

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

Thursday, September 28, 2017  
2:30 PM – 5:00 PM  
Board Room  
210 E. Hacienda Avenue  
Campbell, CA 95008

**VIA TELECONFERENCE AT:**

Business  
770 Welch Road, Suite 150  
Palo Alto, CA 94304

### Agenda

- |  |                |      |       |
|--|----------------|------|-------|
| <b>1. Roll Call</b>  | Mr. Brownstein | 2:30 | 5 min |
| <b>2. Public Comment</b><br>Members of the public may speak to any item not on the agenda; two minutes per speaker. The Board reserves the right to limit the duration of public comment period to 30 minutes. | Mr. Brownstein | 2:35 | 5 min |

**Announcement Prior to Recessing into Closed Session**

Announcement that the Governing Board will recess into closed session to discuss Item Nos. 3(a) and (b) below.

- |   |  |      |  |
|---|--|------|--|
| <b>3. Adjourn to Closed Session</b>   |  | 2:40 |  |
| <p><b>a. <u>Anticipated Litigation</u></b> (Government Code Section 54956.9(d)(2):<br/>It is the intention of the SCCHA Governing Board to meet in Closed Session to confer with Legal Counsel regarding significant exposure to litigation in one or more potential cases.</p> <p><b>b. <u>Conference with Labor Negotiators</u></b> (Government Code Section 54957.6):<br/>It is the intention of the SCCHA Governing Board to meet in Closed Session to confer with management representatives regarding negotiations with SEIU Local 521.</p> <ul style="list-style-type: none"> <li>• Santa Clara County Health Authority Designated Representatives: Christine Tomcala, Dave Cameron, and Sharon Valdez</li> <li>• Employee organization: SEIU Local 521</li> </ul> |  |      |  |

<b>4. Report from Closed Session</b>	Mr. Brownstein	3:00	5 min
<b>5. Tentative Agreement with SEIU Local 521</b> Review Tentative Agreement. <b>Possible Action:</b> Approve Tentative Agreement with SEIU Local 521	Mr. Brownstein	3:05	5 min
<b>6. Approve Consent Calendar and Changes to the Agenda</b> Items removed from the Consent Calendar will be considered as regular agenda items. <b>Possible Action:</b> Approve Consent Calendar	Mr. Brownstein	3:10	5 min
<ul style="list-style-type: none"> <li>a. Approve minutes of the June 22, 2017 <b>Regular Board Meeting</b></li> <li>b. Accept minutes of the July 27, 2017 <b>Executive/Finance Committee Meeting</b> <ul style="list-style-type: none"> <li>• Ratify approval of the settlement agreement with Kathleen King</li> <li>• Ratify approval of the May 2017 Financial Statements</li> </ul> </li> <li>c. Accept minutes of the August 24, 2017 <b>Executive/Finance Committee Meeting</b> <ul style="list-style-type: none"> <li>• Ratify approval of the Interim June 2017 Financial Statements</li> <li>• Ratify approval of the Internal Control Report and Recommendations</li> </ul> </li> <li>d. Accept minutes of the August 24, 2017 <b>Compliance Committee Meeting</b> <ul style="list-style-type: none"> <li>• Ratify approval of the Compliance Committee Charter</li> <li>• Ratify approval of the Quarterly and Operational Compliance Reports</li> </ul> </li> <li>e. Accept minutes of the August 9, 2017 <b>Quality Improvement Committee Meeting</b> and: <ul style="list-style-type: none"> <li>• Ratify approval of eight (8) Quality Improvement policies: <ul style="list-style-type: none"> <li>○ QI.13 Comprehensive Case Management</li> <li>○ QI.14 Disease Management</li> <li>○ QI.15 Transitions of Care</li> <li>○ QI.16 MLTSS Care Coordination</li> <li>○ QI.17 BH Care Coordination</li> <li>○ QI.18 Sensitive Services, Confidentiality, Rights of Adults and Minors</li> <li>○ QI.19 Care Coordination Staff Training</li> <li>○ QI.20 Information Sharing with SARC</li> </ul> </li> <li>• Ratify acceptance of Committee Reports: <ul style="list-style-type: none"> <li>○ Credentialing Committee – June 7, 2017</li> <li>○ Pharmacy &amp; Therapeutics Committee – March 16, 2017</li> <li>○ Utilization Management Committee – April 19, 2017</li> </ul> </li> </ul> </li> <li>f. Accept minutes of the September 12, 2017 <b>Consumer Advisory Committee Meeting</b></li> </ul>			

<p><b>7. Request to Convene Bylaws Committee</b> Request the Bylaws Committee Chair to convene the Bylaws Committee to consider a revision to the bylaws that would authorize the Executive/Finance Committee to take action in urgent situations, not just emergent circumstances as currently stated.</p>	Mr. Brownstein	3:25	5 min
<p><b>8. CEO Update</b> Discuss status of current topics and initiatives. <b>Possible Action:</b> Accept CEO Update</p>	Ms. Tomcala	3:20	5 min
<p><b>9. Compliance Report</b> Review and discuss quarterly compliance activities and notifications. <b>Possible Action:</b> Accept Compliance Report</p>	Ms. Larmer	3:30	10 min
<p><b>10. July 2017 Financial Statements</b> Review recent organizational financial performance. <b>Possible Action:</b> Approve July 2017 Financial Statements</p>	Mr. Cameron	3:40	10 min
<p><b>11. Allocate Remaining ACA 1202 Funds to Whole Person Care Program</b> Consider allocation of ACA 1202 funds to Whole Person Care Program. <b>Possible Action:</b> Approve moving residual ACA 1202 funds of \$2.1m to Whole Person Care Program</p>	Mr. Cameron	3:50	5 min
<p><b>12. New Building Update</b> Discuss status of building out the new office. <b>Possible Action:</b> Delegate to Executive/Finance Committee the authority to approve a budget and contracts to build out the new office building at 50 Great Oaks Blvd.</p>	Ms. Tomcala/ Mr. Cameron	3:55	10 min
<p><b>13. Satellite Office Development</b> Discuss development of a proposal to invest in a satellite office. <b>Possible Action:</b> Accept the satellite office development update</p>	Ms. Tomcala	4:05	10 min
<p><b>14. Fiscal Year 2016-2017 Team Incentive Compensation</b> Review performance on FY '16 -'17 Team Incentive metrics. <b>Possible Action:</b> Approve Team Incentive Payout</p>	Ms. Tomcala	4:15	5 min
<p><b>15. Fiscal Year 2016-2017 Donations and Sponsorships Annual Report</b> Review FY 2017 Donations and Sponsorships. <b>Possible Action:</b> Accept FY 2017 Donations and Sponsorships Annual Report</p>	Ms. Tomcala	4:20	5 min
<p><b>16. 20<sup>th</sup> Anniversary Update</b> Discuss upcoming 20<sup>th</sup> Anniversary celebration activities.</p>	Ms. Tomcala	4:25	5 min

<p><b>17. SCFHP Logo Refresh</b>  Review the background for development of a new logo for Santa Clara Family Health Plan and consider alternatives.  <b>Possible Action:</b> Approve selection of a new logo</p>	<p>Ms. Tomcala</p>	<p>4:30</p>	<p>10 min</p>
<p><b>18. CalPERS Medical Benefit Resolution</b>  Consider adoption of a resolution updating the method used to calculate the employer contribution for medical benefits.  <b>Possible Action:</b> Adopt Resolution Fixing the Employer Contribution at an Equal Amount for Employees and Annuitants under the Public Employee’ Medical and Hospital Care Act</p>	<p>Ms. Valdez</p>	<p>4:40</p>	<p>5 min</p>
<p><b>19. Publicly Available Salary Schedule Ranges</b>  Consider changes to the Publicly Available Salary Schedule.  <b>Possible Action:</b> Approve Publicly Available Salary Schedule</p>	<p>Ms. Valdez</p>	<p>4:45</p>	<p>5 min</p>
<p><b>20. Annual CEO Evaluation Process</b>  Discuss appointment of a subcommittee to lead the annual evaluation process for the CEO.  <b>Possible Action:</b> Appoint a temporary, ad hoc subcommittee to conduct the annual evaluation of the CEO</p>	<p>Ms. Brownstein</p>	<p>4:50</p>	<p>5 min</p>
<p><b>21. Network Detection and Prevention Report</b>  Review report on firewall intrusion, detection, and prevention efforts.</p>	<p>Mr. Tamayo</p>	<p>4:55</p>	<p>5 min</p>
<p><b>22. 2018 Board Meeting Calendar</b>  Consider the proposed 2018 SCCHA Governing Board and Executive/Finance Committee meeting calendar.  <b>Possible Action:</b> Approve the 2018 SCCHA Governing Board and Executive/Finance Committee meeting calendar</p>	<p>Ms. Tomcala</p>	<p>5:00</p>	<p>5 min</p>
<p><b>23. Adjournment</b></p>	<p>Mr. Brownstein</p>		

Notice to the Public—Meeting Procedures

Persons wishing to address the Governing Board on any item on the agenda are requested to advise the Recorder so that the Chairperson can call on them when the item comes up for discussion.

The Governing Board may take other actions relating to the issues as may be determined following consideration of the matter and discussion of the possible action.

In compliance with the Americans with Disabilities Act, those requiring accommodations in this meeting should notify Rita Zambrano 48 hours prior to the meeting at 408-874-1842.

To obtain a copy of any supporting document that is available, contact Rita Zambrano at 408-874-1842. Agenda materials distributed less than 72 hours before a meeting can be inspected at the Santa Clara Family Health Plan offices at 210 E. Hacienda Avenue, Campbell.

This agenda and meeting documents are available at [www.scfhp.com](http://www.scfhp.com).

**Santa Clara County Health Authority  
Economic Proposal For  
Service Employees International Union, Local 521**

August 23, 2017  
4:20 p.m.

TA  
LM *[Signature]*  
JIT 8-23-2017

For the 2016-2017 fiscal year:

1. Classification groupings within Wage Ranges as attached.
2. Principles for placing existing unit members on the Wage Range
  - a. Unit members received a 2.5% wage increase at the beginning of the 2016-2017 fiscal year; the parties agreed, as part of the Compensation Committee work, that unit members could receive additional compensation for the 2016-2017 fiscal year based on placement on the agreed upon Wage Range but up to a maximum increase of an additional 3.5%
  - b. All unit members will be placed at least at the Minimum of the Wage Range, even if that means the unit member would need to receive more than an additional 3.5% increase
  - c. Any unit member whose wage rate exceeds the Maximum of the Wage Range will not receive additional compensation for the 2016-2017 fiscal year
  - d. Based on Initial Placement Proposal (attached), Unit members will be placed on the Wage Range based on relevant years of service with the Employer, and including prior work experience, specifically relevant to the Unit member's current classification:

Years of Relevant Experience	% of Range Penetration	
1	7.00%	7%
2	7.00%	14%
3	7.00%	21%
4	7.00%	28%
5	7.00%	35%
6	5.00%	40%
7	5.00%	45%
8	5.00%	50%
9	3.00%	53%
10	3.00%	56%
11	3.00%	59%

12	3.00%	62%
13	3.00%	65%
14	3.00%	68%
15	3.00%	71%
16	3.00%	74%
17	3.00%	77%
18	3.00%	80%
19	3.00%	83%
20	3.00%	86%
21	3.00%	89%
22	3.00%	92%
23	3.00%	95%
24	3.00%	98%
25	2.00%	100%

- e. **Payment Schedule:** Unit members will be paid based on the agreed upon Wage Ranges and range placement according to the following:

**Step 1:** Unit members employed during the 2016-2017 fiscal year will be paid retroactive pay to July 1, 2016 (or proportionally to the Unit member's date of hire if employed between July 1, 2016 and June 30, 2017), if any, as provided in the Purple column (ADJ \$) of the spread sheet provided in negotiations within 3 weeks of ratification by both parties.

**Step 2:** Unit members will have their salary adjusted to the amount in the Purple column (SALARY) effective July 1, 2017.

**Step 3:** The parties will meet and confer on wages for the 2017-2018 fiscal year with any changes in wages retroactive to July 1, 2017.

**Step 4:** Unit members in the Pink column (ADJA %) will have their salary adjusted to the amount in the Green column effective January 1, 2018 (unless their Purple column salary plus the adjustment in Step 3 is greater).

- f. The parties agree to meet and confer in good faith concerning any proposal made by SEIU in negotiations for a successor Memorandum of Understanding concerning development and implementation of a salary table with a step system.

**Initial Placement Proposal  
For Current Bargaining Unit Employees  
August 23, 2017**

**Objective: Recognize All Relevant Experience**

**Current Employment – SCFHP**

- 1:1 All years in current classification
- 1:2 All years in relevant lower family classifications
  - Application Developer
  - Business Analyst
  - Claims
  - Customer Service
  - Enrollment
  - Grievance & Appeals (even though not a true family)
- 1:2 All years in other classifications

**Prior Employment**

- 1:1 All years in the exact same classification in healthcare setting
- 1:2 All years in the exact same classification in other settings
- 1:2 All years in classifications similar to SCFHP prerequisite family classifications
  - Application Developer
  - Business Analyst
  - Claims
  - Customer Service
  - Enrollment
  - Grievance & Appeals (even though not a true family)
- 1:2 All years in other relevant classifications

**Projected Impact of August 23, 2017  
Placement Proposal**

Additional Adjustment Between 0–3.5% Based on Proposed Placement	53
Additional Adjustment Capped at 3.5%	28
Additional Adjustment to Exceed 3.5% due to Current Salary Under Range Minimum	13
No Additional Adjustment due to Current Salary Exceeding Range Maximum	3

No Additional Adjustment based on Current Salary Exceeding Proposed Placement Criteria	41
<b>Total Headcount:</b>	<b>135</b>

Resigned Bargaining Unit Members who were employed during the entire period July 1, 2016 through June 30, 2017 are not included in the above-reference table. They may be eligible for retroactive payment as provided in the Purple column (ADJ \$) of the spread sheet on the Initial Placement Proposal.

Santa Clara Family Health Plan  
 Job by Range List - SEIU 521 Employees Only  
 Data Effective January 1, 2018

Salary Range	CBIZ Code	Job Title	Range Minimum	Range Midpoint	Range Maximum
<b>Range 8</b>			35,834	43,001	50,168
	220	Support Services Representative			
	213	Claims Clerk			
	227	Transportation Specialist			
<b>Range 9</b>			38,613	47,301	55,989
	174	Customer Service Representative I			
	242	Enrollment Coordinator I			
	144	Facilities Coordinator			
	196	Support Services Coordinator			
<b>Range 10</b>			42,475	52,032	61,588
	120	Claims Analyst I			
	175	Customer Service Representative II			
	177	Enrollment Coordinator II			
	235	Grievance & Appeals Intake Specialist			
	115	Medical Management Care Coordinator			
	132	Provider Database Coordinator			
	239	Support Services Lead			
<b>Range 11</b>			46,722	57,235	67,747
	102	Administrative Assistant			
		Behavioral Health Personal Care Coordinator			
	121	Claims Analyst II			
	182	Medical Management Personal Care Coordinator			
		Medical Management UM Lead			
	184	Pharmacy Coordinator			
<b>Range 12</b>			51,511	64,389	77,267
	101	Accounts Payable and Payroll Specialist			
	125	Claims Lead			
	249	Compliance Coordinator			
	176	Customer Service Lead			
	214	Enrollment Lead			
	207	Grievance & Appeals Coordinator			
	153	IT Systems Operator			
	152	IT User Support Specialist			
	164	Marketing Coordinator			
	216	Provider Claims Dispute Analyst			

	230	Quality Improvement Coordinator			
	229	Training and Quality Monitoring Associate			
<b>Range 13</b>			57,950	72,438	86,925
	124	Claims Quality Assurance Auditor			
	240	Compliance Lead			
	131	Credentialing Coordinator			
	154	Grievance & Appeals Lead			
<b>Range 14</b>			66,643	83,303	99,964
	104	Application Developer I			
	110	Business Systems Analyst I			
	223	Communications Associate			
	128	Compliance Analyst			
	146	Health Educator			
	211	Provider Database Analyst			
	178	Provider Network Associate			
	179	Telecommunications Administrator			
<b>Range 15</b>			76,639	95,799	114,959
	147	Application Developer II			
	111	Business Systems Analyst II			
	191	Quality Improvement Registered Nurse			
	157	Social Work Case Manager			
	202	Utilization Management & Discharge Planning Nurse			
<b>Range 16</b>			86,407	110,169	133,930
	244	Analytics Developer			
	105	Application Developer III			
	112	Business Systems Analyst III			
	180	RN Case Manager			
	199	Systems Database Administrator			
<b>Range 17</b>			101,528	129,448	157,368
	106	Application Developer Lead			

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

Thursday, June 22, 2017  
210 E. Hacienda Avenue  
Campbell, CA 95008

**Minutes – DRAFT**

**Board Members Present:**

Bob Brownstein, Chair  
Dolores Alvarado  
Brian Darrow  
Kathleen King  
Liz Kniss  
Michele Lew, Vice Chair  
Paul Murphy  
Brenda Taussig  
Waldermar Wenner, M.D.  
Linda Williams

**Board Members Absent:**

Christopher Dawes  
Darrell Evora  
Jolene Smith

**Staff Present:**

Christine Tomcala, Chief Executive Officer  
Dave Cameron, Chief Financial Officer  
Robin Larmer, Chief Compliance & Regulatory Affairs Officer  
Jonathan Tamayo, Chief Information Officer  
Sharon Valdez, VP Human Resources  
Beth Paige, Compliance Officer  
Rita Zambrano, Executive Assistant

**Others Present:**

Stacy Renteria, SEIU Representative  
Janet Cory Sommer, Burke, Williams & Sorensen LLP

**1. Roll Call**

Bob Brownstein, Chair, called the meeting to order at 2:30 pm. Roll call was taken and a quorum was not established.

**2. Employee Satisfaction Survey Report**

Christine Tomcala, Chief Executive Officer, highlighted the Employee Satisfaction Survey Report and noted there was a 92% response rate (188 responses/204 employees).

Out of 49 questions asked in 2012, there was an improvement on 45 (92%) and a significant improvement on 31 questions (63%). Out of 43 questions for which there is norm data, responses exceeded the norm on 27 (63%), and were significantly above the norm on 3 (7%).

*Liz Kniss arrived and a quorum was established.*

### **3. Public Comment**

There were no public comments.

### **4. Adjourn to Closed Session**

#### **a. Anticipated Litigation**

The SCCHA Governing Board met in Closed Session to confer with Legal Counsel regarding one item of significant exposure to litigation involving a CalPERS administrative claim for damages.

*Brenda Taussig and Dolores Alvarado arrived.*

#### **b. Conference with Labor Negotiator**

The Committee met in Closed Session to confer with its Designated Representatives regarding the status of salary benchmarking for SCCHA staff represented by SEIU Local 521.

*Kathleen King joined the meeting.*

### **5. Report from Closed Session**

Mr. Brownstein reported the Board met in Closed Session to discuss Items 4 (a) and (b).

### **6. Property Acquisition**

Christine Tomcala, Chief Executive Officer, updated the Board on the status of acquiring the property at 50 Great Oaks Blvd., and shared an analysis of employee commute impact.

Dave Cameron, Chief Financial Officer, reviewed the acquisition process to date, and noted recommended completion of the transaction. He provided a projection of the Financial Statement impact of the purchase.

The Board expressed support for the acquisition. Paul Murphy proposed that the purchase of the new office building be accompanied by a commitment to look at having a presence centrally located for our members. There was also discussion regarding potentially changing meeting times to minimize the drive time impact for Board members.

**It was moved, seconded, and the Resolution for Approval of Acquisition of 50 Great Oaks Blvd., San Jose, CA was unanimously approved.**

**It was moved, seconded, and unanimously approved** to update the Board in September on development of a potential satellite office centrally located for members, and to subsequently consider changing the time of the Executive/Finance Committee and Board meetings to ameliorate commute issues.

## 7. 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 March 16, 2017 **Regular Board Meeting**
- b. Accept minutes of the March 21, 2017 **Bylaws Committee Meeting**
- c. Accept minutes of the April 27, 2017 **Executive/Finance Committee Meeting** and:
  - Ratify approval of the February 2017 Financial Statements
- d. Accept minutes of the May 25, 2017 **Executive/Finance Committee Meeting** and:
  - Ratify approval of the March 2017 Financial Statements
  - Ratify approval of the reallocation of \$75k from Conference Room improvements to the Disaster Recovery project
- e. Accept minutes of the April 26, 2017 **Compliance Committee Meeting** and:
  - Ratify approval of CMC and Medi-Cal Operational Compliance Reports
  - Ratify approval of Misdirected Claims and Provider Dispute Resolution Corrective Action Plans
  - Ratify approval of Fraud, Waste and Abuse Report
- f. Accept minutes of the May 10, 2017 **Quality Improvement Committee Meeting** and:
  - Ratify approval of twelve policies:
    - QI.01 Conflict of Interest
    - QI.02 Clinical Practice Guidelines
    - QI.03 Distribution of Quality Improvement Information
    - QI.04 Peer Review Process
    - QI.05 Potential Quality of Care Issues
    - QI.06 Quality Improvement Study Design/Performance Improvement Program Reporting
    - QI.07 Physical Access Compliance
    - QI.08 Linguistics Culture
    - QI.09 Health Education Program and Delivery System Policy
    - QI.10 IHA and HEBA Assessments Policy
    - QI.11 Member Non-Monetary Incentives
    - QI.12 SBIRT
  - Ratify approval of Adult Preventive Health Guidelines
  - Ratify approval of QI Work Plan, QI Program Evaluation, and QI Program Description
  - Ratify approval of Complex Case Management Outcomes for 2016 and CM Program Evaluation
  - Ratify approval of Health Education Program Evaluation and Health Education Work Plan
  - Ratify approval of Americans with Disabilities Act Work Plan
  - Ratify approval of five Optum Complex Case Management Policies:
    - CM-010 Care Plans and Goals
    - CM-007 Data Collection Tools and Assessments
    - CM-009 Identification-Case Opening and Closure Criteria
    - QI-004 Program Content Development Review and Approval Process
    - QI-020 Program Satisfaction-Feedback

- Ratify approval of Optum 2016 Quality Improvement Program Description and Work Plan
  - Ratify approval of reports and actions taken by:
    - Credentialing Committee
    - Pharmacy & Therapeutics Committee
    - Utilization Management Committee
- g.** Accept minutes of the May 4, 2017 **Provider Advisory Council** Meeting
- h.** Accept minutes of the June 13, 2017 **Consumer Affairs Committee** Meeting

**It was moved, seconded, and** the consent Calendar was **unanimously approved.**

## **8. Amendments to the Bylaws**

Ms. Tomcala presented a redlined and clean version of the Bylaws, noting that Brian Darrow served as Chair.

Mr. Darrow noted the proposed revisions were similar the recent language changes in the Community Health Authority Bylaws. He also highlighted the addition of Committee Charters.

**It was moved, seconded, and** the Amendments to the Bylaws were **unanimously approved.**

## **9. Election of Secretary**

Ms. Tomcala directed the Committee to the letter from Elizabeth Pianca resigning as Secretary. She noted that Ms. Pianca would continue to be available as County Counsel, as needed.

Ms. Tomcala introduced Robin Larmer, Chief Compliance & Regulatory Affairs Officer, who joined the organization in late April. As an attorney, robin also has the experience to serve as in-house counsel.

**It was moved, seconded, and** the resignation of Elizabeth Pianca as Secretary was **unanimously accepted.**

**It was moved, seconded, and** the nomination of Robin Larmer for the office of Secretary was **unanimously approved.**

## **10. CEO Update**

Ms. Tomcala updated the Board on the Medi-Cal QNXT implementation, indicating the authorization process went live on June 12<sup>th</sup> and the plan is on track for a date-of-receipt cutover July 1<sup>st</sup>.

Ms. Tomcala noted that the Health Plan received a commendation from the Santa Clara County Board of Supervisors recognizing SCFHP's 20 years of dedication and commitment to ensuring residents have accessible, quality health care. She also noted our 20<sup>th</sup> Anniversary sponsorship of the Veggielution outdoor classroom space, indicating the ribbon cutting event will take place in the fall.

The Health Plan is moving forward with the County on the expansion of the Whole Person Care (WPC) project that will help support individuals with housing transitions. Approval was received from CMS on June 12<sup>th</sup> for the expansion.

Ms. Tomcala further presented the Committee with the Annual Healthy Kids Report that was provided to the County Health and Hospital Committee, discussed withdrawing the 2018 Dual-Special Needs Application following the May Revise, and noted that the Joint Planning group continues to meet. She also provided updates on the Senate's substitute amendment to the American Health Care Act (AHCA).

Ms. Tomcala provided the Board with three versions of Robert's Rules Cheat Sheets, as requested by the Bylaws Committee. She also noted recent news articles related to the Civil Grand Jury concerns.

**It was moved, seconded, and unanimously approved** to accept the CEO Update.

## **11. Compliance Report**

Robin Larmer, Chief Compliance & Regulatory Affairs Officer, presented the May/June Compliance Report noting the activity is routine business except for structural changes.

A total of 34 Regulatory Filings/Reports were submitted; all were timely. There were 5 member complaints concerning coverage determination; 4 cases were resolved (2 upheld, 2 overturned), and 1 remains pending. There were 2 HIPPA privacy incidents reported to DHCS. There have been no credible cases of fraud identified or reported to DHCS or CMS.

The Plan completed its annual DMHC Timely Access submission that included validation of data by an outside validation vendor.

Current regulatory activity includes monthly calls with the Contract Management Team (CMT); CMS' continued review of the Plan's MMP Denial letter; preparation for the annual Medicare Data Validation (MDV) audit (to be completed in June 2017); and preparation of additional information requested by DHCS in connection with deficiencies identified in the 2017 annual medical audit.

SCFHP withdrew its Application for 2018 MAPD-DSNP, as the governor has included funding for Cal MediConnect in the 2017-2018 State budget.

The Misdirected Claims Workgroup continues to meet weekly. The Compliance rate for forwarding misdirected claims to the appropriate payer within 10 days of receipt of the claims is 98% for May and 99% for June.

Provider Dispute Resolution (PDR) backlog is completed and current PDRs are compliant with turn-around times.

The Operational Compliance Dashboard approved by the Compliance Committee was provided.

**It was moved, seconded, and** the Compliance Report was **unanimously approved**.

## **12. Policy FA.13 Employee Recognition Gift Cards**

Ms. Tomcala presented the Committee with Policy FA.13 Employee Recognition Gift Cards, designed to recognize employees who demonstrate extraordinary effort and/or contributions to the Plan.

**It was moved, seconded, and** the Policy FA.13 Employee Recognition Gift Cards was **unanimously approved**.

### 13. April 2017 Financial Statements

Mr. Cameron presented the Plan's April 2017 financial statements. For the month, the Plan reported a net surplus of \$3.1 million, which is \$2.1 million favorable to budget. For the first ten months of the fiscal year, the Plan reported a net surplus of \$21.0 million or \$10.8 million favorable to budget. The surplus results from a combination of factors including higher member months (versus both budget and prior year actual) and decreases in prior medical expense (IBNR) estimates, which are favorable in the financial statements. The overall medical loss ratio has improved to 94.3% on a year-to-date basis. Administrative expenses were under budget for the month and at budget on a year-to-date basis. The Plan continues to use consultants and temps in support of unfilled staff positions and for special projects.

Mr. Cameron noted that enrollment was at budget for the month and exceeded budget by 1.6% on a year-to-date basis. The April 2017 enrollment was 278,000 members, with no significant changes by network. Medi-Cal enrollment peaked in October 2016 at 282,000 members and has been gradually declining thereafter. Although Cal Medi-Connect enrollment has also been declining, outreach efforts have commenced to sustain or increase enrollment in that program.

Mr. Cameron observed that the balance sheet continues to include large receivables from and payables to DHCS. A significant portion of the CCI program receivables and MCO taxes have been paid. The Plan expects DHCS to commence recoupment of MCE overpayments in July 2017.

Mr. Cameron noted that the Plan's net assets of \$121.3 million represented 332% of the DMHC minimum required tangible net equity (TNE) of \$36.5 million.

Capital assets of \$6.4 million have been acquired year-to-date, much of which is related to the QNXT claims system implementation. The Board approved capital acquisitions of \$10.9 million for full fiscal year.

**It was moved, seconded, and the April 2017 Financial Statements were unanimously approved.**

### 14. Fiscal Year 2017-2018 Budget

Mr. Cameron presented the fiscal year 2017-2018 Operating and Capital Budgets.

Membership is projected to decrease by 5,948 members or 2.2% and member months are projected to decrease by 72,363 or 2.2%. The Medi-Cal program is projected to decline by 2.2% reflecting a 2.7% decrease in Classic & MCE categories of aid and a 2.2% in the Dual category of aid. All decreases reflect continuation of recent trends. While Cal Medi-Connect enrollment has declined in the past year, it has now stabilized and is projected to remain flat in fiscal year 2017- 2018. Enrollment in the Healthy Kids program decreased in fiscal year 2016-2017 due to the transition of SB75 children into the Medi-Cal program. Approximately 2,200 C-CCHIP kids remain in the Healthy Kids program and enrollment is projected to remain steady with no changes in member premiums.

Budgeted revenue is projected at \$1.1 billion in fiscal year 2017-2018. Much of the decrease reflects the cessation of IHSS benefits from the CCI program effective December 31, 2017. Budgeted revenue reflects draft Medi-Cal rates received in April 2017 (with estimates of risk adjustment and countywide averaging incorporated) which indicate a 3.8% increase in Medi-Cal Classic rates, an MCE decrease of 3.2%, and an overall

increase of under 0.4%. Medicare revenue is based on 2017 rates received from CMS reflecting adjustments for savings and quality. Healthy Kids revenue is expected to remain flat.

Budgeted health care expenses are projected at \$1.0 billion in fiscal 2017-2018. This decrease largely reflects the cessation of IHSS benefits from the CCI program effective December 31, 2017. Lower membership also contributes to the decrease in medical expense. Historic cost and utilization trends (adjusted for known program changes, provider contract changes, and actuarial estimates) were extrapolated to project FY17-18 medical expense.

Administrative expenses are projected to increase due to: (1) additional headcount necessary to fully staff the Plan, and (2) additional depreciation for recently-capitalized assets. The budget includes 42 currently-open positions and 17 newly-proposed positions. Annual depreciation for QNXT, the new claims system, will be \$1.2 million. Because administrative expenses are rising and revenues are decreasing in fiscal year 2018, the administrative loss ratio is increasing from 3.6% to 4.6%

On a consolidated basis, the budgeted fiscal year 2018 net income of \$13.4 million (1.2% of revenue) reflects a decrease from the forecasted fiscal year 2017 surplus of \$23 million. Most of the fiscal year 2017-2018 projected surplus results from the Medi-Cal line of business. In fiscal year 2017-18, Cal MediConnect reflects a slight projected net loss. However, projecting the profitability the CMC line of business is challenging due to late rates provided from DHCS (currently using calendar year 2015 rates). Healthy Kids is projected to break even.

At the end of fiscal year 2018, net assets of \$136.8 million are projected, representing or 416% of the DMHC Minimum TNE. The DMHC Minimum TNE is projected to decrease from \$36.5 million to \$32.9 million over fiscal year 2017-2018 due to the removal of IHSS and the resulting decreasing in risk to the Plan.

The Fiscal Year 2017-2018 Capital Budget reflects new assets of \$17.2 million and is comprised of (1) building purchase and estimated renovations at 50 Great Oaks of \$14.3 million, and (2) I.T. hardware and software of \$1.2 million.

**It was moved, seconded, and the FY'18 Budget was unanimously approved.**

#### **15. Preliminary Fiscal Year 2016-2017 Year in Review**

Ms. Tomcala presented the preliminary year-end status of the Fiscal Year 2016-2017 Plan Objectives. A summary of performance on the nine Plan Objectives was provided, as well as metrics on membership and revenue growth, and employee hiring.

**It was moved, seconded, and the Preliminary FY 2016-17 Plan Objectives Performance Report was unanimously approved.**

#### **16. Fiscal Year 2017-2018 Plan Objectives**

Ms. Tomcala presented the Fiscal Year 2017-2018 Plan Objectives, which focus on eight areas: compliance, technology, reporting and analytics, relocating the office, membership growth and retention, benchmark quality

performance, collaboration with Valley Health Plan and Valley Medical Center, and achieving budgeted financial performance.

**It was moved, seconded and the FY 2017-18 Plan Objectives were unanimously approved.**

**17. Fiscal Year 2017-2018 Team Incentive Compensation**

Ms. Tomcala presented the proposed Fiscal Year 2017-2018 Team Incentive Compensation program, which is designed to recognize employees for meeting Compliance Metrics and answering Customer calls within 30 seconds.

**It was moved, seconded and the FY'2017-18 Team Incentive Compensation Program was unanimously approved.**

**18. Publicly Available Salary Schedule Ranges**

Sharon Valdez, VP of Human Resources, provided an update on the Publicly Available Salary Schedule, noting the positions that were added or removed since the last meeting.

**It was moved, seconded, and the Publicly Available Salary Schedule was unanimously approved.**

**19. Network Detection and Prevention Report**

Jonathan Tamayo, Chief Information Officer, reported on firewall intrusion, detection, and prevention efforts. The network intrusion reports show malicious activities that were prevented from accessing SCFHP's network.

**20. Adjournment**

The meeting was adjourned at 5:20 pm.

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Bob Brownstein, Chair of the Board



Santa Clara  
Family Health Plan  
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## Regular Meeting of the Santa Clara County Health Authority Executive/Finance Committee

Thursday, July 27, 2017  
8:30 AM – 10:00 AM  
210 E. Hacienda Avenue  
Campbell, CA 95008

### Minutes – Draft

#### **Members Present**

Michele Lew, Chair  
Bob Brownstein  
Liz Kniss (*via telephone*)  
Wally Wenner, M.D.  
Linda Williams (*via telephone*)

#### **Staff Present**

Christine Tomcala, Chief Executive Officer  
Neal Jarecki, Controller  
Rita Zambrano, Executive Assistant

#### **Others Present**

Janet Sommers, Burke, Williams, & Sorenson LLP  
April Pitt, Membership Accounting Coordinator & SEIU  
Steward  
Stacy Renteria, Provider Services Specialist & SEIU  
Steward  
Steven Mashin, Nurse Care Manager  
Caroline Alexander, Administrative Assistant  
Nicole Bell, LTSS Personal Care Coordinator

#### **1. Roll Call**

Michele Lew, Chair, called the meeting to order at 8:30 am. Roll call was taken and a quorum was established.

#### **2. Meeting Minutes**

The minutes of the July 27, 2017 Executive/Finance Committee Meeting were reviewed.

**It was moved, seconded, and** the July 27, 2017 Executive/Finance Committee Meeting minutes were **unanimously approved** as presented.

### 3. Public Comment

April Pitt, Membership Accounting Coordinator and SEIU Steward noted the Union and SCFHP created a compensation committee focused on four items;

- Updating and benchmarking all 85 job descriptions in the bargaining unit
- Ensuring all unit members are properly classified
- Creating a wage schedule that will retain and recruit the best qualified workforce
- Allocating the compensation adjustment accordingly

Ms. Pitt reported 99% of the job descriptions have been completed and properly describe the job duties of each bargaining unit worker. She further reported that the Health Plan proposed a traditional wage scale and the Union proposed a step system. Ms. Pitt noted that both parties have put in their best effort.

Stacy Renteria, Provider Services Specialist & SEIU Steward, noted the Committee needs to determine the basis of allocating the compensation adjustment. She asked management to provide the data to continue working together on this process.

### 4. Adjourn to Closed Session

#### a. Anticipated Litigation

The Executive/Finance Committee met in Closed Session to confer with Legal Counsel regarding one item of significant exposure to litigation involving a CalPERS administrative claim for damages.

### 5. Report from Closed Session

Ms. Lew reported the Committee took action in closed session to approve a settlement agreement between and among the Authority, the Healthier Kids Foundation of Santa Clara County, and Kathleen King. The Agreement resolves Ms. King's claims related to CalPERS' determination that she was not eligible for CalPERS membership and was not entitled to pension or retiree medical benefits through the CalPERS system, including the claims set forth in her administrative claim for damages.

The vote to approve the Agreement was 5, with 0 members absent.

The agreement has not yet been signed by Ms. King or representatives of the Foundation.

### 6. Publicly Available Salary Schedule Ranges

Christine Tomcala, CEO, reported that, at the Compensation Committee, the Health Plan presented the Union with the salary ranges benchmarked by the vendor, but they have not yet been approved by the Union. Therefore, no action is necessary at this time.

### 7. May 2017 Financial Statements

In Mr. Cameron's absence, Neal Jarecki, Controller, presented the May 2017 financial statements which report the results of operations for the first eleven months of the Plan's fiscal year.

For the month, the Plan reported a net surplus of \$1.7 million, which is \$843 thousand favorable to budget. For the first eleven months of the fiscal year, the Plan reported a net surplus of \$22.7 million, or \$11.7 million favorable to budget.

Mr. Jarecki noted that enrollment of 276,000 members slightly trailed budget by 0.8%, while year-to-date member months of 3,069,000 exceeded budget by 1.3%. Enrollment peaked at 282,000 members in October 2016 and declined by approximately 1% thereafter, largely in the Medi-Cal program. For the eleven months of the fiscal year-to-date, Medi-Cal enrollment increased 2.5%, Healthy Kids enrollment decreased 37.8% and CMC enrollment decreased 8%. There were no significant changes in enrollment by network. Ms. Tomcala noted that enrollment again declined by roughly 4,000 members in July.

The Plan's year-to-date net surplus results from a combination of factors including (a) higher member months (versus both budget and prior year actual) which affects both revenue and medical expense, (b) lower than expected increases to medical expense, and (c) decreases in prior medical expense (IBNR) estimates which are favorable to the financial statements. The overall medical loss ratio is 94.3% on a year-to-date basis.

Administrative expenses were within 1% of budget for both the month and year-to-date. Some budgeted occupancy and postage costs were deferred into Fiscal Year 2017-18. The Plan continued to use consultants and temps in support of unfilled staff positions and special projects. Year-to-date, administrative expenses were 3.5% of revenue.

The Plan's balance sheet include large receivables from, and payables to, DHCS and/or the State Board of Equalization. A significant portion of the non-IHSS CCI program receivables was recently paid. Mr. Jarecki noted that the accounting for the CCI program is based largely on estimates, which continue to be refined and adjusted as additional data becomes known. The Plan expects DHCS to commence recoupment of the MCE rate overpayment with the June 2017 capitation payment. Mr. Jarecki added that the June capitation payment has been delayed approximately one month later than normal while the July capitation (which will be based on the FY16/17 capitation rates) has been delayed approximately two weeks.

The Plan's net assets of \$123.0 million represented 337% of the DMHC minimum required tangible net equity (TNE) of \$36.5 million. The Plan has exceeded its internal liquidity target but has not achieved its internal equity requirement.

Capital assets of \$7.1 million have been acquired year-to-date, much of which is related to the QNXT claims system implementation. The Board approved capital acquisitions of \$10.9 million for the full fiscal year.

**It was moved, seconded, and the May 2017 Financial Statements were unanimously approved as presented.**

## **8. CEO Update**

Ms. Tomcala invited Mr. Jarecki to update the Committee on misdirected claims. For the quarter ended June 2017, the Plan attained a compliance rate of 98%, meeting the compensation requirement of 95%. The Plan will report its progress on the Corrective Action Plan (CAP) to DMHC by the end of July.

Ms. Tomcala reported that work continues to ensure Provider Dispute Resolutions (PDRs) are processed consistent with compliance requirements. Averaging performance across product lines in June, the Plan processed 96.88% of PDRs in a timely manner. A final report is being drafted to update regulators on the status of our CAP.

The Committee was advised that QNXT conversion commenced when the authorization process successfully went live on June 12<sup>th</sup>. The system further went live with a date-of-receipt cut-over for Medi-Cal claims received from July 1<sup>st</sup> onward. Ms. Tomcala discussed the status of various aspects of the conversion, including check runs, capitation payments, auto-adjudication rates, and Health Kids premium billing.

Ms. Tomcala noted that NCQA performed their accreditation review in June, and provided feedback on a Closing Conference call July 25<sup>th</sup>. They indicated the Plan was well-prepared, and our materials were easy to follow and comprehensive. Two minor deficiencies were identified. The final report is anticipated within 30 days.

Ms. Tomcala also announced that the Plan had closed on the new building. The next steps are to engage an architect and contractor.

Ms. Tomcala noted the Government Accountability Office reached out to the Plan for an interview on Medicaid Managed Care Payment Risks. They are conducting interviews in 10 states.

There was a discussion regarding challenges with the early morning meeting time of the Committee. Committee members indicated a later morning meeting time, e.g., 11:30 am, may facilitate attendance.

**It was moved, seconded, and unanimously approved** to accept the CEO Update.

## 9. Adjournment

The meeting was adjourned at 9:50 am.

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Michele Lew, Chair



Santa Clara  
Family Health Plan

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Financial Statements  
For Eleven Months Ended May 2017  
(Unaudited)

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## Fiscal Year 2016-17 Year-To-Date Highlights

- **Net Surplus** – May \$1.7 million surplus and YTD \$22.7 million surplus (\$11.7 million favorable to budget)
- **Enrollment** – May 2017 membership: 276,118 (0.8% unfavorable to budget) and May YTD: 3,069,499 member months (1.3% favorable to budget and 5.1% higher than May YTD last year)
  - Medi-Cal membership continued the downward trend that started in November 2016. CMC membership continued its slight decreasing trend seen through the year. HK membership transition to Medi-Cal is slower than planned.
- **Revenue** – Favorable YTD budget by \$62.0 million (+5.9%)
  - Increase was largely due to higher than budgeted member months YTD, which was partially offset by unfavorable variance in Medi-Cal Expansion, Hep C, and Medi-Cal CMC revenue. Medicare revenue was favorable due to higher risk scores of the plan members. Part D Medicare revenue was unfavorable to budget.
- **Medical Expenses** – Unfavorable YTD budget by \$50.4 million (-5.1%)
  - Unfavorable variance was due to higher member months resulting in higher capitation costs as well as higher inpatient, LTC, and provider risk sharing/CCI and CMC recast reserve expenses. Claims interest expense are unfavorable due to clearing of PDRs. Prior year medical expense estimate reduction offset some of this unfavorable variance.
- **Administrative Expenses** – Unfavorable YTD budget by \$45 thousand (-0.1%)
  - Lower payroll costs are offset by unfavorable consulting/temporary expense; rent/utilities/furniture is favorable due to deferred expansion plans; advertising and postage expenses are favorable due to timing, and contract services are favorable due to a non-recurring pharmacy administration expense goodwill credit.
- **Other Income/Expenses** – Favorable to budget by \$0.2 million due to higher interest earnings than budget
- **Balance Sheet**
  - As Cash position had increased significantly due to a reduction in prior period receivables, SCFHP added \$140M to its county investment pool. Most receivables now relate to only IHSS and MCO. Although DHCS is paying monthly capitation prospectively, May's capitation was received in June affecting the cash balance at the end of May. DHCS expects to begin collection of MCE overpayments in July 2017.
  - TNE of \$123.0 million or 337% of most recent Required TNE of \$36.5 million per DMHC (\$4.8 million below the SCFHP low-end Equity Target and \$74.8 million above the low-end Liquidity Target).
  - YTD Capital Expenses increased by \$7.1 million largely due to capitalization of Trizetto/QNXT claims system expenses versus annual capital budget of \$10.9 million.

Consolidated Performance  
May 2017 and Year to Date

	Month	YTD
<b>Revenue</b>	\$102 million	\$1110 million
<b>Medical Costs</b>	\$97 million	\$1047 million
<b>Medical Loss Ratio</b>	94.4%	94.3%
<b>Administrative Costs</b>	\$3.9 million (3.8%)	\$39.3 million (3.5%)
<b>Other Income/ Expense</b>	(\$144,978)	(\$764,254)
<b>Net Surplus (Loss)</b>	\$1,674,545	\$22,715,245
Cash on Hand		\$333 million
Net Cash Available to SCFHP		\$197 million
Receivables		\$538 million
Current Liabilities		\$758 million
Tangible Net Equity		\$123 million
Percent Of DMHC Requirement		<b>337%</b>

**Santa Clara Family Health Plan  
CFO Finance Report  
For the Month and Year to Date Ended May 31, 2017**

**Summary of Financial Results**

For the month of May 2017, SCFHP recorded a net surplus of \$1.7 million compared to a budgeted net surplus of \$0.8 million resulting in a favorable variance from budget of \$0.8 million. For year to date May 2017, SCFHP recorded a net surplus of \$22.7 million compared to a budgeted net surplus of \$11.0 million resulting in a favorable variance from budget of \$11.7 million. The table below summarizes the components of the overall variance from budget.

**Summary Operating Results - Actual vs. Budget  
For the Current Month & Fiscal Year to Date - May 2017**  
Favorable/(Unfavorable)

<b>Current Month</b>					<b>Year to Date</b>			
Actual	Budget	Variance \$	Variance %		Actual	Budget	Variance \$	Variance %
\$102,191,098	\$ 96,330,375	\$ 5,860,723	6.1%	Revenue	\$ 1,110,210,853	\$ 1,048,257,221	\$ 61,953,632	5.9%
96,502,256	91,593,338	(4,908,918)	-5.4%	Medical Expense	1,047,434,457	997,019,760	(50,414,696)	-5.1%
5,688,842	4,737,037	951,805	20.1%	Gross Margin	62,776,396	51,237,461	11,538,936	22.5%
3,869,319	3,819,551	(49,768)	-1.3%	Administrative Expense	39,296,897	39,251,596	(45,301)	-0.1%
1,819,523	917,486	902,037	98.3%	Net Operating Income	23,479,499	11,985,865	11,493,634	95.9%
(144,978)	(85,842)	(59,136)	-68.9%	Non-Operating Income/Exp	(764,254)	(944,267)	180,012	19.1%
\$ 1,674,545	\$ 831,644	\$ 842,901	101.4%	Net Surplus/ (Loss)	\$ 22,715,245	\$ 11,041,598	\$ 11,673,646	105.7%

## Member Months

For the month of May 2017, overall member months were lower than budget by 2,274 (-0.8%). For year to date May 2017, overall member months were higher than budget by 40,796 (+1.3%).

In the eleven months since the end of the prior fiscal year, 6/30/2016, membership in Medi-Cal increased by 2.2%, membership in Healthy Kids program decreased by 37.8%, and membership in CMC program decreased by 8.0%.

Member months, and changes from prior year, are summarized on Page 10.

## Revenue

The Plan recorded net revenue of \$102.2 million for the month of May 2017, compared to budgeted revenue of \$96.3 million, resulting in a favorable variance from budget of \$5.9 million, or 6.1%. For year to date May 2017, the Plan recorded net revenue of \$1.1 billion, compared to budgeted revenue of \$1.0 billion, resulting in a favorable variance from budget of \$62.0 million, or 5.9%. The favorable variance was largely due to higher than budgeted members year to date. The Plan also received prior year revenue and higher than budgeted supplemental revenues (Behavioral Health, Maternity, and Abortion). This positive variance was partially offset by unfavorable variances in Medi-Cal Expansion, Hep C, and Medi-Cal CMC revenue. Medi-Cal Expansion revenue is unfavorable due to both lower than budgeted member months and PMPM. Hep C revenue is unfavorable due to lower than budgeted actual rate and Medi-Cal CMC revenue is lower due to lower than budgeted member months. Medicare revenue was favorable due to higher PMPM reflecting the higher risk scores of the plan members.

A statistical and financial summary for all lines of business is included on page 15 of this report.

## Medical Expenses

For the month of May 2017, medical expense was \$96.5 million compared to budget of \$91.6 million, resulting in an unfavorable budget variance of \$4.9 million, or -5.4%. For year to date May 2017, medical expense was \$1.0 billion compared to budget of \$997.0 million, resulting in an unfavorable budget variance of \$50.4 million, or -5.1%. The unfavorable variance was largely due to higher than budgeted member months, which led to higher capitation costs of \$10.4 million. Increased LTC and inpatient expenses also contributed to the unfavorable variance. Some of this unfavorability was offset by a lowering of the prior year medical cost reserves, lower than budgeted Pharmacy expenses including a cost saving share credit, and a net reinsurance recovery over premiums paid. Additionally, the Plan has set aside \$21.5 million for IHSS/recast reserves and provider risk sharing.

## Administrative Expenses

Overall administrative costs were unfavorable to budget by \$50 thousand (-1.3%) for the month of May 2017 and unfavorable to budget by \$45 thousand (-0.1%) for year to date May 2017. Occupancy related costs (e.g., Contract Services, Utilities, Depreciation, Furniture etc.) were favorable due to deferred expansion plans and Advertising/Postage expenses were favorable due to timing. Lower personnel costs due to open positions were offset by higher consulting/temporary expenses.

Overall administrative expenses were 3.5% of revenue for year to date May 2017.

## Balance Sheet

Current assets totaled \$877.7 million compared to current liabilities of \$758.2 million, yielding a current ratio (the ratio of current assets to current liabilities) of 1.2 vs. the DMHC minimum requirement of 1.0 as of May 31, 2017. Working capital increased by \$12.4 million for the eleven months year to date ended May 31, 2017.

Cash as of May 31, 2017, increased by \$186.5 million compared to the cash balance as of year-end June 30, 2016. SCFHP moved \$140.0 million of its cash to the county investment pool in order to achieve higher interest income while still maintaining the liquidity of its funds. Net receivables increased by \$121.3 million during the same eleven month period ended May 31, 2017 largely due to a delay in receiving May capitation in time from DHCS. The overall cash position increased largely due to the receipt of prior period receivables, capitation revenue paid at the prospective rates, and an increase in the payables.

Liabilities increased by a net amount of \$290.2 million during the eleven months ended May 31, 2017. Liabilities increased primarily due to the overpayment of Medi-Cal expansion premium revenues by the State to \$180.8 million and an increase in IHSS/MCO payables year to date.

Capital Expenses increased by \$7.1 million for the eleven months ended May 31, 2017. The capital expenses include:

<b>Expense</b>	<b>YTD Actual</b>	<b>Annual Budget</b>
Trizetto	6,089,120	6,800,000
Computers	780,517	3,134,500
Leasehold Improvement & Furniture	209,029	992,700
<b>TOTAL</b>	<b>7,078,666</b>	<b>10,927,200</b>

## Reserves Analysis

Tangible Net Equity (TNE) was \$123.0 million at May 31, 2017 or 337% of the most recent quarterly Department of Managed Health Care (DMHC) minimum requirement of \$36.5 million. A chart showing TNE trends is shown on page 16 of this report.

At the September 2016 Governing Board meeting, a policy was adopted for targeting the organization's capital reserves to include a) an Equity Target of 350-500% of DMHC required TNE percentage and b) a Liquidity Target of 45-60 days of total operating expenses in available cash.

As of May 31, 2017, the Plan's TNE was \$4.8 million below the low-end Equity Target and \$74.8 million above the low-end Liquidity Target and the Plan's TNE was \$59.5 million below the high-end Equity Target and \$34.1 million above the high-end Liquidity Target (see calculations below).

<b>Financial Reserve Target #1: Tangible Net Equity</b>	
Actual TNE	\$123,008,701
Current Required TNE	\$36,507,000
Excess TNE	\$86,501,701
Required TNE Percentage	337%
SCFHP Target TNE Range:	
350% of Required TNE (low end)	\$127,774,500
500% of Required TNE (high end)	\$182,535,000
TNE Above/(Below) SCFHP Low End Target	<b>(\$4,765,799)</b>
<b>Financial Reserve Target #2: Liquidity</b>	
Cash & Cash Equivalents	\$332,577,867
Less Pass-through Liabilities:	
Net Receivable/(Payable) from/to State of CA*	(125,569,488)
Other Pass-through Liabilities	(10,152,861)
Total Pass-through Liabilities	(135,722,349)
Net Cash Available to SCFHP	\$196,855,518
SCFHP Target Liquidity:	
45 days of Total Operating Expenses	(\$122,040,704)
60 days of Total Operating Expenses	(\$162,720,938)
Liquidity Above/(Below) SCFHP Low End Target	<b>\$74,814,814</b>

\*Pass-Throughs from State of CA (excludes IHSS)

Receivables Due to SCFHP	125,990,101
Payables Due from SCFHP	(251,559,589)
Net Receivable/(Payable)	<b>(\$125,569,488)</b>

**Santa Clara Family Health Plan Enrollment Summary**

	For the Month of May 2017			Eleven Months Ending May 2017				
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<b>Prior Year</b> <u>Actual</u>	<b>FY17</b> <u>vs. FY16</u>
Medi-Cal	265,816	269,238	( 1.3%)	2,951,733	2,918,863	1.1%	2,779,229	6.2%
Healthy Kids	2,757	1,426	93.4%	32,935	25,282	30.3%	47,590	( 30.8%)
Medicare	7,545	7,728	( 2.4%)	84,831	84,558	0.3%	93,740	( 9.5%)
<b>Total</b>	<b>276,118</b>	<b>278,392</b>	<b>( 0.8%)</b>	<b>3,069,499</b>	<b>3,028,703</b>	<b>1.3%</b>	<b>2,920,559</b>	<b>5.1%</b>

**Santa Clara Health Authority  
May 2017**

Network	Medi-Cal		Healthy Kids		CMC		Total	
	Enrollment	% of Total	Enrollment	% of Total	Enrollment	% of Total	Enrollment	% of Total
Direct Contact Physicians	27,611	10%	335	12%	7,545	100%	35,491	13%
SCVVHS, Safety Net Clinics, FQHC Clinics	139,085	52%	1,462	53%	-	0%	140,547	51%
Palo Alto Medical Foundation	7,528	3%	82	3%	-	0%	7,610	3%
Physicians Medical Group	48,123	18%	717	26%	-	0%	48,840	18%
Premier Care	16,476	6%	161	6%	-	0%	16,637	6%
Kaiser	26,993	10%	-	0%	-	0%	26,993	10%
<b>Total</b>	<b>265,816</b>	<b>100%</b>	<b>2,757</b>	<b>100%</b>	<b>7,545</b>	<b>100%</b>	<b>276,118</b>	<b>100%</b>
Enrollment at June 30, 2016	260,031		4,435		8,203		272,669	
Net Change from Beginning of FY17	2.2%		-37.8%		-8.0%		1.3%	

# Santa Clara Family Health Plan Enrollment by Aid-Category

		2015-07	2015-08	2015-09	2015-10	2015-11	2015-12	2016-01	2016-02	2016-03	2016-04	2016-05	2016-06	2016-07	2016-08	2016-09	2016-10	2016-11	2016-12	2017-01	2017-02	2017-03	2017-04	2017-05
NON DUAL	Adult (over 19)	27,844	27,331	27,080	27,148	27,229	27,493	27,509	27,485	27,857	27,436	27,431	27,482	29,530	31,197	31,372	31,863	31,603	31,396	31,072	30,836	30,479	30,204	29,921
	Adult (under 19)	92,783	95,565	97,889	99,823	101,802	103,083	102,501	103,018	104,740	104,443	105,205	105,342	105,841	107,019	108,006	108,627	108,876	107,489	106,719	106,926	106,305	106,181	105,945
	Aged - Medi-Cal Only	8,642	8,730	8,858	8,909	9,103	9,235	9,241	9,158	9,150	9,145	9,144	9,101	9,256	10,078	10,138	10,199	10,216	10,206	10,371	10,400	10,400	10,520	10,538
	Disabled - Medi-Cal Only	11,421	11,345	11,294	11,249	11,262	11,125	11,108	11,037	10,962	10,922	10,866	10,815	10,783	11,017	11,000	11,049	11,028	11,013	11,016	11,044	11,064	11,089	11,098
	Child (HF conversion)	9,541	7,791	6,032	4,575	3,837	3,461	3,211	2,863	2,556	2,301	2,045	1,828	1,725	1,542	1,350	1,297	1,150	1,078	973	921	879	845	280
	Adult Expansion	71,183	73,695	75,814	77,756	79,406	81,235	79,284	79,393	81,325	79,934	80,941	81,786	82,983	83,513	83,721	84,679	84,327	84,551	83,031	82,715	82,618	82,751	82,418
	Other	48	47	55	47	45	45	40	40	42	42	40	38	40	38	38	37	35	35	34	38	38	39	35
	Long Term Care	194	194	205	212	229	247	246	288	294	289	293	294	299	304	303	310	321	327	327	323	321	309	303
Total Non-Duals		221,656	224,698	227,227	229,719	232,913	235,924	233,140	233,282	236,926	234,512	235,965	236,686	240,457	244,708	245,928	248,061	247,556	246,095	243,543	243,203	242,104	241,938	240,538
DUAL	Aged	10,003	10,678	11,583	12,426	13,380	14,034	14,071	14,197	14,273	14,246	14,366	14,451	14,468	14,522	14,653	14,718	14,796	14,932	15,334	15,931	16,110	16,260	16,279
	Disabled	4,727	4,932	5,235	5,544	5,852	6,042	6,049	6,070	6,058	6,050	6,018	6,037	6,033	6,023	6,027	6,024	6,034	6,033	6,353	6,478	6,506	6,507	6,458
	Other	1,238	1,303	1,370	1,458	1,483	1,638	1,638	1,654	1,701	1,711	1,787	1,814	1,817	1,832	1,856	1,896	1,879	1,891	1,727	1,686	1,621	1,427	1,389
	Long Term Care	644	722	814	904	983	1,065	1,061	1,087	1,074	1,061	1,052	1,043	1,048	1,050	1,045	1,035	1,028	1,049	1,157	1,167	1,199	1,172	1,152
Total Duals		16,612	17,635	19,002	20,332	21,698	22,779	22,819	23,008	23,106	23,068	23,223	23,345	23,366	23,427	23,581	23,673	23,737	23,905	24,571	25,262	25,436	25,366	25,278
Total Medi-Cal		238,268	242,333	246,229	250,051	254,611	258,703	255,959	256,290	260,032	257,580	259,188	260,031	263,823	268,135	269,509	271,734	271,293	270,000	268,114	268,465	267,540	267,304	265,816
Healthy Kids		4,496	4,598	4,375	4,362	4,325	4,273	4,186	4,114	4,158	4,328	4,375	4,435	4,380	4,224	2,962	2,662	2,458	2,581	2,585	2,780	2,752	2,794	2,757
CMC	CMC Non-Long Term Care	7,249	7,386	7,587	8,002	8,526	9,304	8,783	8,526	8,373	8,147	8,032	7,871	7,778	7,695	7,590	7,490	7,274	7,241	7,228	7,304	7,335	7,286	7,268
	CMC - Long Term Care	294	312	325	352	380	395	376	360	355	341	335	332	330	330	319	311	309	305	299	294	287	281	277
	Total CMC	7,543	7,698	7,912	8,354	8,906	9,699	9,159	8,886	8,728	8,488	8,367	8,203	8,108	8,025	7,909	7,801	7,583	7,546	7,527	7,598	7,622	7,567	7,545
Total Enrollment		250,307	254,629	258,516	262,767	267,842	272,675	269,304	269,290	272,918	270,396	271,930	272,669	276,311	280,384	280,380	282,197	281,334	280,127	278,226	278,843	277,914	277,665	276,118

**Santa Clara County Health Authority  
Balance Sheet**

	<u>MAY 17</u>	<u>APR 17</u>	<u>MAR 17</u>	<u>JUN 16</u>
<b>Assets</b>				
<b>Current Assets</b>				
Cash and Marketable Securities	\$ 332,577,867	\$ 447,853,943	\$ 289,101,317	\$ 146,082,070
Premiums Receivable				
In Home Support Services (IHSS)	411,916,567	395,416,617	378,868,888	235,710,453
All Other	126,550,244	36,748,083	203,921,463	181,456,519
Prepaid Expenses and Other Current Assets	<u>6,613,321</u>	<u>9,279,170</u>	<u>10,125,364</u>	<u>6,766,163</u>
Total Current Assets	877,658,000	889,297,814	882,017,032	570,015,205
<b>Long Term Assets</b>				
Equipment	20,796,465	20,126,909	19,196,267	13,717,799
Less: Accumulated Depreciation	<u>(10,560,264)</u>	<u>(10,395,375)</u>	<u>(10,218,119)</u>	<u>(8,775,886)</u>
Total Long Term Assets	<u>10,236,201</u>	<u>9,731,533</u>	<u>8,978,148</u>	<u>4,941,913</u>
<b>Total Assets</b>	<b>\$ 887,894,200</b>	<b>\$ 899,029,347</b>	<b>\$ 890,995,181</b>	<b>\$ 574,957,118</b>
<b>Deferred Outflow of Resources</b>				
	\$ 1,570,339	\$ 1,570,339	1,570,339	1,570,339
<b>Total Deferred Outflows and Assets</b>	<b>889,464,539</b>	<b>900,599,686</b>	<b>892,565,520</b>	<b>576,527,457</b>
<b>Liabilities and Net Position</b>				
<b>Current Liabilities</b>				
Trade Payables	\$ 5,523,060	\$ 4,906,546	\$ 5,073,718	\$ 4,824,017
Deferred Rent	96,748	100,899	105,050	142,408
Employee Benefits	1,246,192	1,273,680	1,198,230	1,013,759
Retirement Obligation per GASB 45	657,576	597,797	538,017	
Advance Premium - Healthy Kids	51,202	52,515	47,050	65,758
Deferred Revenue - Medicare			8,436,842	
Liability for ACA 1202	2,065,180	2,065,180	2,065,180	5,503,985
Payable to Hospitals (SB90)	46,610			55,140
Payable to Hospitals (SB208)	(35,535)	(35,535)	(35,535)	(35,535)
Payable to Hospitals (AB 85)	1,282,329	1,378,461	1,382,777	1,717,483
Due to Santa Clara County Valley Health Plan and Kaiser	6,794,277	5,347,329	8,642,584	6,604,472
MCO Tax Payable - State Board of Equalization	18,087,074	34,529,672	53,486,885	10,779,014
Due to DHCS	233,472,515	226,823,793	220,020,766	107,213,315
Liability for In Home Support Services (IHSS)	414,394,167	397,894,217	383,545,576	238,387,141
Premium Deficiency Reserve (PDR)	2,374,525	2,374,525	2,374,525	2,374,525
Medical Cost Reserves	<u>72,150,797</u>	<u>81,378,845</u>	<u>79,216,042</u>	<u>84,321,012</u>
Total Current Liabilities	758,206,717	771,016,409	766,097,708	462,966,494
<b>Non-Current Liabilities</b>				
Noncurrent Premium Deficiency Reserve	5,919,500	5,919,500	5,919,500	5,919,500
Net Pension Liability GASB 68	0	0	0	5,018,386
Total Liabilities	<u>764,126,217</u>	<u>776,935,909</u>	<u>772,017,208</u>	<u>473,904,380</u>
<b>Deferred Inflow of Resources</b>	<u>2,329,621</u>	<u>2,329,621</u>	<u>2,329,621</u>	<u>2,329,621</u>
<b>Net Position / Reserves</b>				
Invested in Capital Assets	10,236,201	9,731,533	8,978,148	4,941,913
Restricted under Knox-Keene agreement	305,350	305,350	305,350	305,350
Unrestricted Net Equity	89,751,905	90,256,573	91,009,958	67,383,691
Current YTD Income (Loss)	<u>22,715,245</u>	<u>21,040,700</u>	<u>17,925,235</u>	<u>27,662,502</u>
Net Position / Reserves	<u>123,008,701</u>	<u>121,334,156</u>	<u>118,218,691</u>	<u>100,293,456</u>
<b>Total Liabilities, Deferred Inflows, and Net Assets</b>	<b>\$ 889,464,539</b>	<b>\$ 900,599,686</b>	<b>\$ 892,565,520</b>	<b>\$ 576,527,457</b>

**Santa Clara County Health Authority**  
**Income Statement for Eleven Months Ending May 31, 2017**

	For the Month of May 2017					For Eleven Months Ending May 31, 2017				
	Actual	% of Revenue	Budget	% of Revenue	Variance	Actual	% of Revenue	Budget	% of Revenue	Variance
<b>REVENUES</b>										
MEDI-CAL	\$ 93,507,407	91.5%	\$ 87,925,588	91.3%	\$ 5,581,819	\$ 1,012,265,506	91.2%	\$ 955,444,593	91.1%	\$ 56,820,913
HEALTHY KIDS	\$ 262,513	0.3%	\$ 126,354	0.1%	\$ 136,159	\$ 3,226,388	0.3%	\$ 2,231,924	0.2%	\$ 994,464
MEDICARE	\$ 8,421,178	8.2%	\$ 8,278,432	8.6%	\$ 142,746	\$ 94,718,959	8.5%	\$ 90,580,704	8.6%	\$ 4,138,255
<b>TOTAL REVENUE</b>	<u>\$ 102,191,098</u>	<u>100.0%</u>	<u>\$ 96,330,375</u>	<u>100.0%</u>	<u>\$ 5,860,723</u>	<u>\$ 1,110,210,853</u>	<u>100.0%</u>	<u>\$ 1,048,257,221</u>	<u>100.0%</u>	<u>\$ 61,953,632</u>
<b>MEDICAL EXPENSES</b>										
MEDI-CAL	\$ 85,747,187	83.9%	\$ 83,781,317	87.0%	\$ (1,965,870)	\$ 947,286,616	85.3%	\$ 910,719,010	86.9%	\$ (36,567,607)
HEALTHY KIDS	\$ 221,226	0.2%	\$ 121,206	0.1%	\$ (100,021)	\$ 2,637,920	0.2%	\$ 2,149,443	0.2%	\$ (488,477)
MEDICARE	\$ 10,533,843	10.3%	\$ 7,690,815	8.0%	\$ (2,843,028)	\$ 97,509,920	8.8%	\$ 84,151,308	8.0%	\$ (13,358,612)
<b>TOTAL MEDICAL EXPENSES</b>	<u>\$ 96,502,256</u>	<u>94.4%</u>	<u>\$ 91,593,338</u>	<u>95.1%</u>	<u>\$ (4,908,918)</u>	<u>\$ 1,047,434,457</u>	<u>94.3%</u>	<u>\$ 997,019,760</u>	<u>95.1%</u>	<u>\$ (50,414,696)</u>
<b>MEDICAL OPERATING MARGIN</b>	\$ 5,688,842	5.6%	\$ 4,737,037	4.9%	\$ 951,805	\$ 62,776,396	5.7%	\$ 51,237,461	4.9%	\$ 11,538,936
<b>ADMINISTRATIVE EXPENSES</b>										
SALARIES AND BENEFITS	\$ 2,272,691	2.2%	\$ 2,326,831	2.4%	\$ 54,140	\$ 20,835,258	1.9%	\$ 21,618,312	2.1%	\$ 783,054
RENTS AND UTILITIES	\$ 112,119	0.1%	\$ 137,625	0.1%	\$ 25,506	\$ 1,180,464	0.1%	\$ 1,353,159	0.1%	\$ 172,695
PRINTING AND ADVERTISING	\$ 44,578	0.0%	\$ 54,108	0.1%	\$ 9,531	\$ 567,296	0.1%	\$ 764,942	0.1%	\$ 197,646
INFORMATION SYSTEMS	\$ 154,205	0.2%	\$ 197,926	0.2%	\$ 43,721	\$ 1,960,365	0.2%	\$ 2,097,302	0.2%	\$ 136,938
PROF FEES / CONSULTING / TEMP STAFFING	\$ 960,925	0.9%	\$ 676,780	0.7%	\$ (284,144)	\$ 10,452,443	0.9%	\$ 8,579,089	0.8%	\$ (1,873,353)
DEPRECIATION / INSURANCE / EQUIPMENT	\$ 187,847	0.2%	\$ 239,319	0.2%	\$ 51,472	\$ 2,198,899	0.2%	\$ 2,239,981	0.2%	\$ 41,082
OFFICE SUPPLIES / POSTAGE / TELEPHONE	\$ 61,896	0.1%	\$ 89,180	0.1%	\$ 27,284	\$ 1,178,314	0.1%	\$ 1,563,976	0.1%	\$ 385,663
MEETINGS / TRAVEL / DUES	\$ 67,068	0.1%	\$ 78,252	0.1%	\$ 11,185	\$ 824,341	0.1%	\$ 927,959	0.1%	\$ 103,617
OTHER	\$ 7,991	0.0%	\$ 19,530	0.0%	\$ 11,538	\$ 99,519	0.0%	\$ 106,876	0.0%	\$ 7,358
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<u>\$ 3,869,319</u>	<u>3.8%</u>	<u>\$ 3,819,551</u>	<u>4.0%</u>	<u>\$ (49,768)</u>	<u>\$ 39,296,897</u>	<u>3.5%</u>	<u>\$ 39,251,596</u>	<u>3.7%</u>	<u>\$ (45,301)</u>
<b>OPERATING SURPLUS (LOSS)</b>	\$ 1,819,523	1.8%	\$ 917,486	1.0%	\$ 902,037	\$ 23,479,499	2.1%	\$ 11,985,865	1.1%	\$ 11,493,634
<b>ALLOWANCE FOR UNCOLLECTED PREMIUMS</b>	\$ (44,911)	0.0%	\$ -	0.0%	\$ (44,911)	\$ (136,450)	0.0%	\$ -	0.0%	\$ (136,450)
<b>GASB 45 - POST EMPLOYMENT BENEFITS EXPENSE</b>	\$ (59,780)	-0.1%	\$ (50,592)	-0.1%	\$ (9,187)	\$ (657,576)	-0.1%	\$ (556,515)	-0.1%	\$ (101,062)
<b>GASB 68 - UNFUNDED PENSION LIABILITY</b>	\$ (75,000)	-0.1%	\$ (75,000)	-0.1%	\$ -	\$ (825,000)	-0.1%	\$ (825,000)	-0.1%	\$ -
<b>INTEREST &amp; OTHER INCOME</b>	\$ 34,712	0.0%	\$ 39,750	0.0%	\$ (5,038)	\$ 854,772	0.1%	\$ 437,248	0.0%	\$ 417,524
<b>NET SURPLUS (LOSS) FINAL</b>	<u>\$ 1,674,545</u>	<u>1.6%</u>	<u>\$ 831,644</u>	<u>0.9%</u>	<u>\$ 842,901</u>	<u>\$ 22,715,245</u>	<u>2.0%</u>	<u>\$ 11,041,598</u>	<u>1.1%</u>	<u>\$ 11,673,646</u>

**Santa Clara Family Health Plan  
Statement of Cash Flows  
For Eleven Months Ended May 31, 2017**

Cash flows from operating activities	
Premiums received	\$ 1,122,478,274
Medical expenses paid	\$ (883,407,841)
Administrative expenses paid	<u>\$ (46,214,292)</u>
Net cash from operating activities	\$ 192,856,141
 Cash flows from capital and related financing activities	
Purchases of capital assets	\$ (7,078,666)
 Cash flows from investing activities	
Interest income and other income, net	<u>\$ 718,322</u>
 Net (Decrease) increase in cash and cash equivalents	<u>\$ 186,495,797</u>
 Cash and cash equivalents, beginning of year	<u>\$ 146,082,070</u>
 Cash and cash equivalents at May 31, 2017	<u><u>\$ 332,577,867</u></u>
 Reconciliation of operating income to net cash from operating activities	
Operating income (loss)	\$ 21,996,923
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	\$ 1,784,379
Changes in operating assets and liabilities	
Premiums receivable	\$ (121,299,839)
Due from Santa Clara Family Health Foundation	\$ -
Prepays and other assets	\$ 152,841
Deferred outflow of resources	\$ -
Accounts payable and accrued liabilities	\$ (2,353,652)
State payable	\$ 133,567,259
Santa Clara Valley Health Plan and Kaiser payable	\$ 189,805
Net Pension Liability	\$ (5,018,386)
Medical cost reserves and PDR	\$ (12,170,215)
Deferred inflow of resources	<u>\$ -</u>
Total adjustments	<u>\$ 170,859,218</u>
Net cash from operating activities	<u><u>\$ 192,856,141</u></u>

**Santa Clara County Health Authority**  
**STATEMENT OF OPERATIONS**  
**BY LINE OF BUSINESS (INCLUDING ALLOCATED EXPENSES)**

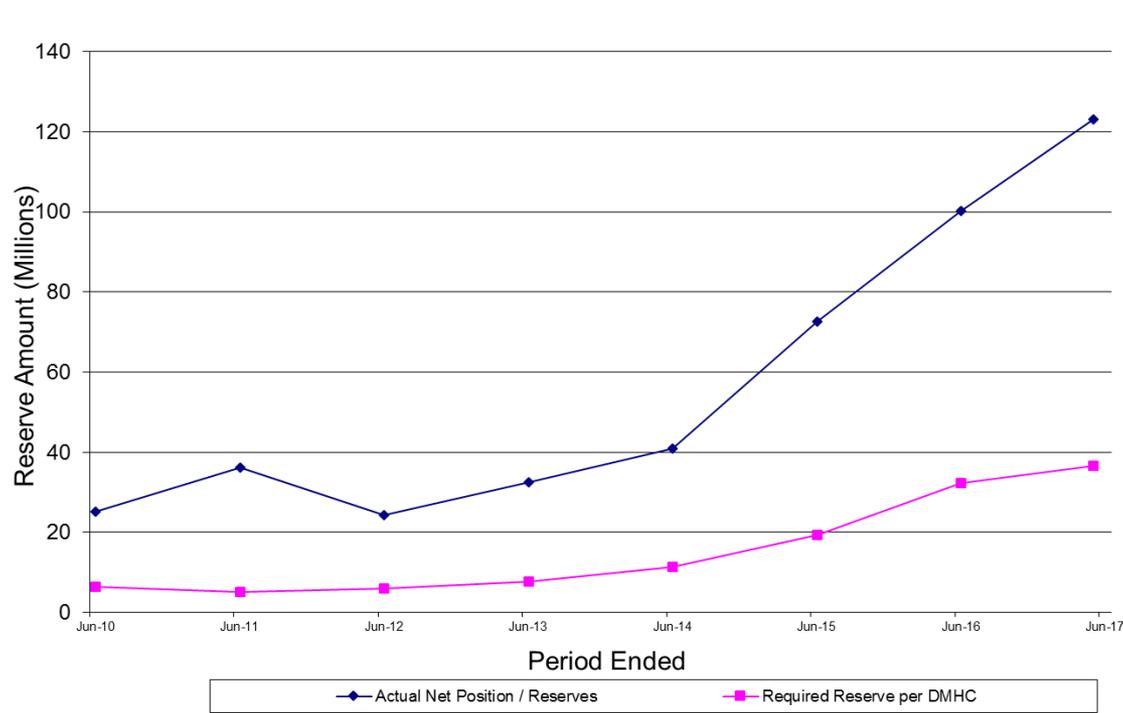
**Eleven Months Ended May 31, 2017**

	Medi-Cal	CMC	Healthy Kids	Grand Total
<b>P&amp;L (ALLOCATED BASIS)</b>				
REVENUE	\$988,235,395	\$118,749,071	\$3,226,388	<b>\$1,110,210,853</b>
MEDICAL EXPENSES (MLR)	917,687,404 92.9%	127,109,132 107.0%	2,637,920 81.8%	<b>1,047,434,457</b> <b>94.3%</b>
GROSS MARGIN	70,547,990	(8,360,062)	588,468	<b>62,776,396</b>
ADMINISTRATIVE EXPENSES (% MM allocation except CMC)	34,979,468	4,203,229	114,201	<b>39,296,897</b>
OPERATING INCOME/(LOSS)	35,568,523	(12,563,290)	474,267	<b>23,479,499</b>
OTHER INCOME/(EXPENSE) (% of Revenue Allocation)	(680,288)	(81,745)	(2,221)	<b>(764,254)</b>
NET INCOME/ (LOSS)	\$34,888,235	(\$12,645,036)	\$472,046	<b>\$22,715,245</b>
<b>PMPM (ALLOCATED BASIS)</b>				
REVENUE	\$334.80	\$1,399.83	\$97.96	<b>\$361.69</b>
MEDICAL EXPENSES	310.90	1,498.38	80.09	<b>341.24</b>
GROSS MARGIN	23.90	(98.55)	17.87	<b>20.45</b>
ADMINISTRATIVE EXPENSES	11.85	49.55	3.47	<b>12.80</b>
OPERATING INCOME/(LOSS)	12.05	(148.10)	14.40	<b>7.65</b>
OTHER INCOME / (EXPENSE)	(0.23)	(0.96)	(0.07)	<b>(0.25)</b>
NET INCOME / (LOSS)	\$11.82	(\$149.06)	\$14.33	<b>\$7.40</b>
<b>ALLOCATION BASIS:</b>				
MEMBER MONTHS - YTD	2,951,733	84,831	32,935	<b>3,069,499</b>
Member MONTHS by LOB	96.2%	2.8%	1.1%	<b>100%</b>
Revenue by LOB	89.0%	10.7%	0.3%	<b>100%</b>

Note: CMC includes Medi-Cal portion of the CCI data

**Santa Clara County Health Authority**  
**Tangible Net Equity - Actual vs. Required**  
**As of Period Ended:**

	<u>6/30/2010</u>	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2013</u>	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>5/31/2017</u>
<b>Actual Net Position / Reserves</b>	25,103,011	36,093,769	24,208,576	32,551,161	40,872,580	72,630,954	100,293,456	123,008,701
<b>Required Reserve per DMHC</b>	6,388,000	4,996,000	5,901,000	7,778,000	11,434,000	19,269,000	32,375,000	36,507,000
<b>200% of Required Reserve</b>	12,776,000	9,992,000	11,802,000	15,556,000	22,868,000	38,538,000	64,750,000	73,014,000
<b>Actual as % Required</b>	393%	722%	410%	419%	357%	377%	310%	337%





Santa Clara  
Family Health Plan  
*The Spirit of Care*

## Regular Meeting of the Santa Clara County Health Authority Executive/Finance Committee

Thursday, August 24, 2017  
10:30 AM - 12:00 AM  
210 E. Hacienda Avenue  
Campbell CA 95008

### **Members Present**

Michele Lew, Chair  
Bob Brownstein  
Wally Wenner, M.D.  
Linda Williams

### **Members Absent**

Liz Kniss

### **Staff Present**

Christine Tomcala, Chief Executive Officer  
Dave Cameron, Chief Financial Officer  
Neal Jarecki, Controller  
Robin Larmer, Chief Compliance & Regulatory  
Affairs Officer  
Sharon Valdez, VP, Human Resources  
Rita Zambrano, Executive Assistant

### **Others Present**

Janet Sommers, Burke, Williams, & Sorenson LLP  
Stacy Renteria, SEIU Steward  
April Pitt, SEIU Steward

## **MINUTES - Draft**

### **1. Roll Call**

**Michele Lew, Chair**, called the meeting to order at 10:35 am. Roll call was taken and a quorum was established.

### **2. Meeting Minutes**

The meeting minutes of the July 27, 2017 Executive/Finance Committee Meeting were reviewed.

**It was moved, seconded, and** the July 27, 2017 Executive/Finance Committee meeting minutes were **unanimously approved** as presented.

### **3. Public Comment**

Stacy Renteria, Provider Services Specialist and SEIU Steward, announced the Compensation Committee reached a

tentative agreement with management and will take the proposal to the bargaining unit members with a recommendation for a “yes” vote. She thanked the management team and Board for continued support, and thanked management for the good faith bargaining over the last several months.

#### **4. Adjourn to Closed Session**

##### **a. Anticipated Litigation**

The Committee met in Closed Session to confer with Legal Counsel regarding significant exposure to litigation in connection with a CalPERS issue.

##### **b. Conference with Labor Negotiators**

The Committee met in Closed Session to confer with its Designated Representatives for labor relations regarding the status of salary benchmarking for SCCHA staff represented by SEIU Local 521.

#### **5. Report from Closed Session**

Ms. Lew reported the Committee met in closed session to discuss items 4 (a) and (b), and no action was taken.

#### **6. Publicly Available Salary Schedule Ranges**

The Publicly Available Salary Schedule changes were deferred to the Board.

#### **7. Interim June 2017 Financial Statements**

Mr. Cameron presented the preliminary pre-audit June 2017 financial statements, which report the results of operations for the Plan’s full fiscal year. The Plan’s independent auditors, Moss-Adams, LLP are conducting the annual audit of the annual financial statements and further changes are possible until the audited financial statements are issued in late October.

For the month, the Plan reported a net surplus of \$14.3 million, which is \$13.6 million favorable to budget. For the fiscal year, the Plan reported a net surplus of \$37.0 million or \$25.2 million favorable to budget.

A large portion of the Plan’s monthly and annual net surplus resulted from a recast of the CCI program. Updated 2016 CCI rates became known in June 2017 and resulted in a significant net surplus compared to prior estimates.

Mr. Cameron noted that enrollment of 276,000 member trailed budget by 1.2%, while annual member months of 3,345,000 exceeded budget by 1.1%. Enrollment peaked at 282,000 members in October 2016 and declined by approximately 1% thereafter, largely in the Medi-Cal program. Over the fiscal year, Medi-Cal enrollment increased 2.2%, Healthy Kids enrollment decreased 38.4% (as many members transitioned to Medi-Cal) and CMC enrollment decreased 8%. Mr. Cameron added that membership, which decreased by 4,000 members in July, was stable in August with no specific cause known.

Administrative expenses were 1% above budget for both the month and fiscal year. The Plan continued to use consultants and temps in support of unfilled staff positions and special projects. Some budgeted occupancy and postage costs were deferred into Fiscal Year 2017-18. Year-to-date, administrative expenses were 3.6% of revenue.

The Plan’s net assets of \$137.0 million represented 385% of the DMHC minimum required tangible net equity (TNE) of \$35.6 million. The Plan has exceeded its minimum internal liquidity and equity targets.

Capital assets of \$7.6 million have been acquired year-to-date, much of which is related to the QNXT claims system implementation. The Board approved capital acquisitions of \$10.9 million for full fiscal year, and some acquisitions included in the fiscal year 2017 budget have been delayed and were included in the fiscal year 2018 budget.

**It was moved, seconded, and** the preliminary June 2017 Financial Statements were **unanimously approved** as presented.

#### **8. Allocate remaining ACA 1202 Funds to Whole Person Care Program**

Mr. Jarecki presented background on ACA 1202, the “PCP bump”. He noted that ACA 1202 was a provision of the Affordable Care Act that provided additional funding for calendar years 2013-14. Mr. Cameron noted that SCFHP’s Board had voluntarily continued the program for calendar year 2015 to distribute residual funds. As of June 30, 2016, Mr. Jarecki noted that approximately \$2 million of ACA 1202 funds remained and recommended using these residual funds to fund the Plan’s investment in the Whole Person Care (WPC) pilot program, which the Board approved at its March 26, 2017 meeting.

**It was moved, seconded, and unanimously approved** to move the residual ACA 1202 funds of \$2.1m to the Whole Person Care Program.

#### **9. Report on Internal Control Review by Moss Adams**

Mr. Jarecki noted that in August 2016, WeiserMazar’s (WM) prepared a report of high-risk areas within the Finance department. In early 2017, Moss-Adams was hired to conduct an in-depth review of two of these high-risk areas – Procurement and Segregation of Duties.

Mr. Jarecki reviewed Moss-Adams’ report, which summarized the scope, results, and recommendations. Many of the recommendations have been addressed with implementation of a procurement function and detailed ongoing review of Great Plains (accounting system).

For fiscal year 2018, Mr. Jarecki noted that two other high-risk areas will be addressed: Delegate Oversight and Management Reporting.

**It was moved, seconded, and** the Moss Adams’ Internal Control Report and Recommendations were **unanimously approved** as presented.

#### **10. CEO Update**

Ms. Tomcala invited Mr. Cameron to update the Committee on the misdirected claims corrective action plan (CAP). For the quarter ended June 2017, the Plan achieved a compliance rate of 98%. Due to QNXT implementation, results for July and August declined, however, the Misdirected Claims Workgroup will focus on regaining compliance as quickly as possible and will provide regular updates to the Executive/Finance Committee and DMHC.

Mr. Cameron reported that the Plan is not only compliant, but is at its lowest level in a year on Provider Dispute Resolutions (PDRs). Ms. Tomcala noted the Plan is working with regulators to close the CAP.

Ms. Tomcala reported that the Authorization process in QNXT successfully went live in June, with the go live date-of-receipt cutover for claims received from July 1<sup>st</sup> onward. The plan continues to work cross-functionally on addressing any conversion issues.

Ms. Tomcala announced that the plan received a report from NCQA awarding Interim Accreditation for Cal Medi-Connect (CMC). Sha also noted that the latest HEDIS estimates are very favorable.

Ms. Tomcala updated the Committee on the new building, noting that three proposals/bids from architectural firms are under review.

The Committee discussed to changing the meeting time for the Executive/Finance Committee meetings to 11:30 am – 1:00 pm.

Ms. Tomcala also extended an invitation to the Committee members to join the Plan at the PACT Luncheon in November, at which Dolores Alvarado will be recognized.

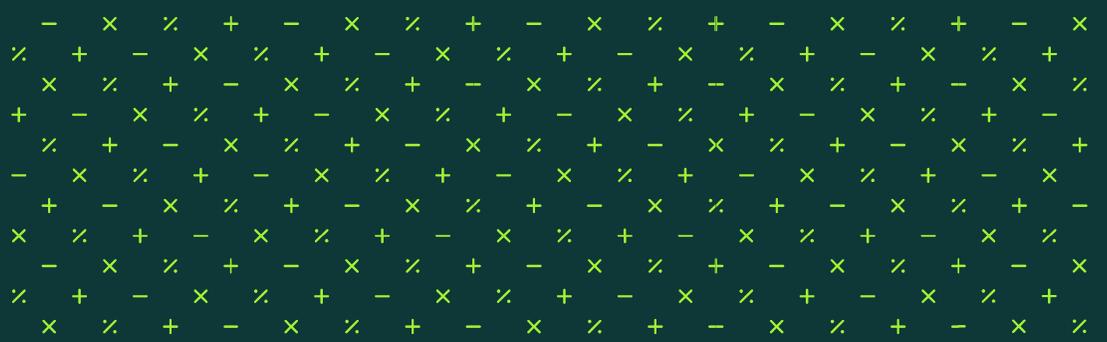
**It was moved, seconded, and unanimously approved to accept CEO Update.**

## **11. Adjournment**

The meeting was adjourned at 11:40 am.

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Michele Lew, Chair



# Santa Clara Family Health Plan Results of Internal Audit Procedures

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August 18, 2017

# Agenda

Introduction

Scope

Summary of Results

Management Action Plans

Questions



# Introduction

**It is our pleasure to provide you a summary of the results from our internal audit procedures. This summary should be read in conjunction with:**

- Engagement letter dated March 14, 2017
- The appendices include detailed deliverables (outlining our findings, recommendations and Management's responses) which include:
  - Appendix 1 – Procure to Pay Process Risk and Control Matrix
  - Appendix 2 – Payroll Segregation of Duties Matrix
  - Appendix 3 – Segregation of Duties Gap Log
  - Appendix 4 – Procurement Policy – Recommended Key Elements



# Scope

## **Internal audit of high-risk areas identified by previous risk assessment**

- Procure-to-Pay Process
- Segregation of Duties

## **Internal audit procedures**

- Conducted on-site interviews with accounting, finance, IT, and human resources personnel
- Reviewed current policies and procedures
- Evaluated current access permissions in key financial systems
- Identified and documented existing controls
- Provided recommendations for improvement to Management



# Summary of Results

## Strengths

- Personnel appear to have appropriate background and experience
- Majority of general & administrative expenses are pre-approved by the CEO or CIO
- Disbursements are approved by appropriate Management
- Detective controls over disbursements are in place (e.g. Positive Pay, account reconciliations)



## Recommendations for improvement

- Further restrict access permissions in Great Plans and ADP
- Implement a formal procurement function
- Formalize policies and procedures for procurement, accounting, and IT

# Procurement Function – Recommended Key Elements

## **1. Introduction**

- a. Nature & Purpose of procurement policy

## **2. Vendor Selection**

- a. Requirements for competitive bidding
- b. Review against sanctioned entity lists
- c. Selection Criteria

## **3. Vendor onboarding**

- a. Required documentation

## **4. Purchasing Authority**

- a. Approval limits (Board, CEO, Executive Team, Dept. Directors & Managers)
- b. Budgeted vs. Non-budgeted
- c. Operating expense & capital asset
- d. Emergency purchase criteria

## **5. Pre-Purchase Documentation**

## **6. Invoicing, GL Coding & Payment processing**



# Management Action Plans & Current Status

## Procure-to-Pay

- Formal procurement function and policy to be implemented
- Created AP email box to ensure all vendor invoices are routed to AP
- Implemented procedure to enter vendor invoices upon receipt to ensure proper accrual

## Current Status

In Development

✓ Completed May 17

✓ Completed May 17



## Segregation of Duties

- Key conflicts have been resolved
  - Accounting Manager's administrative rights in Great Plains and ADP have been terminated
  - Journal entry preparation and posting responsibilities have been segregated
- Implemented Controller or CFO review of transactions without proper segregation of duties
- Implemented user access rights approval form for Great Plains and ADP
- Great Plains access by role to be reviewed

✓ Completed May 17

✓ Completed May 17

✓ Completed May 17

✓ Completed May 17

In Process



# Questions

Findley Gillespie, Partner

[findley.gillespie@mossadams.com](mailto:findley.gillespie@mossadams.com)

(415) 677-8288

Sarah Boehmer, Senior

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(408) 558-3227

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Assurance, tax, and consulting offered through Moss Adams LLP. Wealth management offered through Moss Adams Wealth Advisors LLC. Investment banking offered through Moss Adams Capital LLP.



## Regular Meeting of the Santa Clara County Health Authority Compliance Committee

Thursday, August 24, 2017  
12:00 PM – 1:00 PM  
210 E. Hacienda Avenue  
Campbell CA 95008

### VIA TELECONFERENCE AT:

1250 N. Preston Rd.  
Prosper, TX 75078

## Minutes

### Members Present

Linda Williams, Board Member  
Christine M. Tomcala, Chief Executive Officer  
Robin Larmer, Chief Compliance and  
Regulatory Affairs Officer  
Jeff Robertson, Chief Medical Officer  
Chris Turner, Interim Chief Operations Officer  
Sharon Valdez, VP, Human Resources  
\*via telephone

### Members Absent

Dave Cameron, Chief Financial Officer  
Jonathan Tamayo, Chief Information Officer

### Staff Present

Beth Paige, Director, Compliance  
Peggy Periandri, Director, Compliance  
Jordan Yamashita, Compliance Mngr.  
Regina Wong-Valley, Compliance Audit Mngr.  
Cindy Pierce-Allen, Interim Medicare  
Compliance Mngr\*  
Mai Phuong Nguyen, Compliance Oversight  
Analyst  
Anna Vuong, Compliance Lead

### 1. Roll Call

Ms. Larmer called the meeting to order at 12:05 pm. Roll call was taken and a quorum established.

### 2. Public Comment

There were no public comments.



### **3. Approve Minutes of the April 26, 2017 Regular Compliance Committee Meeting**

Minutes of the April 2017 regular Compliance Committee meeting were approved as presented.

### **4. Committee Charter**

Ms. Larmer presented the Compliance Committee Charter explaining it was edited to describe the role of the Chief Compliance and Regulatory Affairs Officer and make other minor edits.

A motion was made to approve the Compliance Committee Charter with the recommended edits and correction of a typo on page 2; the motion was **seconded and unanimously approved**.

### **5. CMT Visit and Health Risk Assessment Performance Improvement Plan**

Ms. Larmer reported the CMC Contract Management Team (CMT) requested and the Plan submitted a Performance Improvement Plan (PIP) to address SCFHP's relatively low rate of HRA completion. CMT has scheduled a site visit to discuss the PIP on September 19, 2017.

The Committee discussed the root-causes of the low HRA completion rate. The current vendor's performance was a contributing factor, and the continued role of the vendor is under evaluation.

### **6. Compliance Report**

#### **a. Reporting Initiative**

Ms. Paige reported that Compliance has launched a multidisciplinary reporting initiative to ensure SCFHP is consistently submitting reports that are accurate and can be replicated.

#### **b. Quarterly Compliance Report**

Ms. Paige presented the Quarterly Compliance Report highlighting the activities of the Compliance Department:

- SCFHP is in receipt of DMHC comment letters regarding SCFHP's Timely Access submission and its network configuration.
- SCFHP received a new CMC three-way contract for signature.
- SCFHP responded to a Civil Grand Jury Report and Recommendations.

#### **c. CMC and Medi-Cal Compliance Monitoring Report**

Ms. Nguyen and Ms. Turner presented the CMC and Medi-Cal Operational Compliance Report. Discussion included:

- The Committee agreed that a 2% margin of error will be applied when measuring compliance performance.



- Customer Service is reviewing its performance on all compliance measures and developing a process improvement plan.

A **motion** was made to approve the Quarterly Compliance Report and the CMC and Medi-Cal Operational Compliance Reports; the motion was **seconded and unanimously approved**.

## 7. Regulatory Corrective Action Plans

### a. Misdirected Claims

Ms. Yamashita presented the regulatory Corrective Action Plan (CAP) to review and monitor misdirected claims. The compliance rate for Q2 was 98% but declined to below 89% due to the QNXT conversion. The decline was anticipated and reported to DMHC.

### b. Provider Dispute Resolution

Ms. Yamashita reported that the PDR backlog was resolved and we anticipate that the CAP will be closed soon. Current PDRs remain compliant.

A **motion** was made to approve the CAPs; the motion was **seconded and unanimously approved**.

## 8. Medicare Data Validation Audit Update

Ms. Pierce-Allen gave an overview of the CMS requirement for the Data Validation Audit and the elements that are reviewed. She reported SCFHP's overall score had significantly improved from last year's score to 91%. The national average is 99-100%.

A **motion** was made to approve the Medicare Validation Audit Update; the motion was **seconded and unanimously approved**.

## 9. Fraud, Waste, and Abuse Report

Ms. Periandri presented the Fraud, Waste, and Abuse report:

- The FWA vendor has identified and is investigating two suspected cases of overpayment.
- An 805 Report was filed for the podiatrist whose contract was terminated due to fraud.

A **motion** was made to approve the Fraud, Waste and Abuse Report; the motion was **seconded and unanimously approved**.

## 10. Adjournment

The meeting was adjourned at 1:05 pm.



## Santa Clara County Health Authority Compliance Committee Charter

### Purpose

The primary purpose of the Compliance Committee (Committee) is to assist the Santa Clara Family Health Plan (SCFHP) Governing Board in its oversight of the implementation and effectiveness of SCFHP's Compliance Program. The Committee provides support and guidance to the Compliance Officer in overseeing the outcomes and performance of activities initiated under the Compliance Program to ensure compliance with state and federal regulators. The Committee shall provide minutes of its actions to the Board for review, and all actions of the Committee shall be reported at the next regularly scheduled Board meeting.

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### Members

The Compliance Committee shall be comprised of the Executive Team including the Chief Compliance and Regulatory Affairs Officer, who shall serve as Chair, and a Governing Board member, as appointed by the full Board, who is free from any relationship that in the opinion of the Board would interfere with the exercise of his or her independent judgment as a member of the Committee.

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### Meetings

Regular meetings of the Compliance Committee shall be scheduled quarterly. Additional special meetings, or meeting cancellations, may occur as circumstances dictate.

Committee members may attend each meeting in person or via teleconference. Teleconferencing shall be conducted pursuant to California Government Code Section 54953(d). The presence of a majority of the members of the Committee shall constitute a quorum for the transaction of business.

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The Committee may invite other individuals, such as members of management, auditors, or other technical experts to attend meetings and provide pertinent information relating to an agenda item, as necessary.

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Original Approved by Governing Board 12.15.16

Page 1 of 3

Approved as Revised by Compliance Committee 8.24.2017

Meetings of the Committee shall be open and public, except such meetings or portions thereof that may be held in closed session to the extent permitted by applicable law including, but not limited to, the Ralph M. Brown Act (Gov. Code § 54950 et seq.) and Section 14087.28.

Minutes of all meetings of the Committee shall be recorded.

### Responsibilities

The following functions shall be the common recurring activities of the Compliance Committee. These functions should serve as a guide with the understanding that the Committee may carry out additional functions as may be appropriate in light of changing business, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities delegated to it by the Board from time to time.

- Review and approve the following documents, including but not limited to:
  - Compliance Program
  - Compliance risk assessment;
  - Compliance monitoring and auditing work plan
- Oversee the development, implementation, annual review, and approval of appropriate Standards of Conduct, business ethics, and compliance program policies and procedures.
- Oversee the development and implementation of operational policies to ensure satisfactory relationships with SCFHP's principal regulatory authorities.
- Oversee employee training on the Standards of Conduct, business ethics, SCFHP's Compliance Program and compliance policies, and training on the detection, correction and prevention of fraud, waste, and abuse (FWA) in government programs.
- Ensure that the full Governing Board meets all compliance and FWA training requirements annually.
- Oversee SCFHP's annual Conflict of Interest reporting process.
- Reviewing effectiveness of the system of internal controls, such as dashboards, designed to reveal compliance issues and compliance with key regulatory requirements.
- Ensure that SCFHP maintains clear channels of communication, through which employees and first, tier, downstream and related entities (FDRs) may seek advice on application of the Plan's Compliance Program.
- Ensure that SCFHP maintains a hotline through which employees, FDRs and members may report potential compliance violations confidentially or anonymously (if desired) without fear of retaliation.
- Oversee and receive periodic reports regarding investigations of compliance violations and potential FWA reported to the SCFHP Compliance Officer.
- Ensure that appropriate internal and external monitoring and auditing (including FDRs) are conducted to verify adherence to SCFHP's Compliance Program guidelines and procedures.

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- Monitor audits/examinations/corrective action plans conducted and issued by governmental or other regulatory agencies.
- The Compliance Committee will monitor the overall effectiveness of the Compliance Program. Some indicators of an effective compliance program are:
  - Use of monitoring to track and review open/closed corrective action plans, FDR compliance, Notices of Non-Compliance, warning letters, CMS sanctions, training completion/pass rates, etc.;
  - Implementation of new or updated Medicare requirements (e.g., tracking HPMS memo from receipt to implementation) including monitoring or auditing and quality control measures to confirm appropriate and timely implementation;
  - Increase or decrease in number and/or severity of complaints from employees, FDRs, providers, beneficiaries through customer service calls, or the Complaint Tracking Module (CTM), Parts A, B and D issues, etc.;
  - Timely response to reported noncompliance and potential FWA, and effective resolution (i.e., non-recurring issues);
  - Consistent, timely and appropriate disciplinary action; and
  - Detection of noncompliance and FWA issues through monitoring and auditing.

Meeting Minutes  
**SCCHA Quality Improvement Committee**  
 Wednesday, August 09, 2017

<b>Voting Committee Members</b>	<b>Specialty</b>	<b>Present Y or N</b>
Nayyara Dawood, MD	Pediatrics	N
Jennifer Foreman, MD	Pediatrics	N
Jimmy Lin, MD	Internist	Y
Ria Paul, MD	Geriatric Medicine	Y
Jeff Robertson, MD, CMO	Managed Care Medicine	Y
Christine Tomcala, CEO	N/A	N
Ali Alkoraishi, MD	Adult & Child Psychiatry	Y
Jeffrey Arnold, MD	Emergency Medicine	N
Darrell Evora, Board Member	N/A	Y

<b>Non-Voting Staff Members</b>	<b>Title</b>	<b>Present Y or N</b>
Johanna Liu, PharmD	Director of Quality and Pharmacy	Y
Andres Aguirre, MPH	Quality Improvement Manager	Y
Lily Boris, MD	Medical Director	N
Jennifer Clements	Director of Provider Operations	N
Darryl Breakbill	Grievance and Appeals Operations Manager	N
Sandra Carlson, RN	Director of Health Services	N
Dawn Davis	Grievance and Appeals Consultant	Y
Lori Andersen	Director of LTSS	N
Sherry Holm	Director of Behavioral Health	N
Caroline Alexander	Administrative Assistant	N

<b>AGENDA ITEM</b>	<b>DISCUSSION/ACTION</b>	<b>ACTION</b>	<b>RESPONSIBLE PARTIES</b>	<b>DUE DATE</b>
Introductions	Ria Paul, MD Chairman called the meeting to order at 6:20 p.m. Quorum was not established at this time. Quorum was established at 6:35 p.m. with the arrival of Dr. Lin.			

AGENDA ITEM	DISCUSSION/ACTION	ACTION	RESPONSIBLE PARTIES	DUE DATE
Review and Approval of May 10, 2017 minutes	The minutes of the May 10, 2017 Quality Improvement Committee Meeting were reviewed. It was moved, seconded to approve minutes as written.	Minutes of the May 10, 2017 meeting were approved as presented.		
Public Comment	No public comment.			
CEO Update	Dr. Robertson presented the CEO update. Move to repeal and replace Affordable Care Act did not happen. Reduction in membership from 280,000 to 271,000 (5,000 in the last month). Many members not renewing for fear of immigration issues. The company had a major initiative to convert all its membership claims and history from Xpress onto QNXT. System migration occurred in beginning of July. Had NCQA survey for initial accreditation and received preliminary results. Plan scored 46 out of 50 points. Report has to go to finalization committee of NCQA before being released.			



AGENDA ITEM	DISCUSSION/ACTION	ACTION	RESPONSIBLE PARTIES	DUE DATE
D. HEDIS Reporting	<p>Mr. Aguirre presented the HEDIS report. Outstanding HEDIS year. Challenges around missing claims files. One of the builds did not have all the Pharmacy data, so created another data warehouse to get a more accurate picture. Patient level detail files are new. Provider Specialty mapping around CMC line: dived into deeper. Some gaps in Behavioral Health measures. Provider was not mapped to the correct provider type. New measure Health Care Associated infection. Each hospital had a CMS identification that had to be mapped to. Remote access to Valley Medical Center was a plus, as well as Palo Alto Medical Foundation remote access. Medical Record Retrieval rate was at 86%. CMC Quality Withhold measures had a 10% increase in performance. Eight measures went up 1 percentile from previous year; four measures went up 2 percentile, three measures went up 3 percentile. Cervical Cancer Screening measure: turned this measure around. Worked with Foothill Clinic and rolled out member incentive across the whole plan. Hemoglobin testing: dropped in prior years, increased this year. Prenatal care: Increase this year. Will be targeting for a Health Education program this year.</p> <p>Controlling High Blood Pressure: No ICD codes that could be used. Increased the most in percentiles. Member incentive on controlling hypertension. Quality Nurse did 100% over read of all measures. Vendor is informed of any discrepancies. Will continue to be a performance improvement project.</p> <p>Childhood Immunization Status: relies on claims and supplemental data from registry and medical records.</p> <p>Well Child visits: Claims driven, not much of increase from 2016 to 2017.</p> <p>Diabetic Retinal Screening: focus of a performance improvement project. Member incentive around this measure.</p> <p>CMC: Quality Withhold measures</p> <p>Controlling Blood Pressure: Three stars on this measure</p> <p>All Cause Readmissions: readmission within 30 days; decrease in this measure. Qualified for improvement factor of 10% from previous year.</p> <p>Follow up after hospitalization for Mental Illness within 30 days of discharge: did not meet benchmark, but qualified for improvement factor of 10% from previous year.</p> <p>Next steps:</p> <ul style="list-style-type: none"> <li>• Improvement Plans – MCAL</li> </ul>			

AGENDA ITEM	DISCUSSION/ACTION	ACTION	RESPONSIBLE PARTIES	DUE DATE
<p>E. Initial Health Assessment</p>	<ul style="list-style-type: none"> <li>- Childhood Immunization Status – Combo 3               <ul style="list-style-type: none"> <li>- Performance Improvement Project – Disparate Group                   <ul style="list-style-type: none"> <li>- Target Vietnamese Members</li> </ul> </li> </ul> </li> <li>- Controlling High Blood Pressure               <ul style="list-style-type: none"> <li>- Performance Improvement Project</li> </ul> </li> <li>- Prenatal Care               <ul style="list-style-type: none"> <li>- Member incentive</li> </ul> </li> <li>- Texting Campaign for all Auto-Assignment Measures</li> <li>• Cal Medi-Connect               <ul style="list-style-type: none"> <li>- Call campaign for the following measures:                   <ul style="list-style-type: none"> <li>- Controlling High Blood Pressure</li> <li>- Cervical Cancer Screening</li> <li>- CDC – HbA1c</li> </ul> </li> </ul> </li> </ul> <p>Mr. Aguirre presented a summary of Initial Health Assessment. The Initial Health Assessment (IHA) is a comprehensive assessment that is completed during the member’s initial encounter(s) with a selected or assigned primary care physician (PCP), appropriate medical specialist, or non-physician medical provider and must be documented in the member’s medical record. The IHA enables the PCP to assess and manage the acute, chronic, and preventive health needs of the member.</p> <p>The IHA is a Medi-Cal requirement for all new member to SCFHP that must be completed within 120 calendar days of enrollment. Medical record review was an opportunity to do two things; one, validate the methodology that SCFHP uses to identify the provision of IHA services, and two, provide feedback to network providers on what a complete IHA visit is.</p> <p>SCFHP conducted a randomized review of 13 contracted clinics in Santa Clara County. Medical records were reviewed and assessed for complete IHAs during the 120 day timeframe requirement. Clinics did have compliant medical records, but not all the records for any clinic were 100% compliant</p> <p>Element B and C had the highest compliance rate, with 55% of the records reviewed having Preventive services and complete exam, diagnosis and plan. 43% of records reviewed had history</p>			

AGENDA ITEM	DISCUSSION/ACTION	ACTION	RESPONSIBLE PARTIES	DUE DATE
	<p>of present illness, past medical history, social history and systems review (Element A). Within Element A, the social history assessment was frequently missing from the charts reviewed. Administration of the SHA (Element D) was the lowest performing element with a compliance rate of 15%. The overall compliance rate was 11%, with only 7 of 53 reviewed charts having completed the IHAs within the 120 day timeframe.</p> <p>Other findings: a few of the clinics reported that at least one of the members on the list was not their patient. Health Plan systems do show the members were assigned to the clinic during the measurement period.</p> <p>Based on the findings, the majority of SCFHP contracted PCPs are not providing a complete IHA for new members within the 120 day required timeframe. This may be due to providers not using the required SHA questionnaires or other state approved forms during their office visits with new patients, providers not checking the SCFHP portal on a regular basis for newly assigned members, and lack of training about the IHAs.</p> <p>This was the first medical record review of the health plan's IHA methodology and it resulted in a lot of actionable data. Going forward, the plan will continue to do the medical record review on an annual basis, with the final report going to the plan's Quality Improvement Committee. The plan has also posted information about the components of the IHA to the plan's external website as a reference for network providers. The plan will also do more in-depth training to providers on the importance of completing the IHA, in addition to following-up on a regular basis, may help increase compliance rates. This training will happen using multiple methodologies including in person training as well as provider newsletter articles alerting providers to requirements as well as educational resources available.</p>			

AGENDA ITEM	DISCUSSION/ACTION	ACTION	RESPONSIBLE PARTIES	DUE DATE
Committee Reports A. Credentialing Committee  B. Pharmaceutical and Therapeutics Committee  C. Utilization Management Committee  D. Dashboard	<p>Dr. Robertson presented the June 07, 2017 Credentialing Committee Report. First provider termination from network for billing irregularities, reported to Medical Board of California. It was moved, seconded to approve Credentialing Committee report as presented.</p> <p>Dr. Lin presented the 1st Quarter 2017 Pharmacy and Therapeutics Committee minutes. OTC cough and cold medications were put back on formulary. Procrit removed from formulary. Proposed adding alogliptin and alogliptin/metformin to formulary with quantity limits and same step therapy as Januvia and Janumet. It was moved, seconded to approve Pharmaceutical and Therapeutics Committee minutes as presented.</p> <p>Dr. Lin presented the April 19, 2017 Utilization Management Committee minutes. Using MCG as standard criteria. It was moved, seconded to approve Utilization Management Committee meeting minutes as presented.</p> <p>Addendum: Credentialing Committee, Utilization Management Committee and Pharmacy Committee will now be subject to the Brown Act. Exception when discussing Peer Review items. Credentialing Committee will adjourn to private session. Any discussions involving proprietary pricing during Pharmacy Committee will also adjourn to private session.</p> <p>Ms. Liu presented the 2<sup>nd</sup> Quarter Dashboard report, including data through July 2017. Twelve facility site reviews performed. 41 Level 1 PQI's: No quality issue determined. 9 Level 2 PQI's: Opportunity for improvement. 2 Level 3 PQI's. No Level 4 PQI's were identified. Initial Health Assessment Rate for 2nd Quarter was only available for April 2017 and was 37%. Quality Improvement Activities included Member Incentives for the following:</p> <ul style="list-style-type: none"> <li>• Cervical Cancer Screening</li> <li>• Retinal Eye Exam</li> <li>• Hypertension</li> </ul>	<p>Credentialing Committee report was approved as presented.</p> <p>1<sup>st</sup> Quarter 2017 Pharmacy and Therapeutics Committee minutes were approved as presented.</p> <p>April 19, 2017 Utilization Management Committee minutes were approved as presented.</p>		

AGENDA ITEM	DISCUSSION/ACTION	ACTION	RESPONSIBLE PARTIES	DUE DATE
E. Consumer Advisory Report	<p>Return rates were low for member incentives, ranging from 2% to 5%.</p> <p>Deferred until 4<sup>th</sup> Quarter.</p>			

AGENDA ITEM	DISCUSSION/ACTION	ACTION	RESPONSIBLE PARTIES	DUE DATE
Adjournment	Meeting adjourned by Dr. Ria Paul at 7:50 p.m.	Calendar and attend.	All	
Next Meeting	Wednesday, November 8, 2017- 6:00 PM			

**Reviewed and approved by:**

\_\_\_\_\_ Date \_\_\_\_\_

Ria Paul, MD  
Quality Improvement Committee Chairperson



**Regular Meeting of the  
Santa Clara County Health Authority  
Consumer Advisory Committee**

**Tuesday, September 12, 2017**

**6:00 – 7:00 pm**

**210 E. Hacienda Avenue**

**Campbell, CA 95008**

**Minutes - DRAFT**

**Committee Members Present**

Waldemar Wenner, M.D., Chair  
Ms. Rebecca Everett  
Ms. Blanca Ezquerro  
Ms. Rachel Hart  
Ms. Margaret Kinoshita  
Mr. Hung Vinh  
Mr. Tran Vu  
Ms. Danette Zuniga

**Staff Present**

Ms. Laura Watkins, Director of Marketing, Outreach and Enrollment  
Ms. Lori Andersen, Operations Director, Long Term Services and Support  
Ms. Lisa Fitzpatrick, Marketing Project Manager  
Ms. Sherita Gibson, Marketing Coordinator  
Ms. Emily Hennessy, Interim Marketing and Communications Manager  
Ms. Tanya Nguyen, Director of Customer Service  
Ms. Divya Shah, Health Educator  
Ms. Christine Tomcala, Chief Executive Officer  
Ms. Chris Turner, Interim Chief Operating Officer

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**1. Call to Order**

Dr. Waldemar Wenner, Chair, called the meeting to order at 6:05 p.m. A quorum was established.

**2. Roll Call and Introductions**

Introductions were made.

**3. Public Comment**

There were no public comments.

#### **4. Review and Approval of June 13, 2017 Minutes**

Mr. Vu moved and Ms. Kinoshita seconded the motion to approve the minutes from the meeting held on June 13, 2017. The motion passed unanimously.

#### **5. Health Plan Update**

Ms. Tomcala presented an enrollment update: As of August 1, Medi-Cal enrollment is 262,871; Cal MediConnect is 7,405; and Healthy Kids is 2,618 for a total enrollment of 272,894.

Mr. Vu asked whether the decrease in enrollment of 3,000 members from August to September could be due to people getting jobs and no longer being qualified for the health plan. Ms. Tomcala noted that a low unemployment rate could be a factor, but there could also be other factors influencing the drop in enrollment.

Ms. Tomcala announced that SCFHP closed on the purchase of a new office building located at 50 Great Oaks Boulevard in San Jose. It is anticipated that the move to the new building will occur in April.

#### **6. Health Risk Assessment Changes – Overview/Feedback**

Ms. Andersen distributed a redlined draft of the Health Risk Assessment (HRA) and solicited feedback from the committee. She stated that the purpose of the assessment form is to gather medical and environmental information from seniors and people with disabilities enrolled in Medi-Cal, and from Cal MediConnect members, to help assess the health risks of these members and as input to developing a care plan. Historically, the HRA concentrated on gathering medical information. The changes reflect the addition of questions that focus on the social determinants of health.

The committee reviewed the form, engaged in discussion, and provided feedback. Ms. Watkins stated committee members could send additional questions and/or feedback by email to Ms. Gibson.

#### **7. Transportation Requests – Process Changes**

Ms. Nguyen reviewed the changes made to the transportation benefits – Non-Emergency Medical Transportation (NEMT) and Non-Medical Transportation (NMT), including a new requirement for a completed Physician Certification Statement (PCS) for NEMT. A copy of the PCS form was included in the agenda packet.

Ms. Nguyen stated that SCFHP will send members a notice about the changes, and will update the Evidence of Coverage (EOC) for both Medi-Cal and Cal MediConnect to reflect the changes.

Dr. Wenner suggested that staff inform providers of the transportation benefits so that providers can share the information with their patients.

## **8. SCFHP Logo Refresh**

Ms. Tomcala noted that with SCFHP now 20 years old, it is an appropriate time for SCFHP to refresh its logo. The upcoming move to a new office location will require updates to materials for the new address, new signage, etc. This is an appropriate time to also refresh the logo.

Ms. Fitzpatrick explained that the logo refresh process enables SCFHP to think about who we are, what our values are, how we want to communicate to the community, and how we want the community to view us. She presented two logo designs and gathered feedback from the committee. Staff was appreciative of the committee's feedback and will incorporate it into the next stage of review.

## **9. Recent SCFHP Member Communications**

Ms. Watkins provided an overview of recent SCFHP member communications:

- Website – Board and committee meetings continue to be posted and updated on the website, as well as member materials (e.g., provider directories and formularies are updated monthly)
- Community resources and outreach events
- Facebook postings
- Member newsletters - Summer

## **10. Future Meetings and Agenda Items**

The next Consumer Advisory Committee meeting is December 12, 2017. Topics suggested for the next meeting include:

- Alternative treatments covered by SCFHP
- An overview of how Regional Centers and SCFHP's Behavioral Health Department work together

## **11. Adjournment**

Mr. Vu moved and Ms. Hart seconded the motion to adjourn the meeting at 7:15 pm. The motion passed unanimously.

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Waldemar Wenner, MD  
Chair, Consumer Advisory Committee

**Santa Clara Family Health Plan  
Compliance Report  
July - August 2017**

**Compliance Department Activity**

July - August 2017

**Reporting**

- Regulatory Filings/Reports/Other: All Filed Timely
  - Routine DMHC Plan Filings: 4
  - Routine DHCS Reports: 24
  - Routine CMC Report: 9
  - Ad Hoc Reports/Requests: 5

**Regulatory Communications**

- DMHC
  - Timely Access
    - SCFHP responded to a DMHC Comments letter requesting clarification of its Plan to Plan and network contracting relationships.
  - 2018 CMC Marketing Materials
    - DMHC reviewed and approved the 2018 CMC Marketing materials without change.
  - Member Complaints via Regulator
    - Total of 5 Member complaints (1 appeal, 2 billing, 1 timely access to specialist, 1 quality of care).
    - 2 cases resolved, 1 case pending, 2 cases active.
- DHCS
  - The DHCS Final Rule contract amendment remains under review by CMS and DHCS.
  - SCFHP continues to implement the revised Medi-Cal transportation policy and enhanced reporting requirements.
- Medicare
  - Contract Management Team (CMT) Calls
    - The focus discussion for July was Homelessness (how they are identified, managed, resources used, etc). There was not a topic for August.
  - Medicare Data Validation (MDV) Audit
    - SCFHP received its final scores for the annual Medicare data validation audit. SCFHP increased its overall average score to 91%, an increase of 10% over last year. However, 91 is not a passing score and lower than the national average of 99-100%.
  - MMP Denial Letter Monitoring
    - SCFHP continues to wait for the results of CMS' review.
- Civil Grand Jury Report
  - SCFHP submitted its response to the Civil Grand Jury's Report and recommendations regarding accuracy of provider directories and provider access.

**Monitoring/Auditing**

**Santa Clara Family Health Plan  
Compliance Report  
July - August 2017**

- DHCS Audits
  - DHCS has not yet issued a report yet for the annual medical audit conducted in April 2017.
  - DHCS has contacted SCFHP for status reports on 2016 preliminarily closed audit findings. They have asked for updates on actions taken on G&A deficiencies and FWA.
  
- CMT Request for HRA Performance Improvement Plan

Due to several quarters of unsatisfactory rates for completion of Health Risk Assessments (HRA) (Core 2.1 reporting), SCFHP's CMC Contract Management Team (CMT) has requested the Plan develop and implement a Performance Improvement Plan with a three month interim goal of at least a 50% HRA completion rate. Due date for the PIP is August 18, 2017.
  
- Misdirected Claims Process

The Misdirected Claims workgroup continues to meet weekly. The Compliance rate for forwarding misdirected claims to the appropriate payer within 10 days of SCFHP's receipt of the claim has dipped with the implementation of QNXT on July 1. Claims is watching this carefully and working on changes to the algorithm to ensure claims get forwarded timely.
  
- HIPAA

0 privacy incidents were reported to DHCS.
  
- Fraud, Waste, Abuse

There have been no credible cases of fraud reported to DHCS or CMS (MEDIC) during July/August 2017.

**Oversight**

- Delegation Oversight

There are currently 4 active CAPS open.

**Santa Clara Family Health Plan  
Operational Compliance Report  
Calendar Year Q2 2017**



Cal MediConnect		
	Goal	Q2 Results
<b>Enrollment</b>		
<b>Enrollment Materials</b>		
% of New member packets mailed within 10 days of effective Date	100%	Met
% of New Member ID cards mailed within 10 days of effective date	100%	Met
<b>Out of Area Members</b>		
% Compliance with OOA Member Process	100%	Met
<b>Customer Service</b>		
<b>Combined Call Stats</b>		
<b>Member</b>		
Member Average Speed of Answer in Seconds	≤30 Seconds	Not Met
Member Average Hold Time in Seconds	≤120 Seconds	Met
Member Abandonment Rate	≤5%	Not Met
Member Service Level	80% in ≤30 Seconds	Not Met
<b>Health Services</b>		
<b>Pre-Service Organization Determinations</b>		
<b>Standard Part C</b>		
% of Timely Decisions made within 14 days	100%	Not Met
<b>Expedited Part C</b>		
% of Timely Decisions made within 72 Hours	100%	Not Met
<b>Concurrent Organization Determinations</b>		
% of Timely Decisions made within 24 Hours	100%	Not Met
<b>Post Service Organization Determinations</b>		
% of Timely Decisions made within 30 days	100%	Not Met
<b>Quality &amp; Case Management</b>		
<b>HRAs/ICPs</b>		
% of HRAs completed in 45 days for High Risk Members	100%	Not Met
% of HRAs completed in 90 days for Low Risk Members	100%	Not Met
% of ICPs completed within 30 days for High Risk Members	100%	Not Met
% of ICPs completed within 30 working days for Low Risk Members	100%	Not Met
<b>Quality of Care/Service</b>		
% of PQI Extended cases that received an extension letter within 30 Days	100%	Report Pending
% of Resolution Letters sent within 30/44 days	100%	Report Pending
<b>Claims</b>		
<b>Non-Contracted Providers</b>		
% of Clean Claims to Non-Contracted Providers processed within 30 days	90%	Not Met
<b>Contracted Providers</b>		
% of Claims to Contracted Providers processed within 45 days	90%	Met
% of Claims to Contracted Providers processed within 90 days	99%	Not Met
% of Claims to Contracted Providers processed beyond 90 days	≤1%	Not Met

Medi-Cal		
	Goal	Q2 2017 Results
<b>Enrollment</b>		
<b>Enrollment Materials</b>		
% of New member packets mailed within 10 days of effective Date	100%	Met
% of New Member ID cards mailed within 10 days of effective date	100%	Met
<b>Customer Service</b>		
<b>Call Stats</b>		
<b>Member Queue</b>		
Member Average Speed of Answer in Seconds	≤30 Seconds	Not Met
Member Average Hold Time in Seconds	≤120 Seconds	Met
Member Abandonment Rate	≤5%	Not Met
Member Service Level	80% in ≤30 Seconds	Not Met
<b>Health Services</b>		
<b>Medical Authorizations</b>		
<b>Routine Authorizations</b>		
% of Timely Decisions made within 5 Business Days of request	95%	Met
<b>Expedited Authorizations</b>		
% of Timely Decisions made within 72 Hours of request	95%	Not Met
<b>Concurrent Review</b>		
% of Timely Decisions made within 24 Hours of request	95%	Met
<b>Retrospective Review</b>		
% of Retrospective Reviews completed within 30 Calendar Days of request	95%	Met
<b>Quality &amp; Case Management</b>		
<b>Initial Health Assessment</b>		
% of High Risk SPD Members who completed HRA in 45 days	100%	Report Pending
% of HRAs completed in 90 days for Low Risk SPD Members	100%	Report Pending
% of HRAs completed in 45 days for High Risk MLTSS Members	100%	Report Pending
% of HRAs completed in 90 days for Low Risk MLTSS Members	100%	Report Pending
<b>Facility Site Reviews</b>		
% of FSRs completed timely	100%	Met
<b>Claims</b>		
<b>Non-Contracted Providers</b>		
% of Clean Claims to Non-Contracted Providers processed within 30 days	90%	Not Met
<b>Contracted Providers</b>		
% of Claims to Contracted Providers processed within 45 working days	90%	Met
<b>Provider Claim Dispute Requests (Contracted &amp; Non-Contracted)</b>		
% of Contracted Provider Disputes Processed within 45 days	100%	Not Met

Cal MediConnect (continued)		
	Goal	Q2 Results
<b>Pharmacy/Part D</b>		
<b>Standard Part D Authorization Requests</b>		
% of Standard Prior Authorizations completed within 72 Hours	100%	Met
<b>Expedited Part D Authorization Requests</b>		
% of Expedited Prior Authorizations completed within 24 Hours	100%	Not Met
<b>Other Pharmacy Requirements</b>		
Formulary posted on website by 1st of the month	100%	Met
Step Therapy posted on website by 1st of the month	100%	Met
PA criteria posted on website by 1st of the month	100%	Met
<b>Grievance &amp; Appeals</b>		
<b>Grievances, Part C</b>		
<b>Standard Grievances Part C</b>		
% of Standard Grievances that received Acknowledgement Letters within 5 days	100%	Not Met
% of Standard Grievances resolved within 30/44 days	100%	Not Met
<b>Expedited Grievances Part C</b>		
% of Expedited Grievances resolved within 24 hours	100%	Not Met
<b>Grievances, Part D</b>		
<b>Standard Grievance Part D</b>		
% of Acknowledgement Letters sent within 5 days	100%	Not Met
% of Grievances processed within 30 days	100%	Not Met
<b>Expedited Grievance Part D</b>		
% of Expedited Grievances processed within 72 hours	100%	Met
<b>Reconsiderations, Part C</b>		
<b>Standard Post-Service Part C</b>		
% of Standard Post-Service Reconsiderations that received Acknowledgement Letters within 5 days	100%	Not Met
% of Standard Post-Service Reconsiderations resolved within 30/44 days	100%	Not Met
<b>Standard Pre-Service Part C</b>		
% of Standard Pre-Service Reconsiderations that received Acknowledgement Letters within 5 days	100%	Not Met
% of Standard Pre-Service Reconsiderations resolved within 30/44 days	100%	Not Met
<b>Expedited Pre-Service Part C</b>		
% of Expedited Pre-Service Reconsiderations resolved with oral notification to member within 72 Hours	100%	Report Pending
% Expedited Pre-Service Reconsiderations (upheld & untimely) submitted to IRE within 24-hours of decision	100%	Report Pending
<b>Redeterminations, Part D</b>		
<b>Standard Part D</b>		
% of Standard Redeterminations resolved within 7 calendar days	100%	Not Met

Medi-Cal (continued)		
	Goal	Q2 2017
<b>Pharmacy</b>		
<b>Standard Authorization Request</b>		
% of Standard Prior Authorizations completed within 1-Business Day	95%	Met
<b>Expedited Authorization Request</b>		
% of Expedited Prior Authorizations completed within 1-Business Day	95%	Met
<b>Grievance &amp; Appeals</b>		
<b>Grievances</b>		
<b>Standard Grievances</b>		
% of Grievances resolved within 30 days	100%	Not Met
<b>Expedited Grievances</b>		
% of Expedited Grievances resolved within 72 hours	100%	Not Met
% of Expedited Grievances that received Oral Notification within 72 hours	100%	Report Pending
% of Expedited Grievances that received Resolution Letters within 72 hours	100%	Report Pending
<b>Appeals</b>		
<b>Standard Appeals</b>		
% of Standard Appeals resolved within 30/44 calendar days	100%	Not Met
% of Letters sent Timely	100%	Not Met
<b>Expedited Appeals</b>		
% of Expedited Appeals Resolved within 72 Hours	100%	Not Met
% of Letters sent Timely	<15%	Report Pending
<b>Non-Contracted Provider Standard Appeals</b>		
% of Non-K Standard Provider Appeals Processed within 45 days	100%	Report Pending
<b>State Fair Hearings</b>		
% of State Fair Hearing Decisions Overturn Plan Decision	<15%	Report Pending

Cal MediConnect (continued)		
	Goal	Q2 Results
<b>Expedited Part D</b>		
% of Expedited Redeterminations resolved with oral notification to member within 72 Hours	100%	Report Pending
% of Untimely Expedited Redeterminations Submitted to IRE within 24 Hours of decision	100%	Not Met
<b>Complaint Tracking Module (CTM) Complaints</b>		
% Resolved Timely	100%	Not Met
<b>Provider Relations</b>		
Provider Directories updated monthly by the first day of the month	100%	Met
Provider Network Adequacy	100%	Met
Monthly Excluded Provider Screening Completed	100%	Met
<b>Marketing</b>		
% of Marketing Materials Submitted for Approval	100%	Met
% of Events Submitted for Approval	100%	Met
<b>Finance</b>		
% of Encounters successfully submitted to CMS	100%	Met
% of Encounters submitted to CMS within 180 days of date of Service	80%	Met
% of RAPS records accepted by CMS	95%	Met

Medi-Cal (continued)		
	Goal	Q2 2017
<b>Provider Network Management</b>		
# of New Providers Rec'd Orientation within 10 days	100%	Met
Monthly Excluded Provider Screening Completed	100%	Met
Timely Access Surveys	100%	Met
DHCS/DMHC Quarterly Network Assessment	100%	Met
<b>Information Technology</b>		
% Encounter Files Successfully Submitted to DHCS by end of month	100%	Met
% Monthly Eligibility Files successfully submitted to Delegates Timely	100%	Met
% Provider File submitted to DHCS by last Friday of Month	100%	Met

Company Wide Compliance		
	Goal	Q2 2017
<b>Compliance Training</b>		
% New Employee Trainings Completed Timely	100% completed within 3 business days	Met
% of Annual Employee Training Completed Timely	100% completed by year end	Annual Measure
<b>Board of Directors Training</b>		
% of Annual Board Training Completed Timely	100% completed by year end	Annual Measure
<b>Internal Audits</b>		
% of Internal Audits Completed	100% completed by year end	Annual Measure
<b>Delegation Oversight</b>		
% of scheduled Audits Completed	100%	Met
<b>Human Resources</b>		
Excluded Individual Screening Completed Monthly	100%	Met
<b>Reporting</b>		
% of CMC Routine Reports Submitted Timely	100%	Met
% of Medi-Cal Routine Reports Submitted Timely	100%	Met
<b>Filings</b>		
% of Key Personnel Filings Submitted Timely	100%	None Required During Reporting Period



Santa Clara  
Family Health Plan

*The Spirit of Care*

Unaudited  
Financial Statements  
For One Month Ended July 2017

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## Fiscal Year 2017-18 Year-To-Date Highlights

- **Net Surplus** – July and YTD \$2.6 million surplus (\$1.9 million favorable to budget)
- **Enrollment** – July and YTD 2017 membership: 271,549 (3,959 members or 1.4% unfavorable to budget)
  - Medi-Cal membership continued the downward trend that started in November 2016. CMC membership continued its decreasing trend. HK membership largely steady.
- **Revenue** – Overall revenue variance is unfavorable by \$3.3 million (-3.3%) YTD to budget. Most variances are unfavorable, but they are offset by some favorable variances. Key variances are:
  - IHSS revenue Lower (\$1.7 M) – due to both member months and rate differential; however, corresponding lower expense offsets this unfavorable variance (no impact on net income)
  - AB 85 revenue Lower (\$1.2 M) – due to exclusion of both pass-through revenue and its corresponding expense (no impact on net income)
  - Medi-Cal CMC revenue Lower (\$0.5 M) – due to fewer member months
  - Hep C revenue Lower (\$0.5 M) – due to fewer member months
  - Maternity revenue Lower (\$0.4 M) – due to fewer births
  - Prior Year revenue Higher (\$1.0 M) – largely due to retroactivity
  - BHT revenue Higher (\$0.5 M) – due to both member months and rate differential
- **Medical Expenses** – Favorable YTD budget by \$4.9 million (+5.2%)
  - Favorable variance was due to lower pharmacy and inpatient expenses offset by higher specialists and out of area expenses. IHSS and AB 85 expenses were lower commensurate with lower revenues.

## Fiscal Year 2017-18 Year-To-Date Highlights (continued)

- **Administrative Expenses** – Favorable YTD budget by \$0.3 million (+7.0%)
  - Lower payroll costs were offset by unfavorable consulting expense; postage expenses were favorable due to timing and contract services were favorable due to lower pharmacy administration expense.
  
- **Balance Sheet**
  - July capitation was delayed until August and it included recoupment of \$18 million for prior MCE rate overpayments that started in June (one month earlier than expected).
  - TNE of \$139.9 million or 392% of most recent Required TNE of \$35.7 million per DMHC (\$15.1 million above the SCFHP low-end Equity Target and \$117.3 million above the low-end Liquidity Target).
  - YTD Capital Expenses increased by \$10.0 million largely due to the planned purchase of a new building in order to lower the long term occupancy costs in an ever increasing real estate rental rates in the current location.

Consolidated Performance  
July 2017 and Year to Date

	Month	YTD
<b>Revenue</b>	\$96 million	\$96 million
<b>Medical Costs</b>	\$90 million	\$90 million
<b>Medical Loss Ratio</b>	93.3%	93.3%
<b>Administrative Costs</b>	\$3.8 million (4%)	\$3.8 million (4%)
<b>Other Income/ Expense</b>	(\$45,641)	(\$45,641)
<b>Net Surplus (Loss)</b>	\$2,616,274	\$2,616,274
Cash on Hand		\$302 million
Net Cash Available to SCFHP		\$233 million
Receivables		\$599 million
Current Liabilities		\$783 million
Tangible Net Equity		\$140 million
Percent Of DMHC Requirement		<b>392%</b>

**Santa Clara Family Health Plan  
CFO Finance Report  
For the Month and Year to Date Ended July 31, 2017**

**Summary of Financial Results**

For the month and YTD July 2017, SCFHP recorded a net surplus of \$2.6 million compared to a budgeted net surplus of \$0.7 million resulting in a favorable variance from budget of \$1.9 million. The table below summarizes the components of the overall variance from budget.

**Summary Operating Results - Actual vs. Budget  
For the Current Month & Fiscal Year to Date - Jul 2017**

Favorable/(Unfavorable)

<b>Current Month</b>					<b>Year to Date</b>			
Actual	Budget	Variance \$	Variance %		Actual	Budget	Variance \$	Variance %
\$ 96,012,819	\$ 99,263,943	\$ (3,251,124)	-3.3%	Revenue	\$ 96,012,819	\$ 99,263,943	\$ (3,251,124)	-3.3%
89,547,173	94,427,472	4,880,299	5.2%	Medical Expense	89,547,173	94,427,472	4,880,299	5.2%
6,465,646	4,836,471	1,629,175	33.7%	Gross Margin	6,465,646	4,836,471	1,629,175	33.7%
3,803,730	4,091,180	287,449	7.0%	Administrative Expense	3,803,730	4,091,180	287,449	7.0%
2,661,916	745,292	1,916,624	257.2%	Net Operating Income	2,661,916	745,292	1,916,624	257.2%
(45,641)	(8,122)	(37,519)	-461.9%	Non-Operating Income/Exp	(45,641)	(8,122)	(37,519)	-461.9%
\$ 2,616,274	\$ 737,169	\$ 1,879,105	254.9%	Net Surplus/ (Loss)	\$ 2,616,274	\$ 737,169	\$ 1,879,105	254.9%

## Member Months

For the month and YTD July 2017, overall member months were lower than budget by 3,959 (-1.4%). In the one month since the end of the prior fiscal year, 6/30/2017, membership in Medi-Cal decreased by 1.6%, membership in Healthy Kids program decreased by 3.6%, and membership in CMC program decreased by 0.2%.

Member months, and changes from prior year, are summarized on Page 11.

## Revenue

The Plan recorded net revenue of \$96.0 million for the month and YTD July 2017, compared to budgeted revenue of \$99.3 million, resulting in an unfavorable budget variance of \$3.3 million, or 3.3%. Major unfavorable variances were: AB 85 revenue due to the exclusion of pass-through revenue and its corresponding expense, IHSS revenue due to both member months and rate differential offset by an equal lower expense, Medi-Cal CMC revenue due to lower member months, Hep C revenue due to fewer utilizers, and Maternity revenue due to fewer births. These unfavorable revenue variances were offset by favorable Prior Year revenue due to retroactivity and BHT revenue due to both member months and rate differential.

A statistical and financial summary for all lines of business is included on page 15 of this report.

## Medical Expenses

For the month and YTD July 2017, medical expense was \$89.5 million compared to budget of \$94.4 million, resulting in a favorable budget variance of \$4.9 million, or +5.2%. The favorable variance was largely due to lower pharmacy and inpatient expenses offset by higher specialists and out of area expenses. IHSS and AB 85 expenses were also lower commensurate with lower revenues.

## Administrative Expenses

Overall administrative costs were favorable to budget by \$0.3 million (+7.0%) for the month and YTD July 2017. Lower payroll costs were offset by unfavorable consulting expense; postage expenses were favorable due to timing and contract services were favorable due to lower pharmacy administration expense.

Overall administrative expenses were 4.0% of revenue for year to date July 2017 (0.2% favorable to budget).

## Balance Sheet

Current assets totaled \$909.7 million compared to current liabilities of \$783.4 million, yielding a current ratio (the ratio of current assets to current liabilities) of 1.2 vs. the DMHC minimum requirement of 1.0 as of July 31, 2017. Working capital decreased by \$7.1 million for the one month YTD ended July 31, 2017.

Cash as of July 31, 2017, decreased by \$62.4 million compared to the cash balance as of year-end June 30, 2017. Net receivables increased by \$23.7 million during the same one month period ended July 31, 2017 largely due to a delay in receipt of Duals Recast differential revenue, MCO tax revenue, and increase in IHSS liability. The overall cash position decreased largely due to the delay in receiving the July capitation, lower June capitation due to the beginning of the recoupment of MCE overpayments (\$18 million per month), payment of the final FY17 MCO quarterly installment, and the all cash purchase of a new building.

SCFHP had moved \$140.0 million of its cash to the county investment pool in order to achieve higher interest income while still maintaining the liquidity of its funds. With the commencement of monthly recoupment of MCE overpayments by the State beginning in June's capitation, the Plan may need to withdraw some of these funds later this year.

Liabilities decreased by a net amount of \$30.4 million during the one month ended July 31, 2017. Liabilities decreased primarily due to the final quarterly payment of the MCO tax for FY17, recoupment of MCE overpayments by the State, and payments to Kaiser and Valley Health Plan for supplemental revenues related to maternity and BHT.

Capital Expenses increased by a total of \$10.0 million for the one month ended July 31, 2017. The YTD capital expenses include:

Expense	Annual Budget	YTD Actual
New Building	14,300,000	9,743,526
Systems	1,595,000	-
Hardware	611,500	123,509
Software	587,000	18,788
Furniture and Fixtures	40,000	133,515
Automobile	33,000	-
Leasehold Improvements	10,000	-
<b>TOTAL</b>	<b>17,176,500</b>	<b>10,019,338</b>

## Reserves Analysis

Tangible Net Equity (TNE) was \$139.9 million at July 31, 2017 or 392% of the most recent quarterly Department of Managed Health Care (DMHC) minimum requirement of \$35.7 million. A chart showing TNE trends is shown on page 16 of this report.

At the September 2016 Governing Board meeting, a policy was adopted for targeting the organization's capital reserves to include a) an Equity Target of 350-500% of DMHC required TNE percentage and b) a Liquidity Target of 45-60 days of total operating expenses in available cash.

As of July 31, 2017, the Plan's TNE was \$15.1 million above the low-end Equity Target and \$117.3 million above the low-end Liquidity Target and the Plan's TNE was \$38.4 million below the high-end Equity Target and \$78.8 million above the high-end Liquidity Target (see calculations below).

<b>Financial Reserve Target #1: Tangible Net Equity</b>	
Actual TNE	\$139,877,487
Current Required TNE	\$35,658,000
Excess TNE	\$104,219,487
Required TNE Percentage	392%
SCFHP Target TNE Range:	
350% of Required TNE (low end)	\$124,803,000
500% of Required TNE (high end)	\$178,290,000
TNE Above/(Below) SCFHP Low End Target	<b>\$15,074,487</b>
<b>Financial Reserve Target #2: Liquidity</b>	
Cash & Cash Equivalents	\$302,258,460
Less Pass-through Liabilities:	
Net Receivable/(Payable) from/to State of CA*	(60,117,416)
Other Pass-through Liabilities	(9,516,666)
Total Pass-through Liabilities	(69,634,082)
Net Cash Available to SCFHP	\$232,624,378
SCFHP Target Liquidity:	
45 days of Total Operating Expenses	(\$115,361,610)
60 days of Total Operating Expenses	(\$153,815,480)
Liquidity Above/(Below) SCFHP Low End Target	<b>\$117,262,768</b>
*Pass-Throughs from State of CA (excludes IHSS)	
Receivables Due to SCFHP	149,009,209
Payables Due from SCFHP	(209,126,626)
Net Receivable/(Payable)	(\$60,117,416)

**Santa Clara Family Health Plan Enrollment Summary**

For the Month of Jul 2017

One Month Ending Jul 2017

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<b>Prior Year <u>Actual</u></b>	<b>Change FY18 <u>vs. FY17</u></b>
Medi-Cal	261,391	265,208	( 1.4%)	261,391	265,208	( 1.4%)	263,821	( 0.9%)
Healthy Kids	2,633	2,800	( 6.0%)	2,633	2,800	( 6.0%)	4,380	( 39.9%)
Medicare	7,525	7,500	0.3%	7,525	7,500	0.3%	8,108	( 7.2%)
<b>Total</b>	<b>271,549</b>	<b>275,508</b>	<b>( 1.4%)</b>	<b>271,549</b>	<b>275,508</b>	<b>( 1.4%)</b>	<b>276,309</b>	<b>( 1.7%)</b>

**Santa Clara Health Authority  
July 2017**

Network	Medi-Cal		Healthy Kids		CMC		Total	
	Enrollment	% of Total	Enrollment	% of Total	Enrollment	% of Total	Enrollment	% of Total
Direct Contact Physicians	27,826	11%	330	13%	7,525	100%	35,681	13%
SCVVHS, Safety Net Clinics, FQHC Clinics	135,587	52%	1,334	51%	-	0%	136,921	50%
Palo Alto Medical Foundation	7,411	3%	78	3%	-	0%	7,489	3%
Physicians Medical Group	47,542	18%	719	27%	-	0%	48,261	18%
Premier Care	16,293	6%	172	7%	-	0%	16,465	6%
Kaiser	26,732	10%	-	0%	-	0%	26,732	10%
<b>Total</b>	<b>261,391</b>	<b>100%</b>	<b>2,633</b>	<b>100%</b>	<b>7,525</b>	<b>100%</b>	<b>271,549</b>	<b>100%</b>
Enrollment at June 30, 2017	265,753		2,732		7,543		276,028	
Net Change from Beginning of FY18	-1.6%		-3.6%		-0.2%		-1.6%	

## Santa Clara Family Health Plan Enrollment by Aid-Category

		2016-07	2016-08	2016-09	2016-10	2016-11	2016-12	2017-01	2017-02	2017-03	2017-04	2017-05	2017-06	2017-07
NON DUAL	Adult (over 19)	29,530	31,197	31,372	31,863	31,603	31,396	31,072	30,836	30,479	30,204	29,921	29,651	28,985
	Adult (under 19)	105,841	107,019	108,006	108,627	108,876	107,489	106,719	106,926	106,305	106,181	105,945	106,082	104,658
	Aged - Medi-Cal Only	9,256	10,078	10,138	10,199	10,216	10,206	10,371	10,400	10,400	10,520	10,538	10,674	10,776
	Disabled - Medi-Cal Only	10,785	11,019	11,003	11,052	11,031	11,016	11,019	11,048	11,065	11,079	11,082	10,948	10,952
	Child (HF conversion)	1,725	1,542	1,350	1,297	1,150	1,078	973	921	879	845	280	192	74
	Adult Expansion	82,983	83,513	83,721	84,679	84,327	84,551	83,031	82,715	82,618	82,751	82,418	82,349	80,300
	Other	40	38	38	37	35	35	34	38	38	39	35	38	33
	Long Term Care	297	302	300	307	318	324	324	319	320	319	319	307	305
	<b>Total Non-Duals</b>	<b>240,457</b>	<b>244,708</b>	<b>245,928</b>	<b>248,061</b>	<b>247,556</b>	<b>246,095</b>	<b>243,543</b>	<b>243,203</b>	<b>242,104</b>	<b>241,938</b>	<b>240,538</b>	<b>240,241</b>	<b>236,083</b>
DUAL	Aged	14,466	14,521	14,652	14,717	14,795	14,931	15,329	15,922	16,081	16,217	16,229	16,444	16,409
	Disabled	6,033	6,023	6,027	6,024	6,034	6,033	6,353	6,478	6,506	6,507	6,458	6,518	6,474
	Other	1,817	1,832	1,856	1,896	1,879	1,891	1,727	1,686	1,621	1,427	1,389	1,370	1,271
	Long Term Care	1,050	1,051	1,046	1,036	1,029	1,050	1,162	1,176	1,228	1,215	1,202	1,180	1,154
	<b>Total Duals</b>	<b>23,366</b>	<b>23,427</b>	<b>23,581</b>	<b>23,673</b>	<b>23,737</b>	<b>23,905</b>	<b>24,571</b>	<b>25,262</b>	<b>25,436</b>	<b>25,366</b>	<b>25,278</b>	<b>25,512</b>	<b>25,308</b>
<b>Total Medi-Cal</b>	<b>263,823</b>	<b>268,135</b>	<b>269,509</b>	<b>271,734</b>	<b>271,293</b>	<b>270,000</b>	<b>268,114</b>	<b>268,465</b>	<b>267,540</b>	<b>267,304</b>	<b>265,816</b>	<b>265,753</b>	<b>261,391</b>	
<b>Healthy Kids</b>	<b>4,380</b>	<b>4,224</b>	<b>2,962</b>	<b>2,662</b>	<b>2,458</b>	<b>2,581</b>	<b>2,585</b>	<b>2,780</b>	<b>2,752</b>	<b>2,794</b>	<b>2,757</b>	<b>2,732</b>	<b>2,633</b>	
CMC	CMC Non-Long Term Care	7,776	7,694	7,587	7,486	7,271	7,241	7,224	7,300	7,329	7,275	7,254	7,265	7,260
	CMC - Long Term Care	332	331	322	315	312	305	303	298	293	292	291	278	265
	<b>Total CMC</b>	<b>8,108</b>	<b>8,025</b>	<b>7,909</b>	<b>7,801</b>	<b>7,583</b>	<b>7,546</b>	<b>7,527</b>	<b>7,598</b>	<b>7,622</b>	<b>7,567</b>	<b>7,545</b>	<b>7,543</b>	<b>7,525</b>
<b>Total Enrollment</b>	<b>276,311</b>	<b>280,384</b>	<b>280,380</b>	<b>282,197</b>	<b>281,334</b>	<b>280,127</b>	<b>278,226</b>	<b>278,843</b>	<b>277,914</b>	<b>277,665</b>	<b>276,118</b>	<b>276,028</b>	<b>271,549</b>	

**Santa Clara County Health Authority  
Balance Sheet**

	<u>JUL 17</u>	<u>JUN 17</u>	<u>MAY 17</u>	<u>JUN 16</u>
<b>Assets</b>				
<b>Current Assets</b>				
Cash and Marketable Securities	\$ 302,258,460	\$ 364,609,248	\$ 332,577,867	\$ 146,082,070
Premiums Receivable				
In Home Support Services (IHSS)	442,959,040	428,416,518	418,018,962	243,184,383
All Other	156,411,117	147,231,543	120,447,849	173,982,590
Prepaid Expenses and Other Current Assets	<u>8,107,081</u>	<u>7,070,619</u>	<u>6,555,848</u>	<u>6,766,163</u>
Total Current Assets	909,735,697	947,327,928	877,600,527	570,015,205
<b>Long Term Assets</b>				
Equipment	31,288,225	21,268,887	20,796,465	13,717,799
Less: Accumulated Depreciation	<u>(10,954,498)</u>	<u>(10,761,759)</u>	<u>(10,560,264)</u>	<u>(8,775,886)</u>
Total Long Term Assets	<u>20,333,727</u>	<u>10,507,128</u>	<u>10,236,201</u>	<u>4,941,913</u>
<b>Total Assets</b>	<b>\$ 930,069,424</b>	<b>\$ 957,835,056</b>	<b>\$ 887,836,727</b>	<b>\$ 574,957,118</b>
<b>Deferred Outflow of Resources</b>				
	\$ 1,570,339	\$ 1,570,339	1,570,339	1,570,339
<b>Total Deferred Outflows and Assets</b>	<u>931,639,763</u>	<u>959,405,395</u>	<u>889,407,066</u>	<u>576,527,457</u>
<b>Liabilities and Net Position</b>				
<b>Current Liabilities</b>				
Trade Payables	\$ 4,903,208	\$ 6,203,040	\$ 5,523,060	\$ 4,824,017
Deferred Rent	86,298	92,597	96,748	142,408
Employee Benefits	1,265,956	1,262,108	1,246,192	1,013,759
Retirement Obligation per GASB 45	3,859,780	3,800,000	657,576	
Advance Premium - Healthy Kids	60,466	53,439	51,202	65,758
Deferred Revenue - Medicare		8,372,938		
Liability for ACA 1202	2,065,180	2,065,180	2,065,180	5,503,985
Payable to Hospitals (SB90)	0			55,140
Payable to Hospitals (SB208)	0	0	(35,535)	(35,535)
Payable to Hospitals (AB 85)	2,546,077	1,282,329	1,282,329	1,717,483
Due to Santa Clara County Valley Health Plan and Kaiser	4,905,409	9,456,454	6,794,277	6,604,472
MCO Tax Payable - State Board of Equalization	18,491,922	33,865,555	18,087,074	10,779,014
Due to DHCS	190,634,704	207,658,770	233,472,515	107,213,315
Liability for In Home Support Services (IHSS)	461,010,740	446,468,218	414,394,167	238,387,141
Premium Deficiency Reserve (PDR)	2,374,525	2,374,525	2,374,525	2,374,525
Medical Cost Reserves	<u>91,216,364</u>	<u>90,922,381</u>	<u>72,150,797</u>	<u>84,321,012</u>
Total Current Liabilities	783,420,628	813,877,535	758,206,717	462,966,494
<b>Non-Current Liabilities</b>				
Noncurrent Premium Deficiency Reserve	5,919,500	5,919,500	5,919,500	5,919,500
Net Pension Liability GASB 68	92,527	17,527	(57,473)	5,018,386
Total Liabilities	<u>789,432,655</u>	<u>819,814,562</u>	<u>764,068,744</u>	<u>473,904,380</u>
<b>Deferred Inflow of Resources</b>	<u>2,329,621</u>	<u>2,329,621</u>	<u>2,329,621</u>	<u>2,329,621</u>
<b>Net Position / Reserves</b>				
Invested in Capital Assets	10,693,290	10,507,128	10,236,201	4,941,913
Restricted under Knox-Keene agreement	305,350	305,350	305,350	305,350
Unrestricted Net Equity	126,262,573	89,480,978	89,751,905	67,383,691
Current YTD Income (Loss)	<u>2,616,274</u>	<u>36,967,756</u>	<u>22,715,245</u>	<u>27,662,502</u>
Net Position / Reserves	<u>139,877,487</u>	<u>137,261,212</u>	<u>123,008,701</u>	<u>100,293,456</u>
<b>Total Liabilities, Deferred Inflows, and Net Assets</b>	<b>\$ 931,639,763</b>	<b>\$ 959,405,395</b>	<b>\$ 889,407,066</b>	<b>\$ 576,527,457</b>

**Santa Clara County Health Authority**  
**Income Statement for One Month Ending July 31, 2017**

	For the Month of July 2017					For One Month Ending Jul 31, 2017				
	Actual	% of Revenue	Budget	% of Revenue	Variance	Actual	% of Revenue	Budget	% of Revenue	Variance
<b>REVENUES</b>										
MEDI-CAL	\$ 87,366,826	91.0%	\$ 90,373,985	91.0%	\$ (3,007,159)	\$ 87,366,826	91.0%	\$ 90,373,985	91.0%	\$ (3,007,159)
HEALTHY KIDS	\$ 273,055	0.3%	\$ 252,000	0.3%	\$ 21,055	\$ 273,055	0.3%	\$ 252,000	0.3%	\$ 21,055
MEDICARE	\$ 8,372,938	8.7%	\$ 8,637,957	8.7%	\$ (265,019)	\$ 8,372,938	8.7%	\$ 8,637,957	8.7%	\$ (265,019)
<b>TOTAL REVENUE</b>	<u>\$ 96,012,819</u>	<u>100.0%</u>	<u>\$ 99,263,943</u>	<u>100.0%</u>	<u>\$ (3,251,124)</u>	<u>\$ 96,012,819</u>	<u>100.0%</u>	<u>\$ 99,263,943</u>	<u>100.0%</u>	<u>\$ (3,251,124)</u>
<b>MEDICAL EXPENSES</b>										
MEDI-CAL	\$ 81,052,434	84.4%	\$ 85,946,965	86.6%	\$ 4,894,531	\$ 81,052,434	84.4%	\$ 85,946,965	86.6%	\$ 4,894,531
HEALTHY KIDS	\$ 207,958	0.2%	\$ 213,264	0.2%	\$ 5,306	\$ 207,958	0.2%	\$ 213,264	0.2%	\$ 5,306
MEDICARE	\$ 8,286,781	8.6%	\$ 8,267,243	8.3%	\$ (19,538)	\$ 8,286,781	8.6%	\$ 8,267,243	8.3%	\$ (19,538)
<b>TOTAL MEDICAL EXPENSES</b>	<u>\$ 89,547,173</u>	<u>93.3%</u>	<u>\$ 94,427,472</u>	<u>95.1%</u>	<u>\$ 4,880,299</u>	<u>\$ 89,547,173</u>	<u>93.3%</u>	<u>\$ 94,427,472</u>	<u>95.1%</u>	<u>\$ 4,880,299</u>
<b>MEDICAL OPERATING MARGIN</b>	\$ 6,465,646	6.7%	\$ 4,836,471	4.9%	\$ 1,629,175	\$ 6,465,646	6.7%	\$ 4,836,471	4.9%	\$ 1,629,175
<b>ADMINISTRATIVE EXPENSES</b>										
SALARIES AND BENEFITS	\$ 2,014,663	2.1%	\$ 2,078,869	2.1%	\$ 64,206	\$ 2,014,663	2.1%	\$ 2,078,869	2.1%	\$ 64,206
RENTS AND UTILITIES	\$ 115,950	0.1%	\$ 119,566	0.1%	\$ 3,616	\$ 115,950	0.1%	\$ 119,566	0.1%	\$ 3,616
PRINTING AND ADVERTISING	\$ 57,165	0.1%	\$ 61,050	0.1%	\$ 3,885	\$ 57,165	0.1%	\$ 61,050	0.1%	\$ 3,885
INFORMATION SYSTEMS	\$ 275,673	0.3%	\$ 217,714	0.2%	\$ (57,959)	\$ 275,673	0.3%	\$ 217,714	0.2%	\$ (57,959)
PROF FEES / CONSULTING / TEMP STAFFING	\$ 990,576	1.0%	\$ 1,068,218	1.1%	\$ 77,642	\$ 990,576	1.0%	\$ 1,068,218	1.1%	\$ 77,642
DEPRECIATION / INSURANCE / EQUIPMENT	\$ 245,733	0.3%	\$ 344,838	0.3%	\$ 99,105	\$ 245,733	0.3%	\$ 344,838	0.3%	\$ 99,105
OFFICE SUPPLIES / POSTAGE / TELEPHONE	\$ 33,096	0.0%	\$ 107,711	0.1%	\$ 74,616	\$ 33,096	0.0%	\$ 107,711	0.1%	\$ 74,616
MEETINGS / TRAVEL / DUES	\$ 63,184	0.1%	\$ 90,494	0.1%	\$ 27,310	\$ 63,184	0.1%	\$ 90,494	0.1%	\$ 27,310
OTHER	\$ 7,690	0.0%	\$ 2,720	0.0%	\$ (4,970)	\$ 7,690	0.0%	\$ 2,720	0.0%	\$ (4,970)
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<u>\$ 3,803,730</u>	<u>4.0%</u>	<u>\$ 4,091,180</u>	<u>4.1%</u>	<u>\$ 287,449</u>	<u>\$ 3,803,730</u>	<u>4.0%</u>	<u>\$ 4,091,180</u>	<u>4.1%</u>	<u>\$ 287,449</u>
<b>OPERATING SURPLUS (LOSS)</b>	\$ 2,661,916	2.8%	\$ 745,292	0.8%	\$ 1,916,624	\$ 2,661,916	2.8%	\$ 745,292	0.8%	\$ 1,916,624
<b>GASB 45 - POST EMPLOYMENT BENEFITS EXPENSE</b>	\$ (59,780)	-0.1%	\$ (59,780)	-0.1%	\$ -	\$ (59,780)	-0.1%	\$ (59,780)	-0.1%	\$ -
<b>GASB 68 - UNFUNDED PENSION LIABILITY</b>	\$ (75,000)	-0.1%	\$ (75,000)	-0.1%	\$ -	\$ (75,000)	-0.1%	\$ (75,000)	-0.1%	\$ -
<b>INTEREST &amp; OTHER INCOME</b>	\$ 89,138	0.1%	\$ 126,657	0.1%	\$ (37,519)	\$ 89,138	0.1%	\$ 126,657	0.1%	\$ (37,519)
<b>NET SURPLUS (LOSS) FINAL</b>	<u>\$ 2,616,274</u>	<u>2.7%</u>	<u>\$ 737,169</u>	<u>0.7%</u>	<u>\$ 1,879,105</u>	<u>\$ 2,616,274</u>	<u>2.7%</u>	<u>\$ 737,169</u>	<u>0.7%</u>	<u>\$ 1,879,105</u>

**Santa Clara Family Health Plan**  
**Statement of Cash Flows**  
**For One Month Ended Jul 31, 2017**

Cash flows from operating activities	
Premiums received	\$ 39,893,024
Medical expenses paid	\$ (79,261,713)
Administrative expenses paid	<u>\$ (13,051,900)</u>
Net cash from operating activities	\$ (52,420,589)
 Cash flows from capital and related financing activities	
Purchases of capital assets	\$ (10,019,338)
 Cash flows from investing activities	
Interest income and other income, net	<u>\$ 89,138</u>
 Net (Decrease) increase in cash and cash equivalents	<u>\$ (62,350,788)</u>
 Cash and cash equivalents, beginning of year	<u>\$ 364,609,248</u>
 Cash and cash equivalents at Jul 31, 2017	<u>\$ 302,258,460</u>
 Reconciliation of operating income to net cash from operating activities	
Operating income (loss)	\$ 2,527,136
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	\$ 192,739
Changes in operating assets and liabilities	
Premiums receivable	\$ (23,722,095)
Due from Santa Clara Family Health Foundation	\$ -
Prepays and other assets	\$ (1,036,461)
Deferred outflow of resources	\$ -
Accounts payable and accrued liabilities	\$ (8,344,667)
State payable	\$ (32,397,700)
Santa Clara Valley Health Plan and Kaiser payable	\$ (4,551,045)
Net Pension Liability	\$ 75,000
Medical cost reserves and PDR	\$ 293,983
Deferred inflow of resources	<u>\$ -</u>
Total adjustments	<u>\$ (54,947,725)</u>
Net cash from operating activities	<u>\$ (52,420,589)</u>

**Santa Clara County Health Authority  
STATEMENT OF OPERATIONS  
BY LINE OF BUSINESS (INCLUDING ALLOCATED EXPENSES)**

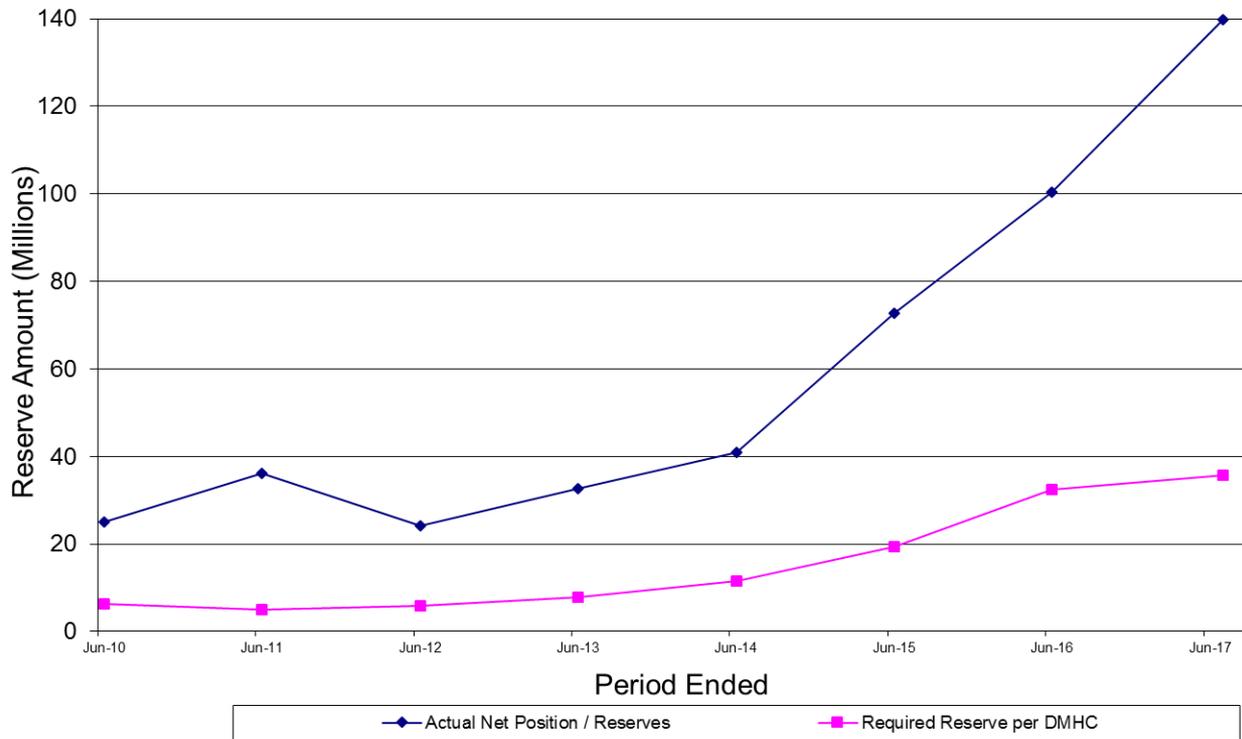
**One Month Ended Jul 31, 2017**

	Medi-Cal	CMC	Healthy Kids	Grand Total
<b>P&amp;L (ALLOCATED BASIS)</b>				
REVENUE	\$85,180,960	\$10,558,804	\$273,055	<b>\$96,012,819</b>
MEDICAL EXPENSES	78,185,486	11,153,729	207,958	<b>89,547,173</b>
(MLR)	91.8%	105.6%	76.2%	<b>93.3%</b>
GROSS MARGIN	6,995,474	<b>(594,925)</b>	65,096	<b>6,465,646</b>
ADMINISTRATIVE EXPENSES <i>(% MM allocation except CMC)</i>	3,374,606	418,307	10,818	<b>3,803,730</b>
OPERATING INCOME/(LOSS)	3,620,869	<b>(1,013,232)</b>	54,279	<b>2,661,916</b>
OTHER INCOME/(EXPENSE) <i>(% of Revenue Allocation)</i>	<b>(40,492)</b>	<b>(5,019)</b>	<b>(130)</b>	<b>(45,641)</b>
NET INCOME/ (LOSS)	\$3,580,377	<b>(\$1,018,251)</b>	\$54,149	<b>\$2,616,274</b>
<b>PMPM (ALLOCATED BASIS)</b>				
REVENUE	\$325.88	\$1,403.16	\$103.70	<b>\$353.57</b>
MEDICAL EXPENSES	299.11	1,482.22	78.98	<b>329.76</b>
GROSS MARGIN	26.76	<b>(79.06)</b>	24.72	<b>23.81</b>
ADMINISTRATIVE EXPENSES	12.91	55.59	4.11	<b>14.01</b>
OPERATING INCOME/(LOSS)	13.85	<b>(134.65)</b>	20.61	<b>9.80</b>
OTHER INCOME / (EXPENSE)	<b>(0.15)</b>	<b>(0.67)</b>	<b>(0.05)</b>	<b>(0.17)</b>
NET INCOME / (LOSS)	\$13.70	<b>(\$135.32)</b>	\$20.57	<b>\$9.63</b>
<b>ALLOCATION BASIS:</b>				
<i>MEMBER MONTHS - YTD</i>	261,391	7,525	2,633	<b>271,549</b>
<i>Member MONTHS by LOB</i>	96.3%	2.8%	1.0%	<b>100%</b>
<i>Revenue by LOB</i>	88.7%	11.0%	0.3%	<b>100%</b>

*Note: CMC includes Medi-Cal portion of the CCI data*

**Santa Clara County Health Authority  
Tangible Net Equity - Actual vs. Required  
As of Period Ended:**

	<u>6/30/2010</u>	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2013</u>	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>7/31/2017</u>
<b>Actual Net Position / Reserves</b>	25,103,011	36,093,769	24,208,576	32,551,161	40,872,580	72,630,954	100,293,456	139,877,487
<b>Required Reserve per DMHC</b>	6,388,000	4,996,000	5,901,000	7,778,000	11,434,000	19,269,000	32,375,000	35,658,000
<b>200% of Required Reserve</b>	12,776,000	9,992,000	11,802,000	15,556,000	22,868,000	38,538,000	64,750,000	71,316,000
<b>Actual as % Required</b>	393%	722%	410%	419%	357%	377%	310%	392%





### Fiscal Year 2016-2017 Team Incentive Compensation

Performance Level	Payout (% of salary/ wages)	Compliance Metrics (% of dashboard metrics in compliance)	QNXT Implementation (meet go live criteria)	Provisional NCQA Accreditation
<i>weighting</i>		60%	20%	20%
Maximum	5%	99% - 100%	By July 1, 2017	By time of payout
Target	3%	97% - 98.9%	---	---
Minimum	1%	95% - 96.9%	---	---

#### Calculation:

- $0.60$  (Compliance Metrics Payout %) +  $0.20$  (QNXT Implementation Payout %) +  $0.20$  (Provisional NCQA Accreditation Payout %) = **Overall Percent Payout**
- All staff are eligible to receive the Overall Percent Payout multiplied by the salary/wages they were paid as a regular employee from July 2016 through June 2017. (Does not include PTO cash out.)

#### Process:

- Santa Clara Family Health Plan must achieve a **Minimum Net Operating Surplus of \$11.0 million** as a gate to any incentive award consideration.
- Incentive compensation will be determined upon receipt of the audited financial statements for the fiscal 2016-17 performance year.
- Compliance Metrics will be calculated as the percent of 2Q'17 (April - June) compliance dashboard measures that meet or exceed regulatory requirements.
- Provisional NCQA Accreditation will be measured based on completion of the NCQA Site Visit by the end of June 2017, subject to notification of receiving Provisional Accreditation by the time of payout.
- To be eligible to receive a payout, an employee must be employed by Santa Clara Family Health Plan in a regular position at the time of distribution.

**SCFHP DONATIONS/SPONSORSHIPS**

Organization	Event Name	FY 2016			FY 2017			FY 2018		
		Check Date	Event Date	Amount	Check Date	Event Date	Amount	Check Date	Event Date	Amount
Aging Services Collaborative	Annual Caregivers Conference	3/28/2016	4/16/2016	\$ 200	2/10/2017	5/6/2017	\$ 200			
Alum Rock Counseling Center	Annual Luncheon	12/10/2015	4/7/2016	\$ 500	12/2/2016	3/29/2017	\$ 500			
Silicon Valley Leadership Group	Silicon Valley Turkey Trot				11/3/2016	11/24/2016	\$ 2,000	TBD	11/23/2017	\$ 5,000
Asian Americans for Community Involvement	Annual Event	5/14/2015	10/10/2015	\$ 5,000	6/22/2016	9/10/2016	\$ 5,000	8/24/2017	10/8/2017	\$ 5,000
	Donation - Med Homes for Duals	7/1/2015		\$ 5,000						
California Association for Adult Day Services	N Calif Spring Conference: The Quality Imperative	3/17/2016	5/11/2016	\$ 250	1/30/2017	4/25/2017	\$ 350			
City of Mountain View	Senior Center 10th Anniversary				9/30/2016	10/26/2016	\$ 500			
	Annual Event	3/17/2016	4/16/2016	\$ 2,000						
Gardner Family Health	SCFHP 20th Anniversary community benefit - Dental equipment donation				7/13/2017		\$ 5,000			
The Health Trust	Donation - San Jose Flood Relief				3/6/2017	3/6/2017	\$ 2,575			
Healthier Kids Foundation	Annual Symposium on Status of Children's Health in Santa Clara County	5/12/2016	5/13/2016	\$ 5,000						
	Wine Tasting Benefit				8/11/2016	9/16/2016	\$ 5,000	TBD	9/29/2017	\$ 5,000
Hospice of the Valley	Compassion in Action Conference	2/25/2016	3/24/2016	\$ 1,000						
	Annual Gala									
Indian Health Center Santa Clara Valley	Annual Event	8/21/2015	10/17/2015	\$ 5,000						
	20th Anniversary community benefit - Wellness Center equipment				5/11/2017		\$ 5,000			
Justice in Aging	Take a Stand Against Senior Poverty - Event	3/3/2016	4/7/2016	\$ 2,500						
March of Dimes	March for Babies	12/10/2015	5/1/2016	\$ 5,000	1/20/2017	4/30/2017	\$ 5,000			
Momentum for Mental Health	Annual Shining Stars Benefit	10/22/2015	11/23/2016	\$ 1,500	9/29/2016	10/21/2016	\$ 5,000	TBD	10/20/2017	\$ 5,000
PACT	Leadership Luncheon							7/13/2017	11/9/2017	\$ 5,000
Planned Parenthood	Contribution	6/16/2016		\$ 5,000						
Philippine Medical Society of Northern California	Health Fair							9/15/2017	10/15/2017	\$ 1,000
Recovery Café	Closing the Gap Breakfast				4/21/2017	5/5/2017	\$ 2,500			
Santa Clara County Board of Supervisors	Day on the Bay							5/11/2017	10/8/2017	\$ 2,000
Silicon Valley Council of Non Profits	Be Our Guest Annual Luncheon; Housing Summit	7/1/2015	11/16/2015	\$ 5,000	8/18/2016	10/27/2016	\$ 5,000	TBD	10/26/2017	\$ 5,000
Silicon Valley Independent Living Center	40th Anniversary Event				9/16/2016	9/24/2016	\$ 500			
Teatro Vision	Macario (tickets)				10/11/2016	10/15/2016	\$ 400			
Uplift Family Services	Silicon Valley Community Awards Luncheon				3/16/2017	4/28/2017	\$ 1,500			
Veggielution	fEAST San Jose				4/28/2017	6/11/2017	\$ 2,500			
VMC Foundation	Annual Gala	4/30/2015	10/10/2015	\$ 5,000	5/19/2016	9/24/2016	\$ 5,000	4/21/2017	9/23/2017	\$ 5,000
Working Partnerships USA	20 Years in Action (tickets)	12/3/2015	12/10/2015	\$ 300						
	Champions for Change (tickets)							TBD	9/27/2017	\$ 450
<b>TOTAL</b>				<b>\$ 48,250</b>			<b>\$ 53,525</b>			<b>\$ 38,450</b>

# SCFHP 20<sup>th</sup> Anniversary Celebration Update

- Ribbon-cutting ceremony celebrating Veggielution's new Youth Farm Plot Shade structure, funded by SCFHP
  - Tuesday, October 24, 2017
  - 10:30 a.m.
  - At Veggielution (Inside Emma Prusch Park)
  - Invitations being mailed and emailed next week
- Anniversary Report Launch
  - Highlights SCFHP's impact over the past 20 years, and our commitment to building a healthier community
  - Will be mailed and sent electronically to CBOs, partners, elected, etc.



# SCFHP Logo Refresh

- Project objective – Develop a new, contemporary SCFHP logo that:
  - Reflects organization values
  - Conveys warmth, trust, safety, security, positivity, inspiration
  - Retains orange as primary color
  - Is suitable for placement at large and small sizes, color and b/w, print, electronic, signage, etc.
- Agency selection process
  - Initial criteria: local, logo expertise, quality of portfolio, public sector or healthcare reflected in client base
  - Design brief sent to three agencies – Ha Design, Design in Mind, Liquid Agency
  - Design In Mind selected based on
    - Excellent portfolio and senior designer assigned to project
    - Approved vendor for City of San Jose – experience with public sector
    - Generous logo iterations – initial concepts and revisions
    - Inclusion of Brand Guidance Book in logo package
- New logo – two proposals



**RESOLUTION**

**FIXING THE EMPLOYER CONTRIBUTION AT AN EQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS  
UNDER THE PUBLIC EMPLOYEES’ MEDICAL AND HOSPITAL CARE ACT**

- WHEREAS, (1) Santa Clara County Health Authority is a contracting agency under Government Code Section 22920 and subject to the Public Employees’ Medical and Hospital Care Act (the “Act”); and
- WHEREAS, (2) Government Code Section 22892(a) provides that a contracting agency subject to Act shall fix the amount of the employer contribution by resolution; and
- WHEREAS, (3) Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; and
- RESOLVED, (a) That the employer contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of **90% of health premium Basic/Medicare/Combination not to exceed 90% Anthem HMO Traditional Bay Basic/90% United Healthcare Bay Medicare /90% Anthem HMO Traditional Bay Combination** per month, plus administrative fees and Contingency Reserve Fund assessments; and be it further
- RESOLVED, (b) Santa Clara County Health Authority has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further
- RESOLVED, (c) That the participation of the employees and annuitants of Santa Clara County Health Authority shall be subject to determination of its status as an “agency or instrumentality of the state or political subdivision of a State” that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that Santa Clara County Health Authority would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer.
- RESOLVED, (d) That the executive body appoint and direct, and it does hereby appoint and direct, Vice President of Human Resources, Sharon Valdez to file with the Board a verified copy of this resolution, and to perform on behalf of Santa Clara County Health Authority all functions required of it under the Act.

Adopted at a regular meeting of the Governing Board at Campbell, California, this 28th day of September, 2017.

Signed: \_\_\_\_\_  
Christine Tomcala, CEO

Attest: \_\_\_\_\_  
David Cameron, CFO

**Santa Clara County Health Authority**  
**Pay Schedule**  
**September 28, 2017**

<b>Job Title</b>	<b>Pay Rate</b>	<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>
Accounts Payable and Payroll Specialist	Annually	51,511	64,389	77,267
Administrative Assistant	Annually	46,722	57,235	67,747
Analytics Developer	Annually	86,407	110,169	133,930
Application Developer I	Annually	66,643	83,303	99,964
Application Developer II	Annually	76,639	95,799	114,959
Application Developer III	Annually	86,407	110,169	133,930
Application Developer Lead	Annually	101,528	129,448	157,368
Behavioral Health Personal Care Coordinator	Annually	46,722	57,235	67,747
Business Systems Analyst I	Annually	66,643	83,303	99,964
Business Systems Analyst II	Annually	76,639	95,799	114,959
Business Systems Analyst III	Annually	86,407	110,169	133,930
Certified Coder	Annually	57,950	72,438	86,925
Chief Compliance and Regulatory Affairs Officer	Annually	233,077	308,827	384,577
Chief Executive Officer	Annually	365,716	521,146	676,575
Chief Financial Officer	Annually	233,077	308,827	384,577
Chief Information Officer	Annually	233,077	308,827	384,577
Chief Medical Officer	Annually	280,752	368,034	491,316
Chief Operating Officer	Annually	233,077	308,827	384,577
Claims Analyst I	Annually	42,475	52,032	61,588
Claims Analyst II	Annually	46,722	57,235	67,747
Claims Clerk	Annually	35,834	43,001	50,168
Claims Lead	Annually	51,511	64,389	77,267
Claims Quality Assurance Auditor	Annually	57,950	72,438	86,925
Clinical Pharmacist	Annually	119,295	152,102	184,908
Communications Associate	Annually	66,643	83,303	99,964
Communications Systems and Analytics Manager	Annually	86,407	110,169	133,930
Compliance Analyst	Annually	66,643	83,303	99,964
Compliance Coordinator	Annually	51,511	64,389	77,267
Compliance Lead	Annually	57,950	72,438	86,925
Compliance Program Director	Annually	101,528	129,448	157,368
Controller	Annually	164,972	214,463	263,955
Credentialing Coordinator	Annually	57,950	72,438	86,925
Customer Service Lead	Annually	51,511	64,389	77,267
Customer Service Quality Program Manager	Annually	66,643	83,303	99,964
Customer Service Representative I	Annually	38,613	47,301	55,989
Customer Service Representative II	Annually	42,475	52,032	61,588
Director, Behavioral Health	Annually	101,528	129,448	157,368
Director, Claims	Annually	119,295	152,102	184,908
Director, Compliance	Annually	119,295	152,102	184,908
Director, Customer Service	Annually	119,295	152,102	184,908
Director, Financial Reporting and Budgets	Annually	119,295	152,102	184,908

**Santa Clara County Health Authority**  
**Pay Schedule**  
**September 28, 2017**

<b>Job Title</b>	<b>Pay Rate</b>	<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>
Director, Health Care Economics	Annually	164,972	214,463	263,955
Director, Infrastructure and System Support	Annually	119,295	152,102	184,908
Director, Integrated Business Solutions	Annually	137,476	178,719	219,962
Director, Long Term Services and Supports	Annually	101,528	129,448	157,368
Director, Marketing, Outreach and Enrollment	Annually	137,476	178,719	219,962
Director, Medical Management	Annually	137,476	178,719	219,962
Director, Provider Network Management	Annually	137,476	178,719	219,962
Director, Quality and Pharmacy	Annually	164,972	214,463	263,955
Enrollment Coordinator I	Annually	38,613	47,301	55,989
Enrollment Coordinator II	Annually	42,475	52,032	61,588
Enrollment Lead	Annually	51,511	64,389	77,267
Executive Assistant to CEO	Annually	57,950	72,438	86,925
Facilities Coordinator	Annually	38,613	47,301	55,989
Grievance and Appeals Coordinator	Annually	51,511	64,389	77,267
Grievance and Appeals Data Analyst	Annually	66,643	83,303	99,964
Grievance and Appeals Intake Specialist	Annually	42,475	52,032	61,588
Grievance and Appeals Lead	Annually	57,950	72,438	86,925
Health Educator	Annually	66,643	83,303	99,964
Health Services Project Manager	Annually	86,407	110,169	133,930
HEDIS Project Manager	Annually	76,639	95,799	114,959
Human Resources Coordinator	Annually	46,722	57,235	67,747
Human Resources Generalist	Annually	66,643	83,303	99,964
IT Product Manager	Annually	119,295	152,102	184,908
IT Systems Operator	Annually	51,511	64,389	77,267
IT User Support Lead	Annually	66,643	83,303	99,964
IT User Support Specialist	Annually	51,511	64,389	77,267
Long Term Services and Supports Personal Care Coordinator	Annually	46,722	57,235	67,747
Manager, Accounting	Annually	101,528	129,448	157,368
Manager, Application Development	Annually	119,295	152,102	184,908
Manager, Business Systems	Annually	101,528	129,448	157,368
Manager, Case Management	Annually	101,528	129,448	157,368
Manager, Claims	Annually	86,407	110,169	133,930
Manager, Compliance	Annually	101,528	129,448	157,368
Manager, Compliance Audit	Annually	86,407	110,169	133,930
Manager, Contracting and Credentialing	Annually	86,407	110,169	133,930
Manager, Customer Service	Annually	86,407	110,169	133,930
Manager, Customer Service Training and Quality	Annually	76,639	95,799	114,959
Manager, Facilities	Annually	86,407	110,169	133,930
Manager, Grievance and Appeals Operations	Annually	86,407	110,169	133,930
Manager, Human Resources	Annually	101,528	129,448	157,368
Manager, IT Configuration	Annually	101,528	129,448	157,368

**Santa Clara County Health Authority**

**Pay Schedule**

**September 28, 2017**

<b>Job Title</b>	<b>Pay Rate</b>	<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>
Manager, Marketing and Communications	Annually	101,528	129,448	157,368
Manager, Medicare Outreach	Annually	86,407	110,169	133,930
Manager, Pharmacy	Annually	137,476	178,719	219,962
Manager, Process Improvement	Annually	101,528	129,448	157,368
Manager, Provider Database and Reporting	Annually	86,407	110,169	133,930
Manager, Quality Improvement	Annually	101,528	129,448	157,368
Manager, Support Services and Enrollment	Annually	86,407	110,169	133,930
Manager, Utilization Management	Annually	101,528	129,448	157,368
Marketing Coordinator	Annually	51,511	64,389	77,267
Marketing Project Manager	Annually	76,639	95,799	114,959
Medical Director	Annually	197,966	257,356	316,746
Medical Management Care Coordinator	Annually	42,475	52,032	61,588
Medical Management Personal Care Coordinator	Annually	46,722	57,235	67,747
Medical Management UM Lead	Annually	46,722	57,235	67,747
Medical Review Nurse	Annually	101,528	129,448	157,368
Medicare Compliance Program Manager	Annually	101,528	129,448	157,368
Medicare Financial Analyst	Annually	86,407	110,169	133,930
Medicare Outreach Agent	Annually	66,643	83,303	99,964
Pharmacy Coordinator	Annually	46,722	57,235	67,747
Provider Claims Dispute Analyst	Annually	51,511	64,389	77,267
Provider Database Analyst	Annually	66,643	83,303	99,964
Provider Database Coordinator	Annually	42,475	52,032	61,588
Provider Network Access Manager	Annually	86,407	110,169	133,930
Provider Network Associate	Annually	66,643	83,303	99,964
Provider Network Representative	Annually	57,950	72,438	86,925
Quality Improvement Coordinator	Annually	51,511	64,389	77,267
Quality Improvement Project Manager	Annually	76,639	95,799	114,959
Quality Improvement Registered Nurse	Annually	76,639	95,799	114,959
Risk Adjustment Analyst	Annually	86,407	110,169	133,930
RN Case Manager	Annually	86,407	110,169	133,930
Senior Accountant	Annually	76,639	95,799	114,959
Senior Health Care Financial Analyst	Annually	86,407	110,169	133,930
Social Work Case Manager	Annually	76,639	95,799	114,959
Social Work Case Manager Lead	Annually	86,407	110,169	133,930
Staff Accountant	Annually	57,950	72,438	86,925
Supervisor, Case Management	Annually	76,639	95,799	114,959
Supervisor, Claims	Annually	66,643	83,303	99,964
Supervisor, Customer Service	Annually	66,643	83,303	99,964
Supervisor, Pharmacy Prior Authorization	Annually	51,511	64,389	77,267
Support Services Coordinator	Annually	38,613	47,301	55,989
Support Services Lead	Annually	42,475	52,032	61,588

**Santa Clara County Health Authority**  
**Pay Schedule**  
**September 28, 2017**

<b>Job Title</b>	<b>Pay Rate</b>	<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>
Support Services Representative	Annually	35,834	43,001	50,168
Systems Administrator I	Annually	76,639	95,799	114,959
Systems Administrator II	Annually	86,407	110,169	133,930
Systems Database Administrator	Annually	86,407	110,169	133,930
Telecommunications Administrator	Annually	66,643	83,303	99,964
Training and Quality Monitoring Associate	Annually	51,511	64,389	77,267
Transportation Specialist	Annually	35,834	43,001	50,168
Utilization Management and Discharge Planning LVN	Annually	57,950	72,438	86,925
Utilization Management and Discharge Planning RN	Annually	76,639	95,799	114,959
Vice President, Human Resources	Annually	197,966	257,356	316,746

# Network Detection and Prevention Report

September 2017

SCCHA Governing Board Meeting



# Firewall Background

The following network intrusion reports show the malicious activities that were prevented from accessing SCFHP's network. It is important to note that these attempts are not specifically targeted at SCFHP, but rather are common attempts against entire areas of the Internet. The results are typical of many organization's.

None of the intrusion attempts on the SCFHP network were successful. The attempts have been categorized in three severity levels:

## High

These attacks are the most dangerous. They can take down our entire network or disable servers, such as various Backdoor, DDoS(Distributed Denial of Service), and DOS(Denial of Service) attacks.

## Medium

These attacks can cause disruption to the network, such as increased network traffic that slows down performance. For example, various DNS(Domain Naming Service), FTP(File Transfer Protocol), and Telnet attacks.

## Low

These attacks are characterized more as informational events, such as various Scans (port and IP internet protocol address), RPC(Remote Procedure Call), and SMTP(Simple Mail Transfer Protocol) attacks.



# Attack Statistics Combined

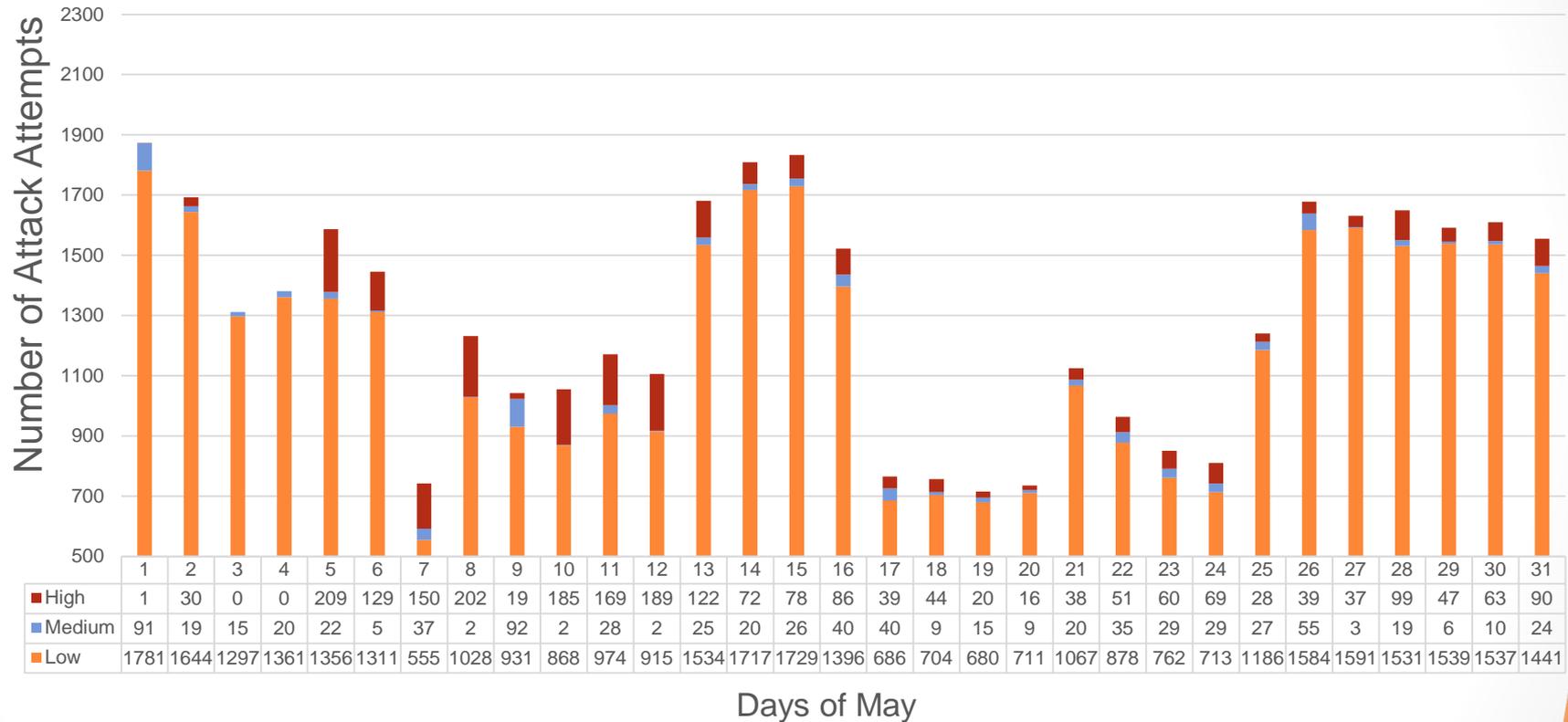
May/June/July/August

Severity Level	Number of Different Types of Attacks				Total Number of Attempts				Percent of Attempts			
	MAY	JUN	JUL	AUG	MAY	JUN	JUL	AUG	MAY	JUN	JUL	AUG
High	5	3	2	1	2381	2118	1991	1967	5.93	3.91	3.64	3.53
Medium	11	14	14	19	776	6783	823	2037	1.93	12.53	1.51	3.66
Low	19	18	18	32	37007	45249	51868	51711	92.14	83.56	94.85	92.81

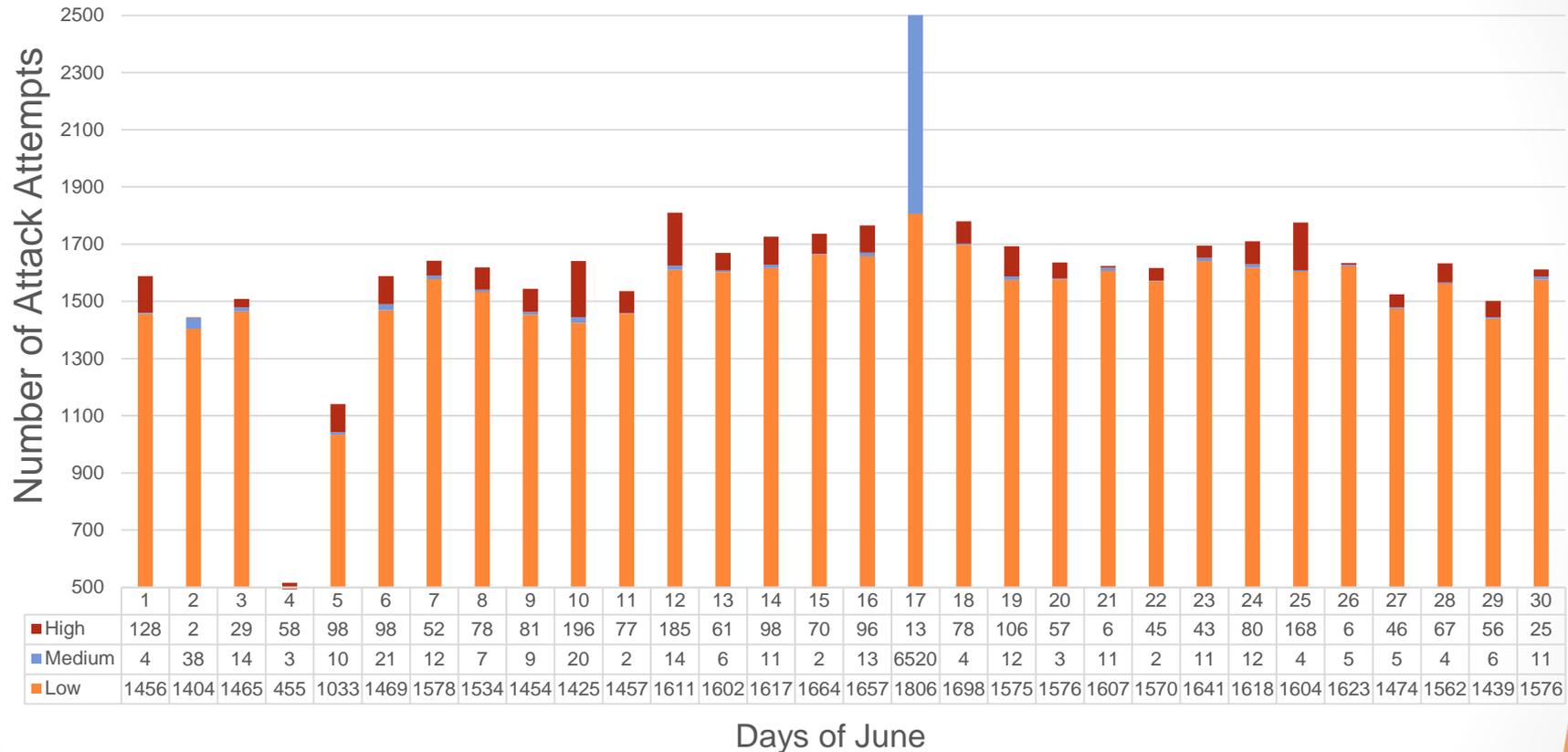
\* Month of May shows increased High and Medium detections. This was due to new IPS Rules 41978 and 42340 were automatically downloaded by Sophos in April that mitigated new exploits for the month of May. Part of this new rule was to block packets for the "wannacry" malware that was not seen until the weekend of May 12<sup>th</sup>.



# Daily Attack Attempts



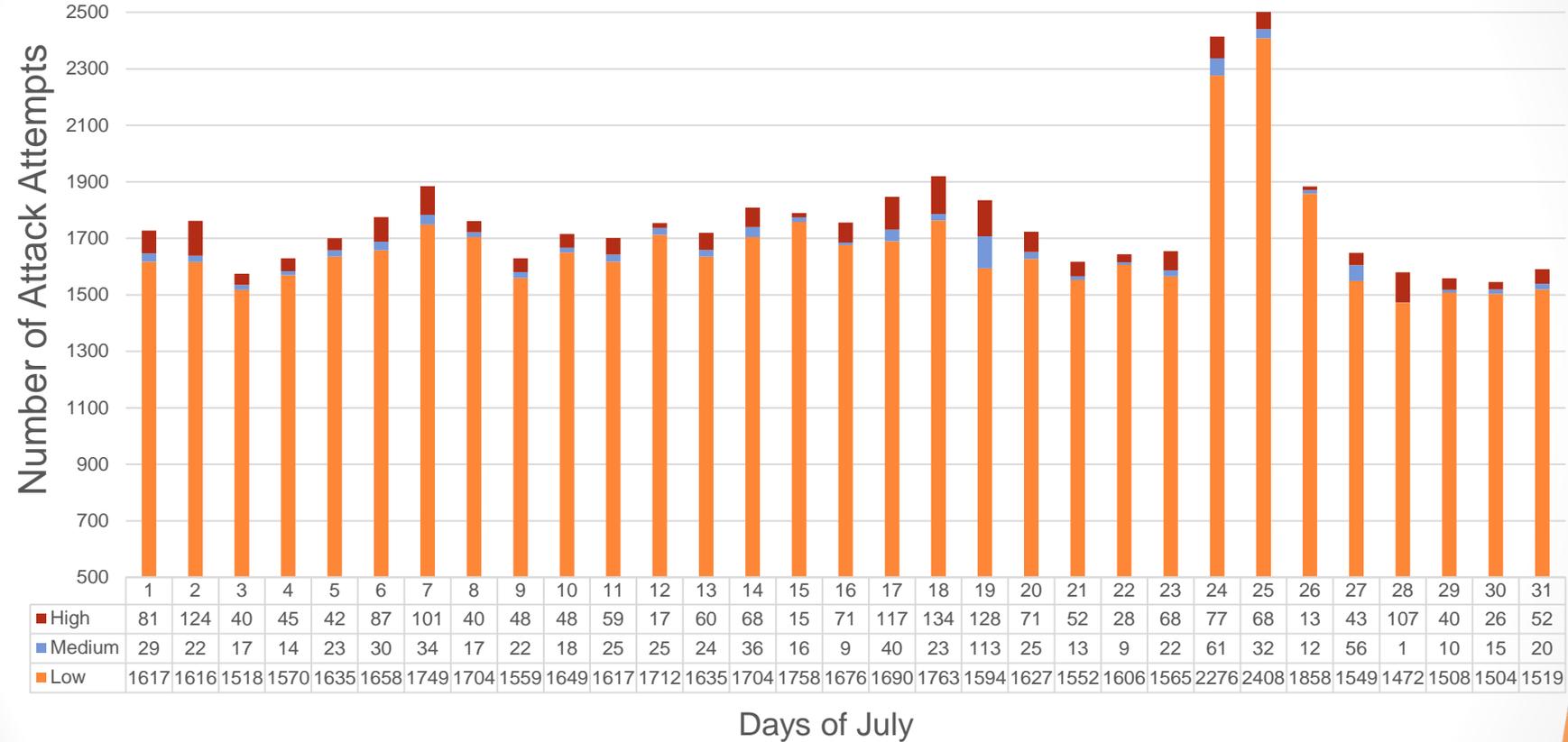
# Daily Attack Attempts



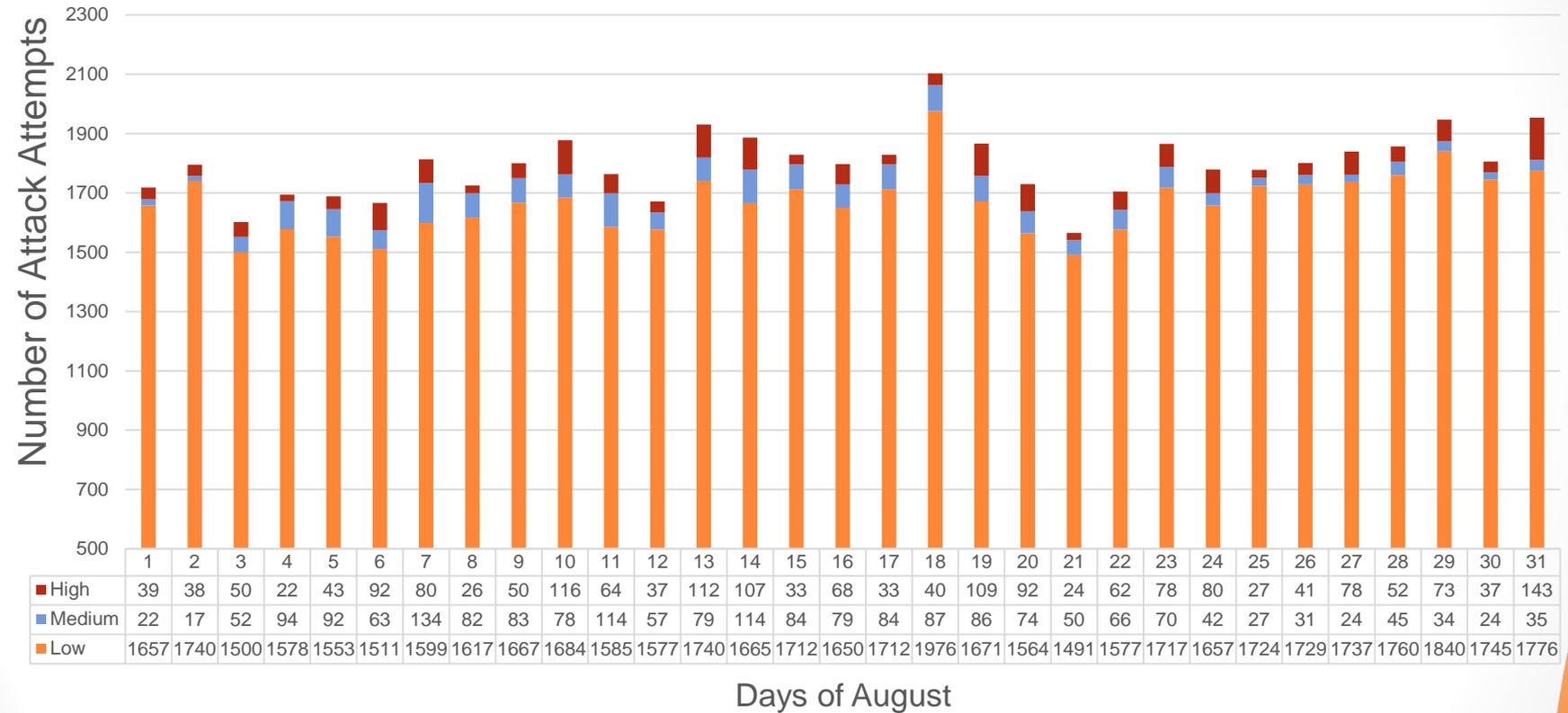
The 4<sup>th</sup> of June had system maintenance by data provider. The 17<sup>th</sup> of June SCFHP had a lot of file transfers due to the work being done for the QNXT conversion.



# Daily Attack Attempts



# Daily Attack Attempts

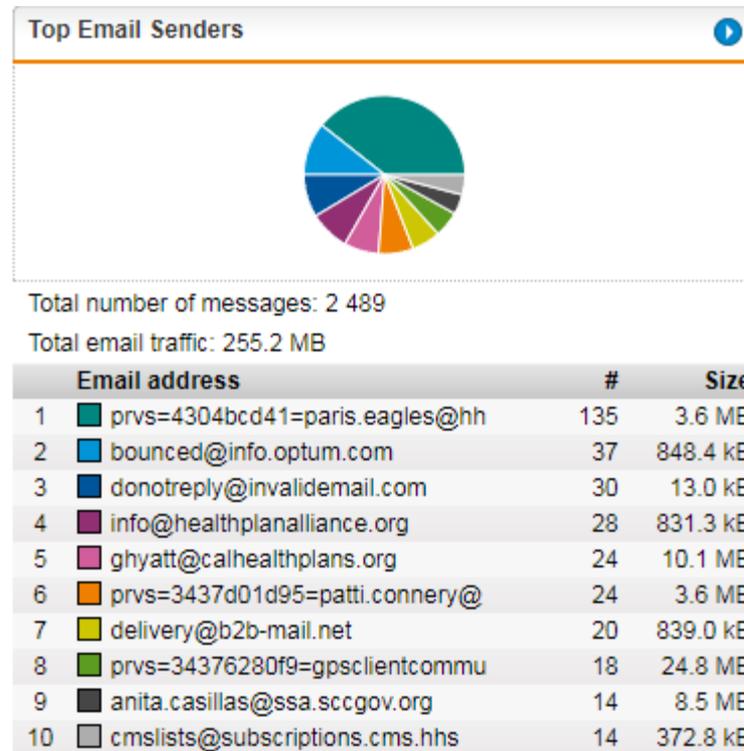


# Email Background

For email protection SCFHP utilizes software that intercepts every incoming email and scans them for suspicious content, attachments or URLs (Uniform Resource Locator or address to the World Wide Web). The software has anti-malware and phishing-detection technology that is constantly being updated to detect the latest threats. It is configured to detect phishing attempts as well SPF (Sender Policy Framework) anti-spoofing. SPF is a simple technology that detects spoofing by providing a mechanism to validate the incoming mail against the sender's domain name. The software can check those records to make sure mail is coming from legitimate email addresses.



# Email Security – Daily Statistics



Top Senders to SCFHP as of  
9/21/2017



# Email Security - Daily Statistics

## Top Spam Countries

Total number of spams: 1 173

Total spam mail size: 35.3 MB

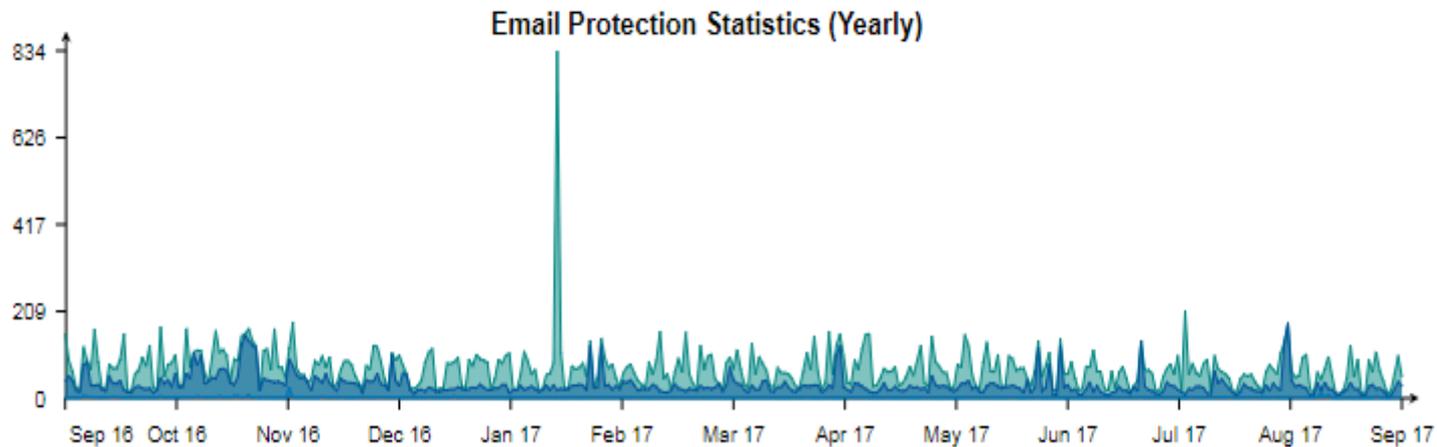
			Spams	Traffic
1		United States	544	30.2 MB
2		Viet Nam	118	1.2 kB
3		India	109	33.4 kB
4		Mexico	66	0
5		United Kingdom	49	298.2 kB
6		Canada	39	605.7 kB
7		Colombia	23	0
8		Argentina	22	0
9		Italy	20	3.8 MB
10		France	11	62.0 kB

Top Spam Countries to SCFHP as of  
9/21/2017



# Email Protection Statistics

## Rolling 12 Months



	Maximum	Minimum	Average	Last
Mail total	834	8	72.80	51
AV blocked	26	0	1.18	2
Spam blocked	179	6	32.47	29

\* Email spike on February 2<sup>nd</sup> – Employee was being bombarded by phishing emails. We created a firewall rule to block 43 IP addresses that stopped the phishing attempts.



# SCFHP Phishing Attacks

	INCIDENT 7 – 5/1/2017	INCIDENT 8 – 5/3/2017	INCIDENT 9 – 5/10/2017
TYPE OF ATTACK	Phishing	Phishing	Phishing
SUMMARY	4 Employees	5 Employees	1 Employee
RESPONSE	<b>Step 1.</b> Analyzed email and took appropriate action	<b>Step 1.</b> Analyze email and take appropriate action.	<b>Step 1.</b> Email was Deleted. Analyzed what was sent and take appropriate action.
	<b>Step 2.</b> Block FW from Source email address and IP. Add expression for Subject Line keyword, “Security Alert”.	<b>Step 2.</b> Block FW from Sources email address and IP address. Add expression for Subject line keyword, “Re: payment”	<b>Step 2.</b> Block FW from Source email address. Added Expression for Subject Line keyword. “Isaac N Reed”.
	<b>Step 3.</b> Removed threat by permanently deleting email.	<b>Step 3.</b> Removed threat by permanently deleting email.	<b>Step 3.</b> Removed threat by permanently deleting email.
	<b>Step 4.</b> Monitor emails and users.	<b>Step 4.</b> Monitor emails and users.	<b>Step 4.</b> Monitor emails and Users



# SCFHP Phishing Attacks

	INCIDENT 10 – 6/22/2017	INCIDENT 11 – 6/28/2017	INCIDENT 12 – 7/3/2017	INCIDENT 13 – 7/9/2017
TYPE OF ATTACK	Malware	Phishing	Phishing	Phishing
SUMMARY	1 employee	4 employees	4 employees	4 employees
RESPONSE	<b>Step 1.</b> Analyze email and take appropriate action.	<b>Step 1.</b> Analyze email and take appropriate action.	<b>Step 1.</b> Analyze email and take appropriate action.	<b>Step 1.</b> Analyze email and take appropriate action.
	<b>Step 2.</b> Block FW from Source email and IP Address. Add expression for Subject line Keyword “RE: Alart! Email Update”.	<b>Step 2.</b> Block FW from Source email and IP Address. Add expression for Subject line keyword, ”Notice: Your Mailbox Quota is full.”	<b>Step 2.</b> Block FW from Source email and IP Address. Add expression for Subject line keyword. ”Alert!, Secure your email now.”	<b>Step 2.</b> Block FW from Source email and IP address. Add expression for Subject line keyword, “Mailbox Service Will be Blocked (Final Warning).”
	<b>Step 3.</b> Remove threat by permanently deleting email.	<b>Step 3.</b> Remove threat by permanently deleting email.	<b>Step 3.</b> Remove threat by permanently deleting email.	<b>Step 3.</b> Remove threat by deleting email.
	<b>Step 4.</b> Monitor email and user	<b>Step 4.</b> Monitor email and user.	<b>Step 4.</b> Monitor email and user.	<b>Step 4.</b> Monitor email and user.



# SCFHP Phishing Attacks

	INCIDENT 14 – 8/1- 8/31/2017			
TYPE OF ATTACK	None			
SUMMARY	0 employee			
RESPONSE	<b>Step 1.</b> No Phishing attack recorded for the month of August.			
	<b>Step 2.</b> None			
	<b>Step 3.</b> None			
	<b>Step 4.</b> None			



# Questions





Santa Clara  
Family Health Plan  
*The Spirit of Care*

www.scfhp.com



2018

**Governing Board Meeting**  
2:30pm – 5:00 pm

March 22  
June 28  
September 27  
December 13

**Executive/Finance Committee**  
11:30 am – 1:00 pm

January 25  
February 22  
April 26  
May 24  
July 26  
August 23  
October 25  
November 15

**January**

Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

**February**

Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

**March**

Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

**April**

Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

**May**

Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

**June**

Su	M	Tu	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

**July**

Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

**August**

Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

**September**

Su	M	Tu	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

**October**

Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

**November**

Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

**December**

Su	M	Tu	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					