

**Board of Governors**  
**Regular Meeting Minutes #262**  
**May 4, 2017**

L.A. Care Health Plan Conference Room 1017-1018-1019  
 1055 W. Seventh Street, Los Angeles, CA 90017



**L.A. Care**  
 HEALTH PLAN

**Members**

Louise McCarthy, *Chair* \*\*  
 Hector De La Torre, *Vice Chair*  
 Michael Rembis, *Treasurer*  
 G. Michael Roybal, MD, MPH, *Secretary*  
 Alvaro Ballesteros, MBA \*  
 Stephanie Booth, MD  
 Mark Gamble  
 Layla Gonzalez-Delgado  
 Hilda Perez  
 Honorable Mark Ridley-Thomas\*  
 Sheryl Spiller  
 Kimberly Uyeda, MD, MPH

**Management/Staff**

John Baackes, *Chief Executive Officer*  
 Phinney Ahn, *Chief of Staff*  
 Augustavia Haydel, *General Counsel*  
 Marie Montgomery, *Chief Financial Officer*  
 Bruce Pollack, *Executive Director, Medi-Cal, SPD & CCI*  
 Tom Schwaninger, *Chief Information Officer*  
 Richard Seidman, MD, MPH, *Chief Medical Officer*  
 Robert Turner, *Chief of Human Resources*

*\*Absent \*\*Via teleconference*

<b>AGENDA ITEM/PRESENTER</b>	<b>MOTIONS / MAJOR DISCUSSIONS</b>	<b>ACTION TAKEN</b>
<b>WELCOME</b>  Hector De La Torre	Hector De La Torre, <i>Vice Chair</i> , called the meeting to order at 2:02 p.m. He announced that the public may address the Board on any matter at the Public Comment section at the beginning of this meeting, before or during the Board's consideration of items listed on the Agenda. Guests are welcome to introduce themselves or can choose to remain anonymous.	
<b>APPROVAL OF MEETING AGENDA</b>  Hector De La Torre	The meeting agenda was approved as submitted.	<b>Approved unanimously by roll call, 10 AYES (Booth, De La Torre, Gamble, Gonzalez-Delgado, McCarthy, Perez, Rembis, Roybal, Spiller and Uyeda).</b>
<b>PUBLIC COMMENT</b>	Sam Dissonayake, L.A. Care Member, stated that he is a Medi-Cal member. Last June and July he was going through medical issues with his eyesight. He submitted a claim for the medical costs, which has not been paid. He has followed up with letters but had not received a	

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	<p>response. He would like assistance with his situation. Mr. Baackes asked him to talk to the member services representative who is here to assist members.</p> <p>Gizelle James, RCAC 4 <i>member</i>, asked if she could perform on her mandolin at the end of the ECAC meeting for music therapy. Her second request was that members call to let L.A. Care know and say thank you when checks are received. Mr. Baackes offered to speak with the ECAC chair to be sure that the music would work with the agenda.</p> <p>Andria McFerson, RCAC 6 <i>member and health promoter</i>, stated that L.A. Care is the largest public health insurance organization in the nation. It was built on community members and their need for low-income health care coverage. RCAC members are low income residents who fought to have a voice just as important as the Board of Governors in this organization. Community involvement became more than just relevant; it's the law now. The quality of the community voice has declined profusely. Some even feel the member presence in the organization has plummeted. RCAC members are voices of the community serving L.A. Care members one at a time. L.A. Care is the largest by not just publicity or marketing, or networking with clinics and health facilities; L.A. Care grew due to the need for health care in the community and the hard work that RCAC members and others put into this organization to make it grow. By expressing a passion and with multi-cultural, hands-on, feet pounding the pavement effort, talking to each member one by one, participating in events where information is presented to low income people, RCAC members are on the inside looking out. The communities still need that voice. She stated that she doesn't know why L.A. Care is changing, hiring staff to replace volunteers who have for years given of themselves for this organization for almost nothing. For the hard work and time volunteers put in, they receive nothing - maybe a free sandwich. That is ok because that is their passion; what they feel is important. Health care is important not only to RCAC members but to the community. Staff now is doing the same thing for a salary and free sandwiches. RCAC members give so much of themselves to this organization but are not told thank you, by being invited to L.A. Care sponsored events, or the 20<sup>th</sup> Anniversary party, held in the members' own district. Ms. McFerson was told that health promoters should do more than just hand out a piece of paper and that compensation was a bonus. As much as she has given toward this organization, that was an insult. As if the time and effort means nothing. She stated that has to change.</p> <p>Elizabeth Cooper, <i>member of RCAC 2, CCI 2</i>, read the preamble to the United States Constitution: <i>We the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America..</i> She suggested that Mr. Baackes should still be in Washington, D.C. She stated that</p>	

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	the price of freedom is eternal vigilance. She is saddened by the actions of the U.S. Congress. She urged people to get involved and talk to their representatives. She urged people to vote, and to tell their friends. She welcomed Dr. Seidman. Mr. Baackes echoed the sentiments expressed by Ms. Cooper that voters need to make their voices heard.	
<b>ACCEPTANCE OF MINUTES OF MEETING</b>  Hector De La Torre	The minutes of the April 6, 2017 regular and special meetings were approved as submitted.	<b>Approved unanimously by roll call 10 AYES (Booth, De La Torre, Gamble, Gonzalez- Delgado, McCarthy, Perez, Rembis, Roybal, Spiller and Uyeda).</b>
<b>APPROVAL OF CONSENT AGENDA</b>  Hector De La Torre	The motions presented on the Consent Agenda were approved as submitted. <ul style="list-style-type: none"> <li>• 1st Quarter Investment Report CY 2017 (FIN 100)</li> <li>• Center for the Study of Services Contract (FIN 101)</li> <li>• HCL America Inc. Contract Amendment (FIN 102)</li> <li>• RCAC/CCI Membership (ECA 100)</li> </ul>	<b>Approved unanimously by roll call 10 AYES (Booth, De La Torre, Gamble, Gonzalez- Delgado, McCarthy, Perez, Rembis, Roybal, Spiller and Uyeda).</b>
<b>CHAIR'S REPORT</b>	<i>Louise McCarthy, Chairperson, postponed her report until after the Secretary election later in this meeting.</i>	
<b>CHIEF EXECUTIVE OFFICER REPORT</b>  John Baackes	John Baackes, <i>Chief Executive Officer</i> , reported: <ul style="list-style-type: none"> <li>• A resolution was passed in the U.S. Congress to replace the Affordable Care Act (ACA). It is important to remember that the ACA remains the current law. Mr. Baackes reviewed significant items in the American Health Care Act (AHCA).</li> <li>• Amendments in this legislation will affect the general insurance and the health benefit exchange markets, as states can obtain a waiver of required minimum benefits and create a high-risk pool to compensate health plans.</li> <li>• The coverage mandate would be eliminated, which could cause a significant decrease in enrollment, as beneficiaries not required to carry insurance may leave the program. There is no proposed funding for premium subsidies.</li> <li>• For beneficiaries whose coverage is interrupted, a lower federal contribution to costs could</li> </ul>	

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	<p>apply. Providers may leave the programs. State costs will rise significantly.</p> <ul style="list-style-type: none"> <li>• L.A. Care is working with its trade association to work with Senators on the proposed legislation.</li> <li>• Mr. Baackes was invited to a meeting with Seema Verma, administrator for Centers for Medicare and Medicaid Services (CMS). Ms. Verma is responsible for administering the Medicare and Medicaid programs. At the meeting Mr. Baackes asked about continued funding for premium subsidies in the exchange, the creation of rate stabilization in states where the number of health plans participating in Medicare and Medicaid has dropped, and if there will be changes in rules affecting Medicaid. Ms. Verma said that CMS is looking at the rules for Medicaid. Mr. Baackes invited the head of Medicaid to attend an L.A. Care Board meeting.</li> <li>• The Medicaid managed care “mega rule” – new regulations for Medicaid - calls for actuarial soundness in rate setting and prospective rates, and at least an 85% medical loss ratio. There are provisions which may be difficult for L.A. Care: the supplemental payments are proposed to be included in health plan capitation, and this could result in imbalanced funding for providers.</li> <li>• L.A. Care will continue to monitor legislation.</li> </ul> <p>Member Roybal asked about the intended of use of cost savings which are expected to result from the American Health Care Act. Mr. Baackes responded that there will be lower taxes on high income taxpayers and reduced taxes on durable medical equipment. The Congressional Budget Office estimates that 24 million people will lose health insurance coverage through this new legislation.</p> <p>Vice Chair De La Torre noted that Senators who need to hear from voters about the proposed legislation are in the following states where Medicaid Expansion was implemented: California, Montana, North Dakota, Iowa, Arkansas, New Mexico, Arizona, Louisiana, Indiana, Michigan, Kentucky, Ohio, West Virginia, and New Hampshire. He encouraged voters to contact the Senators in those states.</p> <p>Mr. Baackes reported that May membership in L.A. Care is 2,106,297. L.A. Care Covered enrollment is over 26,000. It is important to note that membership in Cal MediConnect (CMC) is 13,959, which makes L.A. Care the largest CMC plan in Los Angeles County. There are 48,959 IHSS workers enrolled in L.A. Care.</p> <p>At an event to celebrate L.A. Care’s 20<sup>th</sup> Anniversary, the two millionth L.A. Care member was acknowledged. A video was presented (the video can be accessed at <a href="http://www.lacare.org">www.lacare.org</a>). Anniversary celebrations will be held at L.A. Care’s Family Resource Centers throughout the</p>	

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	<p>year.</p> <p>Mr. Baackes introduced Richard Seidman, MD, L.A. Care's new <i>Chief Medical Officer</i>. Dr. Seidman indicated that it is a privilege to return to L.A. Care to serve in this new capacity.</p> <p>Mr. Baackes acknowledged the extraordinary service of Regina Lightner, L.A. Care's <i>Senior Director, Sales and Marketing, Sales and Outreach</i>, and presented her with a commendation resolution. Ms. Lightner thanked Mr. Baackes and the Board of Governors for the recognition. She acknowledged the staff for their hard work. She expressed appreciation for the opportunity to communicate the Board's messages throughout L.A. County.</p>	
<p><b>Quarterly Strategic Vision Report</b> John Baackes</p>	<p>Mr. Baackes referenced the quarterly progress report on the Strategic Vision which was included in the materials sent to Board members prior to the meeting (<i>a copy of the report is available by contacting Board Services</i>).</p>	
<p><b>Update on Availability of Accessible Examination Equipment</b> John Baackes</p>	<p>Mr. Baackes reminded the Board that the members of the community advisory committees submitted a motion through the Executive Community Advisory Committee (ECAC) to explore ways that medical examination equipment that is accessible to the handicapped or disabled can be made available to providers in the L.A. Care network.</p> <p>Bruce Pollack, <i>Executive Director, Medi-Cal, SPD &amp; CCI</i>, presented an update on planning for improvements in access to accessible examination equipment for L.A. Care providers and developing a legislative advocacy plan to promote availability of accessible examination equipment. He acknowledged the work of Dulce Fernandez, <i>Senior Manager, Facility Site Review</i>, and Hanan Obeidi, <i>Director of Product Administration SPD/CCI</i>.</p> <p>A gap analysis revealed where accessible exam equipment was available. Plans have been made for training for providers, and to provide information to members and to call center staff so they can help the members. Funds will be made available to help providers assess their facility for accessibility. Also as part of the new CMS regulations, benefits for non-emergency transportation will be added.</p> <p>The Los Angeles County Facility Site Review Collaborative is helping identify data to be incorporated into the provider directory.</p> <p>Public Comment: Margret Belton, <i>RCAC 3 Vice Chair</i>, asked that the information be presented to community advisory committee meetings. She then asked about the timeline to accomplish the project outlined in the presentation. Mr. Pollack agreed to bring the presentation to the advisory</p>	

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	committees with timeframes for implementation of the aspects of the plan.	
<b>ELECTION OF BOARD SECRETARY</b>	Vice Chair De La Torre reported that, due to a resignation from the Board, the Secretary position is vacant. In response to a call for nominations for Secretary, five responses were received. One Board member declined to submit a nomination, and four Board members nominated Member Roybal. Member Perez nominated Member Uyeda for Secretary. Member Perez voted for Member Uyeda. Member Roybal was elected Secretary of the Board of Governors with 9 votes.	<b>Member Roybal was elected Secretary by roll call. 9 AYES (Booth, De La Torre, Gamble, Gonzalez-Delgado, McCarthy, Rembis, Roybal, Spiller and Uyeda).</b>  <b>Member Uyeda received 1 vote (Perez)</b>
<b>CHAIR'S REPORT</b>  Louise McCarthy	<p>Chairperson McCarthy thanked the Vice Chair for presiding, she thanked the advisory committee members for attending, and she thanked Ms. Cooper for her comments about advocacy. She noted that it is important for members in the Antelope Valley to know that a Congressman from the Antelope Valley area voted for the AHCA.</p> <p>Ms. McCarthy thanked Regina Lightner for her service and recognized wonderful work she has done, and she congratulated her on her retirement.</p> <p>She welcomed Dr. Seidman as the new <i>Chief Medical Officer</i>.</p> <p>She congratulated Board Member Roybal, the new Board Secretary.</p> <p>She reported that the Chairs of Compliance &amp; Quality (C&amp;Q) and Governance committees have seats on the Executive Committee, and with the election of Member De La Torre to Vice Chair and Member Roybal to Secretary, both those seats are now vacant. Ms. McCarthy appointed Members Gamble and Uyeda to the Executive Committee to fill the two vacant seats until the election of new chairs for Governance and C&amp;Q at the next meetings of those committees. (C&amp;Q will meet on May 18; Governance is ad hoc and no meeting is currently scheduled.) Most of the committee assignments will be the same and a list will be distributed after today's meeting. She suggested that Board members come to her with any questions about the committee assignments.</p>	

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<b>ADVISORY COMMITTEE REPORTS</b>																																		
<p><b>Executive Community Advisory Committee</b></p> <p>Hilda Perez Layla Gonzalez-Delgado</p>	<p>Hilda Perez introduced and welcomed advisory committee members here today:</p> <table border="1" data-bbox="617 292 1629 935"> <thead> <tr> <th>RCAC</th> <th>Name</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Maria Angeles Cruz / Denice Martinez</td> </tr> <tr> <td>2</td> <td>Laura Rhone</td> </tr> <tr> <td>3</td> <td>Adan Fernandez / Margret "Maggie" Belton</td> </tr> <tr> <td>4</td> <td>Hercilia Salvatierra</td> </tr> <tr> <td>5</td> <td>Carmen Delgado</td> </tr> <tr> <td>6</td> <td>Maria Núñez</td> </tr> <tr> <td>8</td> <td>Janet Sevilla / Maria Isabel Tamayo</td> </tr> <tr> <td>9</td> <td>Heang Por Ing / Petra Cruz</td> </tr> <tr> <td>10</td> <td>Elsa Gervacio</td> </tr> <tr> <td>11</td> <td>Marina Garcia / Elda Sevilla</td> </tr> <tr> <td colspan="2"><b>CCI Councils</b></td> </tr> <tr> <td><b>Area 1</b></td> <td>Ablardo Menor</td> </tr> <tr> <td><b>Area 2</b></td> <td>Elizabeth Cooper</td> </tr> <tr> <td><b>Area 3</b></td> <td>Robert G. Harvey Dixon</td> </tr> <tr> <td><b>Area 4</b></td> <td>Bertha Poole</td> </tr> </tbody> </table> <p>Member Gonzales-Delgado acknowledged all the women who are mothers. She also noted that May is mental health awareness month and she encouraged everyone to wear a green ribbon to acknowledge the importance of addressing mental health issues, support everyone and help them participate in the community.</p> <p>ECAC met on April 12.</p> <ul style="list-style-type: none"> <li>• Mr. Baackes provided ECAC members with updates on proposed changes in health care coverage that would impact L.A. Care members.</li> <li>• Mr. Baackes presented commendations to Elizabeth Cooper and Dove Pinkney, who have participated in L.A. Care's advisory committees for more than 20 years.</li> <li>• ECAC members discussed proposed changes to the advisory committee operating rules and will review and discuss the redlined version with their RCACs and CCI Council members over the next several months. Results will be presented to the Governance Committee.</li> <li>• ECAC approved two motions:</li> </ul>	RCAC	Name	1	Maria Angeles Cruz / Denice Martinez	2	Laura Rhone	3	Adan Fernandez / Margret "Maggie" Belton	4	Hercilia Salvatierra	5	Carmen Delgado	6	Maria Núñez	8	Janet Sevilla / Maria Isabel Tamayo	9	Heang Por Ing / Petra Cruz	10	Elsa Gervacio	11	Marina Garcia / Elda Sevilla	<b>CCI Councils</b>		<b>Area 1</b>	Ablardo Menor	<b>Area 2</b>	Elizabeth Cooper	<b>Area 3</b>	Robert G. Harvey Dixon	<b>Area 4</b>	Bertha Poole	<p><b>Approved unanimously by roll call on consent Agenda. 10 AYES</b></p>
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	<ul style="list-style-type: none"> <li>○ L.A. Care will help members understand how to access assigned urgent care centers. Members requested that L.A. Care consider placement of urgent care phone number on member ID cards with a 24-hour live agent service be put in place that connects members to appropriate urgent care centers.</li> <li>○ L.A. Care will conduct an internal investigation and provide a written response to the committee on reported long wait times (up to 3 hours) for scheduled appointments at all three of The Children’s Clinics in Long Beach.</li> <li>● Mr. Oaxaca updated ECAC on the status of past issues with access to appointments and long wait times. Broad Clinic and High Desert Community Clinic are now up to standards and L.A. Care will continue to monitor access.</li> <li>● Marie Mercado, Manager Cultural and Linguistic Services, gave an overview of the Cultural and Linguistics services that are available to L.A. Care members.</li> <li>● ECAC formed an ad hoc Committee to discuss ways that ECAC meetings can continue to be effective and proactive.</li> <li>● A second ad hoc Committee on vision benefits is awaiting the progress of a proposed bill through California’s legislature.</li> </ul> <p><b><u>Motion ECA 100.0517*</u></b>  <b>To approve the following candidate(s) to the Regional Community Advisory Committees (RCAC) and Coordinated Care Initiative Councils, (CCI), as reviewed by the Executive Community Advisory Committee (ECAC) during the April 12, 2017 ECAC meeting.</b></p> <table border="1" data-bbox="485 1014 1591 1343"> <thead> <tr> <th>Name</th> <th>RCAC/CCI #</th> <th>Type of Member (Agency, if applicable)</th> </tr> </thead> <tbody> <tr> <td>Sonia Claudio</td> <td>RCAC 4</td> <td>Consumer</td> </tr> <tr> <td>Hugo Flores</td> <td>RCAC 4</td> <td>Consumer</td> </tr> <tr> <td>Alfonso Noriega</td> <td>RCAC 4</td> <td>Consumer</td> </tr> <tr> <td>Carrie Broadus</td> <td>RCAC 6</td> <td>Member Advocate, Los Angeles Metropolitan Churches, Inc.</td> </tr> <tr> <td>Nancy Srey</td> <td>CCI Area 4</td> <td>Consumer</td> </tr> </tbody> </table> <p>In keeping with the positive thoughts for Mother’s Day, Vice Chair De La Torre reported on a 2014 Kaiser Family Foundation study on health care statistics about women:</p> <ul style="list-style-type: none"> <li>● 85% make decisions about selecting children’s doctor</li> <li>● 84% take children to doctor’s appointments</li> </ul>	Name	RCAC/CCI #	Type of Member (Agency, if applicable)	Sonia Claudio	RCAC 4	Consumer	Hugo Flores	RCAC 4	Consumer	Alfonso Noriega	RCAC 4	Consumer	Carrie Broadus	RCAC 6	Member Advocate, Los Angeles Metropolitan Churches, Inc.	Nancy Srey	CCI Area 4	Consumer	
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	<ul style="list-style-type: none"> <li>• 79% assure children receive doctor recommended care</li> <li>• 48% take care of sick children</li> <li>• 47% of women lose pay when they stay home to take care of a sick child</li> <li>• 1 in 10 women cares for a sick or aging relative</li> </ul> <p>Member Perez thanked Mr. Baackes for attending the ECAC meeting. His reports are meaningful and informative. On behalf of members, she welcomed Dr. Seidman. She suggested members bring questions for him to the next ECAC meeting. She thanked Community Outreach and Engagement staff for arranging the meetings and transportation, and she thanked the staff from all the departments that participated in the leadership training.</p>	
<b>STANDING COMMITTEE REPORTS</b>		
<b>Executive Committee</b>  Hector De La Torre	The Executive Committee met on March 2 ( <i>meeting minutes are available by contacting Board Services</i> ).	
<b>Government Affairs Update</b>	Cherie Compartore, <i>Senior Director, Government Affairs</i> , reported: <ul style="list-style-type: none"> <li>• It is anticipated that Governor Brown will release changes to his January proposed budget next week on May 12. This is known as the “May Revise”. Both the Assembly and the Senate will hold hearings and make changes to the May Revise through several budget bills, anticipating that the Legislature will pass the 2017-18 State Budget before the constitutional deadline of June 15, 2017. L.A. Care’s Government Affairs Department will provide a detailed review of the May Revise.</li> <li>• AB 428 (Ridley Thomas) is sponsored by L.A. Care, and proposes an extension of the current provision of the Brown Act for an exemption of geographic limits for establishing a quorum, and allow Board members attending a meeting while outside LA County to count towards meeting the quorum requirement. There is no registered opposition to date, and it will be heard in Committee on May 10.</li> <li>• AB 1092 (Cooley), which Board Member Gonzalez-Delgado mentioned, restores the MediCal adult vision benefit to include frames and lenses. We continue to support this important legislation and have been having meetings with legislative offices on this bill, which now rests in the Appropriations Committee. Government Affairs will be scheduling district visits for some of the advisory committee members to communicate their thoughts and support for this bill to their legislative representatives.</li> <li>• Proposed legislation on single payer (SB 562) for health care passed out of the Senate Health Committee last week and is with the Senate Appropriations committee. The financing and</li> </ul>	

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	<p>specifics have not yet been identified. Even if this bill passes the Legislature, it is highly likely the Governor will veto the legislation as he believes California has done a lot of work getting itself to a good place with health care coverage. Single payer will continue to be proposed and it is an interesting policy area.</p> <p>Vice Chair De La Torre noted that the Governor proposes a budget in January and the May Revise is based upon updated state revenue projections after taxes have been filed on April 15.</p> <p>Public comment: Ms. Cooper commented that as an advocate she really appreciates the Board recognizing the importance of advocacy. She asked the Board for direction to members so they can become more involved in influencing legislation that may affect their health coverage.</p> <p>Andria McFerson asked for people to advocate for health care. She asked the Board to let her know what the members can do.</p> <p>Vice Chair De La Torre urged advocates to contact their legislative representatives and tell them what the voters want them to do. Mr. Baackes added that advocates can also contact the committees with jurisdiction over proposed legislation, and communicating with the chairs of those committees can help.</p>	
<p><b>Martin Luther King, Jr. Community Health Foundation Grant</b></p> <p>Richard Seidman, MD Wendy Schiffer</p>	<p>L.A. Care funds will support the initial phase of the Martin Luther King Jr. Community Hospital affiliated Advanced Care Clinic located in South Los Angeles by providing first year gap funding. The Advanced Care Clinic is located in Planning Area (SPA) 6 and in L.A. Care's Regional Community Advisory Committee (RCAC) 6. The clinic will fill a gap in the continuum of care and develop higher-level medical care capacity as it is designed to serve high-risk adult patients with high-acuity, complex and chronic conditions, including patients discharged from hospitals. By the end of the 18-month grant period, the clinic is expected to serve over 1,500 unique patients with the overall goal of reducing unnecessary emergency department visits and long hospital stays.</p> <p>This motion and the attached memo have been updated to include additional details as requested during discussion at the Executive Committee Meeting on April 26.</p> <p>Public Comment: Maggie Belton asked if the funding is ongoing. Mr. Baackes responded that this is a onetime grant for startup operations and the clinic will become self-sustaining. L.A. Care will contract with the physicians and they will be part of the L.A. Care provider network. Ms. Belton also inquired about ancillary social services that will be available for patients at the clinic. Mr. Baackes confirmed that</p>	

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	<p>other services will be available for the patients. Dr. Seidman indicated that the clinic will focus on non-medical services which are critical to the recovery process for patients, with appropriate staff at the clinic to attend to those needs. Ms. Belton suggested that the project be carefully monitored. Mr. Baackes acknowledged that more care management needs to be done for patients with the highest risk to help patients get the best care and the correct care.</p> <p>Andria McFerson indicated that she is sensitive to the topic of homelessness, and she was a patient at MLK. The only way to know that the facilities are doing a good job and people are receiving the right services is to go and get the services for yourself. She has done that. To make sure people are taken care of, surveys can be written and distributed to the patients. A mediator is needed to work with the patients. She suggested getting in the program and talk to people to make sure the services are being delivered.</p> <p><b><u>Motion BOG 100.0517</u></b>  <b>To approve an award of up to \$500,000 to the Martin Luther King Jr. Community Health Foundation, the fundraising entity of the Martin Luther King, Jr. Community Hospital, to support an advanced care clinic in South Los Angeles to serve high-risk and high-acuity patients with chronic and complex medical needs.</b></p>	<p><b>Approved unanimously by roll call 10 AYES (Booth, De La Torre, Gamble, Gonzalez-Delgado, McCarthy, Perez, Rembis, Roybal, Spiller and Uyeda).</b></p>
<p><b>Finance &amp; Budget Committee</b></p> <p>Michael Rembis</p>	<p>Michael Rembis, <i>Treasurer</i>, reported that the Finance &amp; Budget Committee met on April 26 (<i>meeting minutes are available from Board Services</i>).</p> <ul style="list-style-type: none"> <li>• The Committee approved the following motions (that do not require Board approval): <ul style="list-style-type: none"> <li>✓ Authorization to procure Pure Storage Flash Array from ePlus, Inc. to improve data replication.</li> <li>✓ Green Management Consulting Group, Inc. contract on behalf of LA County DHS to implement a performance dashboard to monitor DHS physician/provider productivity, availability and accessibility (costs allocated through QIF).</li> <li>✓ Authorization for expenditure for professional legal fees (in the MedImpact matter).</li> </ul> </li> </ul>	
<p><b>Motions approved under the Consent Agenda</b></p>	<p><b><u>Motion FIN 100.0517*</u></b>  <b>To accept the Quarterly Investment Report for the quarter ending March 31, 2017, as submitted.</b></p> <p><b><u>Motion FIN 101.0517*</u></b>  <b>To authorize staff to execute a contract with Center for the Study of Services (CSS) effective June 1, 2017 through May 31, 2018, for an amount not to exceed \$1,151,078, to conduct the 2017 member satisfaction (CG-CAHPS) survey.</b></p>	<p><b>Approved unanimously by roll call 10 AYES (Booth, De La Torre, Gamble, Gonzalez-Delgado, Gamble,</b></p>

**APPROVED**

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p><b><u>Motion FIN 102.0517*</u></b>  <b>To authorize staff to amend a contract with HCL America, Inc., for an amount of \$750,000 (total contract not to exceed \$5,299,672), to provide consulting and staffing services through July 31, 2018.</b></p>	<p><b>McCarthy, Perez, Rembis, Roybal, Spiller and Uyeda).</b></p>
<p><b>Approval of Financial Report</b></p>	<p>Marie Montgomery, <i>Chief Financial Officer</i>, reported on six months ended March 2017:</p> <ul style="list-style-type: none"> <li>• Expect continued membership growth at rates outlined in the FY16-17 forecast.</li> </ul> <p><i>Members Spiller and Gamble left the meeting.</i></p> <ul style="list-style-type: none"> <li>• Financial performance resulted in a net surplus of \$13 million for the month and nearly \$80 million for the year to date.</li> <li>• Member months are favorable by 3300 year to date</li> <li>• The operating margin is favorable to budget by \$21 million</li> <li>• Operating expenses are higher than planned due to the timing of the printing and mailing of provider directories.</li> <li>• Operating margins by business segments were affected by the reduction in claims inventory, which affects cash on hand and has a variable effect on the individual business segments.</li> <li>• All key ratios are positive</li> <li>• The Tangible Net Equity is also favorable. Without the IHSS revenue, the TNE is 539% of required level, which compares favorably with other health plans in California.</li> <li>• There was a significant reduction in the inventory of claims on hand.</li> </ul> <p><b><u>Motion FIN 103.0517</u></b>  <b>To accept the Financial Report for the period ended March 2017, as submitted.</b></p>	<p><b>Approved unanimously by roll call 8 AYES (Booth, De La Torre, Gonzalez-Delgado, McCarthy, Perez, Rembis, Roybal and Uyeda).</b></p>
<p><b>Monthly Investment Transaction Report</b> Marie Montgomery</p>	<p>Ms. Montgomery referred to the March 2017 Investment Transaction Reports included in the meeting materials. <i>(A copy of the reports can be obtained by contacting Board Services).</i> Total market value of the portfolio is \$2.6 billion in cash and investments on February 28, 2017.</p>	
<p><b>ADJOURN TO CLOSED SESSION</b> Mark Gamble</p>	<p>Augustavia J. Haydel, Esq., <i>General Counsel</i>, announced the following items to be discussed in closed session. A report is not expected in open session. The Board adjourned to closed session at 4:14 p.m.</p> <p><i>Ms. Spiller rejoined the meeting.</i></p>	

**APPROVED**

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>CONTRACT RATES Pursuant to Welfare and Institutions Code Section 14087.38(m)</p> <ul style="list-style-type: none"> <li>• Plan Partner Rates</li> <li>• Provider Rates</li> <li>• DHCS Rates</li> </ul> <p>REPORT INVOLVING TRADE SECRET Pursuant to Welfare and Institutions Code Section 14087.38(n) Discussion Concerning New Product Lines <i>Estimated date of public disclosure: June 2019</i></p>	
<p><b>RECONVENE IN OPEN SESSION</b></p> <p>Mark Gamble</p>	<p>The Board reconvened in open session at 4:31 p.m. There was no report on action taken during the closed session.</p>	
<p><b>ADJOURNMENT</b></p>	<p>The meeting was adjourned at 4:31 p.m.</p>	

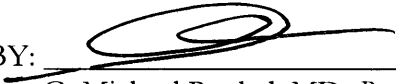
Respectfully submitted by:

Linda Merkens, *Manager, Board Services*

Malou Balones, *Board Liaison*

Jennifer Carabali-Cunningham, *Board Liaison*

APPROVED BY:

  
G. Michael Roybal, MD, *Board Secretary*

Date Signed

02/01/17

**APPROVED**