Board of Governors
Regular Meeting Minutes #326
April 4, 2024

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

Members

Alvaro Ballesteros, MBA, *Chairperson*
Ilan Shapiro, MD, *Vice Chairperson*
Stephanie Booth, MD, *Treasurer*
John G. Raffoul, *Secretary*
Jackie Contreras, PhD
Hector De La Torre
Christina R. Ghaly, MD *
Layla Gonzalez
George W. Greene, Esq.*
Supervisor Hilda Solis **
G. Michael Roybal, MD, MPH
Nina Vaccaro, MPH
Fatima Vazquez

**Absent*

*** Via teleconference*

Management

John Baackes, *Chief Executive Officer*
Sameer Amin, MD, *Chief Medical Officer*
Terry Brown, *Chief of Human Resources*
Linda Greenfeld, *Chief Product Officer*
Todd Gower, *Chief Compliance Officer*
Augustavia Haydel, Esq., *General Counsel*
Alex Li, MD, *Chief Health Equity Officer*
Tom MacDougall, *Chief Technology & Information Officer*
Noah Paley, *Chief of Staff*
Afzal Shah, *Chief Financial Officer*

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
WELCOME	Alvaro Ballesteros, *Board Chairperson,* called to order at 1:08 pm the regular and special meetings of L.A. Care Health Plan Board of Governors and the L.A. Care Health Plan Joint Powers Authority Board of Directors. The meetings were held simultaneously. Board Chairperson Ballesteros welcomed everyone. • Everyone's time is valuable. Recently, a few meetings have lasted more than three hours so L.A. Care will make some changes to improve meeting efficiency. • The public comment time may be adjusted to a shorter time limit during the meeting to keep the meeting on schedule and allow more people to comment. • Please be respectful of everyone at the meeting. Comments should end at 3 minutes. That's a lot of time – more time than is given for public comment at other meetings. Commenters do not have to use the full three minutes if their views can be expressed in less time. There is no need to wait for the clock to countdown the full 3 minutes. Get your points across quickly and step away from the microphone even if there is still time on the clock so others can be heard. Those attending the meeting in person who wish to submit a public comment should use the form provided. For those with access to the internet, the materials for today's meeting are available on the L.A. Care website. He thanked those who have submitted public comment by voice mail, text or email. He informed participants that for those using the video software during the meetings; the "chat"	

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	function will be available to provide live and direct public comment to everyone participating in the virtual meeting. The Chat feature will be open throughout the meeting for public comment. All are welcome to provide input.	
APPROVAL OF MEETING AGENDA	**PUBLIC COMMENT** *Andria McFerson commented that the TTECAC minutes are very important for Board members to overlook and actually see the conversation and how the community is affected by the decisions made by the Board and the Department of Health Care Services, the comments having to do with the Senate, and just all kinds of different things, provisions having to do with that. On page12 of the TTECAC minutes, it is stated that Ms. McFerson asserted her authority and dictated staff actions, including the establishment of continuation of the advisory committee. In summary, her comments were about the rights and role of stakeholders in the decisions made that would affect staff's operation to better the communication and the overall committee in itself. She wants to take the time to say the Board is very important. She would love to have this meeting definitely with more comments and not less comments and with that, she just wanted to make sure that the Board seems proper and not a summary of what she's saying, and if one is going to look at it, she just wants to be clear on that with the agenda in itself. She doesn't know if that has anything to do with it, but she really thinks that the Board members are important, your decisions are important as your overview is important. The staff is important as well. And with that, her comment was just to better our intercommunication and that's it.* Chairperson Ballesteros asked that Motion EXE 100 be considered during the CEO Report item instead of the Executive Committee report. There was no objection from Board Members. **The meeting Agendas were approved as amended.**	**Unanimously approved by roll call. 10 AYES (Ballesteros, Booth, Contreras, De La Torre, Gonzalez, Raffoul, Roybal, Solis, Vaccaro and Vazquez)**
ADJOURN TO CLOSED SESSION	**PUBLIC COMMENT** *Andria McFerson thinks that their rights should be available as far as the meeting proper protocol, having to do with the disabled. And that's all she wanted to say because as far as the agenda goes, the closed session is first, and there are disabled people here, there are seniors here, and there are people who definitely would love to comment on closed items. But with that, they don't know how long the closed session is going to be. As far as provisions having to do with medical appointments, family, just all kinds of different things like that, and they don't know how long they're going to be here. So this public comment is towards making sure that the Board knows that it's important for them to comment on closed session items like item number 9, due to the fact that the public employee performance evaluation. Like that should be heard and decided accordingly towards the stakeholders who are affected by all of the different actions that the staff has, according the Board, the quality and compliance, and the Department of Health Care Services and the Senate. All of these items are important when it comes to the staff's input, the staff's actions. So, with that, if the Board is going to evaluate the staff, that would be important to for the Board to know exactly how the staff has affected them. And with that, if the Board is going to make that decision, then the Board would need to know how they feel about what*	

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	has happened throughout the month. If the Board is going to evaluate the staff in itself. She will talk about that later, the RCAC meetings have not had an opportunity to have the Brown Act or Robert's Rules of Order or anything else since they met the last time. They've had RCAC meetings and had no motions on the Board. They just had things dictated to us that the staff wants to change and state recommendations, things like that. They have not had the opportunity to have a.RCAC meeting to discuss these things. They should have been able to have that right to have those comments made before the Board evaluated the staff in itself. It's inappropriate to have a closed session first without having those comments. Of course, they have those comments, but it's hard to even state because she has a clock and she has to go upstairs. The Board has the closed session for three hours and she doesn't know when she is able to talk to her doctor, because the closed session is, they don't know how long, and she does need to speak. Chairperson Ballesteros noted that the time is on the Agenda, it's 60 minutes. *Ms. McFerson asked where people are supposed to sit?* Chairperson Ballesteros responded that he will announce it, it's on the second floor. There is a space for public to wait on the second floor. *Ms. McFerson apologized that she sounds kind of perturbed, but she just feels that they should just have the regular agenda with the agenda first, and then the closed items second.* Chairperson Ballesteros noted that it was difficult for the Board to keep it that way, because they were not able to get to the items in closed session because of the length of meetings. The Board decided to hold the close session at the beginning of the meeting. To alleviate the concerns, it is posted on the agenda that the closed session will be an hour, so the public knows when the meeting will reconvene in open session. There is a space on the second floor for individuals. Ms. McFerson apologized and said she appreciates the provisions, but the Board still needs to change it. Board Member Booth noted that the reason the Board has to do it this way is that the meeting could lose quorum. There are closed session items the Board may need to vote on. At the end of the meeting, there are reports. The Board can lose quorum and still receive those reports, the Board can vote only if there is a quorum. Board Member De La Torre commented that is why the Board is doing this. Secondly, under the Brown Act, cities and other public entities are allowed to structure their meeting however they like. There are cities who leave public comment to the very end of the meeting. The Board is not doing that, it is taking an hour for some closed session items that may require a vote, and then conducting regular business in public session. Under the Brown Act, there's flexibility, as long as it's clear how the meeting is structured and time is allowed for public comment. *Ms. McFerson (speaking over Board Member De La Torre) said, "That's great,", and she commented that stakeholders need that right as well. They absolutely have no RCAC meetings at all.*	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN

Board Member De La Torre continued his comment that the Board is conducting the business for L.A. Care and that, first and foremost, is the Board's obligation.

Ms. McFerson commented, "much appreciated. Definitely."

Public comment submitted via voicemail today at 12:21 PM. by Elizabeth Cooper RCAC 2 member
Good afternoon members of the Board of Governors and the Chairperson. She would like to speak on today's agenda for the Board of Governors, particularly when it comes to public and closed session items, public performance evaluation for public employment. She would like to ask the Board Chairperson to please consider having a member of the RCACs present when it comes to public employee evaluation for the CEO. At present, she thinks Mr. Baackes is doing a good job, but she feels that the performance evaluation should consider how well the RCAC issues are addressed. She thinks he's doing a good job. She thinks that would be a good thing for the RCACs to have someone from the RCACs present during the conversation. She feels they may not have a voice, and are not being heard on some of these issues that they are addressing.

The Joint Powers Authority Board of Directors meeting temporarily adjourned at 1:24 pm.

Augustavia J. Haydel, Esq., *General Counsel*, announced the following items to be discussed in closed session. The L.A. Care Board of Governors adjourned to closed session at 1:24 pm. No report was anticipated from the closed session.

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 2026*

THREAT TO PUBLIC SERVICES OR FACILITIES
Government Code Section 54957
Consultation with: Tom MacDougall, *Chief Technology and Information*

CONTRACT RATES
Pursuant to Welfare and Institutions Code Section 14087.38(m)

- Plan Partner Rates
- Provider Rates
- DHCS Rates

THREAT TO PUBLIC SERVICES OR FACILITIES
Government Code Section 54957
Consultation with: Tom MacDougall, *Chief Information & Technology Officer*

APPROVED

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION Significant exposure to litigation pursuant to Section 54956.9(d)(2) of Ralph M. Brown Act: Four Potential Cases CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION Pursuant to Section 54956.9(d)(1) of the Ralph M. Brown Act L.A. Care Health Plan's Notice of Contract Dispute under Contract No. 04-36069 Department of Health Care Services (Case No. Unavailable) CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION Pursuant to Section 54956.9(d)(1) of the Ralph M. Brown Act • Department of Managed Health Care Enforcement Matter Numbers: 18-799, 20-063, 21-428, 21-509, 21-680 • 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 PUBLIC EMPLOYEE PERFORMANCE EVALUATION, PUBLIC EMPLOYMENT and CONFERENCE WITH LABOR NEGOTIATOR Sections 54957 and 54957.6 of the Ralph M. Brown Act Title: CEO Agency Designated Representative: Alvaro Ballesteros, MBA Unrepresented Employee: John Baackes	
RECONVENE IN OPEN SESSION	The L.A. Care Board of Governors and the L.A. Care Health Plan Joint Powers Authority Board of Directors reconvened in open session at 2:28 pm. There was no report from closed session. Chairperson Ballesteros welcomed members of the public back to the meeting. He hoped the accommodations were comfortable for them during the one hour closed session. He provided information about submitting public comment.	
PUBLIC COMMENTS	Submitted via voicemail at 12:29 PM by Elizabeth Cooper RCAC 2 member *Board members, Elizabeth Cooper again, please take notice of her comments. It is very challenging now to read the agenda not being physically present. Please take notice that the phone service needs to be updated because they need to be more consumer friendly. It is very hard and challenging. She asked the two Board of Governors Consumer representatives to please take notice of the comments of the members of the RCACs and the public. There are a number of issues that she would like to address, but due to the fact that she is physically not present, she would like to have the Board and the Chairperson of the Board to please take notice of the board book and see whether it's friendly for the consumers, and ask those who are not physically present. The month of April should be a challenge for so many as it has been for her. She would like the Board book to be more consumer friendly. Please take notice Board of Governors consumer members they hope that you represent the interests of all of them in these issues when they have been brought*	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	up to the Board, the board book sometimes is not user friendly. Please read and take notice of her comments. *Andria McFerson commented she wants to take the time out to apologize to the Board, I had an episode, dizzy episode, her medication wasn't proper. The brain specialist didn't approve the new medication that her PCP and her specialist told me to take. Today was the first time taking it on an empty stomach. She wants to completely apologize to the Board and to the staff for that. But, with that, her neurologist called her and told her of a need to see her at a certain time and she committed to this meeting, and did not know what time she was leaving. That's why she feels it's so important that the closed session is held last. She just wants to take the time out to say thank you for listening. And with that her whole story, she hates saying I, I, I. But with the RCACs, they would have that opportunity to say "I", and being that they did have RCAC meetings, they did, but not with the Brown Act and Robert's Rules of Order. The new provisions that they want to make with the stakeholder committees; unfortunately, they don't have a motion on the floor on the agenda with the RCACs. So they can't vote yay or nay. They do say we can take recommendations and things like that, but the RCAC members, unfortunately, the ones who she spoke with, they feel as though decisions are already made and they don't have word and any sort of changes having to do with the stakeholder committees. She asked if there are any other RCAC meetings to please allow them to use the Brown Act and Robert's Rules of Order, and let them know whether they have a right to vote on any changes, provisions towards the stakeholders, towards the RCACs, towards the ECAC, and just all kinds of different things like that. And if the state has recommendations or requirements, and things like that, specifically with quotations, present that as well with the new request that the staff is making with every single meeting. And give them the opportunity on the agenda to have open conversation. An open form of conversation with the stakeholders and how those things would affect them would benefit them and it would benefit the Board on the decisions that you make according to the stakeholder requests.*	
Consideration of Chief Executive Officer's Compensation and Employment Agreement	*This item was discussed later in the meeting.*	

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APPROVE CONSENT AGENDA ITEMS	• March 7, 2024 meeting minutes • Contract with Microsoft (via SHI International) to provide product support services for Information Technology staff supporting critical virtual production infrastructure **Motion FIN 100.0424** **To authorize staff to execute a contract in the amount of $9,500,000 with Microsoft to provide product support services for the period of May 2024 to May 2027.** • Faneuil, Inc. Contract Extension and Funding for Customer Service Center **Motion FIN 101.0424** **To authorize the staff to enter into Amendment 2 for SOW 2 with Faneuil, Inc., increasing the overall contract amount from $22,000,000 to $64,287,729, an incremental increase of $42,287,729, and increasing the contract terms from January 14, 2022 - March 31, 2025, to April 1, 2025 - March 31, 2027, an incremental term of 2 years. This amendment will allow Faneuil, Inc. to continue to support L.A. Care with 24/7 call center operations through March 31, 2027.**	**Unanimously approved by roll call. 11 AYES (Ballesteros, Booth, Contreras, De La Torre, Gonzalez, Raffoul, Roybal, Shapiro, Solis, Vaccaro and Vazquez)**
CHAIRPERSON'S REPORT	Chairperson Ballesteros reported that Board member Vazquez was appointed to the Compliance & Quality Committee.	
CHIEF EXECUTIVE OFFICER REPORT • Catalina Island Health Grant to support safety net access to health care for L.A. Care members living on Catalina Island	**PUBLIC COMMENT** Public comments submitted via voicemail at 12:25 PM by Elizabeth Cooper, RCAC 2 member *Good morning Members of the Board, she received a Board book a short time ago. She is calling regarding today's board meeting item for a Catalina Island Health grant supporting the safety net and the L.A Care members who live on Catalina island. Board members, she would like to be allowed the opportunity to visit Catalina Island on behalf of the members and the RCACs. It is on the agenda, she would like to support this, and she would like to speak to the RCAC members on Catalina Island.* John Baackes, *Chief Executive Officer,* reported that the CEO of Catalina Island Medical Center came to visit him. The hospital is the only medical service available on the island and faces closure by the middle of this year without intervention. The CEO asked that we give Catalina Island Health an increase in the Medi-Cal reimbursement, and asked for a grant. L.A. Care has 733 members on Catalina Island, which has a total population of 4,200. Board Members may recall that in December 31, 2022, Madera Hospital in California closed without notice and left no services available within 50 miles of that facility. Afterward, there was considerable discussion about how Madera's closure could have been avoided. L.A. Care has the opportunity to step in and support Catalina Island. Mr. Baackes has made clear to the hospital, and to the representatives of the California Assembly, Senate, and Los Angeles County	

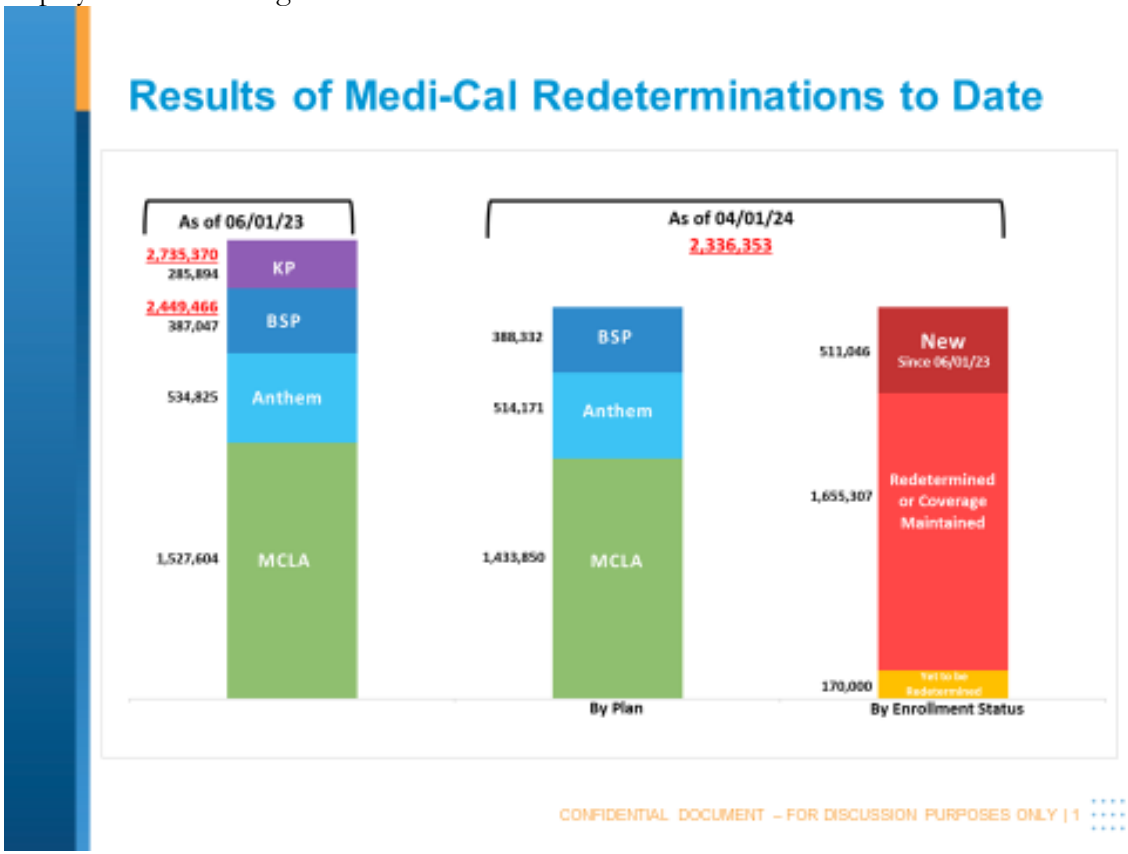
AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	Board of Supervisors, that L.A. Care cannot singlehandedly save Catalina Island Health, but L.A. Care can extend a lifeline. L.A. Care will increase in the Medi-Cal reimbursement for Catalina Island Health. However, with so few L.A. Care members residing on Catalina Island, that will not be enough to save Catalina Island Health. Mr. Baackes recommends providing a $2 million dollar grant, which will keep the medical center open through the end of 2024. During that time, Catalina Island Health would have an opportunity to negotiate an affiliation arrangement with a larger organization so it can continue providing health services. He noted that if the hospital were to close and because it serves on an island, the Los Angeles County Fire Department (LACoFD) essentially would be the provider of last resort. LACoFD would be called upon to use helicopter transportation off the island in an emergency, which would be an unbudgeted expense for the County. L.A. Care is working with providers and with other health plans to garner additional support. Mr. Baackes asked the Board to consider a motion to grant $2 million to Catalina Island Health, to support the hospital, to provide time for it to arrange for a sustainable future. Supervisor and Board Member Solis thanked Mr. Baackes for his report on this very important facility on Catalina Island on behalf of her colleague, Supervisor Hahn. Catalina Island is in Supervisor Hahn's jurisdiction, and she has been sharing information about Catalina Island Health with the Supervisors. They realize how significant this is. She understands the grant will be helpful as a lifeline, but it is not permanent. Mr. Baackes is correct that the impact to the County would be even more costly and untenable. Supervisor Solis supports the grant and she thanked Mr. Baackes, the Board of Governors, and the individuals that you have been working with on this issue for their cooperation. She hopes the State will come up with some remedies in the future to prevent these types of situations. This is not the first and unfortunately she knows it would not be the last time. Board Member De La Torre commented that beside the obvious that Catalina Island Health is on an island, for state purposes the area is considered "urban" because it is part of Los Angeles County. Catalina Island is more rural than any place he can think of, as there's no other place in Los Angeles County that is 26 miles away from anything. It is a weird situation and affects how the local area is treated in state law. One cannot get there except by boat or a plane. He hopes there will be changes in legislation to remedy that they are treated as rural just because they are in Los Angeles County. He thanked Supervisor Solis for sharing Supervisor Hahn's interest in this. He noted that if it was any other location, L.A. Care probably wouldn't provide a grant. Ms. Balones noted a correction in the votes she announced for the Consent Agenda, which should be 11 Ayes.	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	Motion EXE 100.0424 **To approve delegated authority to Chief Executive Officer, John Baackes, to issue up to a $2 million award to Catalina Island Health to support safety net access to health care for L.A. Care members living on Catalina Island.** Mr. Baackes continued his report with an update on the Change Healthcare cyber-attack reported at the last board meeting. L.A. Care has secured an alternate electronic claims clearing house on March 12 through a division of United Health called Optum. This interim solution was very helpful for many providers, but was not as helpful for some of the smaller community-based organizations. L.A. Care has reengaged a former clearinghouse vendor, Office Ally, and is negotiating a contract to continue with Office Ally permanently. While that is being negotiated, providers are connected to the Optum site and providers who prefer or have access can submit claims to Office Ally and those will be processed through the Optum portal. L.A. Care is also working with another cloud based organization called Availity, and considering working with them even after Change Healthcare is back online. L.A. Care's security team will be evaluating the new platform that Change Healthcare developed as a result of the cyber-attack. The cyber-attack is of great concern nation-wide. Mr. Baackes is on the Board of America's Health Insurance Plans (AHIP), a national trade association, and AHIP has been in the lead, and is being called on by the Department of Health and Human Services and by Congress, to explain what the industry is doing to protect data from this kind of attack. There is going to be further inquiry. Part of the problem with the cyber-attack is that it left some of the smaller community-based organizations and hospitals without a way to submit claims. L.A. Care informed all providers that they could use paper but some found that more difficult. L.A. Care offered to make cash advances to providers who are having cash flow issues. Since that was announced, L.A. Care has approved 91 cash advances, totaling about $31 million to a variety of organizations. Most notably, 27 skilled nursing facilities, seven community based adult services (CBAS) organizations and a variety of others, have received cash advances. Only three hospitals have received cash advances. In prior months, most of the major hospitals that contract with L.A. Care had asked for cash advances on the Hospital Quality Assurance Fee (HQAF) payments, which L.A. Care facilitated. The HQAF payments were paid to health plans in March, and L.A. Care has been reimbursed for the advances it made. Based on observing the hospital industry, L.A. Care will probably be asked for advances on the HQAF payment in October. Mr. Baackes invited Board Member Raffoul to comment. This is a cycle that is not sustainable. L.A. Care can make cash advances using its reserves, but the health plan is becoming a bank for the California Department of Health Care Services (DHCS), L.A. Care collects no interest or	**Unanimously approved by roll call. 11 AYES (Ballesteros, Booth, Contreras, De La Torre, Gonzalez, Raffoul, Roybal, Shapiro, Solis, Vaccaro and Vazquez)**

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN

administrative charges for advancing substantial sums. L.A. Care is bringing the situation of repetitive cash advances to the attention of DHCS. The advances to the 91 provider organizations were made against future claims to L.A. Care, and the payback period will average less than 90 days and so these are temporary cash advances. Making the advances has brought L.A. Care some good will. The trade association for skilled nursing facilities called Mr. Baackes to thank L.A. Care, and he is informed that DHCS has received messages about L.A. Care stepping up and helping out these organizations, and L.A. Care received a "thank you" note from DHCS.

Mr. Baackes also updated Board members on the Medi-Cal redetermination process and he displayed the following information:



- The far left bar is L.A. Care's Medi-Cal enrollment before the redetermination process started last June. It includes the Kaiser enrollment, which L.A. Care knew would be dropping off on January 1, 2024. L.A. Care started (without the Kaiser enrollment) with

APPROVED

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	2.4+ million Medi-Cal members enrolled. As of April. 1, 2024, L.A. Care has 2,336,000, so there is a net loss in members generating revenue of only about 113,000 lives. The second bar from the left shows the distribution of L.A. Care Medi-Cal members with the two plan partners, Anthem and Blue Shield Promise. • The bar on the far right shows current enrollment, with 511,000 new members enrolled since last June, including 165,000 undocumented residents between the ages of 26 and 49. • 1,655,000 Medi-Cal members have completed the redetermination process, and there are 170,000 still to go. • About 500,000 members enrolled in Medi-Cal through L.A. Care last June are no longer enrolled, but were replaced by new enrollees. L.A. Care is trying to discern, and Mr. Baackes has discussed this with Board Member Contreras, how many of those people didn't go through a redetermination process but completed a new Medi-Cal application. L.A. Care continues to research this interesting phenomenon. There is a 90-day period from the renewal date for Medi-Cal members to submit the redetermination packet. Over 100,000 people are in the "on hold" category, which means the process was not yet completed. During that 90 day grace period, if the process is completed, coverage will resume retroactive to the original renewal date. In summary, this had far less impact on total enrollment and revenue than was originally thought. The churn in membership can disrupt continuity of care. L.A. Care is following up and has been very closely monitoring the customer service department contacts with members who went to the pharmacy and discovered coverage was declined or went to the doctor and was told they don't have coverage. L.A. Care has had very few of those calls. The members that dis-enrolled may have changed their county of residence or signed up again with a new application. Mr. Baackes reported that L.A. Care received Health Equity accreditation from the National Committee on Quality Assurance (NCQA), which is the accreditation agency for health plans. It is impressive that L.A. Care received a 98% score, and staff is very proud of that. The accreditation is for three years. He congratulated staff who worked on that. Under California Advancing and Innovating Medi-Cal (CalAIM) there is funding for an equity and practice transformation program, which is to support development of infrastructure and technologies in the practice and improve access to care. L.A. Care nominated a number of practices in Los Angeles County, 46 of the practices were approved and their provider transformation programs are being launched. L.A. Care supports AB4, which is a state legislative bill that will allow undocumented Californians to purchase health care coverage through the health benefit exchange. The Medi-	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	Cal expansion was for people whose income is below 138% of the federal poverty level (FPL). There are undocumented residents who may not qualify because their income is higher than 138% of FPL. Those people are currently prohibited from buying insurance on the exchange because the federal government supplements the funding for premium assistance. Advisory committee members raised this when discussing eligibility for Medi-Cal in the expansion. L.A. Care is not sponsoring it, but is supporting the legislation, and has sent letters to the two state legislative leaders. AB4 would help reduce health care disparities and L.A. Care's position aligns with the commitment to health equity, which means everyone has a fair and just opportunity to access health care coverage. Mr. Baackes thanked L.A. Care's ECAC members for pointing out this glaring hole and hopefully this bill will help solve it. Board Member Gonzalez noted that Lluvia Salazar is the advisory committee member who brought it up. The Deferred Action for Childhood Arrivals (DACA) program recipients are unable to get health insurance that is federally funded, so this bill would allow them to be able to purchase health coverage through the state health benefit exchange rather than using federal funds. Mr. Baackes noted that whatever state premium subsidy applies would be available to them, which is important. The state subsidy is not quite as generous as the federal premium subsidy, and L.A. Care will determine AB4 calls for the state subsidy to match the federal. L.A. Care's marketing department developed a guide for new members. Previously, a package was sent to new members joining L.A. Care, which included a folder with a lot of different pieces of paper in it. The information has been put together in a bound booklet that is available in 17 languages. At the very back pages, it has information about language assistance. If L.A. Care is informed about the preferred language of the beneficiary, the booklet will be sent in their preferred language. But if the member gets a booklet that is not in their preferred language, this is a way to find out how to get one. The booklets are made for each of the coverage programs offered by L.A. Care. Mr. Baackes thanked Linda Greenfield and her department staff that came up with this booklet. It is a great step forward and is easier for members to use. *(Board Member Raffoul left the meeting.)*	
• Monthly Grants and Sponsorships Reports	*Mr. Baackes referred Board Members to the written reports included in the meeting materials.*	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
• Government Affairs Update	Joanne Campbell, *Health Care Policy Specialist III, Government Affairs,* reported: • Governor Newsom and the leaders of the California Assembly and Senate have announced that an agreement was reached on early budget actions. The detail on those early budget actions will be released this month. A non-specific shortfall reduction is estimated between $12 to $18 billion. One piece of the budget proposal that has moved forward is SB136, the Managed Care Organization (MCO) tax bill. SB136 increases a portion of the MCO tax that will generate an additional $1.5 billion for the general fund, and was signed by the Governor at the end of last month. It requires review at the federal level to approve the retroactive effective date of January 2024. • Tyler Sadwith was appointed State Medicaid Director at the California Department of Health Care Services (DHCS). He previously was the deputy director of behavioral health at DHCS. • California voters have approved Proposition 1 by a very narrow margin. This is Governor Newsom's $6.4 billion plan to build treatment beds and housing for people experiencing serious mental health illness. • To follow up on the previous question regarding AB4, the bill language includes coverage for the undocumented with subsidies for premiums and cost sharing if funds are available, either from the state or federal government.	
Consideration of Chief Executive Officer's Compensation and Employment Agreement	*The Agenda position of this report was adjusted due to a timing issue.* Augustavia Haydel, *General Counsel,* read a motion for consideration of compensation and employment agreement for the Chief Executive Officer. **MOTION BOG 100.0424** **To approve the payment of the following compensation amounts for Chief Executive Officer, John Baackes, as follows:** **1. Provide a performance based incentive for the performance period of March 23, 2023 thru March 22, 2024 of 44% of base salary;** **2. Increase base salary of 4.5% for a total base salary of approximately $850,722.59 effective March 23, 2024.** **To authorize and direct the Chair of the Board to execute appropriate amendments to Mr. Baackes' employment agreement as necessary to accomplish the actions discussed herein.**	**10 AYES (Ballesteros, Booth, Contreras, De La Torre, Gonzalez, Roybal, Shapiro, Solis, Vaccaro and Vazquez)** *Board Member Raffoul was not in the meeting at the time of this vote.*
CHIEF MEDICAL OFFICER	Sameer Amin, MD, *Chief Medical Officer,* reported: • The 2022-2023 DHCS Medical Audit had a review period from July 1, 2021 through January 31, 2023 for the Medi-Cal line of business. From a Health Services perspective, there were seven Utilization Management, three Care Management, and one Quality	

APPROVED

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	Improvement findings. Health Services staff have been very aggressive in creating durable fixes for the findings. A dedicated Health Services manager created a Strategic Roadmap with deliverables, responsible parties, and next steps. The goal is to correct the underlying issue, test the solution, and then audit the process to ensure we are on the right track. If there is ambiguity, we are reaching out to DHCS and regulatory consultants. Each department is working closely with Compliance on tracking and reporting. Across the company, steps have been broken down into 147 total actions in extraordinary detail and each step is being accounted for so that we don't have a fix in name only, but a fix that actually will sustainably change how we practice here at the health plan, so we do not have repeat findings. During each Monthly Departmental Review, the Roadmap is reviewed, aligning the finding with the corrective action and status so we are fully aware of where we are progressing. Utilization Management (UM) findings can be briefly summarized as: 1) Medical Director Oversight of Post-Stabilization Authorizations 2) Referral Tracking 3) Over and Under-Utilization 4) Written Consent for Appeals 5) Delegation Oversight of Utilization Management 6) Delegation and Subcontractor Ownership and Control Information 7) Notification to Contract Manager for the Subcontractor Ownership and Control Disclosure Requirements A majority of these issues were correctable by instituting new policies and creating new process documents. Some required more intensive corrective actions such as L.A. Care's work with Los Angeles County Department of Health Services (DHS) on EConsult, the establishment of a new Over and Under Utilization frameworks, and hiring a clinical data analyst to institute more robust referral tracking. For all seven findings, L.A. Care is confident that the underlying issues have been corrected and has reported as such through the Utilization Management Committee. Care Management (CM) findings can be summarized as: 1) Initial Health Assessment Completion 2) Anticipatory Guidance for Lead Exposure 3) Blood Lead Screening Tests The issues associated with the findings were corrected by refashioning the initial health assessment (IHA) annual audit, building IHA Monitoring Tools, creating monthly gap reports, updating policies, and writing new processes.	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	The Quality Improvement finding was associated with Provider Training and has been remedied through on-demand training at L.A. Care University and improved monitoring and escalation processes for non-compliant providers. In total, we are very confident that all of the DHS findings have been addressed and that we have a corrective action that is in flight and completed and should be ready to go the next time that we have a DHCS audit. • The 2021 California Department of Managed Health Care (DMHC) Routine Survey was for all lines of business with a review period from September 2019 to August 2021. The review cited overlapping findings between our two entities, Local Initiative Health Authority (LIHA) and Joint Powers Authority (JPA). For Health Services, there are 11 separate findings for Utilization Management, five for Quality, one for Access and Availability, and four for Prescription Drug Coverage. Considering how long ago the review period was, a majority of the findings in Health Services were formally corrected some time ago. Regardless, we are tracking the findings and corrective actions in a similar fashion to the DHCS audit, with over 200 individual steps taken to correct the issues. To help focus, comments center on the UM findings and group findings where they overlap: 1) Written notification to enrollees of denials or modifications 2) Documentation of licensed physicians making decisions 3) Decisions to deny or modify requests within required timeframes and timely notification of providers and enrollees 4) Delegation oversight of Los Angeles Department of Health Services' (DHS) Specialty Referral Process 5) UM approval process for terminal ill members requiring experimental therapies 6) Standing referrals 7) Notification letter language The corrective action plans (CAP) for most findings were formally completed. Though the underlying issues related to item 3) have been fixed and the performance of the UM team has been excellent, we have included development of a Provider Portal for electronic authorization submission within our formal CAP to DMHC. L.A. Care's performance on written notifications as well as decisions to deny or modify requests within the required timeframes has been phenomenal. We have now been consistently in the green and are over 99% in compliance across the board, and that's been a major accomplishment for the team. It is important to say that we included in our CAP to DMHC all the way back in 2021 that L.A. Care would have a provider portal up and going. It was the intention to have that provider portal up and going. Unfortunately, the Provider Portal was delayed due to poor	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	performance by the vendor and the eventual bankruptcy of UpHealth. L.A. Care is on track to implement the Provider Portal by the end of July for hospitals, and by the end of October for the remainder of providers. It will allow electronic submissions to occur for tracking of authorizations. Completion will perhaps not be in time for the CAP, and L.A. Care is frequently communicating with DMHC about the provider portal and the delay that occurred. The solution for issue 4) has actually moved along quite well with great collaboration with DHS. L.A. Care and DHS have agreed upon the steps to be taken and they are now in an implementation phase. There are regular meetings between Dr. Amin, Todd Gower, *Chief Compliance Officer*, with the DHS team, and they are tracking. The corrective action for 6) is awaiting a pending update to the Direct Network Contracted Provider Reference Guide, which should be completed shortly. In total, all of the issues that were associated with the DMHC audit should be completed. And I'm very confident that we are in a good place with all of them. • There is another audit in June of 2024. Dr. Amin is confident that L.A. Care is going to do an excellent job and he confident in the approach and the work that has been done, and he is excited to show the progress that the health plan has made. He has great confidence in L.A. Care's ability to be compliant with the new contract. Chairperson Ballesteros commented that it is great that L.A. Care has made great strides to implement the CAPs and that Dr. Amin has such positive anticipation for the next audit. The reporting to the Compliance & Quality Committee has become much more clear. The Board appreciates the work by Dr. Amin and the Health Services team. Dr. Amin thanked him and he commended the Health Services team that has worked very hard. L.A. Care is working toward maintaining the strategic plan and helping members, rather than responding to audits. He hopes to continue to cut down on the findings and not have any repeat findings. The individual process points are key to the successful implementation. From a few findings, hundreds of individual steps were created and the team went back and made sure that all of them happened. Afterward, an audit was conducted to make sure that the system was working well.	
ADVISORY COMMITTEE REPORT		
Children's Health Consultant Advisory Committee	*The Agenda position of this report was adjusted due to a timing issue.* Tara Ficek, MPH, *Chairperson,* reported The members of the Children's Health Consultant Advisory Committee met on March 26 (*approved minutes can be obtained by contacting Board Services).*	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	• In February a survey of CHCAC members was conducted on what was working well, where there were opportunities for improvement with the committee, with the meetings, et cetera. The feedback received from members was shared at the March meeting, and positive remarks were that the meetings are informative, there's clear and consistent communication between L.A. Care staff and the committee members, along with suggestions for discussing pressing issues, like pediatric specialist shortages, enhancing engagement in meetings through more interactive presentations. We also heard recommendations including partner presentations, so not just hearing from staff, but also from partner organizations that are working closely with L.A. Care, revisiting our meeting times for better attendance and expanding our group membership to include more regional center representation. We encourage further input from members who had not participated in the surveys and will continue to collect that feedback, and additional comments or thoughts on the feedback received are welcome. • Dr. Amin provided a Chief Medical Officer update to the Committee. • Matthew Pirritano, PhD, MPH, addressed a request from the January meeting to furnish descriptive statistics and a foundational understanding concerning children and women of childbearing age within the Medi-Cal member population. Dr. Pirritano delineated the demographic composition of children in various age brackets, such as infants, young children, and adolescents. He highlighted the distribution of these age groups across gender, race, and geographical regions, showcasing areas with significant concentrations of children. Dr. Pirritano provided insights into the healthcare preferences of these demographic segments, and noted the top healthcare providers utilized. • Elaine Sadocchi-Smith gave an Initial Health Appointment (IHA) Update. She explained that the IHA is a medical requirement for all newly enrolled members, to be completed within 120 days of enrollment, covering various components such as physical, environmental, and medical history. She emphasized that while there isn't a single assessment form, the IHA must be comprehensive and include identification of risks, needs for preventative screenings or services, health education, diagnosis, and treatment plans. Ms. Sadocchi-Smith also mentioned that the Stay Healthy Assessment (SHA), a part of the IHA, has been retired since January 1, 2023. Despite no specific form being required, documentation of the IHA components is crucial, and all screenings and assessments must be culturally and linguistically appropriate. She provided examples of age-appropriate screenings and discussed efforts to monitor and ensure compliance with the IHA requirements including the development of tools, monthly compliance reports, provider outreach, and member interventions. Additionally, there were discussions about challenges in data exchange, variations in risk assessment, and the need for standardization and system improvements to ensure appropriate reporting and compliance.	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
Transitional Temporary Executive Community Advisory Committee (TTECAC)	**PUBLIC COMMENT** *Andria McFerson commented that she looked at the schedule of the meetings for the RCACs and on the calendar it states that there is no meeting for RCAC 3 on April 16. Members were sent information that the meeting would be held April 16. She attended RCAC 4 meeting. Unfortunately, they were not able to have the Robert's Rules of Order or the Brown Act to discuss the new provisions that the staff is proposing. Throughout the meeting, they had to listen to staff and had a limited amount of time to speak. She thinks that affected an individual at the meeting. During the meeting, he stood up because he did not have an opportunity to speak and it wasn't an open forum concerning his medical condition. He said that was one of the reasons he came to the RCAC. So he threatened to kill himself during the meeting. He said that he did not have the opportunity to actually speak about not having the PCP access and not having a specialist access, not having therapy for what he was going through. He was having issues with that being covered with L.A. Care, and he wanted to focus more on those type of topics during the RCAC meeting. But the agenda just basically focused on the new plan that they had and not the actual intercommunication that would better the decisions made by L.A. Care, the BoG, and a lot of different other committees. And with that, he walked out he said he didn't want a stipend, and he stood in the hallway for 45 minutes. Actually longer than that, and he stood at a wall. He looked at the wall, and just was crying the whole time. Scott is a nice person, and he's been with the RCACs for a long time. He felt defeated that day and unfortunately, he did not receive assistance from staff. When someone threatens to kill himself or herself and has a mental disorder, you need to call 911 or the department or something like that, that deals with that directly. Maybe with the county, whatever the case may be, but we definitely need better intercommunication with the staff, empathy training, or something. The staff needs to know that if someone has a mental breakdown like that, they have a responsibility to make sure that they don't leave the building and threaten to kill themselves and actually follow through with that. That's important. And then also, like she said, the RCACs are an important factor and we need to have that open communication during the RCACs with the Board of Governors as well to give advice.* Mr. Baackes asked Acacia Reed to get the member information and follow up directly with the member. *Russel Mahler commented that the comment that Andria made, this guy was a member of his RCAC 4 in L. A. and he wanted to say, he was a witness as to how he was feeling that day. They don't know if he's going to be back at the RCAC. They haven't heard anything or not. But he was very distraught when he wasn't getting heard, his questions answered, anything. And he thinks staff or whoever can come to these meetings and see what's going on. How they see things in the meeting. It probably wake up the staff members around L.A. Care as well as give them a chance to see what they go through.*	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	Public comments submitted by voicemail at 12:42 PM by Elizabeth Cooper RCAC 2 member. *Elizabeth Cooper RCAC 2 member, L. A. Care Board meeting regarding public advisory committee report, the two board representatives, She is concerned as a RCAC member and concerned as a public person with some of the issues that were brought up, and also there seems to be concern about what is happening to the RCACs, and no motion is being brought up by the two representatives to the ECAC meeting. It is very important for the two representatives like the other members that bring their concerns about their agencies, that they bring up some of these issues. Because right now the RCACs will be going through reorganization or recertification, et cetera. It is important to let the Board members know what the members concerns are that affect members. But she certainly would like to see more input rather than just a report from the Board representatives on the Board. She listened to the public, who they represent, and appreciates all the Board members. She hopes her comments are read today because it is really challenging to read the board book not being physically there. She thanked all of those who will listen to her comments and please take notice.* Chairperson Ballesteros commented to members that have joined the meeting and those that have made some comments, the Board hears you. He had a brief conversation about this. He will be talking to Mr. Baackes after the meeting. We appreciate members and appreciate member participation. Members will be hearing more information about the Board's desires for addressing member concerns. He wants members to know, from his position and all board members here, they appreciate members and thank members very, very much. It is not falling on deaf ears. Mr. Baackes noted he would be talking to the Chair and the rest of the board. He has been meeting with the RCACs in their traditional configurations to go over the proposed DHCS contract changes. He has been listening. There are three more RCAC meetings to go, and after those, a recommendation will be made that to the ECAC. There is a lot t going on. L.A. Care is very conscious of this, and there is a regulatory deadline to be in compliance with the new state contract. Board Member Gonzalez reported that TTECAC met on March 13, 2024. She thanked members that attended the TTECAC in person and those present today: 1. Roger Rabaja (R3) 2. Ana Rodriguez (R2) 3. Joyce Sales (R6) 4. Maritza Lebron (R7) 5. Deaka McClain (R9) 6. Damares O Hernandez de Cordero (R10)	

APPROVED

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	• Dr. Amin gave an update on the RCAC restructuring. He described modifications to enhance diversity, engagement, and alignment with contractual requirements, stressing a grassroots approach and thorough deliberation among the RCAC members before implementation. • Dr. Li gave a Health Equity Steering Committee update. He spoke about operationalizing health equity at L.A. Care through new structure and engaging members in decision-making. He outlined the structure of equity committees and emphasized the importance of seeking feedback on initiatives to enhance inclusivity. Dr. Li encouraged transparent collaboration and invited input, highlighting a commitment to inclusive engagement strategies. • Shavonda Webber-Christmas presented information about the Community Health Investment Fund (CHIF) and Accessible Equipment Fund in 2023-24. CHIF was established in 2000, and financially supports community health care programs, investing over $138 million in nearly 1000 projects. The Accessible Equipment Fund was created to increase access for differently-abled individuals, and this fiscal year up to $450,000 is allocated to provide accessible exam tables and scales to L.A. Care contracted clinics. Applications will be accepted online through August 31, 2024, and awards announced within 60 days of the month an application was received. Board Member Vazquez reported (*Board Member Vazquez gave her report in the Spanish language and the following English translation is from the interpreter)*: • Henock Solomon presented information on the Clinician & Group-Consumer Assessment of Health Care Providers & Systems (CG-CAHPS) member survey, highlighting the importance in gauging patient experiences with L.A. Care and its providers. The survey focuses on things valued by patients, such as timely appointments, access to information, and communication with healthcare providers. The results affect L.A. Care's National Committee on Quality Assurance (NCQA) accreditation and health plan ratings. Unlike regular CAHPS, CG-CAHPS is for the physician, clinic, and IPA levels, with a larger sample size, aiming for more actionable measurement at the provider level, particularly for Medi-Cal patients. Board Member Vazquez informed the Board that L.A. Care community resource centers provide training and workshops for our community. The RCAC meetings are being held in March, and April. They are grateful to the individuals that are here today and were also present at the RCAC meetings. Board Member Gonzalez invited everybody to attend the next ECAC meeting on April 10. It is a Zoom meeting, so one does not have to fight traffic. Board Members can get an idea of what happens at TTECAC. The Board Chair participated in a TTECAC meeting, and she thanked him. She thanked Ms. Vaccaro for attending TTECAC recently. She invited Board Members to	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	attend and get an idea of what goes on in those meetings as well as topics the members are discussing, and the issues in contention with the new contract.	
BOARD COMMITTEE REPORTS		
Executive Committee	Chairperson Ballesteros reported that the Executive committee met on March 27, 2024 (*approved minutes can be obtained by contacting Board Services and will be available on the L.A. Care website).*	
Finance & Budget Committee	*(Member Raffoul rejoined the meeting.)* Committee Chairperson Stephanie Booth, MD, reported that the Committee met on March 27. *(Contact Board Services to obtain a copy of approved meeting minutes.)* • The Committee reviewed and approved a motion for a contract amendment with Cloud Technology Innovations, LLC (Healthcare Fraud Shield) to provide Special Investigations Unit (SIU) Case Management and Data Analytics tool. This motion does not require full Board approval. • The Committee reviewed and approved motions at that meeting that were approved earlier today on the Consent Agenda.	
Chief Financial Officer Report • Financial Report – January 2024 • FY 2023-24 4+8 Forecast	*(Supervisor Solis left the meeting.)* Afzal Shah, *Chief Financial Officer,* summarized the highlights of the January 2024 Financial Reports and the updated FY 2023-24 4+8 Forecast (*a copy of his presentation can be obtained by contacting Board Services*): <u>Membership</u> January 2024 total membership was 2.49 million members, around 56,000 unfavorable to the budget. The large drop between December 2023 and January 2024 for both the budget and actuals was the loss of Kaiser (approximately 266,000 members). L.A. Care Covered (LACC) was 22,000 favorable to budget. At the time of budget completion, the final pricing position for LACC was unknown. The favorable price position drove the higher enrollment. Medi-Cal membership was 79,000 unfavorable to budget. The budget assumed roughly 150,000 new members associated with the expansion of coverage to undocumented adults aged 26-49 years old, split equally over January and February. Actual January 2024 enrollment was closer to 10,000, with a majority of those assumed members enrolling in February 2024.	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	Financial Performance for January Month to date (MTD) January 2024 net surplus was $55 million, which is $48 million favorable to the budget when Housing and Homelessness Incentive Program/ Incentive Payment Program (HHIP/IPP) funds are excluded. Revenue was $113 million behind budget, driven by an $81 million retroactive acuity adjustment for CY 2023 that was recognized in the January 2024 financial reports. Healthcare costs (HCC) were $146 million favorable to budget driven by lower than anticipated Fee-for service (FFS) expenses. Administrative expenses were unfavorable $8 million for the month. The drivers include higher headcount than included in the budget, timing on contract spend for annual mailers, and an update to Government Accounting Standards Board Statement No. 96 (GASB96) that affects depreciation and amortization. Financial Performance YTD YTD net surplus was $267 million, $201 million favorable to the budget when HHIP and IPP funds are excluded. We have reported previously that rates were favorable in 2023 but that has changed and in 2024 there is a potential for rate decreases. Prior period adjustments are reflected in January. Cost pressures and decreasing margins are expected for the 2023-24 fiscal year. Operating Margin by Segment • Overall Medical Care Ratio (MCR) was 88.8% vs the budgeted 93.3% excluding HHIP/IPP funds. • Medi-Cal is performing closer to 90% due to lower FFS claims than anticipated. • Duals Special Needs Plan (DSNP) was 81.8% vs 89.5%, which was up from last month's 77.4%. • LACC was at 70.0% vs the 83.7%. Increased enrollment drove higher revenue paired with prior period Incurred but not Reported (IBNR) adjustments. February 2024 will see some Risk Adjustment Factor (RAF) adjustments that bring the MCR above 80%. Key Financial Ratios • MCR was 88.8% • Administrative ratio was 5.7% vs 5.1%, higher than budget driven by headcount • All balance sheet metrics are healthy again this month with no caveats for pass-through payments.	

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AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	Tangible Net Equity (TNE) TNE was at 861% with days of cash on-hand at 117. Jeff Ingram, *Deputy Chief Financial Officer,* reported that in terms of overall administrative expenses increases, staff updated the forecast to take inflation into account, which increased the employee benefits burden from 23.5% to about 31%. In calendar year 2024, L.A. Care will absorb the overall medical benefit premium increase and has waived the one-year lockout, period for retirement matching, both were approved by the Executive Committee. GASB96 changes financial accounting for software license subscriptions and for leases. Purchased services have increased from the original fiscal year budget as L.A. Care used an outside staff augmentation service to help address the high inventory of claims. Expenses for UM related activity also increased as L.A. Care addressed the disruption in claims authorizations. There is additional staff augmentation expense for the Call Center. The additional costs are targeted investments to address core needs and are not permanent expenses. Mr. Shah continued the report. **4+8 Forecast Update** Highlights • Updated the timing of the Medi-Cal expansion member enrollment, original budget assumed 150,000 members in January and February, which is very close to the actual enrollment for those two months combined • Assuming an 8% membership growth rate for DSNP • LACC surpassed expectations for enrollment • Projecting a slight deterioration in medical care ratio from 93.2% in the original budget to 94.1% • Projecting revenue to be lower than originally budgeted based on current rate information; final rates and adjustments are expected later this year. • Projecting overall decreased operating margin by $126 million. • Administrative expense increase of $75 million from budget was discussed by Mr. Ingram earlier. • Overall net surplus expected to lower from $207 million to $147 million, a drop of nearly $60 million. **Motion FIN 102.0424** **To accept the Financial Reports for January 2024, as submitted.**	**Unanimously approved by roll call. 10 AYES (Ballesteros, Booth, Contreras, De La Torre, Gonzalez, Raffoul, Roybal, Shapiro, Vaccaro and Vazquez)**

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
• Monthly Investments Transactions Report	Mr. Shah referred to the investment transactions reports included in the meeting materials (a *copy of the reports can be obtained by contacting Board Services)*. This report is provided to comply with the California Government Code and is presented as an informational item. L.A. Care's total investment market value as of January 31, 2024, was $3.5 billion: • $35 million invested with the statewide Local Agency Investment Fund (LAIF) • $80 million invested with the Los Angeles County Pooled Investment Fund (LACPIF) • $3.4 billion is managed by 1) Payden & Rygel and 2) New England Asset Management (NEAM)	
Compliance & Quality Committee	**PUBLIC COMMENT** *Andria McFerson asked that the committee talk about virtual assistance for seniors and for developmentally delayed, perhaps just having the advisory committee actually talk to the staff and let them know how best to communicate and make it so that the technical virtual world is more accessible to seniors and to the disabled. Perhaps working with CBOs or different resources out there that give classes for seniors and making it much easier, so that they're not left behind with emails and just different things like that. Because we've lost that communication from our PCPs and different offices because they have a lack of communication with calling and just making sure that people follow up with their appointments, medication and all those types of things. People first and foremost before anything else, they send emails. And she knows a lot of seniors and a lot of disabled people that do not have emails, or they don't check their emails on a regular basis. And that would adhere to the necessities of people who are legally blind and just all kinds of different things having to do with that. It would make it so that a lot of different people just have a better form of communication with their doctors, and just all kinds of things like that. If we made some sort of provisions and taught people how to better access the virtual world in itself. She doesn't know if that's compliance and quality committee, but the Board talked about designing compliance officers and compliance committees, conducting effective training and education, develop effective lines of communication, conducting internal monitoring. She doesn't know if that had any relativity to the compliance committee, she just wanted to make that comment and thought that it was a great option for people. We can work directly with the PCPs and different people like that, they can refer their patients over to a program that L.A. Care provides for the members to have better access to the virtual world, and so they can have virtual doctor's appointments as well.* Committee Chairperson Stephanie Booth, MD, reported that there was a backlog in processing of appeals and grievances. Most of the potential quality issues come from appeals and grievances, and as the backlog was addressed, cases in for potential quality issues were received. Additional staff was hired for processing. There were 7,336 cases screened for potential quality issues in FY 22-23. Of those, about 2100 had no potential quality issues and did not require review. Of the remaining 5,169, 3352 had no quality issues that were identified, close to 1,500	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	(or about 29% of 5,169) had some quality of service issues identified, and 346 (6.7% of 5,169) had quality of care issues identified. Those with quality of service issues identified are addressed by sending notices or additional action up to writing a CAP, and follow it of course. Timeliness of closure rates are also very important. The overall closure rate was 85% in FY 2022-23. The quality issue is to be closed in 6 months from receipt, although a one-month extension may be provided in certain cases, usually it involves not getting the proper records from the provider. The backlog was cleared by March 2023. The compliance rate for timely closure has averaged over 99% since then. This means that 0 to 5 were closed untimely among about 2500 and 3500 cases closed per month. She thanked all who worked on processing the backlog. L.A. Care delegates some potential quality issues and conducts oversight audits. All of the plan partners passed the 2023 oversight audit. She thought that was really important for Board Members to hear about. Committee Chairperson Booth continued her report on the Compliance & Quality Committee meeting held March 21. (*Approved meeting minutes can be obtained by contacting Board Services.*) Todd Gower, *Chief Compliance Officer*, and the Compliance Department presented the Chief Compliance Officer report: • Michael Devine, reported on the significant successes in Special Investigations. Recoveries total over $2 million for January and February, reaching $2.8 million for the fiscal year, along with $2.7 million in savings, totaling $5.5 million year-to-date. He emphasized the importance of preventing losses in addition to recovering lost funds, highlighting successful efforts in both areas. He mentioned 47 active criminal cases involving law enforcement, resulting in arrests, pending prosecutions, and recent convictions. • Michael Sobetzko's Issues Inventory report described past issues that have been remediated, administratively closed, and documented for mediation efforts. He spoke on two open issues: one regarding alternative format selection for visually impaired members, where there's a concern about consistent collection and reporting of preferences, and another concerning noncompliance with timely termination of providers, specifically regarding three providers who remained active despite administrative termination. • Audit services presented the internal audit plan. • Dr. Amin presented the Chief Medical Officer report. • Alex Li, MD, *Chief Health Equity Officer*, reported achieving a 98% health equity accreditation score on March 11from the National Committee for Quality Assurance. The NCQA's Health Equity Accreditation focuses on the foundation of health equity work, including building an internal culture and infrastructure that supports the organization's external	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	health equity work; collecting data that helps the organization create and offer language services and provider networks mindful of individuals' cultural and linguistic needs; and identifying opportunities to reduce health inequities and improve care. Participants at the kick-off for the Equity Practice Transformation Program showed great enthusiasm and engagement. Negotiations with DHCS and Health Net continue regarding operational aspects of L.A. Care's Health Equity and Disparities Mitigation program. • Edward Sheen, MD, *Senior Quality, Population Health and Informatics Executive*, provided updates about the Quality Oversight Committee meeting and the 2023 health equity annual evaluation, the 2024 health equity program and work plan, and the provider quality review annual update. He will provide detailed reports on these items at a future meeting. He highlighted the health education program's accomplishments, challenges, and next steps, including improvements in member engagement strategies and addressing data quality issues. • Bettsy Santana, *Senior Manager, Quality Improvement Initiatives*, presented information on L.A. Care's Medi-Cal Managed Care Accountability Measure Sets (MCAS) for measurement year (MY)2023 and MY2024. She presented a motion for approval of the 2023 Quality Improvement Evaluation (for all lines of business) and the 2024 Quality Improvement Program documents. • Rhonda Reyes, *Quality Improvement Program Manager*, and Christine Chueh, RN MS HCM, CPHQ, *Director, Provider Quality, Quality Improvement*, presented information about the Provider Quality Review Annual Update. She described managing potential quality of care issues by evaluating clinical care standards, holding providers accountable, and assigning actions based on severity levels. The update highlighted an increase in total processed cases due to backlog closure and increased staffing, as well as a detailed approach by nurses resulting in a higher percentage of quality of care issues identified and addressed. Internal audit programs, provider monitoring based on points thresholds, and actions against providers for quality of care issues were discussed, with a focus on timeliness and ongoing collaboration. Chairperson Ballesteros commented that he has been a member of the Compliance & Quality Committee for most of his time on the Board, and he wanted to acknowledge that the level of reports that are coming forward now are much more expansive. The Committee hears reports from various components the Compliance and Health Services divisions. The Committee hears directly from the staff about their work. He likes going to the committee because there is so much helpful information. The level of reporting has substantially increased, and he appreciates	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	the efforts from Dr. Amin and Mr. Baackes for directing that. He thinks it would be helpful to have some of those reports at the board meetings. Board Member Booth noted that staff is doing more as well, as new staff joined there is a new perspective.	

Provider Relations Advisory Committee	The Committee met on February 21 *(contact Board Services to obtain a copy of approved meeting minutes)*.
	• The Committee received an update on Provider Awareness for Enhanced Care Management/CalAIM
	  o In the last calendar quarter of 2023, L.A. Care, its Plan Partners, Health Net and Molina partnered to develop a comprehensive CalAIM Enhanced Care Management (ECM) and Community Supports (CS) training for the entire contracted provider network in Los Angeles County, which included:
	  ✓ An overview of ECM and Community Supports;
	  ✓ Which populations of focus are eligible to receive ECM;
	  ✓ Information about which Community Supports are provided by L.A. Care and Plan Partners;
	  ✓ How Providers can refer Members to ECM and Community Supports; and
	  ✓ The process L.A. Care and Plan Partners follow to authorize ECM and Community Supports.
	• There was discussion about
	  o Progress on issues affecting network providers.
	  o Joint advocacy at the state level regarding low reimbursement, the changing regulatory environment, sanctions and potential effects on providers and health plans related to quality measures, and new programs in Medi-Cal which contribute to physician/provider burnout.
	
	Board Member Vaccaro asked about representation for health centers on the Committee. Mr. Baackes noted that an interim replacement will be added to the committee.	

ADJOURN TO CLOSED SESSION	The Joint Powers Authority Board of Directors meeting adjourned at 4:22 pm. Augustavia J. Haydel, Esq., *General Counsel,* announced the following items to be discussed in closed session. The L.A. Care Board of Governors adjourned to closed session at 4:35 pm. No report was anticipated from the closed session. 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 2026	

APPROVED

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	THREAT TO PUBLIC SERVICES OR FACILITIES Government Code Section 54957 Consultation with: Tom MacDougall, *Chief Technology and Information* CONTRACT RATES Pursuant to Welfare and Institutions Code Section 14087.38(m) • Plan Partner Rates • Provider Rates • DHCS Rates CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION Significant exposure to litigation pursuant to Section 54956.9(d)(2) of Ralph M. Brown Act: Four Potential Cases CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION Pursuant to Section 54956.9(d)(1) of the Ralph M. Brown Act L.A. Care Health Plan's Notice of Contract Dispute under Contract No. 04-36069 Department of Health Care Services (Case No. Unavailable) CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION Pursuant to Section 54956.9(d)(1) of the Ralph M. Brown Act • Department of Managed Health Care Enforcement Matter Numbers: 18-799, 20-063, 21-428, 21-509, 21-680 • 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 PUBLIC EMPLOYEE PERFORMANCE EVALUATION, PUBLIC EMPLOYMENT and CONFERENCE WITH LABOR NEGOTIATOR Sections 54957 and 54957.6 of the Ralph M. Brown Act Title: CEO Agency Designated Representative: Alvaro Ballesteros, MBA Unrepresented Employee: John Baackes	
RECONVENE IN OPEN SESSION	The L.A. Care Board of Governors and the L.A. Care Health Plan Joint Powers Authority Board of Directors reconvened in open session at 5:24 pm. There was no report from closed session.	

APPROVED

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
ADJOURNMENT	The meeting was adjourned at 5:25 pm.	

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

APPROVED BY:

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John Raffoul
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John G. Raffoul, *Board Secretary*
Date Signed 5/3/2024 | 10:52 AM PDT

APPROVED