

MINUTES OF THE MEETING OF THE SAN JOAQUIN COUNTY HEALTH COMMISSION

April 28, 2021

Health Plan of San Joaquin – Via GoTo Meeting Webinar

COMMISSION MEMBERS PRESENT:

Greg Diederich, Chair

Neeleesh Bangalore, MD

Michael Herrera, DO

Kathy Miller

Christine Noguera

Larry Ruhstaller

Jay Wilverding

Chuck Winn

COMMISSION MEMBERS ABSENT:

Brian Jensen

Sheela Kapre, MD

John Zeiter, MD

STAFF PRESENT:

Michael Schrader, Chief Executive Officer

Michelle Tetreault, Chief Financial Officer

Dr. Lakshmi Dhanvanthari, Chief Medical Officer

Cheron Vail, Chief Information Officer

Sunny Cooper, Chief Compliance Officer

Lizeth Granados, Chief Operations Officer

Evert Hendrix, Chief People Officer

Quendrith Macedo, Deputy County Counsel

Sue Nakata, Executive Assistant to CEO and Clerk of the Health Commission

CALL TO ORDER

Chair Diederich called the meeting of the Health Commission to order at 5:06 p.m.

PRESENTATIONS/INTRODUCTIONS

Michael Schrader, CEO welcomed Jay Wilverding, new Health Commissioner replacing Matthew Paulin to the Health Commission.

PUBLIC COMMENTS

No public comments were forthcoming.

MANAGEMENT REPORTS

1. CEO Report

Mr. Schrader reported that on April 13, 2021 DHCS issued a Memorandum on the Managed Care Plan Procurement. DHCS gave counties until Mar 31, 2021 to either submit a full Letter of Intent or to submit a preliminary Letter of Interest (requesting a one-month extension to April 30 for possible submission of a full Letter of Intent). A preliminary Letter of Interest does not guarantee a full Letter of Intent. A preliminary Letter of Interest needed only be signed by a county department head and health plan CEO. By comparison, a full Letter of Intent must be formally approved by a Board of Supervisors (BOS) and signed by the Chair of the BOS, as well as the health plan CEO.

- Central California Alliance for Health
 - Two counties submitted preliminary Letters of Interest to change to the County Organized Health System (COHS) model and join the CCAH
- Partnership Health Plan
 - Eight counties submitted full Letters of Intent and two counties had submitted preliminary Letters of Interest to change to the COHS model and join Partnership
- Health Plan of San Joaquin
 - Three counties submitted preliminary Letters of Interest to change to the Two-Plan model and join HPSJ, including El Dorado, Alpine, and Calaveras.

In April, the Boards of Supervisors for the three counties made their decisions; El Dorado and Alpine counties are now formally in and have submitted full Letters of Intent, and Calaveras is now formally out.

The next steps are to modify bylaws and ordinance. The HPSJ bylaws and ordinance will need to be modified to add two seats, one each for El Dorado and Alpine. Ordinances for El Dorado and Alpine counties will each need to be changed or created to specify the Two-Plan model, name HPSJ as the Local-Initiative, and prescribe the appointment process to defined seat on HPSJ Commission.

DHCS requires that to proceed with the model change counties must submit to DHCS the Letter of Intent by April 30, 2021 which El Dorado and Alpine have already done, and to submit executed ordinance by October 1, 2021. Upon receipt of both the full Letter of Intent and executed ordinance, DHCS will modify the RFP to specify that only one commercial plan be procured in each of the two counties.

The planned timeline for HPSJ bylaw and ordinance changes includes:

- In early May, an Ad-Hoc Committee of the Health Commission review the proposed bylaw changes
- In late May, the Health Commission approves the vetted changes
- On June 8th, the SJC BOS complete a Reading of the ordinance changes
- *The June 22 and 23 BOS meetings are not available (for Budget Hearings only)*
- On July 13, the SJC BOS consider adoption of the ordinance changes
- On August 13, the ordinance changes would become effective (30 days later)

A meeting for county counsels to confer is scheduled for May 7, 2021 since the ordinances for El Dorado and Alpine Counties will be dependent on HPSJ's ordinance.

Upon review of Mr. Schrader's report, conversations were held regarding the financial feasibility.

Q: Chair Diederich – Does the modeling show that expansion into only El Dorado and Alpine counties would be financially feasible?

A: Mr. Schrader responded that the financial modeling presented to the Health Commission in March, showed that it would be financially feasible on an ongoing basis with El Dorado and Alpine counties, and that HPSJ would recoup its start-up cost within 18 months.

CONSENT CALENDAR

Chair Diederich presented four consent items for approval:

2. March 31, 2021 SJC Health Commission Meeting Minutes
3. Human Resources Committee – 4/14/2021
 - a. January 12, 2021 Meeting Minutes
 - b. Policy Review -Employee Referral Bonus
 - c. Employee Recognition Program Refresh
4. Community Advisory Committee (CAC) – Joint SJC and Stanislaus – 4/15/2021
 - a. March 17, 2021 Meeting Minutes
 - b. Lead Poisoning Prevention
 - c. Children's Health Measures
 - d. Fatherhood Program
 - e. Presentation from SJC Public Health Services
 - f. Presentation from Stanislaus Health Services Agency, Pub. Health Div
5. Finance and Investment Committee – 4/21/2021
 - a. Resubmission of February 16, 2021 Meeting Minutes
 - b. March 24, 2021 Meeting Minutes
 - c. Milliman Care Guidelines Contract Renewal Amendment

ACTION: The motion was made (Commissioner Herrera), seconded (Commissioner Miller) and unanimous to approve the four consent items as presented (8/0).

REPORT ITEMS

6. March 2021 YTD Financial Reports

Michelle Tetreault, CFO presented for approval the March 2021 financial reports, highlighting the following:

- Net Income for March 2021 YTD
 - \$45.4M and is \$68.1M favorable to budget. Contracting is currently working on issues that will likely reduce HPSJ's favorability. Issues may not be resolved by end of this fiscal year but may be resolved the following year fiscal year. The estimated loss will be about \$20M - \$24M

- Membership
 - San Joaquin is 12,392 unfavorable to budget driven by unfavorable variance in the TANF category of aide, offset by favorable variances in all other categories of aide
 - Stanislaus is 67,596 unfavorable to budget; Stanislaus is unfavorable in TANF and SPD's and ACA, and favorable in Duals
 - Membership increased by 2,037 for the month of March
- Premium Revenue is \$54.3M favorable to budget, driven by the delay in the pharmacy carve-out
- Medical Expenses are \$5.6M unfavorable to budget
 - Medical expenses are higher than expected due to pharmacy expenses for January through March that were expected to be carved out, offset by continued lower utilization of elective procedures related to the Covid-19 pandemic
 - Included are estimates related to anticipated increases in utilization
 - of elective procedures as well as projected payments for unpaid oncology claims
- Prior Period Adjustments – adjustments are related to changes in estimates of IBNR.

Upon reviewing Ms. Tetreault's report, Chair Diederich asked with the issue that contracting is working on, is management discussing rates with providers. Ms. Tetreault responded that providers are disputing the processing of claims denied, while some of the others are related to contract negotiations.

ACTION: With no additional questions or comments, the motion was made (Commissioner Bangalore) seconded (Commissioner Noguera) and unanimous to approve the March 2021 YTD financial report as presented (8/0).

INFORMATION ITEMS

7. Chief Operations Officer Report – March 2021 Operations Report

Lizeth Granados, COO reported that the March 2021 Operations Report is available in the meeting packet, highlighting the following reports:

- Month-over-month increase in membership and did not lose any members through redetermination
- Member call volume increased by 20%; members are now comfortable obtaining requests for services, including transportation
- FQHC Utilization – increase in clinics (varies in utilization from clinic to clinic)
- ER Utilization still shows a big drop of members going into ER due to the pandemic

Ms. Granados also shared HPSJ's latest Covid-19 Campaign that will be launched in May and will run through July:

- Campaign Background
 - Use collaborative approach between county public health staff, health plan, and CBOs to develop key messages and campaign design
 - Include images of residents to promote community-wide vaccinations from trusted, relatable sources
 - Continue to use COVID-19 safety icons
 - Promote Myturn.ca.gov to align with broader county and state efforts for residents to sign up to access vaccines
 - Multi-lingual approach
 - Campaign delivered primarily in English & Spanish

- Collateral materials will include 5 or more other languages
- Campaign Strategy
 - Campaign advertising run time: May through July
 - Materials distribution (billboards, button/sticker, and postcards) in both counties: Mid-May through completion
 - Use multi-media approach to deliver message (billboard, transit, audio-streaming, etc.)
 - Deliver messages across the valley – San Joaquin and Stanislaus County for consistent approach
 - Distribute multi-lingual materials at vax sites to reinforce vaccine information to be shared with family and friends, as well as encourage mask wearing
- Proposed Funding Approach
 - HPSJ to allocate advertising spots to campaign messaging; this includes billboards, transit boards, paid social media, and select sponsorships
 - HPSJ will also provide design and translation services, manage procurement and distribution of materials and HPSJ media buys
 - Stanislaus and San Joaquin Public Health to split the cost of collateral and campaign display materials

Chair Diederich asked, based on CDPH's call on vaccinations and vaccinations for children, has there been any discussions in getting Covid-19 vaccines into primary care offices. Ms. Granados responded that HPSJ is continuing communications to encourage members and children between the ages of 16-18 to get vaccinated through the many community resources offered throughout both counties.

8. Chief Compliance Officer Monthly Report

Sunny Cooper, Chief Compliance Officer reported on monthly compliance activities, highlighting the following:

- Q1 2021 Fraud, Waste and Abuse (FWA) Incidents
 - Investigated 6 possible incidents with 2 deemed reportable
- Q 2021 Privacy Incidents
 - Investigated 76 privacy incidents, potentially impacting 1,359 members
 - Based on investigation, 2 incidents were deemed reportable in March
- October Security Incident Updates
 - OCR Data Request received on 3/9/2021, with submission back to OCR by 4/26/2021
 - Risk, issues, and mitigations – Team working closely with counsel and DM vendor
 - The Team is targeting to initiate the issuance of individual breach notification letters immediately after 4/26/21 and expect the letters on impacted person's hand by mid-May
- Annual HIPAA Security Assessment – I
 - IT completed the annual internal HIPAA Security Assessment
 - Overall score is 99%
- Annual HIPAA Security Assessment – II
 - Administrative Safeguards requiring remediation

- HPSJ Contract workflow ensures we have a BAA in place with all vendors with whom we share PHI. Contract Admin staff is currently collecting evidence of audit to satisfy this requirement. Target date for completion is 4/30/2021
- HPSJ backs up all corporate data to ensure full recoverability. While the processes are fully implemented, they are not documented in a policy. A policy is being created to satisfy this requirement. Completed on 4/16/2021
- Claims Recovery – the Recovery Unit of HPSJ's Claims department continues to perform post pay claims analysis to recover or offset overpayment to HPSJ's providers. Reimbursement requests for the month of March was a little over \$200,000
- COC and COI Annual Attestations - the annual Code of Conduct (COC) and Conflict of Interest (COI) policies and attestations were released to HPSJ's Workforce with 100% completion rate on March 31, 2021
- Compliance Dashboard Update as of Q1' 2021
 - Reviewed and identified DHCS contractual requirements with potential to become Key Compliance Indicators (KCI) based on feasibility
 - Implemented a Filings and Submissions database containing an inventory of:
 - Filings (documents requested by DMHC), Submissions (documents requested by DHCS)
 - Additional Information Requests (AIRs) requested by both DHCS/DMHC resulting from our submissions (DHCS) and filings (DMHC)
 - Implemented a PHI violation dashboard to identify trending of HPSJ's PHI violations

Ms. Tetreault also reported, under Claims Recovery with the assistance of HMS, HPSJ was able to off-set some of the payments of about \$4.75M over the course of the fiscal year. This year is a "normal" year with claims recovering around \$7.5M - \$10M (less than 1% of HPSJ's medical expenses) between COB and other overpayments to providers. She noted that staff monitors on both claims and compliance perspectives base on DHCS's requirements, which sometimes may have to be returned to DHCS, if the claim is over 13 months old.

Commissioner Bangalore asked, on Claims Recovery if it was due to double payments or the way claims were submitted by providers. Ms. Tetreault responded that there are several different reasons. Some of the examples may be that, (1) some members may have other coverage that HPSJ had paid on, (2) a provider is over billing, (3) configuration issues in the system, and (4) for various reasons, such as, member eligibility that was retroactive.

9. Legislative Update

Brandon Roberts, Government Affairs Representative reported on legislative activities and priority bills, highlighting the following:

- State Budget: Senate Democrats Outline Priorities
 - "Build Back Boldly" Priorities for 2021-22 and Beyond
 - Debt Free College
 - Path to Universal 0-3 Early Care and Education
 - Homelessness, Housing Affordability & Homeownership
 - Wildfire Prevention and Resilience
 - Drought Protection
 - Small Business and Non-Profits Bounce-Back
 - State Systems Improvements

- Health Care Access and Affordability
 - Homelessness, Housing Affordability and Homeownership
 - \$20 billion, Five-Year Commitment for local governments to reduce homelessness
 - Healthcare Access and Affordability
 - Reduce deductibles and copays for Covered CA policies by building on prior state and new federal expansions of subsidies for middle income families
 - Expand access to Medi-Cal, regardless of immigration status
 - Reform program asset test for Medi-Cal eligibility
 - Commit to addressing health inequities exacerbated by the pandemic
- Key Budget HHS Subcommittee “Build Back Boldly” Packages
 - Strengthening the Safety-Net
 - Increase CalWORKs support and SSI/SSP grants to restore past cuts
 - Provide rent relief and another round of Golden State Stimulus checks
 - Expand access to CA Food Assistance Program (CFAP) and Cash Assistance Program for Immigrants (CAPI), regardless of immigration status
 - Public Health
 - Invest in state and local public health infrastructure for disease control
 - Develop a public health workforce that can cross-train in multiple priorities
 - Maintain epidemiological capacity built during the pandemic
 - Aging
 - Permanently restore the 7% reduction to IHSS service hours
 - Incentivize counties to reach IHSS labor agreements
 - Reform asset test for Medi-Cal eligibility to expand access to long term care
 - Increase funding for senior nutrition programs and expansion of CalAIM meal-related benefits
 - Double Governor’s proposal for training geriatric health care providers
- State Legislative Update – Bill Package to Modify Brown Act
 - Existing Law - The Brown Act requires that all meetings of a legislative body of a local agency be open for the public to attend and participate
 - Brown Act teleconferencing requirements provide that:
 - The legislative body notice the teleconference location of each member participating in the public meeting
 - Each teleconference location be accessible to the public
 - The public be allowed to address the legislative body at each teleconference location
 - The legislative body post an agenda at each teleconference location
 - At least a quorum of the legislative body participates from locations within the boundaries of the local agency’s jurisdiction
 - Executive Order N-29-20 suspended the Brown Act’s requirements for teleconferencing during the COVID-19 pandemic, provided that:
 - Notice requirements are met
 - The ability of the public to observe and comment is preserved
 - A local agency permitting teleconferencing have a procedure for resolving requests for reasonable accommodation for individuals with disabilities
 - AB 339 (Lee) – Requires public boards to provide virtual access for meetings, even if all member attend in-person
 - Requires public meetings to include an in-person public comment opportunity, except in specified circumstances during a declared state or local emergency

- Requires all meetings to provide the public with an opportunity to comment in person and remotely via a telephonic and an internet-based service option
- Requires public agencies to provide closed captioning for virtual participants and live translation services during all meetings
- AB 361 (Rivas, Robert) – Streamlines procedures for teleconference meetings for purposes of meeting to declare a state of emergency or if occurring during a declared state of emergency
 - Authorizes a local agency to use teleconferencing without complying with Brown Act teleconferencing requirements when meeting for the purpose of declaring or ratifying a state of emergency
 - Requires bodies that hold teleconferenced meetings under these abbreviated teleconferencing procedures to give notice of the meeting and post agendas for the public to monitor and comment
- AB 703 (Rubio, Blanca) – Codifies virtual meeting opportunities created by Executive Order, allows for virtual meetings indefinitely, and removes Brown Act rules that require public attendance at physical locations
 - Indefinitely removes for virtual meetings the existing Brown Act limitations that relate to identifying a teleconference location and physically establishing a quorum
 - Allow virtual meetings to operate under regular meeting procedures for public observation and comment via instructions to join virtually

Upon review of Mr. Roberts's presentation, extensive conversations were held regarding modifications to the Brown Act.

Q: Commissioner Ruhstaller – How will El Dorado and Alpine counties participate in HPSJ's in-person Commission meetings, especially during the winter months when travel can be difficult?

A: Mr. Schrader responded that the Brown Act allows for teleconferencing, and that El Dorado and Alpine representatives could participate remotely, provided that there is advance agenda notice of teleconference locations and public access to the locations.

Q: Commissioner Ruhstaller – Does HPSJ have preference among the three proposed legislative bills related to the Brown Act, and are there any advocacy efforts?

A: Mr Schrader responded that among the three bills, HPSJ likes AB 703 best, because it would indefinitely extend flexibilities to the Brown Act for virtual public meetings, which have been allowed by the Governor's Executive Order but only for the duration of the public health emergency. AB 361 would do the same but only for future public health emergencies. On the other hand, instead of adding flexibility, AB 339 would mandate additional requirements such as closed captioning and live translation services for all public meetings.

A: Mr Roberts responded that certain associations that represent public bodies such as California State Association of Counties and League of California cities are actively opposing AB 339 because at the local levels, including special districts, the mandate would be burdensome and costly for the ongoing convening of public meetings.

A: Commissioner Miller confirmed that counties oppose AB 361 as an unfunded mandate on the locals, and that the SJC Board of Supervisors also prefer AB 703 because it would allow each agency to make common sense policies without the financial burden.

Q: Commissioner Winn – Is the state legislature under the same guidelines?

A: Mr. Roberts responded that it does not apply to the state legislature. The Brown Act applies to local agencies, whereas the state legislature is subject to the similar Bagley-Keene Open Meeting Act. While the state legislature does provide certain language and closed captioning services similar to what may ultimately be required under AB 339, this bill would seem to hold local government bodies to more burdensome standards than those met by the state legislature.

CHAIRMAN'S REPORT

Chair Diederich reported on the following Health Commission Committee appointments:

- CAC Committee – Commissioner Dr. Michael Herrera has been appointed as committee member for both counties
- By-Laws Ad-Hoc Committee – Chair Greg Diederich and Commissioner Brian Jensen are both appointed to this committee with Chair Diederich appointed as Chair
- Finance and Investment Committee – Commissioner Jay Wilverding has been appointed as committee member

COMMISSIONER COMMENTS

No comments were forthcoming.

CLOSED SESSION

At this time, the Health Commission adjourned to Closed Session at 6:36 p.m.

Closed Session – Trade Secrets
Welfare and Institutions Code Section 14087.361
Title: Update on FY' 20-21 Corporate Objectives

No actions were forthcoming.

The Health Commission came out of Closed Session at 6:52 p.m.

ADJOURNMENT

Chair Diederich adjourned the meeting at 6:53 p.m. The next regular meeting of the Health Commission is scheduled for Wednesday, May 26, 2021.