EXECUTIVE COMMITTEE MEETING
Board of Governors

May 24, 2021 • 2:00 PM
L.A. Care Health Plan
1055 W. 7th Street, Los Angeles, CA 90017
California Governor issued Executive Orders No. N-25-20 and N-29-20, which among other provisions amend the Ralph M. Brown Act. Accordingly, members of the public should now listen to this meeting via teleconference as follows:

To join and LISTEN ONLY via videoconference please register by using the link below:
https://lacare.webex.com/lacare/j.php?MTID=m0f53d62278bed8df6ab8252ff0ed0e6

To join and LISTEN ONLY via teleconference please dial: (213) 306-3065
Access code: 187 886 0839  Password: lacare

Members of the Executive Committee or staff may also participate in this meeting via teleconference. The public may listen to the Executive Committee’s meeting by teleconference. The public is encouraged to submit its public comments or comments on Agenda items in writing. You can e-mail public comments to BoardServices@lacare.org, or send a text or voicemail to: 213 628-6420.

The text, voicemail, or email must indicate if you wish to be identified or remain anonymous, and must also include the name of the item to which your comment relates.

Comments received by voicemail, email or text by 2:00 pm on May 24, 2021 will be provided to the members of the Board of Governors that serve on the Executive Committee. Public comments submitted will be read for 3 minutes.

Once the meeting has started, voicemails, emails and texts for public comment should be submitted before the agenda item is called by the meeting Chair. If you wish to submit public comment on a specific agenda item, you must submit it at any time prior to the time the Chair announces the item and asks for public comment. Please take note that if your public comment is not related to any of the agenda item topics, your public comment will be read in the general public comment agenda item.

Please note that there could be a delay in the digital transmittal of emails, texts and voicemail. The Chair will announce when public comment period is over. If your public comments are not received on time for the specific agenda item you want to address, your public comments will be read at the public comment section prior to the board going to closed session.

The purpose of public comment is that it is an opportunity for members of the public to inform the governing body about their views concerning items on the Agenda. The Board appreciates hearing the input as it considers the business on the Agenda.

All votes in a teleconferenced meeting shall be conducted by roll call.

If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act (ADA) please contact L.A. Care Board Services staff prior to the meeting for assistance by text to 213 628-6420 or by email to BoardServices@lacare.org.

WELCOME

Hector De La Torre, Chair

1. Approve today’s meeting Agenda  Chair
2. Public Comment (please see instructions above)  Chair
3. Approve April 26, 2021 Meeting Minutes  p.5  Chair
4. Chair’s Report

5. Chief Executive Officer Report

Chair

John Baackes
Chief Executive Officer

COMMITTEE ITEMS

6. Government Affairs Update

Cherie Compartore
Senior Director, Government Affairs

7. L.A. Care Cafeteria Plan Amendment (EXE A) p.15

Terry Brown
Chief Human Resources Officer

8. Human Resources Policy HR-221 (Transfer and Promotion) (EXE B) p.17

Terry Brown

9. Approve the list of items that will be considered on a Consent Agenda for June 3, 2021

Chair

Board of Governors Meeting

- Minutes of May 6, 2021 Board of Governors Meeting
- Imagenet, LLC Contract Amendment
- L.A. Care Health Plan Joint Powers Authority Authorized Signatories all Bank & Investment Accounts
- 2021 Internal Audit Services Work Plan
- Revised Legal Services Policy LS-005 (Fair Hearing for Competency Decision)

ADJOURN TO CLOSED SESSION (Est. time: 30 mins.)

Chair

10. CONTRACT RATES

Pursuant to Welfare and Institutions Code Section 14087.38(m)

- Plan Partner Rates
- Provider Rates
- DHCS Rates

11. 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: May 2023

12. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Section 54956.9(d) (2) of Ralph M. Brown Act

Two Potential Cases

13. 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

ADJOURN

The next Executive Committee is scheduled on Monday, June 28, 2021 at 2:00 p.m.

Public comments will be read for three minutes or less.

The order of items appearing on the agenda may change during the meeting.

If a teleconference location is listed at the top of this agenda, the public can listen to the meeting by calling the teleconference call in number provided. If teleconference arrangements are listed at the top of this Agenda, note that the arrangements may change prior to the meeting.

ACTION MAY NOT BE TAKEN ON ANY MATTER RAISED DURING THE PUBLIC COMMENT PERIODS UNTIL THE MATTER IS SPECIFICALLY LISTED ON A FUTURE AGENDA, according to California Government Code Section 54954.2 (a)(3) and Section 54954.3.

NOTE: THE EXECUTIVE COMMITTEE CURRENTLY MEETS ON THE FOURTH MONDAY OF MOST MONTHS AT 2:00 P.M. POSTED AGENDA and MEETING MATERIALS ARE AVAILABLE FOR INSPECTION AT www.lacare.org.

Any documents distributed to a majority of the Board Members regarding any agenda item for an open session after the agenda has been posted will be available at www.lacare.org.

AN AUDIO RECORDING OF THE MEETING MAY BE MADE TO ASSIST IN WRITING THE MINUTES AND IS RETAINED FOR 30 DAYS.

Meetings are accessible to people with disabilities. Individuals who may require any accommodations (alternative formats – i.e., large print, audio, translation of meeting materials, interpretation, etc.) to participate in this meeting and wish to request an alternative format for the agenda, meeting notice, and meeting packet may contact L.A. Care’s Board Services Department at (213) 694-1250. Notification at least one week before the meeting will enable us to make reasonable arrangements to ensure accessibility to the meetings and to the related materials.
**BOARD OF GOVERNORS**
**Executive Committee**
**Meeting Minutes – April 26, 2021**
1055 West 7th Street, Los Angeles, CA 90017

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

**Management/Staff**
- John Baackes, Chief Executive Officer
- Terry Brown, Chief Human Resources Officer
- Linda Greenfeld, Chief Product Officer
- Augustavia J. Haydel, Esq., General Counsel
- Tom MacDougall, Chief Information & Technology Officer
- Marie Montgomery, Chief Financial Officer
- Francisco Oaxaca, Chief of Communications & Community Relations
- Noah Paley, Chief of Staff
- Acacia Reed, Chief Operating Officer
- Richard Seidman, MD, MPH, Chief Medical Officer

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

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| CALL TO ORDER         | Hector De La Torre, *Chairperson*, called to order the L.A. Care Executive Committee and the L.A. Care Joint Powers Authority Executive Committee meetings at 2:21 p.m. The meetings were held simultaneously. He welcomed everyone to the meetings.  
- For those who provided public comment for this meeting by voice message or in writing, we are really glad that you provided input today. The Committee will hear your comments and we also have to finish the business on our Agenda today.  
- If you have access to the internet, the materials for today’s meeting are available at the lacare.org website. If you need information about how to locate the meeting materials, please let us know.  
- Information for public comment is on the Agenda available on the web site. Staff will read the comment from each person for up to three minutes.  
- The Chairperson will invite public comment before the Committee starts to discuss the item. If the comment is not on a specific agenda item, it will be read at the general Public Comment item 2 on today’s agenda. | |
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<td>APPROVE MEETING AGENDA</td>
<td>The Agenda for today’s meeting was approved.</td>
<td>Approved unanimously by roll call. 5 AYES (Ballesteros, Booth, De La Torre, Gonzalez and Perez)</td>
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<td>PUBLIC COMMENTS</td>
<td>There were no public comments.</td>
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<td>APPROVE MEETING MINUTES</td>
<td>The minutes of the March 22, 2021 meeting were approved as submitted.</td>
<td>Approved unanimously by roll call. 5 AYES</td>
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<td>CHAIRPERSON’S REPORT</td>
<td>Chairperson De La Torre commended staff for doing a wonderful job in managing the incredibly difficult COVID-19 pandemic while continuing to serve L.A. Care’s members. He noted that L.A. Care remains steady despite the challenges. He has attended a couple of the vaccination clinics and has seen staff volunteering to help members and others getting the vaccine. It was incredibly difficult to arrange the vaccination events, particularly after underserved communities, in the early months of the pandemic, were not getting vaccines at the same rates as other communities. It is still the case that healthier and wealthier communities are getting the vaccines at a much higher percentage than lower income underserved communities. L.A. Care is really trying to address this disparity by scheduling these vaccination clinics. He saw a report from the Center for Disease Control (CDC) that 8% nationwide of people who received the first dose of a two-part vaccine have not gotten the second dose. The effectiveness of the vaccine increases tremendously with the second dose. He feels we need to do more to promote and encourage people to get the second dose, and to overcome the recent misinformation and distrust around the Johnson &amp; Johnson vaccine. L.A. Care is doing a great job, and there is more work to be done.</td>
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<td>CHIEF EXECUTIVE OFFICER REPORT</td>
<td>John Baackes, <em>Chief Executive Officer</em>, reported:</td>
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<td>• L.A. Care’s vaccine clinics using the Johnson &amp; Johnson vaccine are directed to helping members and others receive the COVID-19 vaccine. Four of the 16 scheduled clinics were completed when the CDC and the Federal Drug Administration (FDA) announced a pause in administering the vaccine. On Friday, the CDC and FDA announced that the Johnson &amp; Johnson vaccine can again be administered. L.A. Care is working to reorganize the schedule to resume the vaccination events and continue to administering the vaccine.</td>
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<td>• He thanked Chairperson De La Torre for his compliments to the staff. L.A. Care’s staff has been working hard. The fiscal year budget was approved with a deficit, revised the financial projections, and is outperforming the restated budget. This is because of good work by staff, and he feels the organization is working hard together, and the success of a remote workforce will be considered as a return to the offices is considered at some point in the future.</td>
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<td>• Of concern in the future, there are major changes for managed care health plans in January 2022, in the implementation of new programs in Population Health Management (PHM), Enhanced Care Management (ECM) and In Lieu of Services (ILOS). There are currently more questions than answers about the responsibilities of health plans and the resources that will be available to implement these new programs. The new benefits are built on two federal 1115 waiver programs, Whole Person Care and Health Homes, which expire at the end of 2021, under a one-year extension. In the midst of the current pandemic, the new programs are creating an unrelenting stream of additional work for health plan staff. L.A. Care is working with state officials to help them understand the impact of the new programs on our workforce.</td>
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<td>Mr. Baackes asked Richard Seidman, MD, MPH, Chief Medical Officer, for his report:</td>
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<td>• Over 3,000 vaccines were distributed in the first week of scheduled COVID-19 vaccine events. The second and third weeks were canceled due to the pause in administration of the Johnson &amp; Johnson vaccine. Following the reauthorization to administer the vaccine, two of the four vaccine events for this week were successfully rescheduled, and L.A. Care will work with Los Angeles County Department of Public Health and Blue Shield Promise to reschedule all of the scheduled vaccine events and to address any concerns about the vaccine.</td>
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<td>• An estimated 500,000 L.A. Care’s members have received at least the first dose of a vaccine, and about half of those have received both doses. Of L.A. Care’s 2.2 million members, approximately 500,000 are children under 16 years of age and are not yet eligible to receive a vaccine.</td>
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<td>• There is continued focus on reaching the most vulnerable in Los Angeles County, which is estimated to be 25% of the population, particularly with messages to address vaccine hesitancy. A report received two weeks ago estimated that 40% of the available vaccine had been administered to that 25% of the population. This is a</td>
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<td>better performance that some areas in California and across the nation. There is more work to be done. • Female L.A. Care members are vaccinated at a higher rate than males, so messages are being developed to encourage the male members to get vaccinated. • L.A. Care’s Cal MediConnect members have a higher rate of vaccination than members in other programs. • Geographically, data is showing that members in South Los Angeles and in the Antelope Valley have lower rates of vaccination. Mr. Baackes noted that L.A. Care membership continues to grow, and is currently just short of 2.4 million members. Many members have retained their benefits because of the suspension of the redetermination of eligibility process for Medi-Cal. Los Angeles County has a population of 10 million, so 1 in 4 residents receive their health coverage from L.A. Care.</td>
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<td>Strategic Vision Progress Report</td>
<td>A written report was included in the meeting materials (<em>a copy of the report can be obtained by contacting Board Services</em>).</td>
<td>N/A</td>
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<td>Government Affairs Update</td>
<td>Cherie Compartore, <em>Senior Director, Government Affairs</em>, reported: • In addition to the California Advancing and Innovating Medi-Cal (CalAIM) trailer bill that California’s Governor administration and the Department of Health Care Services (DHCS) is working on, it is important to remember that it will be the general guidelines or framework and the legislature will enact legislation to implement the managed care related programs. L.A. Care has begun communicating the concerns about the program with legislative representatives as well. • It has been announced that AB 1400, which proposes single payor for health care, has stopped moving forward because additional funding sources are being sought. L.A. Care will continue to watch legislation and engage with legislators in this area. Member Gonzalez asked about the format of the legislative report in the meeting materials. Ms. Compartore offered to discuss individual legislation. Member Gonzalez asked about bills that are not included in this report. Ms. Compartore noted that only priority bills are listed on this report. A public comment had been received to include all bills, and Ms. Compartore will include all bills that are being monitored in future reports.</td>
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<td>Chairperson De La Torre noted that bills are submitted and are edited in committee to reflect a narrower focus on components that are more acceptable to other legislators, in order to garner votes to move forward through the legislative process.</td>
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| **Approve Revised Legal Services Policy LS 007 (Legal Hold of Records, Documents; Preservation of Evidence)** | Augustavia J. Haydel, Esq., General Counsel, summarized the revisions to Legal Services Policy & Procedure No. LS-007 (Legal Hold of Records, Documents; Preservation of Evidence) pertaining to notifying staff and others of a placement of legal hold on documents and preservation of records, which expand the definition of covered individuals, ensure consistent use of defined terms, and comply with format of new template.  
Member Booth asked about current responsibilities of Board Members for preservation of records. Ms. Haydel indicated that the responsibilities of Board Members remain unchanged from the previous version. L.A. Care has retention guidelines. Member Booth asked for a copy of those guidelines.  
**Motion EXE 100.0521**  
To approve the revisions to the attached Legal Services Policy & Procedure No. LS-007 (Legal Hold of Records, Documents; Preservation of Evidence) and delegate authority to General Counsel or designee to make any non-substantive or technical changes. | Approved unanimously by roll call. 5 AYES |
| **Approve Funding to support Charles R. Drew University of Medicine and Science** | Mr. Baackes noted that when the Elevating the Safety Net program was created by the Board of Governors; unassigned financial reserves were set aside to fund the program. A request was previously approved for funding to Claremont College Keck Graduate Institute for a new Community Medicine Medical School. This additional request is also consistent with L.A. Care’s goal to expand access to medical services by building a pipeline of future safety net providers.  
Cynthia Carmona, Senior Director, Safety Net Initiatives, summarized a motion requesting approval to provide funding support for the development of a new independent medical education program (IMEP) at the Charles R. Drew University of Medicine and Science (CDU), College of Medicine. Since 1981 CDU has partnered with the University of California, Los Angeles (UCLA) with support from the state legislature, to train 24-28 medical students per year.  
There have been longstanding plans by CDU to have an independent medical education program, with support from UCLA. The new independent medical education program | |
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| (IMEP) will admit 60 medical students annually starting in the summer of 2023. This program will complement, and not replace, the current CDU forty-year partnership with the University of California, Los Angeles (UCLA). As of April 15, 2021, CDU has raised $11,975,00 towards the five-year, $75 million comprehensive campaign, from institutions such as the Kaiser Foundation Hospitals and the California Endowment. To further support the fund raising efforts, CDU has been working with California legislature and Congress to seek appropriations or an earmark for the IMEP as well as inclusion in a higher education bond measure; has hired a major gift officer to secure major gifts to the university; and has planned meetings with several foundations to confirm additional funding support. CDU is seeking a one-time $5 million grant from L.A. Care to support the following key developments: • Enhance the current Simulation Center to offer medical training activities for students and faculty; • Establish a center for faculty development to focus on the recruitment, retention and development of faculty; • Establish a service learning program for medical students to offer certifications as emergency medical technicians, community health workers and patient navigators; and • Develop a community health pre-matriculation training experience focused on professionalism and wellness activities for medical students. The IMEP builds on L.A. Care’s current funding support for CDU under our Elevating the Safety Net (ESN) initiative - Medical School Scholarship Program and Residency Support Program. L.A. Care considers this program well-aligned with our ESN guiding principles of increasing health access, promoting equity and cultural competence, as well as building a premier health care workforce. L.A. Care’s ESN programs seek to increase access for our members in Los Angeles County and improve equity and cultural competence among our provider network. Member Booth commented that this could be a great program, involving people who are really invested in the community and will be able to do a good job caring for them. She wants to be sure that it will help patients in Los Angeles County. She noted that hopes are high that the matriculating students will want to practice in Los Angeles County at...
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<td>the end of their residencies. But there is no commitment, and they may not want to remain in Los Angeles County. She also noted that this program will begin in 2023, and the benefit that may be seen for primary care doctors would not materialize until at least 2030, and for sub-specialty practice it could be 2034 or 2035. She asked about making recommendations to the school for requesting a commitment from students to remain in Los Angeles County, and for students to achieve Spanish language fluency.</td>
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<td>Ms. Carmona responded that the request is not for scholarship funding, and she will discuss the recommendations with CDU. Mr. Baackes stated that the recommendations could be presented to CDU as highly desirable outcomes. He noted that in the three years L.A. Care has worked with CDU, it seems CDU looks for students who are from the area, as those students are more likely to remain. Dr. Seidman commented that as an alumnus of CDU, he has remained in Los Angeles. CDU is committed to recruiting local students and training them to be sensitive to the needs of the community surrounding Martin Luther King Jr. Community Hospital. CDU recognizes the relatively low rate of physicians for the local population and the need to train students that are likely to remain in the area. The workforce is not sufficient to meet the needs of low-income parts of Los Angeles County. CDU acknowledges that the number of students has remained at 24 to 28 since 1981. By starting up this program to train 60 more students per year, significantly increasing the opportunity for students who are more likely to stay and serve the underserved communities in Los Angeles County.</td>
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<td>Member Gonzalez asked if there is support for students who may need additional services to ensure support for graduation. Mr. Baackes noted that the young adults entering the program will have already earned a Bachelor’s Degree, and with that accomplishment, they probably are not in need of much help. Dr. Seidman commented that CDU makes a very determined effort to support the students, while recognizing that these students have overcome many obstacles in being accepted to medical school. Students that may need support may be offered the opportunity to enroll in a transitional period, where additional support is available to enable them to successfully transition to medical school and to graduate. CDU also has an extensive network of funders to provide scholarships for the students. Ms. Carmona responded that as part of discussions with CDU, it was noted that in the first year of the program the workload for the new students is handled with sensitivity to avoid overload.</td>
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<td>Member Perez asked about opening L.A. Care’s funding opportunity to students at other universities. Mr. Baackes responded that research at the beginning of the program found</td>
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<td>that these two schools produced students that aligned with L.A. Care’s goals. The request for funding of the Claremont College Keck Graduate Institute Community Medicine program, was because of the goal of that program to graduate doctors who would want to work in the safety net. L.A. Care has limited funds and participates in programs that have the most promise. Ms. Carmona added that L.A. Care staff has met with a number of institutions with regard to the scholarships and residency programs. Not all are the same in terms of the focus and commitment to the communities L.A. Care is seeking to support.</td>
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<td>Member Perez stated that she understands that students may not accept a medical school opportunity if there is a requirement to remain in the area after graduation. Mr. Baackes acknowledged that L.A. Care funds the scholarships in good faith with students that understand the stated goal for graduates to remain in the community. His conversations with the students assures him that most, if not all, will serve Los Angeles County residents after graduation.</td>
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<td>Member Perez asked if other institutions that may have seen the benefit of these scholarships might be inclined to align with L.A. Care's goals. Ms. Carmona indicated that no other institutions have reached out to her regarding the scholarships. There have been inquiries regarding residency support through Elevating the Safety Net, and it is sometimes clear that the program is not aligned.</td>
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<td>Dr. Seidman indicated that it is understandable that other institutions may not need additional funding for their students, and there may be a different focus for other institutions in the ways their students are trained.</td>
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<td>Member Booth suggested that additional information about the number of students that remain in Los Angeles County may help the Board in making these decisions.</td>
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<td>Member Ballesteros commented that he has seen that students recruited from the community do return to apply for positions in that community. The investment in those students represents a benefit to the community whether or not they return.</td>
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<td>Member Booth suggested that CDU be asked to provide data about the number of students that remain in Los Angeles County, to consider it highly desirable for graduates to (1) commit to remaining in Los Angeles County to practice medicine after graduation, and (2) achieve proficiency in a language (other than English) spoken in Los Angeles County.</td>
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| The Board directed that Ms. Carmona discuss addressing the suggestions by the Board and report at the May 6 Board of Governors’ meeting. | **Motion EXE 101.0521**
Authorize an expenditure in the amount of $5 million for the Charles R. Drew University of Medicine and Science (CDU) to support the development of an independent medical education program (IMEP) in South Los Angeles for the period of July 1, 2021 through December 31, 2027, | Approved unanimously by roll call. 5 AYES |
| Terry Brown, *Chief Human Resources Officer*, summarized the Annual Disclosure of Broker Fees report included in the meeting material to comply with the requirements of AB 2589 in reporting insurance broker fees associated with the various health and welfare benefits L.A. Care offers to its employees, identified below is the disclosure of the commission earned by Woodruff Sawyer, our broker of record for the majority of our various health and wellness insurers providing L.A. Care employee benefits for the last two fiscal years (2019-2020 and 2020-2021). Commission is paid to Woodruff Sawyer on a monthly or annual basis, and the amount is based on the number of participants in the benefit program. This disclosure also includes commissions paid to LTC Solutions, Inc., the writing agent for the Genworth policy. L.A. Care is paying 1.9%, and the median in Los Angeles County is 2.83%. L.A. Care also benefits from consulting services provided by the broker out of those fees. |  |
| Approve the list of items that will be considered on a Consent Agenda for May 6, 2021 Board of Governors Meeting.  
- Minutes of April 1, 2021 Board of Governors Meeting  
- Revisions to Legal Services Policy LS-007 (Legal Hold of Records, Documents; Preservation of Evidence)  
- Quarterly Investment Report  
- Microsoft Agreement Renewal | Approved unanimously by roll call. 5 AYES |
| There were no public comments for the closed session items. |  |
| Augustavia J. Haydel, Esq., *General Counsel*, announced the items to be discussed in closed session. She announced there is no report anticipated from the closed session. The meeting adjourned to closed session at 3:32 p.m.  
CONTRACT RATES  
Pursuant to Welfare and Institutions Code Section 14087.38(m) |  |
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**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: *April 2023*

**CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Significant exposure to litigation pursuant to Section 54956.9(d) (2) of Ralph M. Brown Act

Two Potential Cases

*The following item was not discussed.*

**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 meeting reconvened in open session at 3:49 p.m. No reportable actions were taken during the closed session.

**ADJOURNMENT**

The meeting adjourned at 3:50 p.m.

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

APPROVED BY:
Hector De La Torre, Chair
Date: ___________________________
Date: May 24, 2021

Motion No. EXE A.0521

Committee: Executive
Chairperson: Hector De La Torre

Issue: Amendment to L.A. Care Health Plan Cafeteria Plan

Background: L.A. Care maintains the L.A. Care Health Plan Cafeteria Plan (the “Plan”) for the benefit of its eligible employees. The Plan was most recently restated effective June 1, 2017.

The proposed amendment would amend the Plan to clarify the extension of the Health Flexible Savings Account (FSA) claims submission deadline for 2019 medical expenses in accordance with subsequent Department of Labor guidance, and extend the Health FSA claims submission deadline for 2020 in accordance with that guidance.

Member Impact: None.

Budget Impact: None.

Motion: To approve the amendment to the L.A. Care Health Plan Cafeteria Plan, as submitted.
THIRD AMENDMENT
TO THE
L.A. CARE HEALTH PLAN CAFETERIA PLAN

WHEREAS, L.A. Care Health Plan (the “Employer”) established and maintains the L.A. Care Health Plan Cafeteria Plan (the “Plan”); and

WHEREAS, the Plan was most recently amended and restated effective June 1, 2017; and

WHEREAS, the Employer has reserved the right to amend the Plan by action of the Executive Committee or Board of Governors in Section 12.1; and

WHEREAS, the Employer wishes to amend the Plan to clarify the extension of the Health FSA claims submission deadline for 2019 medical expenses in accordance with subsequent Department of Labor guidance, and extend the Health Flexible Savings Account (FSA) claims submission deadline for 2020 in accordance with that guidance.

NOW THEREFORE, Sections 6.7(d) and 10.3(a) of the Plan are hereby amended, effective March 1, 2020, by deleting the paragraph at the end thereof and replacing it with the following:

“Despite the preceding sentence, the Plan will disregard the period beginning on March 1, 2020, and ending on the earlier of (1) one year from that date, or (2) 60 days after the announced end of the COVID-19 National Emergency (the ’Outbreak Period’) in determining the deadline for submitting claims for reimbursement of Medical Expenses incurred during the 2019 Plan Year. As a result, the deadline for submitting claims for reimbursement of Medical Expenses incurred during the 2019 Plan Year is extended from March 31, 2020, until March 31, 2021. Similarly, the Plan will disregard the period beginning on January 1, 2021, and ending on the earlier of (1) one year from that date, or (2) the end of the Outbreak Period in determining the deadline for submitting claims for reimbursement of Medical Expenses incurred during the 2020 Plan Year. As a result, the deadline for submitting claims for reimbursement for Medical Expenses incurred during the 2020 Plan Year will be extended from March 31, 2021 until the earlier of March 31, 2022, or the 90th day after the end of the Outbreak Period.”

IN WITNESS WHEREOF, this Third Amendment to the L.A. Care Health Plan Cafeteria Plan is hereby adopted by the Employer on the date set forth below.

L.A. CARE HEALTH PLAN

By: ______________________________
Hector De La Torre
Chairperson, Executive Committee

Date: ______________________________
**Date:** May 24, 2021

**Committee:** Executive

**Chairperson:** Hector De La Torre

**Motion No.** EXE B.0521

**Issue:** Approve revisions to Human Resources Policy & Procedure HR-221 Transfers and Promotions to provide discretion to the CEO and his designees to modify procedures in the best interest of L.A. Care.

- [ ] New Contract  
- [ ] Amendment  
- [ ] Sole Source  
- [ ] RFP/RFQ was conducted

**Background:** L.A. Care Health Plan (L.A. Care) strives to promote the most capable, qualified and experienced employees based on their demonstrated ability to assume greater responsibility and perform essential job duties. Reasonable efforts will be made to fill vacant positions from within L.A. Care employee base, when appropriate and consistent with applicable policies and procedures. At the same time, it may be deemed necessary to recruit and hire outside of L.A. Care to attract the most qualified individual for a particular job vacancy. To that end, job openings are generally posted on L.A. Care’s website that is accessible to all employees; simultaneously, outside recruiting sources may be used.

**Member Impact:** None

**Budget Impact:** Minimal.

**Motion:** Approve Human Resources Policy & Procedure HR-221 (Transfers and Promotions) providing discretion to the Chief Executive Officer (including his respective designees) to determine Transfers, Promotions and Demotions, as submitted.
**DEPARTMENT** | HUMAN RESOURCES
---|---
Supersedes Policy Number(s) | 6320

**DATES**

<table>
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<th>Effective Date</th>
<th>5/30/1996</th>
<th>Review Date</th>
<th>2/13/2019 2/10/2021</th>
<th>Next Annual Review Date</th>
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<td>Legal Review Date</td>
<td>12/28/2018</td>
<td>Committee Review Date</td>
<td>1/28/2019</td>
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**LINES OF BUSINESS**

- [x] Cal MediConnect
- [ ] Cal MediConnect
- [ ] L.A. Care Covered
- [ ] L.A. Care Covered Direct
- [ ] MCLA
- [ ] PASC-SEIU Plan
- [x] Internal Operations

**DELEGATED ENTITIES / EXTERNAL APPLICABILITY**

- [ ] PP – Mandated
- [ ] PP – Non-Mandated
- [ ] PPGs/IPA
- [ ] Hospitals
- [ ] Specialty Health Plans
- [ ] Directly Contracted Providers
- [ ] Ancillaries
- [ ] Other External Entities

**ACCOUNTABILITY MATRIX**

- [ ]
- [ ]
- [ ]

**ATTACHMENTS**

- Promotion Request Form

**ELECTRONICALLY APPROVED BY THE FOLLOWING**

<table>
<thead>
<tr>
<th>OFFICER</th>
<th>DIRECTOR</th>
</tr>
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<tbody>
<tr>
<td>NAME</td>
<td>Terry Brown</td>
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<tr>
<td>DEPARTMENT</td>
<td>Human Resources</td>
</tr>
<tr>
<td>TITLE</td>
<td>Chief Human Resources Officer</td>
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TRANSFER AND PROMOTIONS

AUTHORITIES
- HR-501 Executive Committee of the Board: HR Roles and Responsibilities
- California Welfare & Institutions Code Section 14087.9605
- L.A. Care By-Laws, Section 10.1 Purchasing, Hiring, Personnel etc.

REFERENCES
- HR-233 Introductory Period

HISTORY

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<th>REVISION DATE</th>
<th>DESCRIPTION OF REVISIONS</th>
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<tr>
<td>1/28/2019</td>
<td>Policy and procedure combined. Revisions made to procedures. Reclassification definition and procedure remove from policy.</td>
</tr>
<tr>
<td>5/20/2021</td>
<td>Revision clarifies CEO’s provides discretion CEO to override decisions on promotions and transfers.</td>
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DEFINITIONS
Please visit the L.A. Care intranet for a comprehensive list of definitions used in policies: [http://insidelac/ourtoolsandresources/departmentpoliciesandprocedures](http://insidelac/ourtoolsandresources/departmentpoliciesandprocedures)
1.0 OVERVIEW:

1.1 L.A. Care Health Plan (L.A. Care) strives to promote the most capable, qualified and experienced employees based on their demonstrated ability to assume greater responsibility and perform essential job duties. Reasonable efforts will be made to fill vacant positions from within L.A. Care employee base, when appropriate and consistent with applicable policies and procedures. At the same time, it may be deemed necessary to recruit and hire outside of L.A. Care to attract the most qualified individual for a particular job vacancy. To that end, job openings are generally posted on L.A. Care’s website that is accessible to all employees; simultaneously, outside recruiting sources may be used.

2.0 DEFINITIONS:

Whenever a word or term appears capitalized in this policy and procedure, the reader should refer to the “Definitions” below.

2.1 Transfer - A transfer is a change from one position to another in the same or lower pay grade and/or title in the same or different department.

2.2 Competitive Transfer - An employee initiated Transfer in the same or different department in the same pay grade and/or title.

2.3 Non-Competitive Transfer - A manager solicited Transfer in the same or different department in the same pay grade and/or title.

2.4 Promotion - A promotion is a change from one position to another position (based on merit, business need and/or seniority [when all other relevant factors are equal]) that is a higher pay grade and/or title, within or outside the same department.

2.5 Demotion - A demotion is a change from one position to another position (based on merit and/or business need) that is a lower pay grade and/or title.

2.6 Center for Organizational Excellence (COE) Cross-Functional Advisory Team - A review team composed of senior leaders across L.A. Care.

3.0 POLICY:

3.1 The purpose of this policy is to provide employees the opportunity to apply for open positions that may enhance career growth opportunities. Management team is encouraged to be supportive of staff members who have the desire to enhance their skills or develop new competencies to pursue different or greater responsibilities internally within L.A. Care.

3.2 This policy is not intended to provide an exception to or modify L.A. Care’s employment at-will, which provides that the employment relationship is voluntary and may be terminated at-will by either the employee or L.A. Care at any time, with or without cause and with or without advance notice.

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3.3 Transfers
3.3.1 Posted positions for Competitive Transfers will remain open for a minimum of three business days.

3.3.2 To be eligible to apply for any Transfer (Competitive or Non-Competitive) an employee must have successfully completed at least 12 months of satisfactory employment in his/her current position. The employee must also meet the minimum qualifications for the position. Additionally, an employee on a final written warning or on an active performance improvement plan (PIP) for the period noted in the PIP, is not eligible for any Transfer. Under certain circumstances necessitated by business needs and for the exception of the minimum qualification requirements, the eligibility requirements under this Section may be waived. Any request for waiver of the eligibility requirements under this Section must be submitted in accordance with the process in Section 4.0 of this policy. These requests will be reviewed and determined by Senior Director, Human Resources Business Support Services and Organizational Effectiveness (or designee) based on the criteria and grounds developed by Chief of Human Resources (CHRO) or his/her designee.

3.3.3 The transferred employee must successfully complete a new Introductory Period, pursuant to HR-233. Introductory Period is subject to the requirements and provision of HR-233. Upon conclusion of the said Introductory Period, an overall evaluation of the employee’s performance will be reviewed by the manager and Human Resources Business Partner (HRBP). If the employee has not satisfactorily completed the Introductory Period in that position, the employee or manager may request through their HRBP to return to their previous position, if such position is vacant. Such request will be subject to approval by the department’s director and the Senior Director, Business Support Services and Organizational Effectiveness. The employee may also apply for any internal position for which the employee meets the minimum qualifications. If the employee’s prior position is no longer available, the employee’s employment with L.A. Care will be terminated but he/she may be eligible for rehire.

3.4 Promotions
3.4.1 To be eligible to apply for any Promotion, an employee must have successfully completed at least 12 months of satisfactory employment in his/her current position. The employee must also meet the minimum qualifications for the position. Additionally, an employee on a final written warning or on an active performance improvement plan (PIP) for the period noted in the PIP, is not eligible for any Promotion.

3.4.2 Under certain circumstances necessitated by business needs, the requirement of at least 12 months of satisfactory employment may be
waived. Any request for waiver of this requirement must be submitted in accordance with the process in Section 4.0 of this policy. These requests will be reviewed and determined by Senior Director, Human Resources Business Support Services and Organizational Effectiveness (or designee) based on the criteria and grounds developed by CHRO or his/her designee.

3.4.3 If a hiring manager wishes to petition an employee for a Promotion, he/she must submit a Promotion request through their HRBP justifying why the employee is the best candidate for the position. The hiring manager may consider factors such as the employees’ long-term commitment to L.A. Care, and use of discrentional effort and/or interest in future advancement within the organization. The request for Promotion must include the following:

3.4.3.1 The new job description;
3.4.3.2 Updated employee resume;
3.4.3.3 Quarterly performance evaluation data and final rating for the last fiscal year;
3.4.3.4 Nine box assessment results (when applicable);
3.4.3.5 360 multi-rater results (when applicable).

3.4.4 The requests for Promotions will be reviewed and decided in accordance with the process outlined in Section 4.0 of this policy.

3.5 Demotions
3.5.1 Under certain circumstances, a Demotion for an employee might be appropriate. Decisions relating to Demotions will be made by the appropriate member of employee’s management team and CHRO or his/her designee.

3.5.2 Demotion decisions will be communicated in accordance with the process in Section 4.0 of this policy.

3.5.23.6 Notwithstanding the forgoing, Transfers, Promotions and Demotions (and the applicable process for such actions) may be determined at the discretion of the Chief Executive Officer or his/her designees.

4.0 PROCEDURES:

4.1 TRANSFER PROCEDURE

4.1.1 Competitive Transfer:
4.1.1.1 An employee must submit their application for consideration through L.A. Care’s internal job application link; https://performancemanager4.successfactors.com/sf/careers/jobsearch?bplte_company=C0014377839P&_s.crb=U953mPBEHfUNDrL1CvVuSv%2f%2f7j%3dhhttp://insidelac/job-opportunities.

4.1.1.2 Candidate’s manager at the time of the application is not required to sign-off on a transfer request. If the candidate is chosen and accepts the new internal position, the candidate must notify current manager within two business days of acceptance of the offer. The notification should be a conversation between the candidate and the current manager followed by an email confirmation from the Talent Acquisition Specialist (TAS).

4.1.1.3 If an employee wishes to obtain a waiver of the minimum time in current position or the performance requirements (as described under Section 3.3.2), he/she may initiate the request process by meeting with their HRBP. The HRBP will review the request and make a recommendation for a decision to Senior Director, Human Resources Business Support Services and Organizational Effectiveness, based on a criteria and grounds determined by CHRO or his/her designee.

4.1.1.3.1 If employee is in current position due to L.A. Care initiated transfer (i.e., reorganization, lay-off, etc.) and employee applies for a Competitive Transfer within 12 months, the 12 month waiting period may be waived.

4.1.1.4 At least two-weeks’ notice period should be given before the employee begins work in his/her new position. The releasing department must release the employee to the receiving department no later than 30 days after the Transfer offer was accepted. The TAS will facilitate the transfer date and confirm agreed upon date with an email to the releasing and receiving manager. Arrangements for a notice period of less than two weeks, or more than 30 days may be made with the agreement of the department heads.

4.1.2 Non-Competitive Transfer:

4.1.2.1 If the hiring manager wishes to solicit a current employee concerning a job vacancy through a Non-Competitive Transfer process, he/she must do so through the hiring manager’s HRBP. The HRBP will facilitate a conversation between the receiving manager (hiring) and the employee’s current manager.
4.1.2.2 Candidate’s manager is not required to sign-off on a transfer request. If the candidate is chosen and accepts the new internal position, the candidate must notify current manager within two business days of acceptance of the offer. The notification should be a conversation between the candidate and the current manager followed by an email confirmation from the TAS.

4.1.2.3 If an employee or hiring manager wishes to obtain a waiver of the minimum time in current position or the performance requirements (as described under Section 3.3.2), he/she may initiate the request process by meeting with their HRBP. The HRBP will review the request and make a recommendation for a decision to Senior Director, Business Support Services and Organizational Effectiveness, based on a criteria and grounds determined by CHRO or his/her designee.

4.1.2.3.1 If employee is in current position due to L.A. Care initiated transfer (i.e., reorganization, lay-off, etc.) and a manager wishes to solicit the employee for a Non-Competitive Transfer within 12 months, the 12 month waiting period may be waived.

4.1.2.4 At least two-weeks’ notice period should be given before the employee begins work in his/her new position. The releasing department must release the employee to the receiving department no later than 30 days after the Transfer offer was accepted. The TAS will facilitate the transfer date and confirm agreed upon date with an email to the releasing and receiving manager. Arrangements for a notice period of less than two weeks, or more than 30 days may be made with the agreement of the department heads.

4.2 PROMOTION PROCEDURE

4.2.1 If a hiring manager wishes to petition an employee for a Promotion, the hiring manager must submit the information required under Section 3.4.3.

4.2.2 If the hiring manager wishes to obtain a waiver of the minimum time in current position (as described under Section 3.4.2), he/she may initiate the request process by meeting with hiring manager’s HRBP. The HRBP will review the request and make a recommendation for a decision to Senior Director, Business Support Services and Organizational Effectiveness, based on a criteria and grounds determined CHRO or his/her designee.
4.2.3 If the Promotion will result in a salary increase, approval from the Resource Review Board (RRB) will be required.

4.2.4 At the discretion of the CEO, a team The Center for Organizational Excellence (COE) Cross-Functional advisory team, composed of senior leaders across the organization, “Review Team” may will assess, evaluate, and make a recommendation on Promotional requests, as set forth herein. Hiring managers maybe requested to will present the Promotion request to the following individuals depending on the level of the position:

4.2.4.1 Promotions within individual contributor level:

4.2.4.1.1 Manager will work with assigned HRBP to prepare necessary documentation for the review of the Promotion. The said documentation and Promotion request will be submitted to Director, Human Resources Business Support Services and Organizational Effectiveness for review and decision to approve or deny;

4.2.4.1.2 The Review Team COE Cross-Functional Advisory Team may consider and make a recommendations on any timely submitted requests for reconsideration of decisions made under Section 4.2.4.1.1. Any requests for reconsideration must be submitted to the Review Team COE Leaders, composed of the Senior Director and Director of COE, on a form provided by Human Resources.

4.2.4.2 Promotions from individual contributor or supervisor level to supervisor or a manager:

4.2.4.2.1 Manager will work with assigned HRBP to prepare necessary documentation for the review of the Promotion. The said documentation and Promotion request will be submitted to COE Leaders and the CHRO (or his/her designee) for review and recommendation;

4.2.4.2.2 The Review Team COE Cross-Functional Advisory Team may consider and make a recommendations on any timely submitted requests for reconsideration of decisions made under Section 4.2.4.2.1. Any requests
for reconsideration must be submitted to the Review Team COE–Leaders on a form provided by Human Resources.

4.2.4.3 Promotions from any position to a senior manager or above:

4.2.4.3.1 Manager will work with assigned HRBP to prepare necessary documentation for the review of the Promotion. The said documentation and Promotion request may will be submitted to the Review Team COE Cross-Functional Advisory Team for review and recommendation;

4.2.4.3.2 CHRO and/or his/her designee may consider and make a recommendation on any timely submitted requests for reconsideration of decisions made under Section 4.2.4.3.1. Any requests for reconsideration must be submitted to the CHRO COE Leaders on a form provided by Human Resources, and may be submitted to the Review Team for review and recommendation.

4.3 DEMOTION PROCEDURE

4.3.1 Any Demotion decisions will be communicated to the employee by individuals as identified below:

4.3.1.1 For Demotions involving employees in individual contributor role, employee’s manager and HRBP;

4.3.1.2 For Demotions involving supervisor and manager positions with direct reports, employee’s manager and Senior Director Business Support Services and Organizational Effectiveness;

4.3.1.3 For Demotions involving directors and above, employee’s manager and CHRO and/or his/her designee.

5.0 MONITORING:

5.1 A monthly report is run and reviewed by the Human Resources Analyst which shows all staff transfers and promotions.

6.0 REPORTING:

6.1 Any suspected violations to this policy should be reported to your Human Resources Business Partner.
7.0 L.A. Care reserves the right to modify, rescind, delete, or add to this policy at any time, with or without notice.