

MINUTES OF THE MEETING OF THE SAN JOAQUIN COUNTY HEALTH COMMISSION

August 28, 2024

Health Plan of San Joaquin – Community Room

COMMISSION MEMBERS PRESENT:

Brian Jensen, Vice-Chair

Lauren Brown-Berchtold, MD

Paul Canepa

Michael Herrera, DO

Ruben Imperial

Jay Krishnaswamy

Matthew Minson, MD

Christine Noguera

John Zeiter, MD

Sandra Regalo

Terry Withrow

COMMISSION MEMBERS ABSENT:

Greg Diederich, Chair

Terry Woodrow

STAFF PRESENT:

Lizeth Granados, Chief Executive Officer

Betty Clark, Chief Legal and General Counsel

Sunny Cooper, Chief Compliance Officer

Dr. Lakshmi Dhanvanthari, Chief Medical Officer

Evert Hendrix, Chief Administrative Officer

Liz Le, Chief Operations Officer

Michelle Tetreault, Chief Financial Officer

Victoria Worthy, Chief Information Officer

Kirin Virk, Deputy County Counsel

Sue Nakata, Executive Assistant and Clerk of the Health Commission

CALL TO ORDER

Vice-Chair Jensen called the meeting of the Health Commission to order at 5:04 p.m. and noted due to time constraints, all agenda items requiring Health Commission approval will be presented first.

PRESENTATIONS/INTRODUCTIONS

Vice-Chair Jensen welcomed new Health Commissioners, Jay Krishnaswamy, CEO of Doctors Medical Center in Modesto, Terry Withrow, Supervisor – District 3, of Stanislaus County, and Ruben Imperial, CEO of Stanislaus County.

PUBLIC COMMENTS

No public comments were forthcoming.

CONSENT CALENDAR

Vice-Chair Jensen presented five consent items for approval:

1. June 26, 2024 Health Commission Meeting Minutes
2. Community Advisory Committee – 8/8/2024
 - a. June 13, 2024 Meeting Minutes
 - b. HPSJ/MVHP Population Update
 - c. HPSJ/MVHP Provider DEI Focus Group
 - d. Dual Special Needs Plan (D-SNP) Overview and Update
3. Community Reinvestment Committee – 8/14/2024
 - a. February 22, 2024 Meeting Minutes
 - b. March 21, 2024 Meeting Minutes
 - c. June 14, 2024 Meeting Minutes
 - d. Grant Application Approval Requests
 - i. Capital/Projects Grant
 - o El Dorado Community Health Clinic (EDCHC) – Dental Clinic: \$500,000
 - ii. Doula/Community Health Workforce Recruitment Grant
 - o The Uplift All Foundation - Community Health Worker (1) & Substance Use Counselor (2): \$135,000
 - iii. Standard Data Sharing Health Information Exchange (HIE) Grants
 - o Geriatrics Long Term Care: \$165,000
 - o Lathrop Urgent Care & NorCal Urgent Care: \$165,000
 - o Modesto Gospel Mission: \$65,000
 - o San Joaquin DHCS MOU Agencies (Phase I & II): \$900,000
 - o Stanislaus DHCS MOU Agencies (Phase I & II): \$900,000
 - o San Joaquin Behavioral Health: \$107,460
 - o Stanislaus Behavioral Health: \$107,460
 - o Marshall Medical Center: \$50,000
4. Finance and Investment Committee – 8/21/2024
 - a. June 19, 2024 Meeting Minutes
 - b. Investment Policy Investment Statement Revisions
 - c. Integrity Advantage Solutions, LLC Contract
 - d. Manifest MedEx Contract
 - e. ZeOmega, Inc. Contract
 - f. Medical Reviewer Consultant Contracts
 - o Kabra Satish, MD
 - o Vijay P. Khatri, MD

5. Human Resources Committee – 8/28/2024
a. March 21, Meeting Minutes

ACTION: With no questions or comments, the motion was made (Commissioner Canepa), seconded (Commissioner Zeiter) and unanimous to approve the five consent items as presented (11/0).

DISCUSSION and ACTION ITEMS

6. May and June 2024 FYE Pre-Audit Financial Reports

Michelle Tetreault, CFO presented for approval the May and June 2024 FYE Pre-Audit financials, highlighting the following in the June financials, and noted that the team does not anticipate additional changes from what is being presented:

- Premium Revenue is -\$53.3M unfavorable (-\$25.00PMPM) to budget YTD as of June 2024, primarily due to lower than budgeted enrollment in Long Term Care (LTC) categories of aid and an adjustment to CY 2023 rate
- Managed Care Expenses are +\$58.3M favorable (+\$24.52 PMPM) to budget YTD, primarily attributable to:
 - +\$76.9M favorable Institutional variance due to lower than budgeted LTC enrollment.
 - -\$20.4M unfavorable overall due to decrease in low and non-utilizers in our membership and increasing trend in hospital services utilization
- Net Other Revenues and Expenses are +\$7.3 M favorable (+1.51 PMPM) to budget YTD primarily due to the receipt of various incentive programs from the state. The variance is primarily due to the timing differences between the budgeted vs. month earned/incurred
- Administrative Expenses are +\$18.6M favorable to budget due to lower than budgeted - consulting expenses of \$6.8M related to D-SNP and other IT projects; personnel costs of \$3.7M; care; management and population health management expenses of \$2.1M
- Prior period adjustments of +\$6.1M were primarily related to changes in the IBNR estimates offset by the acuity rate adjustments mentioned in the Premium Revenue explanation, as well as the accrued payment for CY 2022 MLR being lower than 85% minimum requirement

Upon review of the financials, Commissioner Canepa asked, how long it will take to even membership on moratorium. Ms. Tetreault responded that it will take about a year for membership to even out from what was built up during the pandemic as the number of non-utilizers are “termining off”.

ACTION: With no further questions or comments, the motion was made (Commissioner Zeiter) seconded (Commissioner Canepa) and unanimous to approve the May and June 2024 FYE Pre-Audit financial reports as presented (11/0).

7. QIHEC Committee Meeting Update – 7/17/2024

Dr. Lakshmi Dhanvanthari, CMO submitted for approval the QIHEC Committee meeting report for 7/17/2024, highlighting the following committee meetings, work plans, program descriptions, policies updates and reports that were reviewed and approved:

Utilization Management Program Description/Work Plan

The UM Program Description details the philosophy, goals, structure and processes by which HPSJ promotes the delivery of high quality, medically necessary and cost-effective care for our members. Key updates included:

- Insourcing of Behavioral Health (BH) services and restructuring of the BH team
- Retrospective Review process effective 1/1/24
 - Transition of Care program added
 - System controls section updated to include audit of modifications
- Outlines UM program to meet regulatory and accreditation requirements
- Key performance indicators monitored and analyzed
- Reviewed and approved quarterly by the Clinical Operations Committee

Disease Management Program Description – FY 2024-2025

The program supports members living with the following chronic conditions to better manage their health, avoid unnecessary complications and improve their quality of life.

- Asthma
- Chronic Kidney Disease
- Chronic Obstructive Pulmonary Disease
- Congestive Heart Failure
- Diabetes

Program entry is based upon qualifying disease and risk levels:

- Risk stratification and segmentation model, outreach to offer service
- Self-referral
- Provider or discharge planner referral
- Internal referral
- Detailed description of Member interventions
- Support for Treating Practitioners

Subcommittee Reports: Quality Improvement and Health Equity Operations – May 16, 2024

Facility Site Review: Quarter 3, FY 23-24

- 24 site audits conducted. 20 in San Joaquin, 4 in Stanislaus
 - 12 Facility site Reviews (FSRs)
 - Corrective actions issued for critical elements: Pharmacy and infection control
 - 12 Medical Record Reviews (MRRs)
 - Corrective actions issued: Coordination of care, pediatric preventive, adult preventive
- Corrective actions in Q3: 22 closed, 8 open; technical assistance and support was provided to audited and deficient providers

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Grievances and Appeals – Quarter 2, FY 2023-2024

San Joaquin County		Stanislaus County	
Grievances	Appeals	Grievances	Appeals
563 Grievances or 2.09/1000 members Rate Goal met.	35 Appeals • Benefits & Coverage: 19 • Medical Necessity: 16	410 grievances or 2.37/1000 members. Goal met.	30 Appeals • Benefits & Coverage: 6 • Medical Necessity: 24
Access: 201 grievances 0.74/1000 members <small>Note: Per 1000's (# of grv/panel size x 1000) Access = 3 per 1000; QOS = 5 per 1000; QOC = 3 per 1000</small>	133% increase compared to the previous quarter. Tertiary services (11), Durable Medical Equipment (DME) wheelchairs, Physical Therapy and Rx injections.	Access: 140 grievances, 0.81/1000 members.	In Stanislaus County, 25% increase compared to the previous quarter. Trends related to Durable Medical Equipment (DME) Back Braces, Knee & Neck braces (11), Physical Therapy and Tertiary services (4).
Attitude & Service: 191 grievances 0.71/1000 members. Trending higher		Attitude & Service: 153 grievances, 0.89/1000 members	
Quality of Care: 171 grievances 0.64/1000 members.		Quality of Care: 117 grievances, 0.67/1000 members	
2 Quality of Practitioner Office Site grievances		0 Quality of Practitioner Office Site grievances	

Survey Results

- Timely Access - Reporting will be included in the Quality and Equity annual evaluation based on Submission in May 2024. Ratio of provider to member measures met threshold.
- After Hours Access - Rate decreased from 77.31% in MY2022 to 69.3% in MY2023
- Language Access - Top seven languages met language access offered at a provider office within 10 miles of the member
- Provider Satisfaction
 - Response rate: 10.7% decreased of 5.7% from FY 2022-2023. However, still higher than comparable plans
 - Provider satisfaction composites decreased in all areas except Finance issues
 - Increased from 46.2% to 46.4%

Audits and Oversight Committee – June 18, 2024

- Pre-Delegation Audit - Roots Food Group – 100% score- approved
- Caelon Behavioral Health- Annual Audit
 - 5 deficiencies
 - Health Plan will perform a CAPS- focused audit for deficiencies

Audits and Oversight Committee (AOC) Charter Update - Effective June 2024

- Charter Revisions: AOC Charter revised to align with A&O Improvement initiatives, enhancements to compliance with statutory, regulatory, and contractual requirements, and added Centers for Medicaid and Medicare Services (CMS) as a regulatory body
- Committee Changes: Incorporated Medical Management Executives and new Strategic Initiatives & Regulatory Director, required at least one Medical Management Executive for quorum, and established a subcommittee made up of Health Plan Executives for disciplinary action review and voting recommendations
- Vendor and Delegate Evaluation: Strengthened procedures to assess prospectively: Delegates and Vendors for compliance and capability before entering agreements, and defined approval process

Clinical Operations Committee – July 9, 2024

Inter-Rater Reliability (IRR) CY 2023

- Ensures evidence-based criteria are consistently applied
- All UM decision-makers undergo annual IRR testing
- Must attain a score of 90% or higher
- Physicians not meeting minimum score are removed from the panel

	Participants	Mean Score
Nurses	50	95.1%
Physicians	7	95.7%
Pharmacists	4	100%
Total	61	95.5%

Upon review of the materials presented, Commissioner Herrera asked under Disease Management, how patients are identified under chronic conditions. Dr. Lakshmi responded that utilization, claims, pharmacy, cost data etc. are utilized to identify and risk stratify members into high, medium and low risk groups for each chronic condition.

Commissioners Canepa and Herrera asked under Grievances and Appeals, what are each counties number of grievances and is there a national benchmark. Dr. Lakshmi responded that there are no notational benchmark and that the total number of populations is roughly 280,000 in SJC and 165,000 in Stanislaus.

ACTION: With no additional questions or comments, a motion was made (Commissioner Canepa) and seconded (Commissioner Regalo) to approve the QIHEC Committee Report for 7/17/2024, FY24/25 Utilization Management Program Description, FY24/25 Utilization Management Work Plan, and FY24/25 Disease Management Program Description as presented (11/0).

Peer Review & Credentialing Committee Report- July 11, 2024

Dr. Dhanvanthari submitted for approval the Peer Review and Credentialing Committee report for July 11, 2024:

- Direct Contracted Providers
 - Initial Credentialed for 3 years = 45
 - Initial Credentialed for 1 year = 2
 - Recredentialed for 3 Years = 63
 - Recredentialed for 1 Year = 5
- Clean File Initial Credentialing Sign Off Approval by CMO: 0
- Clean File Recredentialed Sign Off Approval by CMO: 0
- Termination-Involuntary: 0

ACTION: With no questions or comments, a motion was made (Commissioner Canepa) and seconded (Commissioner Brown-Berchtold), with abstention by Commissioner Herrea to approve the Peer Review and Credentialing Committee report for July 11, 2024, as presented (10/1).

INFORMATION ITEMS

8. Meketa/MetLife Investment Portfolio Annual Performance

David Sancewich and Stephanie Sorg of Meketa and Scott Pavlak of MetLife joined the meeting to present on HPSJ's investment portfolio and annual performance, highlighting the following:

Asset Allocation and Performance as of June 30, 2024

Trailing Period Performance										
	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Inception (%)	Inception Date
Total Fund (Net)	746,896,767	100.00	0.54	0.89	1.52	4.88	--	--	4.25	Jun-23
Growth Portfolio (Net)	581,216,473	77.82	0.57	0.97	1.60	4.98	--	--	4.34	Jun-23
ICE BofA 1-3 Years U.S. Treasury Index			0.58	0.94	1.24	4.53	0.40	1.06	3.70	
MetLife STAMP 1-3 Year (Gross)	581,216,473	77.82	0.58	1.00	1.65	5.06	--	--	4.42	Jun-23
MetLife STAMP 1-3 Year (Net)	581,216,473	77.82	0.57	0.97	1.60	4.98	--	--	4.34	Jun-23
ICE BofA 1-3 Years U.S. Treasury Index			0.58	0.94	1.24	4.53	0.40	1.06	3.70	
Working Capital Portfolio (Net)	165,680,294	22.18	0.41	--	--	--	--	--	0.41	Jun-24
ICE BofA U.S. Treasury Bills 0-3M Index			0.41	1.34	2.67	5.45	3.10	2.16	0.41	
MetLife Working Capital (Gross)	165,680,294	22.18	0.42	--	--	--	--	--	0.42	Jun-24
MetLife Working Capital (Net)	165,680,294	22.18	0.41	--	--	--	--	--	0.41	Jun-24
ICE BofA U.S. Treasury Bills 0-3M Index			0.41	1.34	2.67	5.45	3.10	2.16	0.41	

Cash Flow Summary Quarter Ending June 30, 2024				
	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
MetLife STAMP 1-3 Year	\$575,477,194	\$0	\$5,739,279	\$581,216,473
MetLife Working Capital	\$0	\$165,000,000	\$680,294	\$165,680,294
Total	\$575,477,194	\$165,000,000	\$6,419,573	\$746,896,767

MetLife Core Portfolio as of July 31, 2024

Core Portfolio	12/31/23	3/31/24	6/30/24	7/31/24	ICE BofA 1-3 Year U.S. Treasury ¹ 7/31/24
Yield to Maturity (%)	4.72	4.90	5.00	4.59	4.35
Duration (Years)	1.61	1.89	1.86	1.82	1.82
Average Quality (Moody's)	AA+	AA	AA	AA	TSY
Fixed% / Floater or Variable (%)	96 / 4	93 / 7	97 / 3	97 / 3	100 / 0
Market Value	\$822,216,773	\$575,477,194	\$581,216,473	\$588,227,399	N/A

Working Capital Portfolio	6/30/24	7/31/24	ICE BofA U.S. Treasury Bill ² 7/31/24
Yield to Maturity (%)	5.35	5.33	5.25
Duration (Years)	0.03	0.05	0.26
Average Quality (Moody's)	Aaa	Aaa	TSY
Fixed / Floater or Variable (%)	94 / 6	94 / 6	100 / 0
Market Value	\$165,680,294	\$166,443,715	N/A

Past performance is not indicative of future results. Portfolio characteristics as of July 31, 2024 are preliminary and subject to change.

1. The performance benchmark for the Health Plan of San Joaquin Core portfolio is the ICE BofA U.S. Treasury 1-3 Year Index, which is a broad-based index consisting of U.S. Treasury securities with an outstanding par greater than or equal to \$1 billion and a maturity range from one to three years, inclusive, reflecting total return.

2. The benchmark used for the Health Plan of San Joaquin Working Capital portfolio is the ICE BofA U.S. Treasury Bill Index which tracks the performance of U.S. dollar denominated U.S. Treasury Bills with at least one month remaining to final maturity and a minimum outstanding of \$1 billion and is presented here for discussion purposes only.

Vice-Chair Jensen reported, as of last year, prior to Meketa and MetLife's management of HPSJ's investment portfolio, funds/investments were managed by the San Joaquin County Controller's office.

9. CEO Report

Lizeth Granados, CEO, stated, due to time constraints, management reports are available in the meeting packet for commissioner's reference, highlighting the following:

Network Adequacy Validation (NAV) Audit Findings

HPSJ have successfully completed our first NAV Audit. The NAV Audit is a newly instituted annual requirement enforced by the Department of Health Care Services (DHCS) and assessed by the Health Services Advisory Group (HSAG).

HSAG auditors evaluated four key operational areas: 1) Member Enrollment Data Processing, 2) Provider Data Processing, 3) Data Reconciliation, and 4) Methodology and Reporting. The outcome was positive, as HSAG identified no immediate findings and praised HPSJ's commitment to internal monitoring practices that ensure ongoing compliance with network adequacy standards. HPSJ has demonstrated a robust provider network that guarantees access to care for our members across diverse provider types and geographic locations.

10. COO Report

Dignity Hospital Contract Update

Liz Le, COO provided an update on Dignity Hospital's notice of intent to terminate their contract with HPSJ/MVHP, highlighting the following:

Background

- Dignity issued a hospital Notice of Termination with a request to renegotiate their contract effective 7/1/24
 - St. Joseph's Medical Center
 - Mercy Medical Center
- Dignity issued a physician group Notice of Termination to Health Plan effective 9/11/24
- Notice to impacted members
 - Hospitals: 4/17/24 (Mercy) and 4/22/24 (St. Joseph's)

Updates

- Both sides are making good progress and have agreed to extending the contract termination dates for both the hospitals and the physician groups
 - 9/1/24 for St. Joseph's Medical Center and Mercy Medical Center
 - 11/1/24 for Dignity Physician Group
- Both sides are committed to completing and executing the amendments by 9/1/24
- HPSJ continues to meet with Dignity leadership

Upon Ms. Le's report, Commissioner Herrera expressed his concern on the negotiation process, stating that it has been a long process and have much stress on hospitals in the city (not, just Dignity), providers, community and patients. He also noted that both parties must be fair to patients that are stuck in the middle of the negotiation. Commissioner Canepa added that it does affect the community as 1 in 4 patients go to Dignity for services and hopeful that both parties come to a positive agreement.

Ms. Granados stated that both parties are committed to the terms with exception to one item and reiterated that the contract termination was generated by Dignity, not HPSJ. Termination date was originally 7/1/2024 with short extensions, one extension was just for a two-day turnaround time. HPSJ team is collaborating with Dignity daily and spending hours to try and resolve and find resolution; HPSJ's intent is not to disrupt member care. Ms. Le also noted that patient care is HPSJ's utmost priority, and should the contract be terminated, patient care will not be disrupted.

11. Quarterly Information Security Reporting.

Refer to presentation deck.

12. Legislative Update on Priority Bills

Refer to meeting packet.

VICE-CHAIRMAN'S REPORT

Vice-Chair Jensen reported on the appointment of Dr. Lauren Brown-Berchtold to the QIHEC Committee, effective September 2024 meeting.

COMMISSIONER COMMENTS

No comments were forthcoming.

The Health Commission went into Closed Session at 6:10 PM.

CLOSED SESSION

13. Closed Session – Conference with Legal Counsel-Existing Litigation
California Government Code Section 54956(d)(1)
Title: SEIU Local 1021 v. Health Plan of San Joaquin
Unfair Practice Charge No. SA-CE-1256-M

Closed Session – Conference with Legal Counsel-Existing Litigation
Initiation of Litigation Pursuant to California Government Code Section 54956.9(d)(4): 1 case

14. Closed Session - Trade Secrets
Welfare and Institutions Code Section 14087.31
Title: FY 23-24 Corporate Objectives Outcomes
15. Closed Session – Public Employee Performance Evaluation
Government Code Section 54957
Title: Chief Executive Officer

The Health Commission came out of Closed Session at 7:22 pm.

ACTION: A motion was made (Commissioner Canepa), seconded (Commissioner Brown-Berchtold) and unanimous, approving the filing of SEIU Unfair Practice Charge No. SA-CE-1256-M (11/0).

ACTION: A motion was made (Commissioner Canepa), seconded (Commissioner Herrera) and unanimous, to approve for both management and non-represented employees who are eligible to receive an incentive payment based upon the percentage of annual corporate objectives being met at 96.8%. Represented employees will receive a flat amount of \$1,500 in accordance with SEIU union contract (11/0).

ADJOURNMENT

Vice-Chair Jensen adjourned the meeting at 7:23 p.m. The next regular meeting of the Health Commission is scheduled for October 30, 2024.