

**BOARD OF GOVERNORS**  
**Executive Committee**

**Meeting Minutes – May 24, 2022**

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



**L.A. Care**  
 HEALTH PLAN

**Members**

Hector De La Torre, *Chairperson*  
 Al Ballesteros, *Vice Chairperson*  
 Ilan Shapiro MD, MBA, FAAP, FACHE, *Treasurer*  
 Stephanie Booth, MD, *Secretary*  
 Hilda Perez

**Management/Staff**

John Baackes, *Chief Executive Officer*  
 Terry Brown, *Chief of Human Resources*  
 Augustavia Haydel, *General Counsel*  
 James Kyle, MD, *Chief of Equity & Quality Medical Director*  
 Tom MacDougall, *Chief Technology & Information Officer*  
 Thomas Mapp, *Chief Compliance Officer*  
 Marie Montgomery, *Chief Financial Officer*  
 Noah Paley, *Chief of Staff*  
 Acacia Reed, *Chief Operating Officer*  
 Richard Seidman, MD, MPH, *Chief Medical Officer*

State and local officials continue to impose or recommend measures to promote social distancing to reduce transmission of the COVID 19 virus. It is prudent to use caution in protecting the health of the public, L.A. Care’s employees and its members where adequate virtual means exist to permit the meeting to occur by teleconference/videoconference with the public being afforded the ability to comment in real time. The Board of Governors and all legislative bodies of the L.A. Care Health Plan, and the Board of Directors and all legislative bodies of the Joint Powers Authority will continue to meet virtually and the Boards will review that decision on an on-going basis as provided in the Brown Act. Members of the public had the opportunity to listen to the meeting via teleconference, and share their comments via voicemail, email, or text.

<b>AGENDA ITEM/PRESENTER</b>	<b>MOTIONS / MAJOR DISCUSSIONS</b>	<b>ACTION TAKEN</b>
<b>CALL TO ORDER</b>	Hector De La Torre, <i>Chairperson</i> , called to order the L.A. Care Executive Committee and the L.A. Care Joint Powers Authority Executive Committee meetings at 2:02 p.m. The meetings were held simultaneously. He welcomed everyone to the meetings. <ul style="list-style-type: none"> <li>• For those who provided public comment for this meeting by voice message or in writing, we are really glad that you provided input today. The Committee will hear your comments and we also have to finish the business on our Agenda today.</li> <li>• If you have access to the internet, the materials for today’s meeting are available at the lacare.org website. If you need information about how to locate the meeting materials, please let us know.</li> <li>• Information for public comment is on the Agenda available on the web site. Staff will read the comment from each person for up to three minutes.</li> </ul>	

**APPROVED**

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	<ul style="list-style-type: none"> <li>The Chairperson will invite public comment before the Committee starts to discuss an item. If the comment is not on a specific agenda item, it will be read at the general Public Comment item 2 on today's agenda.</li> </ul> <p>He provided information on how to comment live and directly using the "chat" feature.</p>	
<b>APPROVE MEETING AGENDA</b>	The Agenda for today's meeting was approved.	<b>Approved unanimously by roll call. 5 AYES (Ballesteros, Booth, De La Torre, Perez, and Shapiro)</b>
<b>PUBLIC COMMENT</b>	There were no public comments.	
<b>APPROVE MEETING MINUTES</b>	The minutes of the April 26, 2022 meeting were approved as submitted.	<b>Approved unanimously by roll call. 5 AYES</b>
<b>CHAIRPERSON'S REPORT</b>	<p>Chairperson De La Torre acknowledged that L.A. Care staff has been working very hard on implementing the California Advancing and Innovating Medi-Cal (CalAIM). He thanked staff for pivoting, on very short notice, from other important programs to this new initiative. He suggested that an update on the progress of L.A. Care on CalAIM could be presented at a future meeting.</p> <p>Chairperson De La Torre noted that it had been previously reported that Kaiser Permanente is in negotiations on an unprecedented contract for Medi-Cal managed care in California. He mentioned previously that Kaiser has been involved in a legal process with the United States Department of Justice for over \$1 billion in fraudulent Medicare billings. Last week we also learned that the Department of Managed Health Care (DMHC) has opened a non-routine investigation into Kaiser's mental health practices.</p> <p>Member Booth asked if there was a whistleblower. Chairperson De La Torre does not have that information.</p>	
<b>CHIEF EXECUTIVE OFFICER REPORT</b>	<p>John Baackes, <i>Chief Executive Officer</i>, reported:</p> <ul style="list-style-type: none"> <li>The Health Plan and the Board should be conscious that an era of unprecedented pressure on rate development has begun. California's Department of Health Care Services (DHCS) will move to a regional rating in January 2024, with 100% county wide averaging. L.A. Care has pressed DMHC to address the inequities of county</li> </ul>	

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	<p>wide averaging. It has caused a huge loss of revenue for L.A. Care, which was transferred to Health Net, a for-profit entity owned by Centene Corporation based in Pennsylvania. L.A. Care will likely file a Notice of Dispute over the 2023 rates, and may need to consider seeking legislative relief. Rate development for 2023 is in a critical period. The Board has already given authority for a Notice of Dispute, which may need to be filed in June.</p> <ul style="list-style-type: none"> <li>• L.A. Care was established to provide access for vulnerable people to quality health care services in Los Angeles County. L.A. Care also supports the safety net of health care providers. The safety net funding is at a crisis point with California ranking 47<sup>th</sup> in Medicaid funding among all states in the U.S.</li> <li>• Mr. Baackes noted that he has just learned that there was an active shooter in an elementary school in Uvalde, TX earlier today, and it is reported that 14 students are dead. Gun violence in the United States is a public health crisis. The United States has 4% of the world's population and 40% of the guns in the world are in private hands in this country. Mr. Baackes will draft a resolution on gun safety and support for mental illness for the Board's consideration at the June 2 meeting. L.A. Care will lead in calling for rational gun safety laws.</li> </ul>	
<p><b>Government Affairs Update</b></p>	<p>Cherie Compartore, <i>Senior Director, Government Affairs</i>, reported on the Governor's May Budget Revise:</p> <ul style="list-style-type: none"> <li>• California's General Fund Revenue is projected to be \$55 billion higher than what was estimated in January. About \$4 billion will go into the rainy day fund.</li> <li>• The Governor is proposing about \$18 billion in relief funding for Californians. <ul style="list-style-type: none"> <li>○ \$400 payment distributed to every registered vehicle (up to two vehicles per resident)</li> <li>○ \$3 billion in emergency rental assistance and past due utility bills</li> <li>○ \$1,500 retention payment for each hospital and skilled nursing facility workers</li> <li>○ 3 months of free public transportation</li> <li>○ Premium payment subsidies for Covered California enrollees</li> <li>○ Extension of child care fee waivers for low income families</li> </ul> </li> <li>• The federal public health emergency was extended through July 15, 2022. The federal government has promised to provide at least 60 days' advance notice for declaring the end of the pandemic. The Governor's Budget assumes the emergency will end on July 15, 2022.</li> </ul>	

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	<ul style="list-style-type: none"> <li>• This means that counties will begin Medicaid eligibility redeterminations the month following the end of the public health emergency. It is projected that the first redeterminations will be in October, with possible dis-enrollment in November.</li> <li>• There is \$700 million in the budget for equity and practice transformation, a \$300 million increase in the amount proposed in January 2022. This will be a way to get additional funds to providers that are engaged in addressing gaps in preventive care, maternity care and behavioral health. The details of this program have not been provided. Similar programs in the past have had providers apply for the program and get the payments through the health plans.</li> <li>• The proposed budget continues to use the January 2024 start date for coverage expansion to those who are eligible between 26 and 49 years of age, regardless of immigration status.</li> <li>• The proposed budget includes funding to develop additional community health workers.</li> <li>• The Doula benefit will be implemented in January 2023, and payments were increased for this benefit.</li> <li>• Budget committees of the legislature are meeting, and the budget must be passed by June 15.</li> <li>• There are trailer bills which contain details about the programs in the budget which will be considered throughout the summer.</li> </ul> <p>Chairperson De La Torre noted that the budget includes the funding for broad categories, and the components of those categories will be available in trailer bills which could be approved as late as August.</p> <p>Board Member Booth noted that AB 35 was signed into law by the Governor yesterday. It may increase the amount of insurance payments that will be needed for medical malpractice. This ultimately will affect the physicians caring for L.A. Care members. The more that L.A. Care can do for these safety net providers, the better it will be for L.A. Care members.</p>	
<b>Revised 2022 Board of Governors &amp; Committee Meeting Schedule</b>	<p>Board Member Booth asked if the earlier start time will apply when the Board returns to in-person meetings. Linda Merkens, <i>Senior Manager, Board Services</i>, responded that the earlier start time was proposed for virtual meetings. Chairperson De La Torre stated that the Board can revisit the meeting start time when it returns to in-person meetings.</p>	<p><b>Approved unanimously by roll call. 5 AYES</b></p> <p><b>By consensus, the Committee voted to include</b></p>

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	<p><b><u>Motion EXE 100.0622</u></b>  <b>To approve the revised 2022 Board of Governors and Committees to reflect new start time of Board of Governors meetings to 1 pm, effective June 2, 2022 meeting.</b></p>	<p><b>this motion to the Consent Agenda for June 2, 2022 Board of Governors meeting.</b></p>
<p><b>Human Resources Policy HR-706 (Introductory Orientation and Mandatory Training)</b></p>	<p>Terry Brown, <i>Chief Human Resources Officer</i>, summarized the motion to approve HR 706 (Introduction Orientation and Mandatory Training).</p> <p>L.A. Care Policy HR-501 requires that the Executive Committee review substantial changes to the Human Resource policies. HR-706 was revised to include Diversity, Equity and Inclusion (DEI) as required education for new employees. DEI education is being added to support National Commission on Quality Assurance (NCQA) Accreditation under the 2022 Standards and Guidelines for the Accreditation of Health Plans, effective July 1, 2022.</p> <p>Board Member Booth asked about inserting “and other required training programs”. Mr. Brown agreed to the revision.</p> <p><b><u>Motion EXE A.0522</u></b>  <b>To approve the Human Resources Policy &amp; Procedure HR-706 (Introduction Orientation and Mandatory Training), as amended.</b></p>	<p><b>Approved unanimously by roll call as amended. 5 AYES</b></p>
<p>Approve Consent Agenda</p>	<p>Approve the list of items that will be considered on a Consent Agenda for June 2, 2022 Board of Governors Meeting.</p> <ul style="list-style-type: none"> <li>• May 5, 2022 Board of Governors Meeting Minutes</li> <li>• Revised 2022 Board of Governors &amp; Committee Meeting Schedule</li> <li>• Imagenet, LLC Contract Amendment</li> </ul>	<p><b>Approved unanimously by roll call. 5 AYES</b></p>
<p><b>PUBLIC COMMENTS</b></p>	<p>There were no public comments.</p>	
<p><b>ADJOURN TO CLOSED SESSION</b></p>	<p>The Joint Powers Authority Executive Committee meeting was adjourned at 2:32 p.m.</p> <p>Ms. Haydel 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 2:32 p.m.</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> </ul>	

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	<ul style="list-style-type: none"> <li>• DHCS Rates</li> </ul> <p>REPORT INVOLVING TRADE SECRET Pursuant to Welfare and Institutions Code Section 14087.38(n) Discussion Concerning New Service, Program, Business Plan Estimated date of public disclosure: <i>May 2024</i></p> <p>CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION Significant exposure to litigation pursuant to Section 54956.9(d)(2) of Ralph M. Brown Act: Three Potential Cases <i>(Chairperson De La Torre left the meeting.)</i></p> <p>CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION Pursuant to Section 54956.9(d)(1) of the Ralph M. Brown Act</p> <ul style="list-style-type: none"> <li>• Department of Managed Health Care Enforcement Matter Numbers: 18-799, 20-063, 21-428, 21-509, 21-680</li> <li>• Department of Health Care Services, Office of Administrative Hearings and Appeals, In the matter of: L.A. Care Health Care Plan Appeal No. MCP22-0322-559-MF</li> </ul>	
<b>RECONVENE IN OPEN SESSION</b>	<p>Vice Chairperson Ballesteros presided in the absence of the Chairperson.</p> <p>The meeting reconvened in open session at 3:33 p.m. No reportable actions were taken during the closed session.</p>	
<b>ADJOURNMENT</b>	<p>The meeting adjourned at 3:34 p.m.</p>	

Respectfully submitted by:

Linda Merkens, *Senior Manager, Board Services*  
Malou Balones, *Board Specialist III, Board Services*  
Victor Rodriguez, *Board Specialist II, Board Services*

APPROVED BY:

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Hector De La Torre, *Chair*  
Date: 7/5/2022 | 9:10 PM PDT

**APPROVED**