for the National Healthcare Anti-Fraud Association, and speakers from L.A. Care SIU recently spoke at that association’s regional conference and at a healthcare fraud conference in Las Vegas. Mr. Devine is scheduled to speak at a virtual health care fraud conference in January 2021.</p> <p>Case types include:</p> <ul style="list-style-type: none"> <li>• Behavioral Health <ul style="list-style-type: none"> <li>○ Billing for services not rendered</li> <li>○ Excessive billing schemes</li> </ul> </li> <li>• Hospice billing schemes</li> <li>• “Pill Mill” doctors prescribing excessive amounts of opioids</li> <li>• Home Healthcare billing for services not rendered</li> <li>• Transportation - false billing</li> <li>• Ambulance up-coding</li> </ul>	

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	<p>Funds recovered in these cases will be returned to the medical services L.A. Care provides to its members.</p> <p>Mr. Devine then described two cases to demonstrate the SIU investigations.</p> <p>Case #1: External Counter Pulsation</p> <ul style="list-style-type: none"> <li>• Involves External Counter Pulsation (ECP) a set of inflatable cuffs that compress the lower extremities to increase circulation</li> <li>• Medically Unnecessary Procedure, only approved for stable angina</li> <li>• Part of a \$300M multi-agency Healthcare Fraud Investigation headed up by the FBI and the CA Dept of Justice.</li> <li>• Owner and 6 Cardiologists arrested (trial scheduled for 6/2021)</li> <li>• L.A.Care SIU connected 3 other medical groups who were conducting ECP</li> <li>• Sara Soulati, the owner of Global Cardio Care, re-arrested and denied bail</li> <li>• L.A. Care exposure \$11M billed, \$0.3M Paid</li> </ul> <p>Case #2: “Pill Mill” Provider</p> <ul style="list-style-type: none"> <li>• Involves a provider selling opioid prescriptions for cash</li> <li>• Joint case with FBI, CA DOJ &amp; the Los Angeles Sheriff’s Dept.</li> <li>• Undercover (U/C) operation with four (U/C) Agents</li> <li>• U/C’s have appt. with the provider &amp; pay \$350 cash</li> <li>• U.S. Attorney advised U/C’s to deny any pain</li> <li>• Each time U/C met with the provider they were wearing a recording device and asked for “Oxi” (oxycodone) while denying they were in pain</li> <li>• When the Provider asked why they wanted Oxycodone, U/C responded “it makes me feel good”</li> <li>• Provider wrote scripts for 120 Oxycodone</li> <li>• Search Warrant executed on office; all medical records the same</li> <li>• Arrest Pending</li> </ul> <p>Mr. Baackes added that L.A. Care’s SIU has achieved extraordinary success in just four years. It is amazing that the medical professionals attempt these kinds of fraudulent acts. Mr. Baackes is pleased with the contribution toward identifying the fraud and waste.</p> <p>Member Booth suggested that for the “pill mill” case, there are counter active medications that are supposed to be prescribed along with the opioids. Mr. Devine noted that the evidence in this case is overwhelming.</p> <p>Mr. Baackes thanked Mr. Roswick and Mr. Devine for their report.</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<p><b>Equity Council Steering Committee</b></p>	<p>James Kyle, MD, MDiv, <i>Medical Director, Quality Improvement</i>, provided an update on the Equity Council Steering Committee.</p> <ul style="list-style-type: none"> <li>The goal of the Equity Council Steering Committee is to address and improve equity, fairness, and inclusion.</li> </ul> <p>Organizational Structure:</p>  <pre> graph TD     A[Equity Council Steering Committee] --- B[L.A. Care Team]     A --- C[Provider &amp; Vendors]     A --- D[Member Equity]   </pre> <ul style="list-style-type: none"> <li>Meeting weekly since July after the announcement of this Committee</li> <li>Activities include:       <ul style="list-style-type: none"> <li>Ongoing learning on subject of equity and social justice           <ul style="list-style-type: none"> <li>Engaged in implicit bias tests, book and article reviews</li> </ul> </li> <li>Authored a number of statements that impact equity i.e. USPS and Executive Order on Diversity and Inclusion trainings</li> <li>Establishing a partnership with L.A. County Commission on Human Relations</li> <li>Empowering L.A. Care’s internal Councils (Member, Network &amp; Vendor, and L.A. Care Team) to set and prioritize goals and metrics to measure their change efforts</li> </ul> </li> </ul> <p>Marina Acosta, <i>Health Equities Program Director II</i>, reported Member Equity Council (MEC) Activities:</p> <ul style="list-style-type: none"> <li>Council goals:       <ul style="list-style-type: none"> <li>Ensure that the services we provide to members promote equity and are free of implicit racism.</li> <li>Implement programs that address the causes of inequity that our members and their communities experience, including racism and poverty (social determinants of health).</li> <li>Reduce health disparities among our members by implementing targeted quality improvement programs.</li> </ul> </li> </ul>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<ul style="list-style-type: none"> <li>• Efforts/metrics will be focused on ensuring effective member input, establishing and leveraging partnerships to advance equity, maintaining resources to community partners, and focusing on social determinants of health, specifically food security</li> <li>• Implementing Consumer Equity Council composed of diverse members to provide guidance to MEC</li> </ul> <p>Dr. Kyle commended Ms. Acosta and thanked her for the work that she is leading in this program. Dr. Kyle continued his update.</p> <p><b>Provider &amp; Vendor Council Activities:</b></p> <ul style="list-style-type: none"> <li>• Prioritizing efforts on provider concordance and diverse vendors/suppliers opportunities at L.A. Care <ul style="list-style-type: none"> <li>○ For provider concordance: ensuring network is reflective of the language and ethnicity of the community they serve and offer member options and choices based on their preferences</li> <li>○ For diverse vendor/supplies: ensuring, when possible, L.A. Care contracting efforts provide opportunities for minorities, women, and disabled veteran-owned businesses to participate in our procurement (RFI and RFP) processes</li> </ul> </li> <li>• Currently gathering and reviewing internal data to establish baselines and goals for these efforts</li> <li>• Sharing and disseminating learning at Equity Council Steering to council members, providers and vendors. Early activities include implicit bias and cultural training.</li> </ul> <p><b>L.A. Care Team Council Activities:</b></p> <ul style="list-style-type: none"> <li>• Set objectives for Council: <ul style="list-style-type: none"> <li>○ Create a “safe space” where employees can have open and honest dialogue and learn more about topics related to race, gender, sexual orientation, disabilities and other contributors to self-identification.</li> <li>○ Educate and share best practices on advocacy, “ally-ship” and other approaches to supporting diverse communities both within and outside the workplace</li> <li>○ Identify challenges to and solutions for inclusion and appreciation of all employees.</li> <li>○ Serve as a resource to the organization.</li> </ul> </li> <li>• Currently, examining the employee life cycle, starting with the hiring process, and making recommendations/suggestions to address any potentially bias-based occurrences</li> <li>• Hosting check-ins with employees/depts. to discuss and listen to reactions and concerns regarding recent attention on inequities</li> </ul> <p><b>Other Equity Council Activities:</b></p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<ul style="list-style-type: none"> <li>• Partnering with Los Angeles County Human Relations Commission for inaugural Los Angeles vs Hate United Against Hate Week, November 30-December 6</li> <li>• Convened 2nd COVID-19 Disparities Leadership Summit</li> <li>• Introducing cultural humility training to some departments as part of California Improvement Network grant for quality improvement</li> </ul> <p>Member Booth asked if we will share the baseline from which L.A. Care was operating. She doesn't know of any other company that tries to be so equitable. Dr. Kyle offered to pull information together and share it with the Board members.</p> <p>Member Booth is on an equity council for Los Angeles County Medical Association, and she asked, with a goal of being equitable, how do we know when we get there? Dr. Kyle indicated that metrics are important but not always easy to find, and it is important to keep making positive changes that can be made, and continue to be hyper vigilant in looking for areas without equity and build programs to correct those inequities. He believes in building broad spectrum collaborations and relationships are necessary for education. Individual sectors cannot address the issue alone. Broader networking will provide opportunities to join multiple efforts.</p> <p>Member Vaccaro asked about representation and participation in the council. Ms. Acosta reported that they are working with Community Outreach &amp; Engagement to develop a diverse group made of members that represent Los Angeles County. Currently, the group consists of ten members who will provide input and recommendations for the Equity Council.</p> <p>Member Vaccaro asked if these individuals were selected by L.A. Care staff or volunteered. Dr. Kyle responded that they were selected by staff. One concern is to involve new voices of people who may not have otherwise participated in such a program, so staff selected the participants. He noted that there is much interest from members, and the council will be looking to continue to reach out to hear from people who represent the diversity of L.A. Care's members. It is hard to aggregate 2 million opinions and staff is working on representation of the communities, members and issues.</p> <p>Member Perez thanked Dr. Kyle and staff for their efforts in conducting and creating the committee. She asked if he will present information to RCAC members. She echoed Member Vaccaro, and she understands the desire to have new voices and new points of view. She asked if there is a method that others who want to participate can put their names forward.</p>	

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	<p>Dr. Kyle indicated he is happy to present information at the upcoming ECAC meeting. There is great interest about the council and membership on council has to be kept to a size where the committee can be effective. He invited Board Members to submit suggestions.</p> <p>Member Ghaly asked about integration with the quality department in looking at health outcomes and how will it be rolled out to providers to address disparities and measure health outcomes on racial and ethnicity.</p> <p>Dr. Kyle noted that many of the disparity measures are monitored by the National Committee for Quality Assurance (NCQA) as well as at the state level. He believes we could be perfectly aligned with NCQA with disparity issues but it may not be enough to change the lives of our members. L.A. Care seeks to go deeper than that. The stratification of race and ethnicity data is not easy to assemble. We are working now internally on ways to better stratify our data to make relevant comparisons with both L.A. Care and Los Angeles County data. Providers, community clinics and health plans are working with us and monitoring their providers to measure outcome. L.A. Care hopes to have success in broad approaches to disparity. Current data is disparate. Member Ghaly noted that Los Angeles County has many of the same problems and looks forward to working on this in partnership.</p> <p>Dr. Kyle noted that data must be useable to get logical conclusions from the data that are actionable.</p> <p>Member Perez asked for additional communication to members prior to events, using different ways of communicating, so members can participate.</p>	
<b>CHIEF MEDICAL OFFICER REPORT</b>	<p><b>PUBLIC COMMENT</b> Submitted December 3, 12:26 pm via Voice Message by Elizabeth Cooper <i>Dr. Seidman and staff this year has been a very challenging year for your L.A. Care members I'm sure, and others. On a personal issue and request I would like for you to speak directly to the members. Give them encouragement and tips so they can get through this year with all the challenges they have faced. Many might not have the coping skills with so many things facing their lives, etc. Your comments will be most welcomed I'm sure.</i></p> <p>Richard Seidman, MD, MPH, <i>Chief Medical Officer</i>, thanked Ms. Cooper for her comments, and he recommended that members abide by health department guidelines and suggested that members call L.A. Care's resource line if assistance is needed. L.A. Care has a community resource link on the website to connect members to local assistance agencies. He referred</p>	



AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Board Members to his written report (<i>a copy of his report can be obtained by contacting Board Services</i>), and he reported:</p> <p>COVID update</p> <ul style="list-style-type: none"> <li>• There are more than 60 million COVID-19 infections worldwide, with 1.4 million deaths.</li> <li>• World Health Organization reports weekly, and last week 4 million COVID cases were added. The Americas are contributing the most new cases worldwide, followed by new cases in the European region.</li> <li>• There are 14 million COVID cases reported in the United States, and more than 200,000 were reported in a single day. The rate of infection curve is beginning to come back down nationally.</li> <li>• Unfortunately, in Los Angeles County there are more than 400,000 COVID, with 6,000 cases reported and 700 deaths in the last day.</li> <li>• L.A. Care has identified nearly 1,500 total deaths among its members, which is 25% of the Los Angeles County total. There are also about 25% of Los Angeles County residents enrolled in L.A. Care.</li> <li>• In Los Angeles County there is a very significant increase in hospitalized patients and deaths, more than doubling the number in the previous reporting period. New records are being set for the daily number of hospitalizations. The last report included over 2,300 hospitalizations in Los Angeles County; during the summer the highest reported number of cases was 2,200.</li> <li>• There is concern about stress on the hospitalization and availability of beds in Intensive Care Units (ICU) and other hospital beds, as well as availability of staff at hospitals.</li> <li>• The vaccine availability is very welcome. Two vaccines are expected to receive emergency authorization for distribution very soon.</li> <li>• There will be vaccine doses available in Los Angeles County before the end of the year, and additional doses will be distributed after New Year.</li> <li>• The initial limited availability will be guided by priority recommendations, with health care workers to receive the first doses available.</li> </ul> <p><i>(Technical issues interrupted Dr. Seidman's report and it was continued after the ECAC report.)</i></p> <ul style="list-style-type: none"> <li>• Dr. Seidman reported that there are updated local public health orders from Los Angeles County Public Health Officer about a targeted Safer at Home order. There has been an announcement by the California Governor this afternoon for slightly more restrictive orders. Los Angeles County's Health Officer will revise the local order to align with the state restrictions and Los Angeles City also recently issued orders to align with the county.</li> </ul>	

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	<p>Increasing restrictions have received significant push back, including court challenges to the closure of outdoor dining.</p> <ul style="list-style-type: none"> <li>• Los Angeles County recently announced grants to over 50 community based organizations to help address inequities and recognizing that the pandemic has revealed disproportionate impacts to low income communities. The grants will help add resources to the hardest hit communities with outreach and education, contact tracing, and referrals to resources such as food and housing.</li> <li>• Given Mr. Baackes’ report on L.A. Care’s finances, virtually all parts of the organization are focused on doing everything possible to reserve resources for medical care and member needs. Health Service is focused on improving member experience in hospital inpatient and skilled nursing facilities.</li> </ul>	
<b>ADVISORY COMMITTEE REPORTS</b>		
<p><b>Executive Community Advisory Committee</b></p>	<p><b>PUBLIC COMMENT</b> Submitted on December 3, 12:26 pm, via voice mail from Elizabeth Cooper <i>Happy Holiday Hilda Perez and Layla Gonzalez Board member representatives I know it’s very challenging in reaching to the members. I hope you will continue to get feedback from the members you represent.</i></p> <p>Member Gonzalez reported:</p> <ul style="list-style-type: none"> <li>• Thank you to all the RCAC members and public who are listening today. Your participation is appreciated.</li> <li>• Our condolences to the families that have lost someone due to COVID-19. For those that have contracted the virus and are in the hospital, we hope you recover soon.</li> <li>• ECAC met on Veteran’s Day, November 11. (<i>Approved minutes are available by contacting CO&amp;E.</i>)</li> <li>• Dr. Seidman presented an update on the COVID-19 vaccine and spoke about the importance of adhering to Centers for Disease Control, state and local public health recommendations to wear masks and maintain social distancing to prevent the spread of the virus. He also talked about outreach efforts to younger residents with messages to prevent the spread of the disease.</li> <li>• Dr. Kyle gave an update on the activities of the Equity Council Steering Committee. L.A. Care will be participating in a program called Los Angeles vs. Hate in an effort to bring awareness and encourage people to speak out about hate.</li> <li>• Auleria Eakins, EdD, <i>Manager, Community Outreach &amp; Engagement</i>, gave the following updates:</li> </ul>	

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	<ul style="list-style-type: none"> <li>○ She responded to members’ requests for food distribution to be available for walk-up participants (not just vehicles) and stated L.A. Care does not currently have capacity to safely host combined walk-up and drive-up events, as it will require manpower that is not currently available. Whenever operationally possible, L.A. Care will implement a walk-up option for those that cannot be served by the drive through.</li> <li>○ She provided L.A. Care’s upcoming schedule for flu shot clinics.</li> <li>● Mr. Baackes gave an update on the pandemic’s effect on L.A. Care’s budget for fiscal year 2020-2021. The rise in member hospitalizations and lower projected state revenue contributed to L.A. Care projecting a financial loss. He informed members that the re-determination of eligibility for Medi-Cal has been extended until January 24, 2021, due to the public health emergency. Information will be sent to MediCal enrollees about the redetermination process.</li> <li>● The next ECAC Meeting will be on December 9.</li> </ul> <p>She invited meeting participants to attend, and noted that advisory committee members would welcome Board Members at the meeting.</p> <ul style="list-style-type: none"> <li>● RCAC members were invited to join a town hall teleconference call on November 19. Participants heard from Shavonne Caldwell, of the CO&amp;E department, give an update on the food distribution events conducted at the Family Resource Centers, soon to be called Community Resource Centers. She also gave an update on the selection process for plan members for upcoming ad hoc meetings; the process includes looking for members that are not currently in advisory committee leadership positions. Government Affairs staff informed members of the Mental Health Parity law that will go into effect in January 2021.</li> <li>● Members were also given an update on L.A. Care’s outreach efforts to remind members of the importance of breast cancer screenings.</li> <li>● The next town hall meeting is scheduled for January 20, 2021.</li> </ul> <p>She invited Member Perez to comment. Member Perez thanked L.A. Care for the interview on social media regarding the flu vaccine. She has advocated for this type of communication for everyone. She encouraged more content like this so member receive information about what is going on and providing information about the community resource link. She encouraged L.A. Care to continue to provide information for members.</p> <p><i>(Dr. Seidman finished his CMO Report, see above.)</i></p>	

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<b>Children’s Health Consultant Advisory Committee</b>	<p>PUBLIC COMMENT</p> <p><b>Submitted on December 3, 12:26 pm, via voice message, Elizabeth Cooper</b> <i>Happy Holidays and continue to focus on the committee you serve.</i></p> <p>Dr. Seidman reported that the members of the Children’s Health Consultant Advisory Committee met on November 17.</p> <ul style="list-style-type: none"> <li>• Marina Acosta, <i>Health Equities Program Director II</i>, Jacqueline Kalajian, <i>MPH, Health Education Program Manager II, Health Education</i>, and Betsy Santana, <i>Manager, Quality Improvement Initiatives, Quality Improvement</i>, presented information about L.A. Care’s Healthy Moms and Babies (LAHMB). The goal is to implement a high-risk pregnancy program to mitigate complications for high-risk pregnant L.A. Care members, addressing disparities and providing services to members.</li> <li>• Susan Fleischman, MD, <i>Interim CEO of Blue Shield Promise Health Plan</i> was approved as a member of the committee.</li> </ul>	
<b>Technical Advisory Committee</b>	<p>Dr. Seidman reported that the Technical Advisory Committee met on November 12.</p> <ul style="list-style-type: none"> <li>• Mr. Baackes reported on the COVID-19 pandemic’s impact on financial performance. He also spoke about the impact it is having on vulnerable communities and people of color.</li> <li>• Len Rosenthal, <i>Director, Health Information Technology Marketing and Strategic Initiatives</i>, presented information about L.A. Care’s Virtual Care Strategy.</li> <li>• Whitney Franz, <i>Practice Transformation Program Director</i>, and Alex Li, MD, <i>Deputy Chief Medical Officer, Health Services</i>, gave a presentation on L.A. Care’s Integrated Virtual and In-person Specialty Care Program (V-SCP) being developed for L.A. Care’s Direct Network.</li> </ul> <p>The next meeting is tentatively scheduled in January 2021.</p>	
<b>BOARD COMMITTEE REPORTS</b>		
<b>Executive Committee</b>	<p>Attended RCAC 8, recognize the staff supporting the</p> <p>PUBLIC COMMENT</p> <p><b>Submitted December 3, 12:26 pm, via voice message from Elizabeth Cooper</b> <i>Mr. De La Torre as a member I hope you can encourage L.A. Care to participate in civic involvement to continue to remind members about voting engagement, reaching out to policy makers in all aspects of health care, etc. As it impacts the members.</i></p> <p>The Executive Committee met on November 16 (<i>a copy of the approved meeting minutes may be obtained by contacting Board Services</i>). The committee reviewed and approved a motion delegating</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	authorization to the CEO to implement revisions to Human Resources Policy HR 220 Telecommuting which does not require Board approval.	
<p>Government Affairs Update</p> <p>L.A. Care’s 2021 State and Federal Policy Agenda</p>	<p>Cherie Compartore, <i>Senior Director, Government Affairs</i>, referred to the Motion Summary provided with the meeting materials for the Board’s consideration of L.A. Care’s 2021 State and Federal Policy Agenda. Each year the Board reviews a proposed Policy Agenda to serve as framework for L.A. Care to engage in positions and policy discussions with elected officials and regulators. This is designed to be high level. She noted that the Board receives monthly reports on policy status and positions L.A. Care has formally taken. The principles added are indicated in redline. Most new principles were added due to the impact of the pandemic, and others address personal protective equipment (PPE), contact tracing, federal stimulus funds for government sponsored programs. There is a new principal addressing social injustice, support for access to behavioral health care, data collection and sharing health information, which are expected to be discussed locally, statewide, and in Washington, DC.</p> <p>Member Booth introduced additional policy agenda items for the Board to consider. L.A. Care is an epicenter of change in healthcare, and she believes the organization is at the right place at the right time to help bring change in health care where change is most needed. L.A. Care has already started to make that happen. L.A. Care is operating as a public option, and has begun to align some of the various pieces of our fractured health care system. L.A. Care patients are better off because of that. The policy agenda items she wrote concern planning for the future and matching our future medical work force to the needs of all Californians. They protect the patients by ensuring that high quality health care isn’t reduced by unintended consequences of the new scope of practice law. Overall, the proposed items help L.A. Care meet its mission to provide access to high quality health care for its members, who are usually vulnerable and from low income communities. The added policy agenda items are sensitive to cost and have L.A. Care members’ best interests in mind. She is presenting in hopes that Board Members will consider the proposed policy agenda items and will share input at the next Board meeting. This will lead to informed decisions about adopting them.</p> <p>Chairperson DeLaTorre clarified that Dr. Booth’s proposed items to be added will be discussed at the next meeting to allow time for Board members to review.</p> <p><b><u>Motion EXE 101.1220</u></b>  <b>To approve L.A. Care’s 2021 State and Federal Policy Agenda, as submitted.</b></p>	<p><b>Unanimously approved by roll call. 9 AYES (Ballesteros, Booth, De La Torre, Ghaly, Gonzalez, Perez, Roybal, Shapiro and Vaccaro) <i>Member Jimenez experienced technical difficulties and was not able to vote.</i></b></p>
<p><b>Finance &amp; Budget Committee</b></p>	<p>PUBLIC COMMENT  Submitted December 3, 12:26 pm, via voice message, Elizabeth Cooper</p>	

**APPROVED**

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p><i>Keep the funds coming for staff and for the stipends to help those consumers to be able to participate at L.A. Care and support your staff members. Maybe a Christmas bonus (Smile).</i></p> <p>Chairperson De La Torre reported that the Finance &amp; Budget Committee met on November 16. <i>(A copy of the approved meeting minutes may be requested by contacting Board Services.)</i></p> <p>The Committee reviewed and approved motions that were approved earlier today on the Consent Agenda. The Finance &amp; Budget Committee will next meet on January 25, 2021.</p>	
Chief Financial Officer Report	<p>Ms. Montgomery reported that a revised financial report was sent, with a change in fiscal year end 2020 results.</p> <p><u>Membership</u></p> <ul style="list-style-type: none"> <li>• Membership in September was 2,309,757, favorable to the forecast by 120,485. For the year, member months was favorable 212,334 to the forecast.</li> <li>• Favorable membership trend, is expected to continue until Medi-Cal redetermination process resumes.</li> <li>• Membership for LACC decreased slightly in November, however L.A. Care is in a good price position for the 2021 Open Enrollment.</li> </ul> <p><u>Consolidated Financial Performance vs. Forecast</u></p> <ul style="list-style-type: none"> <li>• The revised financial results for the month of September was a net deficit of \$151 million and a net deficit of \$138 million for the fiscal year-end, \$31 million unfavorable to the forecast.</li> <li>• In November, we reported a \$74 million net deficit for the fiscal year-end. The \$63 million increase in net deficit relates to the reduction of \$62 million receivable for the new COVID risk corridor and a \$1 million increase in administrative expenses. The reasons for the reduction in the COVID risk corridor receivable were: <ul style="list-style-type: none"> <li>○ A mistake was discovered during our post-closing review process in the calculation worksheet which double counted a component of the capitation, resulting in a reduction of the projected COVID risk corridor revenue by \$42 million to \$20 million.</li> <li>○ At a recent meeting, the DHCS introduced a new element to the calculation by including the rate range amounts in both revenue and expense, which is more helpful to plans in gain sharing rather than loss sharing, like L.A. Care. As a result of this change, the COVID receivable amount was reduced to zero.</li> </ul> </li> </ul>	

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	<ul style="list-style-type: none"> <li>• The unfavorability for the month is driven by the retroactive estimated impact of reclassification of the Coordinated Care Initiative (CCI) Non-dual Institutional and HCBS High members going back to 2014, which is now projected to have a negative impact of \$87 million.</li> <li>• The claims reserve estimate of \$620 million is within 1% of the midpoint estimate from Deloitte.</li> <li>• Fee-for-service (FFS) claims are unfavorable to the forecast by \$52.5 million for the year.</li> <li>• Pharmacy costs were favorable to the forecast by \$8.5 million.</li> <li>• Administrative expense is favorable by \$10.5 million due to lower spending in Purchased Services across several departments</li> </ul> <p>Member Booth asked for additional information, and Ms. Montgomery clarified the \$150 million deficit for September includes the COVID risk corridor issues which she discussed above. She offered to assist any Board member in reviewing the financial reports. She noted that the CCI issue is very complicated and L.A. Care continues to work with state representatives on this. Mr. Baackes noted that plans hope to be able to convince regulators that the CCI retroactive member reclassification should be postponed during the pandemic because of the financial stress on health plans. It may be concluded that the subject is very complicated and the regulators may propose a settlement. Ms. Montgomery noted that this reconciliation will invalidate original rate development back to 2014. Mr. Baackes noted that recalculating rates back to 2014 would be expensive and time consuming. Ms. Montgomery expressed that it is hoped that plans will ultimately prevail in mitigating the financial effects of the reclassification.</p> <p><u>Consolidated Financial Performance vs. Budget</u></p> <ul style="list-style-type: none"> <li>• Membership for the month of September was favorable to the budget by 104,000. For the fiscal year-end, member months was unfavorable by 55,000 members.</li> <li>• Net deficit of \$138 million for the fiscal year ended September 2020 was unfavorable to the budget by \$290 million.</li> <li>• In addition to the CCI Institutional member reclassification discussed earlier, other items impacting the performance results are: <ul style="list-style-type: none"> <li>○ Rate reduction of 1.5% retroactive to July 2019.</li> <li>○ Higher FFS claims.</li> <li>○ Retroactive rate increases for CCI and long term care helped improve revenue.</li> </ul> </li> </ul>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Member Booth asked if some was FFS without reconciliation at the outset of the pandemic. Ms. Montgomery agreed and noted that reconciliation is being done and some funds will be recovered if appropriate.</p> <ul style="list-style-type: none"> <li>The administrative expenses were higher than the budget by \$7.4 million.</li> </ul> <p>Ms. Montgomery noted that it has not been a good year financially. L.A. Care is working to improve medical administration and other projects to improve efficiency and will work to gain a positive financial position.</p> <p><u>Operating Margin by Segment</u></p> <ul style="list-style-type: none"> <li>Overall medical cost ratio (MCR) is 96.2%, higher than the forecast of 95.7%</li> <li>Plan Partners is about equal to forecast.</li> <li>SPD/CCI is higher than the forecast due to reclassification of Institutional members.</li> <li>TANF.MCE is lower than the forecast due to lower FFS and Pharmacy claims</li> <li>CMC is lower than the forecast due to favorable CY 2020 CCI rates and quality withhold revenue</li> <li>Commercial is lower than the forecast due to collection of LACC risk corridor</li> </ul> <p><u>Key Financial Ratios</u></p> <ul style="list-style-type: none"> <li>Overall MCR is 96.2%, higher than the forecast.</li> <li>Cash to claims is above the benchmark because of pass-through funds received in September and not yet distributed.</li> </ul> <p>All other ratios are favorable to benchmark.</p> <p><u>Tangible Net Equity</u></p> <ul style="list-style-type: none"> <li>L.A. Care is at 476% of required TNE, a relatively strong financial position.</li> </ul> <p><b><u>Motion FIN 105.1220</u></b>  <b>To accept the Financial Report for September 2020, as submitted.</b></p>	<p><b>Unanimously approved by roll call. 9 AYES (Ballesteros, Booth, De La Torre, Ghaly, Gonzalez, Perez, Roybal, Shapiro and Vaccaro)</b></p>
<p>Monthly Investments Transactions Report</p>	<p>Ms. Montgomery referred to the investment transactions report included in the meeting materials. <i>(A copy of the report can be obtained by contacting Board Services).</i> As of September 30, 2020, L.A. Care's total investment market value was \$2.4 billion</p> <ul style="list-style-type: none"> <li>\$2.1 billion managed by Payden &amp; Rygel</li> <li>\$73 million in Local Agency Investment Fund</li> <li>\$202 million in Los Angeles County Pooled Investment Fund</li> </ul>	



AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<p>Compliance &amp; Quality Committee</p>	<p>PUBLIC COMMENT</p> <p>Submitted December 3, 12:26 pm via voice message from Elizabeth Cooper <i>Always make sure that L.A. Care stays in compliance. I support that.</i></p> <p>Submitted December 3, 3:33 pm via text from not self-identified <i>Regarding disparities, tell your advocates to do their jobs ,instead they are holding patients hands while your MSOs violate their rights and they do nothing about their rights being violated, they just blow sunshine up their expletive!</i> <i>Finance comment why does your spreadsheet have BMWs and Harley Davidsons listed?</i></p> <p>Chairperson De La Torre noted that the last issue was discussed during Public Comment. The list is a report on investment items in securities of those companies, not physical vehicle purchases. These are investment transactions just like stock in Google or any other company.</p> <p>Member Booth, <i>Committee Chairperson</i>, reported that the Committee met on November 19. <i>(A copy of the approved meeting minutes may be obtained by contacting Board Services.)</i></p> <ul style="list-style-type: none"> <li>• Dr. Seidman provided a November 2020 Chief Medical Officer report, and provided an update earlier in this meeting.</li> <li>• Thomas Mendez, <i>Director, Quality Performance Informatics</i>, presented information about the Consumer Assessment of Healthcare Providers and Systems (CAHPS) Survey. He reported that child scores have risen in recent years. Dr. Booth stated it is important to have a basic understanding of how L.A. Care uses CAHPS scores to improve health plan services. She gave an example of how the process works.</li> <li>• Quality improvement investigates CAHPS scores that show there is a problem with getting care quickly. The “provider network management,” “operational insurance,” and “quality improvement” departments are each involved in some aspect of assuring L.A. Care members get care quickly. Representatives from each department form a workgroup. The group collects and studies data: results of other surveys; looking at the effects of interventions and changes over time. They identify a problem (or problems) that slow the process of L.A. Care members getting care. The group then makes a plan with solutions to the problem(s). Last, they put their plan in motion. Using the same example issue, these are a couple of examples of solutions that could be used depending on the workgroup’s assessment of what causes the slowness problem. If the group finds only three PPG’s (Physician Provider Groups) had failing scores, they might meet with each of those PPG’s to discuss the problem and recommend solutions to improve their timeliness. If the workgroup discovers they have already worked with one of the PPG’s but there has been no</li> </ul>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>improvement, they may put that PPG on an Action Plan. An Action Plan forces the PPG to make solving the problem a priority. If nearly everyone has a low score, L.A. Care may decide to provide another resource, as they did when they added Teledoc and MinuteClinic to the network to expand access to care.</p> <ul style="list-style-type: none"> <li>• Thomas Mapp, <i>Chief Compliance Officer</i>, presented the Chief Compliance Officer report. The report included an update on grievance improvement efforts since the September 2020 C&amp;Q committee meeting; 2020 Compliance year in review; draft 2021 Compliance and Delegation Oversight work plans; and routine compliance reports.</li> <li>• Lisa Marie Golden, <i>Director, Customer Solution Center Appeals and Grievances (A&amp;G)</i>, updated the committee on appeals and grievance trends previously reported at the September 17, 2020 committee meeting. She reported that the Appeals and Grievance Department partnered with the Pharmacy Department to address an increase in grievances related to Cal MediConnect members who paid out of pocket to obtain the medication or the pharmacy did not have the member's medication on hand. L.A. Care staff identified Walgreens, CVS, and Rite Aid as having the largest number of grievances and have developed remediation strategies to improve the member experience.</li> <li>• Mr. Mapp and Compliance department staff reported on major activities in 2020, including the collaboration between the Compliance Department and the Delegation Oversight Unit to design and implement a performance monitoring program for delegates and internal business units and a successful 2020 disaster recovery test conducted in October 2020.</li> <li>• Mr. Mapp also presented the draft 2021 Compliance Work Plan and draft 2021 Risk Assessment. Sabrina Coleman, <i>Senior Director, Delegation Oversight</i>, presented the draft 2021 Delegation Oversight Plan. The final 2021 documents will be presented for review and approval at the January 2021 C&amp;Q Committee meeting.</li> </ul>	
<b>PUBLIC COMMENT</b>	<p><b>Submitted December 3, 12:26 pm, via telephone from Elizabeth Cooper</b>  <i>Finally, I would like to say as a public member who participated on the advisory committee. Speaking for myself and my son Johnathan, I am thankful for being able to participate at la care as a member. I know it has been very challenging. I would like to thank each and every one of the members who have called me to share their experiences. We hope you continue to support L.A. Care members. Please remember that L.A. Care members are very important to the organization.</i></p> <p><b>Submitted December 3, 4:34 pm, via Text from Not self-identified</b>  <i>Compliance comment why are the BMWs and Harleys have some of them listed as "leases"that does not sound like an investment ?</i></p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p><i>Mercedes listed with "lease" next to it too</i></p> <p>Member Perez noted that earlier she mentioned an interview released by L.A. Care on social media and she wanted to report that a second interview in Spanish was also released. She announced a flu vaccine clinic will be held on Saturday, December 5 at 2pm in Los Angeles.</p> <p>Chairperson De La Torre reminded everyone participating in today's meeting to get a flu vaccine.</p>	
<p><b>ADJOURN TO CLOSED SESSION</b></p>	<p>Augustavia J. Haydel, Esq., <i>General Counsel</i>, announced the following items to be discussed in closed session. She announced that John Baackes is the designated representative for labor negotiations for All L.A. Care Employees. The Board adjourned to closed session at 4:44 pm.</p> <p>CONTRACT RATES Pursuant to Welfare and Institutions Code Section 14087.38(m)</p> <ul style="list-style-type: none"> <li>• Plan Partner Rates</li> <li>• Provider Rates</li> <li>• DHCS Rates</li> <li>• Plan Partner Services Agreement</li> </ul> <p>REPORT INVOLVING TRADE SECRET Pursuant to Welfare and Institutions Code Section 14087.38(n) Discussion Concerning new Service, Program, Technology, Business Plan Estimated date of public disclosure: <i>December 2022</i></p> <p>CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Initiation of litigation pursuant to Section 54956.9(d) (4) of Ralph M. Brown Act Three Potential Cases</p> <p>CONFERENCE WITH LABOR NEGOTIATOR Pursuant to Section 54957.6 of the Ralph M. Brown Act Agency Designated Representative: John Baackes Unrepresented Employee: All L.A. Care Employees</p>	
<p><b>RECONVENE IN OPEN SESSION</b></p>	<p>The Board reconvened in open session at 5:18 p.m.</p> <p>There was no report from closed session. <i>There was a technical problem and the Spanish language translators were unable to reconnect.</i></p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<b>Employee Annual Incentive</b>	Terry Brown, <i>Chief Human Resources Officer</i> , summarized the motion to disburse funds up to \$7.1 million, as budgeted, for the employee annual incentive, based on the results of individual performance goals and organizational targets for fiscal year 2019-2020.	<b>Unanimously approved by roll call. 8 AYES. (Ballesteros, Booth, De La Torre, Ghaly, Gonzalez, Perez, Roybal, Vaccaro.)</b>
<b>ADJOURNMENT</b>	The meeting was adjourned at 5:21 p.m.	

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

APPROVED BY:

\_\_\_\_\_  
Layla Gonzalez, *Board Secretary*  
Date Signed \_\_\_\_\_

**Public comments not read at the meeting are included below:**

**Email Received (Board Services inbox) on December 3, 2020 at 3:58 pm, Andria McFerson**

*My name is Andria McFerson an LA Care member. This comment is with all due respect to Chairperson and the board I believe that quality improvement should be implemented within the staff members I feel that due to staff members retaliatory attacks and racial injustice in the whole year 2020 regarding substantial prior motions during meetings that were impeded and tabled by staff members addressing the homeless issues, also when asking for access to substantial relative resources as it relates to necessary CBO assistance to disabled members I believe there were ADA rights that were violated. By allowing staff members to solely write up only Black disabled or senior women openly violated ADA rights especially when they followed proper protocol.*

*If an ORGANIZATION dosen't make staff adhere to the BROWN ACT and ROBERT'S RULE OF ORDER I believe the state of California should investigate. Now giving employee promotions to staff members who openly commit anti-speculation to discourage equality during public and committee meetings impedes on their participation and input towards plausible solutions to each health care crisis. I asked that there is a fair fight against racism at LA Care and the 1 star rating and overall complaints against LA Care not addressing major issues needs to be formally addressed.*

*Empathy training towards the same staff members who make the overall decisions and those who interact with the community would all lead to better overall communication, decisions and better access to care.*

*I don't know why my email was marked as spam while communicating professionally to staff members but can the board address these actions with staff I am active with LA Care as a Chair of RCAC 6 so I need proper communication. Also while I advocated for racial equality and a taskforce others have been hand picked to participate in the black equity task force and once again I believe I have been shown retaliatory harassment by staff members who are combative towards certain black women of the committee that speak up about substantial solutions regarding racial and equality, or important sustainable input that has been very effective towards intertwining*

**APPROVED**

*decisions LA Care has then carried out. I ask you Chairperson and the board to Please make the year 2021 more sustainable and the overall consensus of LA Care will broadly upgrade starting right here at the TOP! Happy Holidays and what can the Board do to stop this injustice?*

*Thanks, Andria McFerson*  
[aintnolimit01@yahoo.com](mailto:aintnolimit01@yahoo.com)

Email Received (Board Services inbox) on December 3, 2020 at 4:37 pm, Andria McFerson

*PLEASE READ MY COMMENT FOR ITEM 12!!!*  
*My name is Andria McFerson member and Chair of RCAC 6.*

*Addressing the Chairperson and the board I feel you need to know the unethical practices during the ECAC MEETINGS*

*Chairperson I filed a motion during the ECAC meeting that was seconded but was also impeded by staff interrupting the motion with improper practices violating the Brown act.*

*The motion was regarding topic on the agenda about how the spread of the COVID-19 virus has impacted the community.*

*The motion was requested a potential board decision supporting sustainable care packages to the community resource centers for the public and also members of LA Care who may not have access to the resource centers could be mailed 1 packet of 5 pairs of gloves, 5 mask and 1 portable hand sanitizer bottle. To fight against the massive spread of a Corona virus with feasible options that could be life saving.*

*Chairperson I formally ask that the board please have LA COUNTY Board of supervisor representative or a member of the State to investigate and advise the ECAC on the proper implementation of codes and ethics and in regards to the proper implementation of the Brown Act and Robert's Rule of Order.*

*Chairperson with regards to the finance and budget committee can the BOG implement a formulated plan on how we could help fight this epidemic with the necessary Care packages mentioned above?*

*With all respect to the our Chairperson and the Board Happy Holidays,*

*Thanks, Andria McFerson, RCAC6/ECAC chair, [aintnolimit01@yahoo.com](mailto:aintnolimit01@yahoo.com)*  
*(213) 864-3418*

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Email Received (Board Services inbox) on December 3, 2020 at 5:04 pm, Andria McFerson

*My name is Andria McFerson member and Chair of RCAC 6.*

*Addressing the Chairperson and the board I feel the board needs to address Sustainable Solutions to the unethical practices some people carry out during the ECAC MEETINGS.*

*1. Prolonged items on the agenda that are not broken down in layman's terms so that everyone could understand how it relates to the members we represent and their own personal situation as a member of LA Care.*

*2. Due to the prolong presentations of Staff members the public and the ECAC committee are not able to speak on the items presented on the agenda and come up with a plausible solution on how it relates to the members.*

*Chairperson I filed a motion during the ECAC meeting that was seconded but was also impeded by staff interrupting the motion with improper practices violating the Brown act.*

*The motion was regarding topic on the agenda about how the spread of the COVID-19 virus has impacted the community.*

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*Chairperson I formally ask that the board please have a LA COUNTY Board of supervisor representative or a member of the State to investigate and advise the ECAC on the proper implementation of codes and ethics honoring the proper implementation of the Brown Act and Robert's Rule of Order.*

*Chairperson with regards to the finance and budget committee can the BOG implement a formulated plan on how we could help fight this epidemic with the necessary Care packages mentioned above?*

*Also this comment is with all due respect to Chairperson and the board I believe that quality improvement should be implemented within the staff members I feel that due to staff members retaliatory attacks and racial injustice in the whole year 2020 regarding substantial prior motions during meetings that were impeded and tabled by staff members addressing the homeless issues, also when asking for access to substantial relative resources as it relates to necessary CBO assistance to disabled members I believe there were ADA rights that were violated. By allowing staff members to solely write up only Black disabled or senior women openly violated ADA rights especially when they followed proper protocol.*

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*Chairperson, this is a direct question for you to address during this BOG meeting, what can the Board do to stop this injustice?*

*Happy Holidays*

*Thanks, Andria McFerson, RCAC6/ECAC chair, [aintnolimit01@yahoo.com](mailto:aintnolimit01@yahoo.com)*

**Email Received (Board Services inbox) on December 3, 2020 at 5:22 pm, Andria McFerson**

**Why wasn't my comment read?**

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
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Respectfully submitted by:

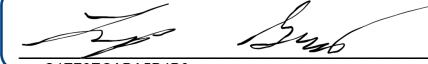
Linda Merkens, *Senior Manager, Board Services*

Malou Balones, *Board Specialist III*

Victor Rodriguez, *Board Specialist II*

APPROVED BY:

DocuSigned by:



C4E76FCABA5B4B0  
Layla Gonzalez, *Board Secretary*

Date Signed 2/4/2021 | 8:44 AM PST

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**APPROVED**