

**MINUTES OF THE MEETING OF THE
SAN JOAQUIN COUNTY HEALTH COMMISSION**

March 29, 2017

Health Plan of San Joaquin – Community Room

COMMISSION MEMBERS PRESENT:

Greg Diederich, Chair

Brian Jensen

George Khoury, MD

John Zeiter, MD

Larry Ruhstaller

Michael Herrera, DO

Michael Kirkpatrick

Miguel Villapudua

Monica Nino

Sheela Kapre, MD

Tom Patti

COMMISSION MEMBERS ABSENT:

NONE

STAFF PRESENT:

Amy Shin, Chief Executive Officer

Michelle Tetreault, Chief Financial Officer

Dr. Lakshmi Dhanvanthari, Chief Medical Officer

Cheron Vail, Chief Information Officer

Marc Radner, VP of Human Resources

Pamela Newman, VP of Provider Networks

David Hurst, VP of External Affairs

Andrew Eshoo, County Counsel

Sue Nakata, Executive Assistant

I. Call to Order:

Chair Diederich called the meeting to order at 5:01 p.m. and Roll Call was taken by Sue Nakata.

Chair Diederich welcomed and introduced new Commissioners, Supervisor Tom Patti from District 3 and Dr. George Khoury of the SJC Medical Society to the Health Commission.

II. Approval of February 22, 2017 Meeting Minutes

Commissioner Diederich presented for approval the February 22, 2017 meeting minutes for approval.

The motion was made, seconded and unanimous to approve the February 22, 2017 meeting minutes as presented (9/0).

III. Public Comments

No comments were forthcoming.

IV. Consent Items

Chair Diederich presented three consent items for approval:

1. Community Advisory Committee – 3/16/2017
 - a. Welcome and Introductions
 - b. Approval of December 15, 2016 Meeting Minutes
 - c. Health Education Materials
 - i. General Needs Assessment (GNA) Survey Results
 - ii. CAC Workgroups
 - iii. CAC Flyers
 - d. Group Discussion – health disparities
 - e. Announcements
2. Finance and Investment Committee – 3/22/2017
 - a. Approval of December 6, 2016 Meeting Minutes
 - b. External Finance Audit Firm RFP
 - c. Symphony Health Contract
3. Human Resources Committee – 3/24/2017
 - a. Approval of February 10, 2017 Meeting Minutes

The motion was made, seconded and unanimous to approve three consent items as presented (9/0).

Commissioner Khoury joined the meeting at this time.

V. FY' 2017 – 2019 Strategic Planning Update

Chair Diederich, Commissioner Herrera, Amy Shin, CEO, and Bobbie Wunsch of Pacific Health Consulting provided an update on the latest draft of the Strategic Plans for FY' 2017-2019, highlighting the following:

- Components of the planning process
- Timeline
- Community Stakeholders, Staff, Executive Team and Commissioners involvement
- Current Strategic Anchors ('15 – '17) vs. new Strategic Anchors ('17 – '19)
 - Anchor 1 – Empowered and Engaged Membership
 - Anchor 2 – Robust and Accountable Provider Networks
 - Anchor 3 – Stability, Growth and Innovation
 - Anchor 4 – Recognized Community Leader
 - Anchor 5 – Skilled and Committed Workforce
- Next Steps
 - Commission suggests additional changes between 3/29 and 4/14
 - Present for approval – April 26 Health Commission Meeting
 - Executive Team will develop annual corporate objectives each of 3 years
 - Implement Plan and Objectives
 - Board will monitor progress regularly

Commissioner Kapre joined the meeting at this time.

During and after the Strategic Plan presentation, extensive discussions were held including:

- Member education and outreach programs to members
- Incentive programs
- Product diversification to include possible new business opportunities within Medi-Cal Managed Care
- Homelessness Programs across both counties
- Maintaining and increasing market share
- In addition to Executive Team Members, Commissioners and staff are encouraged to participate in community programs
- Baseline of employment introductory period
- Marketing and advertising of SJC talent search

Recommendations were made to the draft plan. The commissioners will be sent a copy of the revised draft plan for additional input for finalization at the next commission meeting.

VI. Commission Approval Items

February 2017 Financial Reports

Michelle Tetreault, CFO, presented for approval, the February 2017 financial reports, highlighting the following on the current YTD financials:

- February 2017 Fiscal Year to Date, Statement of Profit and Loss of All Business Units
 - Net Income YTD of \$54M; \$50.9M favorable to budget
 - Tangible Net Equity (TNE) is 524%
 - Total Member Months – 54,048 favorable to budget
 - SJC 12,602 – ACA 31,748 and TANF - 18,145
 - Stanislaus 34,989 - ACA 30,729
 - Premium Revenue is \$9.2M favorable to budget
 - Medical Expenses
 - \$3.6M (\$5.72 PMPM) favorable to YTD budget
 - Administrative Expenses
 - \$10.2M favorable to budget
 - Days Cash on Hand
 - 12 month average days cash on hand is 116 days, up from 112 days
 - Liquid Reserves
 - 1.9 months premium
 - 2.25 months expense

Upon review of the financials presented, Commissioner Jensen asked, based on HPSJ's current TNE of 524%, what is the adequate/reasonable TNE for health plans? Ms. Tetreault noted that TNE varies from health plan to health plans based on the plans risks (depending if the risks are high or low). Commissioner Jensen then asked, given HPSJ's increase in TNE and achieving the company's goal, would this be a red flag indicator to regulators. Ms. Shin responded that may be possible because of misunderstanding of TNE. Therefore, LHPC plans will be calculating liquid reserves in multiples of monthly premiums and operating expenses, an easier way to understand representation of the plan's reserves.

Commissioner Nino asked, with an increase in TNE and as part of IBNR, what is the overall operational risks. Ms. Tetreault responded that TNE and IBNR are not linked together.

The motion was made, seconded and unanimous to approve the February 2017 financial reports as presented (11/0).

Contractor for French Camp Parking Lot Project

Ms. Tetreault presented for approval the Resolution for the contractor for the French Camp parking lot project, highlighting the following:

- Submitted 4 bids and McFadden Construction was the lowest responsible and responsive bid
- Price includes conduit for solar panels
- 173 additional parking spots - plenty ample spaces for staff/visitors
- Add 6 more handicap spots
- Badge access gates - 4 access gates will be installed
- In the future - solar conduit will follow the lighting conduit pathways
- Scheduled to be complete by August 2017

Counsel Eshoo noted the resolution included minor changes from the original resolution document referenced in the meeting packet (changes have been made and prepared for approval; no change in costs).

The motion was made, seconded and unanimous to approve and accept the Resolution for contractor, McFadden Construction, for the French Camp parking lot project as presented (11/0).

QM/UM Committee Report – 3/15/17

Dr. Lakshmi Dhanvanthari, CMO presented for approval the QM/UM Committee meeting report for 3/15/17, highlighting the following committee meetings, program description, work plans and reports that were reviewed and approved:

- Utilization Management Reports
 - Quarter 2 activities are in full compliance with NCQA and Regulatory Standards
 - Annual affirmation statements sent to employees, providers/practitioners
 - No financial incentives for denials
 - Referral Turn Around Time for routine and urgent 99-100% compliant
 - UM metrics for both counties met goals except San Joaquin County Seniors & Persons with Disabilities (SPDs) Length of Stay (LOS) 4.7 with goal - 4.3
 - Continuity and Coordination of medical care communications sent to hospitals, Emergency Departments, Hospices and Skilled Nursing Facility (SNFs)
 - Health Education Partnered with San Joaquin County Public Health's Lifetime of Wellness grant
 - Implemented an online 16 week prediabetes health coaching program through a digital health vendor
- Quality Management Reports
 - Both Grievance and Appeals met the goal for rate of less than 5/1000 in San Joaquin and Stanislaus counties
- Avoidable Emergency Room (ER) Use Outreach Report
 - Members with 3 or more ER visits receive a call from the health navigator and receive education and Primary Care Provider (PCP) information
 - Data shows improvements in the use of PCP among members that receive a call and less ER usage after the intervention. Overall Avoidable ER utilization from last Fiscal Year (FY) shows improvement over the same time period
- Reports and Policy Review
 - Unused Authorization Report – July 2016 to January 2017
 - Outreach to 1400 members; 23% reached successfully
 - Resolution: 22 members were aware of the authorization and 2 members were not aware
 - Policies
 - QM had 6 policies awaiting formal state approval and 1 approved at the Policy Committee
 - UM had 28 policies reviewed, revised or retired

- Pharmacy reviewed 10 policies as part of their semi-annual schedule
 - Monthly Utilization Report for January 2017
 - San Joaquin County – all inpatient utilization metrics were met except for the following:
 - Seniors & Persons with Disabilities (SPD) and Affordable Care Act (ACA) Average LOS slightly above goal (4.8 vs. 4.3 and 4.0 vs. 3.9)
 - Stanislaus County
 - Temporary Assistance for Needy Families (TANF) 30 day readmissions was 5.2% vs 5.0 % goal
 - Appeals (Nov. 2016) – Appeals turn-around time compliance 100%
 - Pharmacy
 - Prior authorization request turn-around time compliance 94% for Regulatory standards and 100% for NCQA standards
- Subcommittee Reports
 - Delegation Oversight Committee
 - Review of regular reports of the following showed no outstanding issues:
 - Beacon, CareNet and Kaiser Permanente
 - VSP continues to address the action plan for CAP of Customer Service performance
 - Quality Operations Committee
 - Health Education Update
 - Successful Prenatal Program with increase in participation and postpartum care outreach
 - HEDIS and NCQA Update
 - Incremental improvements noted in HEDIS 2016 when compared to same time 2015 data
 - Medical Record Review progressing with an end date of May 15
 - NCQA look back period and standard reviews completed with a goal to complete a few remaining activities by the end of March
 - Encounters Review for 2016 averages and member visits to PCPs, Non PCPs, Hospital/ER utilization and specialist encounters. Approximately 50% of unique members seen by PCPs
 - Pharmacy and Therapeutics Committee
 - Policy review
 - Coverage updates:
 - Rheumatologic/Immunologic, Dermatology, GI, Neuro and Cardiovascular agents
- Peer Review and Credentialing Committee (PR & C Committee)
 - Total Credentialed/Rec-credentialed as of March 16, 2017
 - Direct Contracted Providers: 109
 - Initial Credentialed for 3 years = 61
 - Re-credentialed for 1 Year = 3
 - Re-credentialed for 3 Years = 45

- Delegated Providers: 929
 - Initial Credentialed for 3 years =172
 - Re-credentialed for 3 year = 757
- Termination-Involuntary: 1
 - Dis-enrolled due to non-responsive to re-credentialing request

Upon review of the materials presented, Chair Diederich asked if there was a big difference in the average Length of Stay (LOS) amongst contracted hospitals. Dr. Lakshmi noted to the affirmative and stated that the difference may reflect the differences in the type of service(s) they provide; hospitals that provide care to complex members may see a longer LOS.

Extensive discussions were then held regarding direct contracted providers that were re-credentialed for only one year. Commissioner Herrera asked how providers were approved and what type of discussions were held at the PR & C Committee before it is presented to the Health Commission for approval. Commissioner Herrera also noted, before Commissioners approve the re-credentialing, they should be more informed of what they are approving. Ms. Shin and Dr. Lakshmi reported that HPSJ follows a strict NCQA guideline and that all credentialing/re-credentialing details are discuss at PR & C Committee. Further discussions were then held about sharing detailed information from the PR & C Committee as this committee is governed by the Brown Act and information provided are protected. Management also noted that the Commission delegates credentialing & peer review activities to HPSJ, which HPSJ then conducts activities per policy. Discussions ensued with Commissioner Herrera asking staff to provide NCQA guidelines and policy and procedure for Commissioner's review at the April meeting. Dr. Lakshmi noted to the affirmative.

The motion was made, seconded to approve the QM/UM Committee meeting report for 3/15/17 as presented. A motion was also made to approve the Peer Review and Credentialing Committee meeting report for 3/16/17 with two abstention (Herrera & Nino) (9/2).

VII. Provider Network's DMHC Regulatory Reports Update

Pamela Newman, VP of Provider Networks provided an update on DMHC's regulatory reports on Network Adequacy Ratios and Timely Access, highlighting the following:

- Data submissions
 - MY2014 Timely Access submission
 - Received sanction & submitted CAP; asked of reduction from \$10k to \$5k (pending DMHC's response)
 - MY2015 Timely Access submission
 - Received notice of referral to Office of Enforcement
 - Anticipate sanction; in the process of filing NOD based on anticipated sanctions
 - MY2016 Timely Access submission
 - Due 3/31/2017 – received extension to April 15, 2017
- Network Adequacy Ratios & Timely Access
 - FTE PCP to Enrollees (1:2000)
 - Ratio of Physicians to Enrollees (1:1200)

- Availability of Specialty Physicians (1:1200)
- Ratio of Various Specialty Types to Enrollees (1:1200), e.g. Gastroenterologist
- Access study via phone calls to providers to assess appointment availability (15 business days)

Upon review of the data provided, extensive discussions were held on the reasons for HPSJ's sanction for lack of providers that are not available in our community.

VIII. Legislative Update

David Hurst, VP of External Affairs, provided an update on current state legislation and federal policies, highlighting the following:

- State Legislation
 - Bill introduction deadline was last month - Over 2700 bills introduced
 - Policy committee hearings have begun in earnest
 - Policy & fiscal committee hearings deadlines in April - May
 - HPSJ and its associations are closely tracking bills with a perceived impact, including those presented from previous month
- Benefit Mandates
 - AB 391 – Medi-Cal Asthma Preventive Services – Requires a new licensure category be developed for qualified asthma services providers
 - AB 1092 – Medi-Cal Eyeglasses – Covers one pair for every two years for adults 21 and older
 - AB 1316 – Childhood Lead Screening – Requires all children to be screened for blood lead levels, not only those at risk
 - SB 399 – Autism – Makes numerous changes, including removal of ‘time, setting, and location’ limitations, modification of frequency of treatment plan review, and prohibits requiring parent participation
 - AB 1074 – Autism Professionals – Maintains supervision-by-provider requirements but removes employment requirement
 - AB 1353 – Continuity of Outpatient Drugs – Requires expedited exception process for Rx prescribed within 100 days prior
 - AB 1534 – HIV Specialists as PCP – Requires plans to include an HIV specialist as PCP, if provider requests PCP status and meets plan’s eligibility criteria for all specialists seeking PCP status
 - SB 223 – Language Assistance - Requires a written notice of availability of interpretation services in 15 threshold languages spoken in CA
 - SB 538 – Hospital Contracts - Prohibit contracts between hospitals and plans from containing certain provisions, including (1) payment rates or terms for nonparticipating hospital affiliates, (2) requiring plan to keep contract payment rates secret from any responsible payor, and (3) requiring plan to submit to arbitration, or any other alternative dispute resolution program

IX. CEO Report

Amy Shin, CEO provided an update on the American Health Care Act (AHCA), as amended, highlighting the following:

- AHCA was introduced on March 6, 2017
- Manager's amendments was offered on March 20, 2017
- Additional amendments were offered on March 23, 2017
- Key Medicaid Provisions
- AHCA's Coverage Losses
- Financial Impact to States – CBO & DHCS
- ACA Repeal and Replace process

X. Chairman Report

No reports were forthcoming.

XI. Commissioner Comments

No comments were forthcoming.

XII. Adjournment

Chair Diederich adjourned the meeting at 7:52 p.m. The next regular meeting of the Health Commission is scheduled for Wednesday, April 26, 2017.