



Regular Meeting of the
**Santa Clara County Health Authority
Governing Board**

Thursday, September 23, 2021, 12:00 PM – 2:30 PM
Santa Clara Family Health Plan - Teleconference
6201 San Ignacio Ave, San Jose, CA 95119

MINUTES

Members Present

Bob Brownstein, Chair
Alma Burrell
Dave Cameron
Darrell Evora
Kathleen King
Liz Kniss
Sarita Kohli
Michele Lew
Sue Murphy
Ria Paul, M.D.
Debra Porchia-Usher
Sherri Sager

Staff Present

Christine Tomcala, Chief Executive Officer
Neal Jarecki, Chief Financial Officer
Laurie Nakahira, D.O., Chief Medical Officer
Jonathan Tamayo, Chief Information Officer
Chris Turner, Chief Operating Officer
Ngoc Bui-Tong, VP, Strategies & Analytics
Laura Watkins, VP, Marketing & Enrollment
Barbara Granieri, Controller
Chelsea Byom, Director, Marketing, Communications & Outreach
Tyler Haskell, Director, Government Relations
Johanna Liu, Director, Quality & Process Improvement
Khanh Pham, Director, Financial Reporting & Budgeting
Mike Gonzalez, Manager, Community Resource Center
Rahnuma Shaheen, Assistant Controller
Rita Zambrano, Executive Assistant

Others Present

Carlyn Obringer, Government & Community Engagement Manager at Blue Shield of California
Christine Rutherford-Stuart, Board Aide to Susan Ellenberg
Tiffany Washington, Program Manager for Anthem Blue Cross

1. Roll Call

Bob Brownstein, Chair, called the meeting to order at 12:01 pm. Roll call was taken and quorum was established.

2. Public Comment

There were no public comments.

Ms. Burrell joined the meeting.

3. Approve Consent Calendar and Changes to the Agenda

Mr. Brownstein presented the Consent Calendar and indicated all items would be approved in one motion.

a. Approve minutes of the June 24, 2020 **Governing Board Meeting**



- b. Accept minutes of the July 22, 2021 **Executive/Finance Committee** Meeting
 - Ratify approval of the May 2021 Financial Statements
 - Ratify approval of the Special Project Funding Request for Safe Relationships in East San Jose, Next Door Solutions to Domestic Violence (NDS)
- c. Accept minutes of the August 26, 2021 **Executive/Finance Committee** Meeting
 - Ratify approval of Claims Policy
 - CL.29 Third Party Tort Liability Reporting Requirements
 - Ratify retirement of Finance Policy
 - FA.13 Employee Recognition Gift Cards
 - Ratify acceptance of the Network Detection and Prevention Update
 - Ratify approval of the Preliminary June 2021 Financial Statements
 - Ratify approval of the Resolution to Transfer Banking Relationship to City National
- d. Accept minutes of the August 26, 2021 **Compliance Committee** Meeting
- e. Accept minutes of the August 11, 2021 **Quality Improvement Committee** Meeting
 - Ratify approval of the Cal MediConnect (CMC) Availability of Practitioners Evaluation
 - Ratify approval of the Annual E-Mail Quality and Analysis
 - Ratify approval of the Annual Quality and Accuracy of Information to Members via Web and Telephone Analysis
 - Ratify acceptance of Committee Reports
 - Pharmacy & Therapeutics Committee – June 17, 2021
 - Utilization Management Committee – July 21, 2021
 - Credentialing Committee – June 2, 2021
- f. Accept minutes of the August 10, 2021 **Provider Advisory Council Committee** Meeting
- g. Accept minutes of the September 14, 2021 **Consumer Advisory Committee** Meeting
- h. Approve **Publicly Available Salary Schedule**
- i. Approve **Quarterly Investment Compliance Report**
- j. Appoint **Sue Murphy to chair the Compliance Committee**
- k. Approve **2022 Board & Committee Meeting Calendar**

It was moved, seconded, and the Consent Calendar was unanimously approved.

Motion: Ms. Murphy

Second: Ms. Lew

Ayes: Mr. Brownstein, Ms. Burrell, Mr. Cameron, Ms. King, Ms. Kniss, Ms. Lew, Ms. Murphy, Dr. Paul, Ms. Porchia-Usher, Ms. Sager

Absent: Mr. Evora, Ms. Kohli

4. CEO Update

Christine Tomcala, Chief Executive Officer, presented the updated SCFHP COVID-19 summary and graphs, and noted that 82,600 members have yet to be vaccinated. As of September 14, 88% of county residents age 12+ had received at least one COVAX dose, while 64% of SCFHP members were vaccinated. She also shared that SCFHP has the second highest percentage of vaccinated members compared to other Medi-Cal plans in California.

Ms. Tomcala discussed the member and provider incentive programs, stating we would support providers becoming COVID vaccine administrators, and conduct targeted outreach to vulnerable populations, such as home-bound, communities of color, and members with health conditions. The Plan will continue to be a resource for vaccinations and vaccine information at the Blanca Alvarado Community Resource Center (CRC) and continue hosting clinics in collaboration with the county Public Health Department mobile vaccine unit.

Ms. Tomcala stated that our primary focus has been closing the gap among our members who have not received one vaccination, consistent with the State's expectation for plans. Laura Watkins, VP, Marketing and Enrollment, noted that since the booster has now been approved for those 65 and over, we will use social media and other forms to communicate the availability and eligibility to our members. She also noted that SCFHP would host the



Binational Health Week at the CRC and collaborate with the Public Health Department to administer vaccinations and boosters for eligible individuals.

A discussion ensued regarding who pays for the booster when members go to the pharmacy, and Ngoc Bui-Tong, VP, Strategies and Analytics, stated that COVID vaccines are paid directly by Medi-Cal fee-for-service, and there is no cost to the Plan.

Mr. Evora joined the meeting.

Ms. Tomcala shared that Ngoc Bui-Tong, VP, Strategies & Analytics, and Johanna Liu, Director, Quality & Process Improvement, would be representing SCFHP in the Health Disparities Leadership Program at the Massachusetts General Hospital Disparities Solution Center. They will focus on decreasing health disparities for Hispanics in controlling diabetes.

Ms. Kohli joined the meeting.

Ms. Tomcala noted that 82% of our employees are fully vaccinated, and return to the office has been delayed due to the Delta variant. It was noted that the majority of staff are interested in a hybrid work schedule once the office reopens.

Ms. Tomcala shared highlights of the 2021 Diversity Surveys, which show how the diversity of Staff, Board members, and Committee members align with our membership. She noted that while SCFHP's Hispanic/Latino staff make up the largest race/ethnic group in the organization, there is still underrepresentation relative to the percentage of SCFHP members who are Hispanic/Latino. Ms. Tomcala cited a similar opportunity with respect to Hispanic/Latino representation on the Board and Committees.

Ms. Tomcala gave a brief update on the Blanca Alvarado Community Resource Center (CRC), noting that all exterior signage has been installed. She also shared pictures of the murals painted by a local East San Jose artist. Ms. Tomcala referred to the CRC planning process, noting that Mike Gonzalez, Director, Community Engagement, is leading work with residents in the community and community-based organizations to identify the needs of residents and our members living on the east side. She noted that the CRC grand opening would be on Saturday, October 2, and she extended the invitation to the Board members. She also stated that Blanca Alvarado would participate in the event in person, along with many individuals who sit on our resident advisory committees.

Ms. Tomcala welcomed Sarita Kohli as a new Board member.

Lastly, Ms. Tomcala presented the Board Dashboard, and Ms. King noted that it is helpful when talking about SCFHP and suggested it be sent separately to members.

5. Compliance Report

Tyler Haskell, Director of Government Relations, provided an update on recent and upcoming federal and state government actions. He gave an overview of the health care provisions in the draft infrastructure legislation being considered in the House of Representatives. Mr. Haskell discussed the new Medi-Cal benefits and CalAIM programs going into effect in 2022, and gave an update on state legislation pending action by the Governor.

6. Government Relations Update

Tyler Haskell, Interim Compliance Officer, discussed the final report of the annual Department of Health Care Services (DHCS) audit, which included three findings related to delegate oversight, utilization management, and transportation vendor enrollment. Mr. Haskell also discussed the final report from the Department of Managed Health Care (DMHC) 2019 follow-up audit, which included one uncorrected deficiency related to delegation oversight of authorization denial letters. He reported that the Plan had achieved 100% compliance in all four areas of the Medicare Data Validation audit and submitted the final results to CMS in late June. Mr. Haskell noted that the Plan is participating in the 2021 performance measure validation audit, focusing on compliance with Cal MediConnect requirements for initial health risk assessments and initial care plans.

7. July 2021 Financial Statements

Mr. Jarecki presented the July 2021 unaudited financial statements, which reflected a current month net surplus of \$5.6 million (\$4.3 million favorable to budget).

Enrollment increased by 1,508 members from the prior month to 284,178 members (747 members lower than budget). Membership growth continues due to the extended duration of the COVID pandemic during which member disenrollments have been suspended.

Revenue reflected a favorable current month variance of \$657 thousand (0.6%) largely due to higher supplemental kick revenue partially offset by lower enrollment than budgeted.

Medical Expense reflected an unfavorable current month variance of \$2.9 million (2.8%) largely due to (1) pharmacy expense favorable to budget by \$1.9M due to lower trends, (2) lower capitated enrollment and (3) timing of certain other expenses.

Administrative Expense reflected a favorable current month variance of \$973 thousand (15.0%) due to lower headcount than budgeted and the deferred timing of certain non-personnel expenses.

The balance sheet reflected a Current Ratio, a key measure of liquidity, of 1.31:1 versus the DMHC minimum current ratio requirement of 1.00:1.

Tangible Net Equity of \$255.9 million, which represented approximately two months of the Plan's total expenses, included unrestricted net assets of \$211 million.

Year-to-date capital investments of \$320 thousand were made, predominately computer software licenses.

It was moved, seconded, and the July 2021 Financial Statements were **unanimously approved**.

Motion: Mr. Cameron

Second: Mr. Evora

Ayes: Mr. Brownstein, Ms. Burrell, Mr. Cameron, Mr. Evora, Ms. King, Ms. Kniss, Ms. Kohli, Ms. Lew, Ms. Murphy, Dr. Paul, Ms. Porchia-Usher, Ms. Sager

8. Fiscal Year 2021-2022 Plan Objectives

Ms. Tomcala presented the Fiscal Year 2021-2022 Plan Objectives, which have an overarching focus on driving quality improvement and reducing health disparities. Seven objectives were proposed: Lead improvement in the health of communities impacted by disparities, Pursue benchmark quality & health equity, and Implement initial CalAIM deliverables, are critical priorities, with additional objectives to Enhance compliance program & delegation oversight, Foster membership growth & retention, Achieve budgeted financial performance, and Seek to be an Employer of Choice.

Ms. Burrell left the meeting.

Kathleen King mentioned the work Health Plan of San Mateo is doing toward integration of dental services, and suggested that SCFHP consider evaluating the need for member dental services, leading to a potential strategy for Fiscal Year 2022-2023.

It was moved, seconded, and the FY '21-'22 Plan Objectives were **unanimously approved**, with the request that staff explore a possible dental objective for FY '22-'23.

Motion: Ms. Lew

Second: Mr. Evora

Ayes: Mr. Brownstein, Mr. Cameron, Mr. Evora, Ms. King, Ms. Kniss, Ms. Kohli, Ms. Lew, Ms. Murphy, Dr. Paul, Ms. Porchia-Usher, Ms. Sager

Absent: Ms. Burrell

9. Fiscal Year 2020-2021 Team Incentive Compensation

Ms. Tomcala presented the Fiscal Year 2020-2021 Team Incentive Compensation Year-End Review, noting that performance merited a 0.3% payout. She further indicated that in August, the Executive/Finance Committee members expressed appreciation for the team rising to the challenge presented by the pandemic, and in light of the team's performance in times of adversity, recommended consideration of a team incentive payout beyond the metrics chosen at the beginning of the year. Ms. Tomcala presented a recommendation that staff members each receive a payout of \$1,000 in recognition of the flexibility and dedication demonstrated during the year.

It was moved, seconded, and a FY'20-'21 Team Incentive payout of \$1,000 for each employee (\$250 for each quarter employed) was **unanimously approved** in recognition of staff's dedication and commendable performance during an extraordinarily difficult year.

Motion: Ms. Lew

Second: Ms. Kniss

Ayes: Mr. Brownstein, Mr. Cameron, Mr. Evora, Ms. King, Ms. Kniss, Ms. Kohli, Ms. Lew, Ms. Murphy, Dr. Paul, Ms. Porchia-Usher, Ms. Sager

Absent: Ms. Burrell

10. Fiscal Year 2021-2022 Team Incentive Compensation

Ms. Tomcala presented the Fiscal Year 2021-2022 Team Incentive Compensation Program, designed to recognize employees for achieving critical Plan Objectives, and noted the addition of two new metrics that are key initiatives on our plan objectives: Reduce COVID Vaccination Disparities and D-SNP Network Contracting. She discussed the increase in potential payout percentages, noting the five, seven, and ten percent performance tiers.

It was moved, seconded, and the FY '21'22 Team Incentive Compensation Program was **unanimously approved**.

Motion: Ms. Murphy

Second: Mr. Cameron

Ayes: Mr. Brownstein, Mr. Cameron, Mr. Evora, Ms. King, Ms. Kniss, Ms. Kohli, Ms. Lew, Ms. Murphy, Dr. Paul, Ms. Porchia-Usher, Ms. Sager

Absent: Ms. Burrell

13. Adjourn to Closed Session

a. Public Employee Performance Evaluation

The Governing Board met in Closed Session to consider the performance evaluation of the Chief Executive Officer.

14. Report from Closed Session

Mr. Brownstein reported the Governing Board met in Closed Session to discuss the public employee performance evaluation.

15. Annual CEO Evaluation Process

Ms. Murphy presented the 2020-2021 annual CEO evaluation and reported that the ad hoc CEO Evaluation Subcommittee recommended a compensation increase of 4% in base pay, and a 9% incentive bonus, based on the favorable evaluation of the CEO, effective July 1, 2021.

It was moved, seconded, and the recommended 4% annual salary increase effective July 1, 2021, and 9% incentive bonus, for the CEO was **unanimously approved**.

Motion: Ms. Murphy

Second: Mr. Evora



Ayes: Mr. Brownstein, Mr. Cameron, Mr. Evora, Ms. King, Ms. Kniss, Ms. Kohli, Ms. Lew, Ms. Murphy, Ms. Paul, Ms. Porchia-Usher, Ms. Sager
Absent: Ms. Burrell

14. Adjournment

The meeting was adjourned at 2:15 pm.

DocuSigned by:

A handwritten signature in black ink, appearing to read "Michele Lew", enclosed within a blue DocuSign signature box.

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Michele Lew, Secretary