



IMPERIAL COUNTY
Local Health Authority Commission

AGENDA

Finance/Executive Committee

December 6th, 2023

12:00 PM

512 W. Aten Rd.

Imperial, CA 92251

All supporting documentation is available for public review at <https://chpiv.org>

Committee Members	Representing	Present
Lee Hindman	LHA Chairperson – Joint Chambers of Commerce Nominee	
Yvonne Bell	LHA Vice-Chair & Finance Committee Vice-Chair – CEO, Innercare	
Dr. Carlos Ramirez	Finance Committee Chair – COO Unicare	
Mayra Widmann	Deputy CEO - Budget Fiscal.	
Dr. Unnati Sampat	LHA Commissioner – Imperial Valley Medical Society	
Dr. Allan Wu	LHA Commissioner – Innercare	

1. Call to Order *Lee Hindman, Chair*
2. Roll Call *Donna Ponce, Commission Clerk*
3. Approval of Agenda
 - a. Items to be pulled or added from the Information/Action/Closed Session Calendar
 - b. Approval of the order of the agenda
4. Public Comment *Lee Hindman, Chair*

Public Comment is limited to items NOT listed on the agenda. This is an opportunity for members of the public to address the Committee on any matter within the Committee’s jurisdiction. Any action taken as a result of public comment shall be limited to the direction of staff. When addressing the Committee, state your name for the record prior to providing your comments. Please address the Committee as a whole, through the Chairperson. Individuals will be given three (3) minutes to address the board.

CONSENT CALENDAR

5. Approval of Minutes from 11/08/2023

CLOSED SESSION

Larry Lewis, CEO

6. Pursuant to Welfare and Institutions Code § 14087.38 (n) Report Involving Trade Secret new product discussion (estimated date of disclosure, 01/2024)

- a. Update/Action on Contract with Health Net Community Solutions, Inc.
- b. Public Employee Annual Performance Evaluation

Lee Hindman, Chairperson

ACTION

- 7. Report on actions taken in closed session.
- 8. Discussion/Action on CHPIV Primary and Secondary Contracts
- 9. Discussion/Action regarding financial reports:
 - a. Revenue & Expenses
 - i. Through October 31, 2023
 - b. Balance Sheet
 - i. Through October 31, 2023
 - c. Transactions Report
 - i. Through October 31, 2023

Larry Lewis, CEO

Mark A. Southworth, CFO

INFORMATION

- 10. Administrative Reports
 - a. *Health Services*
 - b. *Financial Services*
 - c. *Compliance*
 - d. *Human Resources and Community Relations*
 - e. *CEO Report*
- 11. Other new or old business
- 12. Commissioner Remarks

Dr. Arakawa, CMO
Mark A. Southworth, CFO
Elysse Tarabola, CCO
Michelle S. Ortiz-Trujillo, SDHRCR
Larry Lewis, CEO

Lee Hindman, Chair

Lee Hindman, Chair

Adjournment

Next Meeting: January 3rd, 2024



IMPERIAL COUNTY
Local Health Authority Commission

MINUTES

November 8th, 2023

12:00 PM

1224 W State St. Ste. B

El Centro CA 92243

All supporting documentation is available for public review at <https://chpiv.org>

Committee Members	Representing	Present
Lee Hindman	LHA Chairperson – Joint Chambers of Commerce Nominee	✓
Yvonne Bell	LHA Vice-Chair & Finance Committee Vice-Chair – CEO, Innercare	A
Dr. Carlos Ramirez	Finance Committee Chair – COO Unicare	✓
Mayra Widmann	Deputy CEO – Budget Fiscal.	✓
Dr. Unnati Sampat	LHA Commissioner – Imperial Valley Medical Society	✓
Dr. Allan Wu	LHA Commissioner – Innercare	✓ <i>Remote</i>

1. Call to Order *Lee Hindman, Chairperson*
Meeting called to order at 12:03 p.m.

2. Roll Call *Michelle S. Ortiz-Trujillo, SDHR*
Roll call taken and quorum confirmed. Attendance is as shown above.

3. Approval of Agenda
(Ramirez/Sampat) To approve the agenda. Motion carried.

4. Public Comment *Lee Hindman, Chairperson*
No public comment.

CONSENT CALENDAR

5. Approval of Minutes from 10/04/2023
(Ramirez/Sampat) To approve the Consent Calendar. Motion carried.

CLOSED SESSION

Larry Lewis, CEO

6. Pursuant to Welfare and Institutions Code § 14087.38 (n) Report Involving Trade Secret new product discussion (estimated date of disclosure, 01/2024)
a. Update/Action on Contract with Health Net Community Solutions, Inc.

ACTION

Chairperson

7. Report on actions taken in closed session.
Informational. No action taken.
8. Discussion/Action on Resolution for Treasurer Designation *Mark A. Southworth, CFO*
(Ramirez/Sampat) To recommend approval of Mark Southworth as Treasurer. Motion carried.
9. Discussion/Action on Resolution for CISO Designation *Mark A. Southworth, CFO*
(Ramirez/Sampat) To recommend Alejandro Franco as Chief Information Security Officer. Motion carried.
10. Discussion/Action on Resolution for Investment Account *Mark A. Southworth, CFO*
(Ramirez/Sampat) To approve the resolution for investment account to the full commission for review and approval. Motion carried.
11. Discussion/Action on Resolution for Secondary Bank Account Establishment *Mark A. Southworth, CFO*
(Sampat/Ramirez) To recommend approval for the secondary Chase Bank account. Motion carried.
12. Discussion/Action regarding financial reports: *Mark A. Southworth, CFO*
 - a. Fund Balance Report
 - i. Through August 31, 2023
 - b. Detailed Transaction Report
 - i. Through August 31, 2023
 - c. Revenue and Expenditures Report
 - i. Through August 31, 2023

(Ramirez/Widmann) To recommend to the full commission financial reports as presented. Motion carried.

INFORMATION

13. Administrative Reports *Larry Lewis, CEO*

Chief Financial Officer (CFO), Mark Southworth updated the commission on the following:

- *The recently approved retirement match of 3% for new employees. He explained that starting in 2024, the plan will be moved to a safe harbor matching arrangement and will be a full match on 3% and a half match on the next 2% which will be a total possible 4% employer contribution.*
- *Investment policy going through review. He recommended the commission reserve a portion of funds for investment which will be governed by investment policy.*

- *Discussed the premium setting process with particular attention to the lack of risk adjustment in one plan counties.*

Senior Director of Human Resources (SDHR), Michelle S. Ortiz-Trujillo updated the commission on the following:

- *Introduced the newly hired Commission Clerk, Donna Ponce. She added that CHPIV is also looking to hire a Licensed Vocational Nurse*
- *Updates made to the website with correct customer service numbers for members*
- *Community Advisory Committee (CAC) scheduled to meet December 18, 2023, at CHPIV's new location*

Chief Compliance Officer (CCO), Elysse Tarabola updated the commission on the following:

- *Fact sheet and resolution for review to recommend Chelsea Hardy as the newly appointed Privacy Officer*
- *Operational Readiness*
- *Member/Provider material explaining the review and approval process*
- *The delegation oversight program*
- *Pre-delegation audit*
- *Compliance Training*

Chief Executive Officer (CEO), Larry Lewis updated the commission on the following:

- *CHPIV's new location renovation progress*
- *Future of Healthcare Conference*

14. Other new or old business *Lee Hindman, Chairperson*

Chairperson Hindman congratulated commissioner Sampat for achieving 1st place in MSSP

15. Commissioner Remarks *Lee Hindman, Chairperson*

Chairperson Hindman announced that he will not be in attendance for the full Commission meeting on November 13, 2023.

Adjournment

The meeting was adjourned at 1:36 p.m.

Next Meeting: December 6th, 2023



Finance Commission Presentation

December 2023

1. 202310 Commission P&L Variance Report
2. 202310 Cash Transactions
3. 202310 StatementofActivity
4. 202310 StatementofFinancialPosition
5. 202310 YTD StatementofActivity

**Community Health Plan of Imperial Valley
October 2023 Activity Detail**

Date	Description	Amount Line	Balance
CHPIV Chase Checking			
	Beginning Balance		\$ 10,846,139.66
10/31/2023	Dividend Income - Chase	\$ 42,293.11	10,888,432.77
10/31/2023	Payroll Expense	3,015.47	10,891,448.24
10/31/2023	Payroll Expense	(48,512.45)	10,842,935.79
10/31/2023	Payroll Expense	(26,686.51)	10,816,249.28
10/31/2023	Payroll Expense - Retirement	(3,057.31)	10,813,191.97
10/31/2023	Payroll Expense	(27,680.53)	10,785,511.44
10/31/2023	Payroll Expense - Retirement	(5,331.19)	10,780,180.25
10/31/2023	Smith-Kandal Insurance	(13,624.97)	10,766,555.28
10/31/2023	Payroll Expense - Retirement	(3,015.47)	10,763,539.81
10/31/2023	Payroll Expense - Retirement	(8,347.18)	10,755,192.63
10/31/2023	Service Charge - September	(2,299.47)	\$ 10,752,893.16
Total for CHPIV Chase Checking		\$ (93,246.50)	
FFB Payroll			
	Beginning Balance		\$ 16,314.31
10/05/2023	ACH Payment - DELUXE PEOPLE PL DELUXE	\$ (317.31)	15,997.00
10/18/2023	Domestic Wire in - TREASURER OF IMPERIAL COUNTY Wires	100,000.00	115,997.00
10/18/2023	Wire Fee - TREASURER OF IMPERIAL COUNTY Wires	(10.00)	115,987.00
10/19/2023	ACH Payment - PAYCE, INC. TAX COL	(28,342.61)	87,644.39
10/19/2023	ACH Payment - IMPERIAL COUNTY PAYROLL	(56,748.70)	30,895.69
10/20/2023	ACH Payment - IMPERIAL COUNTY PAYROLL	(122.39)	30,773.30
10/30/2023	Wire Fee - TREASURER OF IMPERIAL COUNTY Wires	(10.00)	30,763.30
10/30/2023	Domestic Wire in - TREASURER OF IMPERIAL COUNTY Wires	100,000.00	130,763.30
10/31/2023	Income	243.00	131,006.30
10/31/2023	State Compensation	(673.17)	\$ 130,333.13
Total for FFB Payroll		\$ 114,018.82	
Imperial County LHA Funds			
	Beginning		\$ 428,664.33
10/31/2023	FFB Transfer 10/18/23	\$ (100,000.00)	328,664.33
10/31/2023	Health Management	(51,125.00)	277,539.33
10/31/2023	Contract Fees	278,045.00	555,584.33
10/31/2023	Quarterly Interest	4,297.90	559,882.23
10/31/2023	Blue Shield of California	(24,395.40)	535,486.83
10/31/2023	Economic Group	(535.00)	534,951.83
10/31/2023	Technology Depot	(340.00)	534,611.83
10/31/2023	State of California	(2,875.39)	531,736.44
10/31/2023	First Arkansas Credit Card	(1,684.38)	530,052.06
10/31/2023	State of California	(673.17)	529,378.89
10/31/2023	Rent - VDC Arellano	(3,703.27)	525,675.62
10/31/2023	Utilities - City of Imperial	(113.53)	525,562.09
10/31/2023	Rodriguez Office Cleaning	(280.00)	525,282.09
10/31/2023	Imperial County	(1,066.00)	524,216.09
10/31/2023	Rotary International	(230.00)	523,986.09
10/31/2023	Health Management	(4,862.50)	519,123.59
10/31/2023	FFB Transfer 10/30/23	(100,000.00)	\$ 419,123.59
Total for Imperial County LHA Funds		\$ (9,540.74)	

Imperial County Local Health Authority

Statement of Activity

January - October, 2023

	TOTAL
Revenue	
Contributed income	
Government grants & contracts	3,274,632.62
Total Contributed income	3,274,632.62
Income	104,622.88
Investment income	302,052.43
Total Revenue	\$3,681,307.93
GROSS PROFIT	\$3,681,307.93
Expenditures	
Consulting	569,868.67
Contract & Professional Fees	785,608.87
Insurance	74,565.79
Labor Costs	737,818.02
Meals and Entertainment	335.20
Occupancy	15,435.41
Office expenses	131,536.73
Payroll Expense	551,605.55
Phone	80.00
Repairs & maintenance	585.07
Rotary	815.00
State Licensing	4,264.30
Travel	4,336.52
Uncategorized Expense	99,326.09
Total Expenditures	\$2,976,181.22
NET OPERATING REVENUE	\$705,126.71
NET REVENUE	\$705,126.71

IMPERIAL COUNTY LOCAL HEALTH AUTHORITY
dba Community Helath Plan of Imperial Valley
Year to Date P&L Variance
1/1/2023 to 9/30/2023

	Year To Date		Year To Date		Explanation
	October	October	October	October	
	Forecast	Actual	Variance		
REVENUE					
Capitation Revenue	1,061,928	1,431,842	369,914		Higher than expected enrollment
Other Revenue		1,947,414	1,947,414		Profit Share
Interest Income	63,779	302,052	238,274		Higher than expected interest rates
TOTAL REVENUE	1,125,707	3,681,308	2,555,601		
HEALTH CARE COSTS	0	0	0		Health Benefit Capitation Starts 1/1
ADMINISTRATIVE EXPENSE					
Wages and Salaries	1,215,696	1,231,574	15,878		Hiring took longer than expected for many positions
Benefits	237,466	57,850	(179,616)		Health Insurance Expense may be misclassified
Total Labor Costs	1,453,162	1,289,424	(163,738)		
Benefits % of Salaries	20%	5%			Our sister plans run around 35%
Contract Service/Marketing	1,349	(257)	(1,606)		
Consulting, Audit, Legal, Audit	1,073,725	1,355,478	281,753		BS/AP clean up
Office Expense	141,274	131,537	(9,737)		Added spare office to State St
Total Administrative Expense	1,216,348	1,486,758	270,410		
Non-Operating	200,000	200,000	0		Pioneer EMT Base Station
Excess Revenues from Operations	(1,736,929)	705,127	2,442,056		Profit Share and Hiring Schedule

Imperial County Local Health Authority

Statement of Financial Position

As of October 31, 2023

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
CHPIV Chase Checking	10,752,893.16
FFB DMHC - Restricted	300,000.00
FFB Payroll	130,333.13
Imperial County LHA Funds	419,123.59
Total Bank Accounts	\$11,602,349.88
Total Current Assets	\$11,602,349.88
Fixed Assets	
Aten Road Building	0.00
Construction In Progress	2,991,575.86
Total Fixed Assets	\$2,991,575.86
TOTAL ASSETS	\$14,593,925.74
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	165,157.50
Total Accounts Payable	\$165,157.50
Credit Cards	
First Foundation Bank Credit Card	2,268.93
Total Credit Cards	\$2,268.93
Total Current Liabilities	\$167,426.43
Total Liabilities	\$167,426.43
Equity	
3000 Retained Earnings	241,431.09
Opening balance equity	13,479,941.51
Net Revenue	705,126.71
Total Equity	\$14,426,499.31
TOTAL LIABILITIES AND EQUITY	\$14,593,925.74

IMPERIAL COUNTY LOCAL HEALTH AUTHORITY
dba Community Helath Plan of Imperial Valley
Year to Date P&L Variance
1/1/2023 to 9/30/2023

	Year To Date		Year To Date		Explanation
	October	October	October	October	
	Forecast	Actual	Variance		
REVENUE					
Capitation Revenue	1,061,928	1,431,842	369,914		Higher than expected enrollment
Other Revenue		1,947,414	1,947,414		Profit Share
Interest Income	63,779	302,052	238,274		Higher than expected interest rates
TOTAL REVENUE	1,125,707	3,681,308	2,555,601		
HEALTH CARE COSTS					
	0	0	0		Health Benefit Capitation Starts 1/1
ADMINISTRATIVE EXPENSE					
Wages and Salaries	1,215,696	1,231,574	15,878		Hiring took longer than expected for many positions
Benefits	237,466	57,850	(179,616)		Health Insurance Expense may be misclassified
Total Labor Costs	1,453,162	1,289,424	(163,738)		
Benefits % of Salaries	20%	5%			Our sister plans run around 35%
Contract Service/Marketing	1,349	(257)	(1,606)		
Consulting, Audit, Legal, Audit	1,073,725	1,355,478	281,753		BS/AP clean up
Office Expense	141,274	131,537	(9,737)		Added spare office to State St
Total Administrative Expense	1,216,348	1,486,758	270,410		
Non-Operating	200,000	200,000	0		Pioneer EMT Base Station
Excess Revenues from Operations	(1,736,929)	705,127	2,442,056		Profit Share and Hiring Schedule

Imperial County Local Health Authority

Statement of Activity

October 2023

	TOTAL
Revenue	
Contributed income	278,045.00
Income	3,258.47
Investment income	46,591.01
Total Revenue	\$327,894.48
GROSS PROFIT	\$327,894.48
Expenditures	
Contract & Professional Fees	55,987.50
Insurance	13,624.97
Labor Costs	81,939.66
Occupancy	3,983.27
Office expenses	26,599.17
Payroll Expense	131,539.41
State Licensing	2,875.39
Total Expenditures	\$316,549.37
NET OPERATING REVENUE	\$11,345.11
NET REVENUE	\$11,345.11

Fact Sheet

DHCS FINAL AGREEMENTS

December 6, 2023

Agenda Item #

Recommendations

It is recommended that the Commission authorize the CEO to sign the Primary and Secondary, final agreements with DHCS.

Background

Previously, there was a preliminary, standardized agreement that DHCS sent to all health plans. There were many new programs introduced through 2023 that all knew would require updates to the state-wide, standardized contracts. The health plans individually and the Local Health Plans collectively worked through the Local Health Plans of California to provide feedback and follow up discussions regarding the final language now included in the contracts.

The Department of Health Care Services has sent these finalized agreements to all health plans that have been planned to go live on January 1, 2024.

Leadership has consulted with others and there is typically no opportunity for further negotiations at this point.

Financial Impact (including Budget Reference) – Not Applicable

The rates to be paid to health plans have yet to be finalized for any health plans, as much work is yet to be completed by DHCS that would provide additional information and possible adjustments to the first draft rates that were presented in the past month.

First Submission date: 12/06/2023

Second Submission date: N/A as this is an necessary and time constrained deadline to sign and submit prior to 1/1/2024.

Compliance Update

December 6, 2023



**Community
Health Plan**

OF IMPERIAL VALLEY

Agenda

1. Compliance Training
2. Knox Keene Application
3. Pre-Delegation Audit



Compliance Training



Compliance Training

- Friendly reminder: **Compliance Training is due on Monday, 12/11/23.**
- Please submit completed quizzes via email to Donna Ponce.
- Alternatively, Compliance will be collecting hard copies during the Commission meeting.



General Compliance Training

- 7 elements of an effective Compliance Program
- Understand Ethics
- How to report compliance program violations



HIPAA Privacy Training

- Protecting privacy and security
- Member rights to privacy
- Identifying and reporting HIPAA violations



Fraud, Waste, and Abuse Training

- Identifying fraud and abuse
- Understand fraud and abuse laws and penalties
- Reporting fraud and abuse

Knox Keene Application

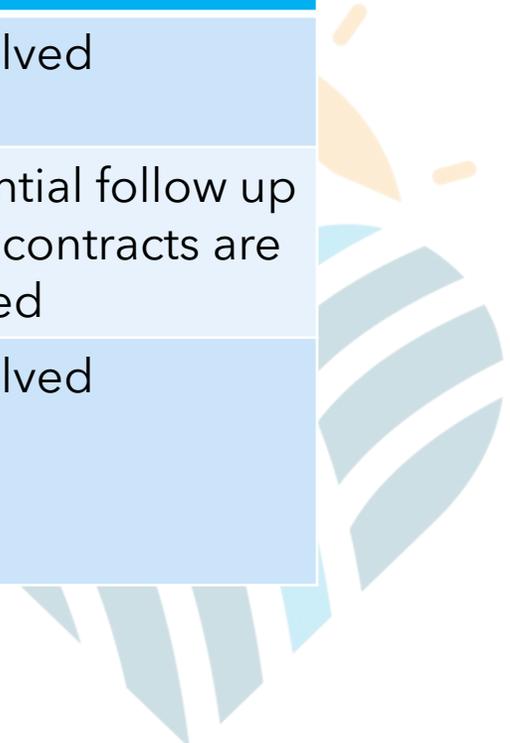


Knox Keene Application

Overall Status of Knox Keene License: Conditional Approval

- Latest **comment table** issued by DMHC on 11/1/2023; pending DMHC response to the following:

Comment Summary	Response	Expected Status
(1) submission of the final Fidelity Bond Policy	Policy submitted on 11/28/2023	Resolved
(2) status of the updated DHCS contract	Provided an update on 11/8/2023 that CHPIV received 2024 Contract from DHCS for signature. Signatures due on 12/12/23.	Potential follow up until contracts are signed
(3) clarification on a response provided to the previous comment letter.	Provided clarification and resubmitted Health Net P&P on 11/8/2023	Resolved



Pre-Delegation Audit



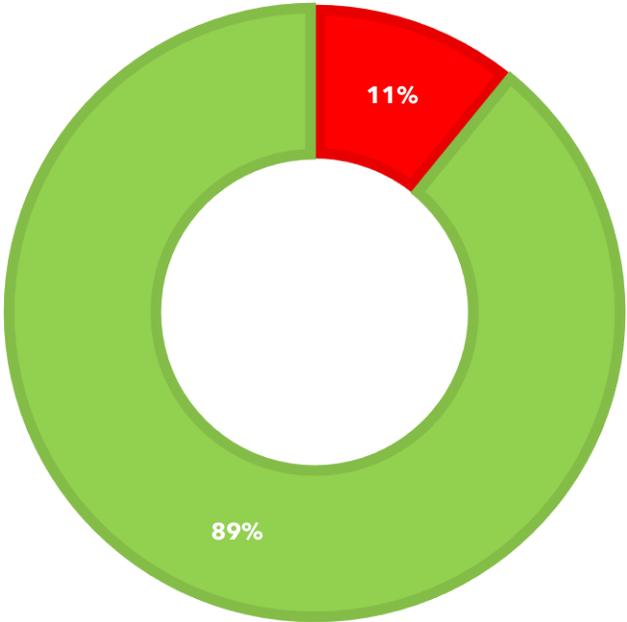
Pre-Delegation Audit: Overall Status

Phase	Audit Scope/ Category	Scope Overview	Audit Status
1	Processes and workflows	Review Health Net's processes and workflows to ensure readiness to meet Plan-to-Plan and DHCS requirements	Review of Corrective Action Plans (CAPs) in progress
2	Key Performance Indicators and Finance Reports	Tests Health Net's ability to submit complete and accurate data to CHPIV. Data elements are required to measure compliance and performance	Final Report Issued
3	DHCS 2023 All Plan Letter (APL) Implementation	Validated Health Net's timely implementation of regulatory changes issued by DHCS in 2023	Review of Health Net Documents in progress

Pre-Delegation Audit: Phase 2 Report

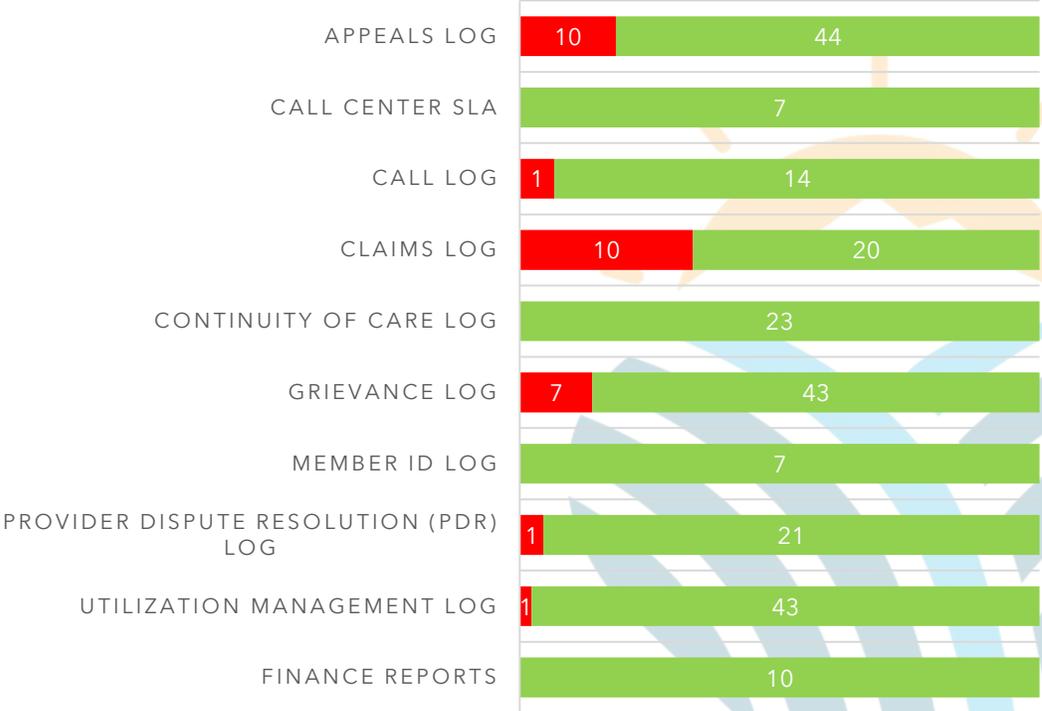
OVERALL

■ Insufficient ■ Sufficient



AUDIT AREAS

■ No ■ Yes



Pre-Delegation Audit: Phase 2 Trends

Data Field Compliance

- Unable to validate multiple data fields that are not required by regulatory audit logs but are tied to regulatory requirements and Service Level Agreement (SLA) performance standards.
 - For example, the "Time written notification was sent to member" for expedited appeals and grievances is not required for DHCS and DMHC audit logs but is required to measure timeliness of expedited appeals and grievances.
 - Health Net's performance in these areas cannot be measured without these data fields.

Timeliness of Acknowledgment

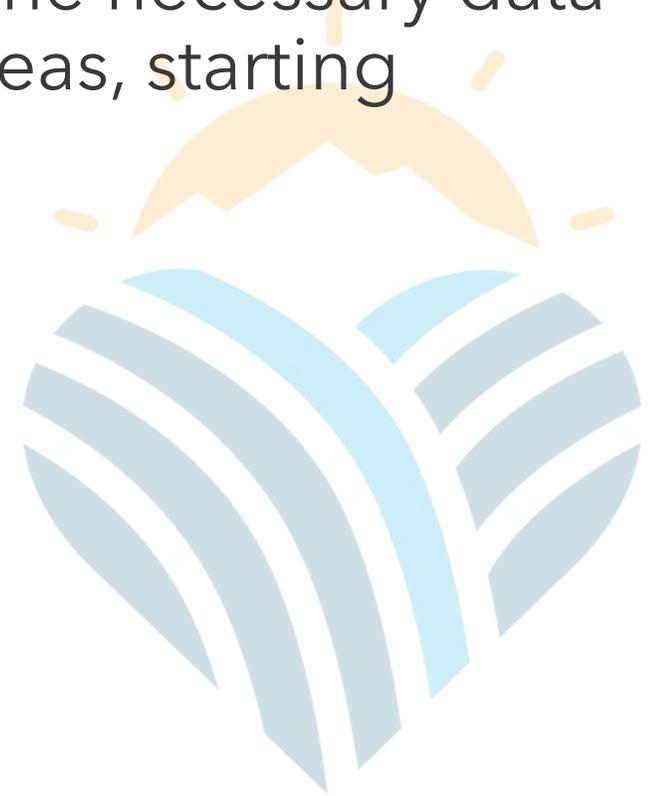
- There are specific fields like "Date Claim Acknowledged" and "Type of Provider Dispute Resolution (PDR) Submission" required for monitoring acknowledgment timeliness, which are essential for compliance with regulatory and SLA citations.

Comprehensive Reporting

- Incomplete call log submissions, lacking category-specific templates for validation.
 - For example, CHPIV could not validate that the Call Log covered the full scope of member calls as Health Net noted calls that resulted in grievances, for example, were in a different log.
 - Additionally, CHPIV was unable to validate UM authorization types due to a lack of crosswalks and system screenshots, which is critical for monitoring authorization timeliness.

Pre-Delegation Audit: Phase 2

- CHPIV CCO and Health Net CCO met on 11/22/23 to discuss Phase 2 findings.
- In lieu of requiring CAPs, CHPIV requested additional information from Health Net that will ensure CHPIV is provided the necessary data to measure performance for critical and high-risk areas, starting 1/1/24.
 - Pending response from Health Net CCO.



Questions



**Compliance Agenda Items
December 2023**

1. Compliance Presentation

- Compliance Training: Reminder
- Knox Keene application update
- Pre-Delegation Audit Update
 - a. Attachment: Pre-Delegation Audit Report – Phase 2

2. Code of Conduct Revision

- a. Fact Sheet
- b. Code of Conduct (revised clean version)
- c. Code of Conduct (redlined version)

Fact Sheet
Code of Conduct Revision: Seeking Commission Review and Approval
December 11, 2023

Code of Conduct Revision

The previous Code of Conduct was reviewed and approved by the Commission on August 14, 2023. There was a minor revision made in Section II. Standards for Standard 1. CHPIV Culture, Workplace Environment and Brand for the CHPIV Brand to ensure all media requests are directed solely to the Chief Executive Officer, Larry Lewis. (The previous version included Michelle Ortiz-Trujillo.) This revision was reviewed and approved by the CHPIV Compliance & Policy Committee on November 30, 2023.

- **The CHPIV Brand (branding & media requests):** If the media contacts you to discuss CHPIV, rather than speaking with them directly, please direct them to Larry Lewis (LLewis@chpiv.org).



Health Services

1. Program Descriptions for QIHE and UM.
2. Senior Director of HS and Team completing review of Health Net audit tools.
3. Personnel.
4. DHCS Quality Measure Sanctions.



Human Resources & Community Relations Updates:

Human Resources:

1. Gov. Gavin Newsom signed SB 616, which guarantees employees five paid sick days per year, up from three days previously. The law requires employers of all sizes to provide 40 hours of accrued sick leave or paid time off by the 200th calendar day of employment or each calendar year or in each 12-month period. It permits employers to limit carryover sick leave to 40 hours or five days per year. It will take effect Jan. 1, 2024.
2. Clinical Quality Review LVN Position Updates: Position still vacant.

Community Relations:

1. Website Updates: Website is close to fully completed. More information is now available to CHPIV Members.
2. Presentations being scheduled for the month of December to different organizations in the community.
3. Community Advisory Committee meeting 12/18/2023 at 2:00pm.