

MINUTES
CMSP GOVERNING BOARD
Thursday, December 3, 2009

Governing Board Conference Room
1451 River Park Drive, Suite 213
Sacramento, CA 95815

MEMBERS PRESENT

Gayle Erbe-Hamlin, County Administrator, El Dorado County
Matthew Hymel, County Administrator, Marin County
Valerie Lucero, Health Services Agency Executive Director, Tehama County
Marta McKenzie, Health and Human Services Agency Director, Shasta County
Leslie McNamer, Supervisor, Del Norte County
Vern Moss, Supervisor, Madera County
David Shoemaker, County Administrator, Glenn County
Elliott Smart, Social Services Director, Plumas County
Brad Wagenknecht, Supervisor, Napa County

MEMBERS ABSENT

Bob Sands, Assistant Secretary, California Health and Human Services Agency
Jo Weber, Social Services Director, Sonoma County

Welcoming Remarks and Public Comments

Mr. Elliott Smart, Chair, opened the meeting and invited public comments. There were no public comments. Mr. Smart commented on accomplishments of the Governing Board for 2009, including various efforts to strengthen the program and protect program funding, including the CMSP Reserve. Mr. Smart expressed appreciation to the Board for its support in making these accomplishments possible and for the efforts of Governing Board staff. Mr. Smart also commented on the challenges facing CMSP and the Governing Board in the new year, including a continuing state budget deficit and the possibility of national health reform, and the importance of continuing to work together to address these challenges.

Correspondence and Consent Calendar

Mr. Smart requested a motion on the Correspondence and Consent Calendar.

ACTION MSC: Approve the December 3, 2009 Correspondence and Consent Calendar.

Approved	Votes:	Aye	9
		Nay	0

Report on Closed Session

Ms. Cathy Salenko, CMSP General Counsel, reported that the Governing Board met in Closed Session and provided direction to the Administrative Officer concerning all of the following: termination of the provider contract with Mendocino Community Health Clinics, Inc; contract terms pertaining to negotiations with specified health care providers; and, contract terms associated with Third Party Administration Services provided by Anthem Blue Cross and MedImpact Health Systems, Inc.

Further, the Board discussed pending Governing Board litigation against Mendocino Community Health Centers, Inc. and two anticipated litigation matters and provided direction to the Administrative Officer and General Counsel regarding these matters. Finally, the Governing Board finalized action on the performance evaluation of the Administrative Officer and discussed certain changes to the terms of the Administrative Officer's employment contract, which will be considered later in this Open Meeting.

Report from Legislative Representative

Karen Lange reported on behalf of Don Peterson, Legislative Representative, who was unable to attend the meeting. Ms. Lange reported that the State Department of Health Care Services (DHCS) is in ongoing discussions with federal CMS officials regarding implementation of AB X4 6 provisions pertaining to federal Medicaid matching along with DHCS' recently released concept paper for a revised federal 1115 Medicaid waiver beginning in late 2010.

Ms. Lange reported that the election for Richard Haffey, County Executive Officer for Nevada County, is underway and thirteen votes have been received. She also reported that the election for Brad Wagenknecht, Supervisor for Napa County, is underway but no votes have been received to date.

Ms. Lange stated that the Legislative Analyst has reported that the State Budget shortfall is \$20.7 billion, due primarily to spending in various state departments that continues at higher levels than projected and lower than anticipated revenues. A Special Session on the State Budget is anticipated in January to address the budget issues. At this time, it is rumored that a one-third/one-third/one-third approach is likely to be taken, such that the budget deficit will be addressed through one-third cuts, one-third gimmicks, and one-third papered over. Whatever approach is taken, members will face an election in November 2012 with newly defined districts.

In other news, Ms. Lange reported that continued work is anticipated on clean-up to the water bond package. If the bond package is passed by the voters, it would result in 10% of the State Budget being dedicated to debt service on bonds.

Report from Eligibility Committee

Mr. Smart, Eligibility Committee Chair, reported that the Committee met on November 16 and approved one revision to the CMSP Eligibility Manual regarding the treatment of student loans. The revision to Manual Section 7-058 would clarify the length of time that a student loan may be treated as exempt by allowing student loans to be treated as exempt for one year after receipt as long as student status is maintained. The Committee recommended the Governing Board's approval of this clarification.

ACTION MSC: Governing Board approve the revision to CMSP Eligibility Manual Section 7-058 regarding student loans to clarify that student loans shall be treated as exempt for one year after receipt as long as student status is maintained.

Approved	Votes:	Aye	9
		Nay	0

Report from Planning and Benefits Committee

Ms. Valerie Lucero, Planning and Benefits Committee Chair, reported that the Committee met earlier in the morning and considered a draft Request for Proposals (RFP) for the Local Health Connections Pilot Project. The draft RFP was provided to the Governing Board in the Board's agenda packet. The Committee recommends the Governing Board approve the draft RFP with the following changes:

- Provide up to \$60,000 for one-time Planning Grants for regional approaches involving two or more counties;
- Provide up to \$250,000 per year for Implementation Grants for regional approaches involving two or more counties;
- Reduce required matching (cash or in-kind) from 30% to 20%;
- Clarify sections of the RFP (funding, target population, required components); and,
- Planning and Implementation Grants under Round 1 funding to begin July 1, 2010.

Discussion among Board members ensued.

ACTION MSC: Governing Board approve the Local Health Connections Pilot Project RFP with changes as recommended by the Planning and Benefits Committee.

Approved	Votes:	Aye	9
		Nay	0

Proposed Changes to CMSP County Participation Agreement

Mr. Kemper reported on the status of discussions regarding the proposed Amended and Restated CMSP County Participation Agreement. Two webinars were held on November 5 and 9 to brief county officials on the proposed changes. Ten counties provided written feedback by the November 20 due date. A few counties requested additional time – until the end of December – to review and comment on the proposed changes. Mr. Kemper presented a matrix that outlined county concerns, which included the proposed HIPAA Business Associate Agreement; CMSP eligibility administration and Pay for Performance requirements; certain county authorities regarding program administration; county termination rights; and related matters.

Mr. Kemper recommended the Governing Board extend the filing deadline for county comments to December 31. Mr. Kemper also recommended that the Executive Committee be delegated responsibility for considering the comments and associated policy issues in early January and make recommendations for the Governing Board at the Board's January 28, 2010 meeting. Discussion among Board members ensued.

- ACTION MSC:** Governing Board take the following action:
- Extends the deadline for receiving comments on the proposed Amended and Restated CMSP County Participation Agreement to December 31, 2009;
 - Delegate to the Executive Committee responsibility for reviewing county comments on the Amended Agreement and appoint Gayle Erbe-Hamlin in place of David Shoemaker, who's term ends on December 31, 2009; and
 - Direct the Executive Committee to develop recommendations on the Amended Agreement for Governing Board consideration at the Board's January 28, 2010 meeting.

Approved	Votes:	Aye	9
		Nay	0

CPS Organizational & Classification Review

Mr. Kemper reported that the Governing Board, at its October 8, 2009 meeting approved the recommendations of CPS Human Resource Services regarding all of the following: CMSP organization and organization chart; and, CMSP employee position classifications and titles. Mr. Kemper requested that the Governing Board approve the final component of the CMSP employee position classification study completed by CPS: salary ranges for the Governing Board staff positions.

ACTION MSC: Governing Board approve the proposed salary ranges for Governing Board staff positions (attached) effective January 1, 2010.

Approved	Votes:	Aye	9
		Nay	0

Program Administration

Anthem Blue Cross

Mr. Kemper reported that the Third Amendment to the Administrative Services Agreement was fully executed and that a plan has been developed by Blue Cross to implement the provisions of the amendment. Blue Cross' primary efforts at this time are focused on three areas: information system modifications to assure that CMSP eligibility changes are processed correctly; changes in the Blue Cross payment system to provide up-front accounting of share of cost (SOC) payments by CMSP members so that payments to hospitals and clinics are net payments that take into consideration the SOC payment amounts; and, continued efforts to maximize recoveries associated with retroactive Medi-Cal eligibility.

Sunil Joshi, Anthem Blue Cross Account Manager for CMSP, thanked Mr. Kemper for the continued efforts to complete action on the Third Amendment and completing all of the deliverables contained in the Amendment in accordance with the specified time frames.

MedImpact

Mr. Kemper reported that the Governing Board in Closed Session considered revised terms for a three-year extension of the MedImpact services agreement. Mr. Kemper recommended that the Governing Board approve the proposed agreement term extension and associated changes to contract terms.

ACTION MSC: Governing Board approve the proposed Amendment with MedImpact for a new three-year term beginning July 1, 2010 and revised payment terms for pharmacy benefit administration, as discussed in Closed Session.

Approved	Votes:	Aye	9
		Nay	0

CMSP Financial Reports

FY 2009-10 Program Expenditures Year to Date

Ms. Brownstein presented a report on year to date actual versus budgeted Program expenditures. As of September 30, 2009 there were Program expenditures of \$71,542,204. As of October 31, 2009 there were Program expenditures of \$93,468,746. The approved Program budget for FY 2009-10 is \$318,883,965.

FY 2009-10 Administrative Office Expenditures Year to Date

Ms. Brownstein presented a report on year to date actual versus budgeted Administrative Office Expenditures. As of September 30, 2009 there were expenditures of \$724,963. As of October 31, 2009 there were expenditures of \$1,032,287. The approved budget for FY 2009-10 is \$2,625,000.

CMSP Fund Balance

Ms. Brownstein reported on cash balances in CMSP Fund 896, CMSP Fund 359, and for total CMSP funds in all accounts.

As of September 30, 2009 the cash balance in CMSP Fund 896 was \$127,226.10. As of October 31, 2009 the balance in this fund was \$127,564.88. As of September 30, 2009 the cash balance in CMSP Fund 359 was \$50.63. As of October 31, 2009 the cash balance in this fund was \$0.

The balance of total CMSP funds in all accounts as of September 30, 2009 was \$229,005,707.40 and as of October 31, 2009 was \$230,598,638.73.

Appreciation: Board Member David Shoemaker

Mr. Smart, on behalf of the Governing Board, recognized the contributions to the Governing Board and CMSP that David Shoemaker, Glenn County Administrative Officer, made to the Board during his term. Mr. Smart thanked Mr. Shoemaker for his service and presented him with a plaque from the Governing Board. Mr. Shoemaker expressed his appreciation to the Board and the program.

Public Employee Performance Evaluation: Administrative Officer

In Closed Session the Governing Board considered the Administrative Officer's performance in 2009. In Open Session, a brief discussion among Board members ensued.

ACTION MSC: Approve terms for an extension of the Administrative Officer's employment contract as discussed in Closed Session (3% salary increase effective January 1, 2010 and extension of contract for 3 years to December 31, 2012).

Approved	Votes:	Aye	9
		Nay	0

Public Comments

There were no additional public comments and Mr. Smart adjourned the meeting.