



Santa Clara
Family Health Plan
The Spirit of Care



Regular Meeting of the Santa Clara County Health Authority Governing Board

Thursday, April 28, 2016
2:30 PM - 5:00 PM
210 E. Hacienda Avenue
Campbell, CA 95008

Minutes – **APPROVED**

Board Members Present:

Bob Brownstein, Chair
Dolores Alvarado
Brian Darrow
Darrell Evora
Kathleen King
Michele Lew
Paul Murphy
Jolene Smith
Brenda Taussig
Wally Wenner
Linda Williams

Board Members Absent:

Christopher Dawes
Liz Kniss

Staff Present:

Christine Tomcala, Chief Medical Officer
Dave Cameron, Chief Financial Officer
Jeff Robertson, Chief Medical Officer
Jonathan Tamayo, Chief Informational Officer
Gary Kaplan, VP Vendor Relations & Delegation Oversight
Sharon Valdez, VP Human Resources
Beth Paige, Compliance Officer
Rita Zambrano Executive Assistant

Others Present:

Alison Hightower, Littler Mendelson P.C. (via phone)
Richard Noack, Hopkins and Carley LLC
Elizabeth Pianca, Secretary
Maria Bejarano, SCHP employee
Lleceña Solorio, SCFHP employee

1. Roll Call

Chairman Brownstein called the meeting to order at 2:37 pm. Roll call was taken and a quorum was established.

2. Meeting Minutes

The minutes of the January 28, 2016 Regular Board Meeting were reviewed.

It was moved, seconded, and the January 28, 2016 meeting minutes were **approved** as presented.

Brenda Taussig arrived at 2:40 pm.

3. Public Comment

Maria Bejarano, a Member Services Representative and an SEIU Local 521 member, spoke on behalf of the Bargaining Team. Ms. Bejarano reported that the members voted unanimously on March 10th to ratify the Tentative Agreement. She also reported that the contract includes a Compensation Committee to address monetary increases.

Ms. Bejarano thanked the Board and the Health Plan for their support and interest in the process, and that the Bargaining Unit looks forward to the continued relationship with the Board and SCFHP to assure that families in Santa Clara County have the best healthcare.

4. Adjourn to Closed Session

Paul Murphy arrived at 3:00 pm.

a. Pending Litigation

The Board conferred with Legal Counsel regarding one item of existing litigation.

Kathleen King joined the meeting at 3:40 pm.

b. Conference with Labor Negotiators

The Board conferred with its Designated Representatives: Dave Cameron, Sharon Valdez, and Richard Noack.

5. Report from Closed Session

Mr. Brownstein reported the Board conferred with legal counsel and will refrain from pursuing litigation on the matter regarding Kathleen King. The Board also heard a report from the labor negotiators.

6. Agreement with SEIU Local 521

It was moved, seconded, and the Agreement with SEIU Local 521 was approved.

8. CEO Update

Christine Tomcala, Chief Executive Officer, noted that Ms. Pat McClelland resigned after 20 years of dedicated service to the plan, and the Executive Committee discussed recognizing Ms. McClelland with a Resolution of Appreciation, which was offered for the Board's consideration.

It was moved, seconded, and the Board Resolution was approved as presented.

Ms. Tomcala presented the Board with a summary of the current Board seat appointments and terms discussed at the last Executive Committee meeting. The Board members whose terms are expiring June 30th of this year all expressed interest in being reappointed. She further noted that discussions with Supervisors confirming reappointments have or will occur, and as future vacancies occur, she will reach out to the respective Supervisors regarding potential appointees. It was noted that Linda Williams' seat is rotating, so she will need to be reappointed by Supervisor Cortese.

Ms. Tomcala reported that initial draft rates for the Medi-Cal Expansion (MCE) population are scheduled to be released, and rate decreases are anticipated.

It was noted that the final CMS Medicaid Managed Care Regulations came out on Monday. Analysis has begun, and the new rules are intended to improve service for enrollees with a focus on physician access and availability, 85% minimum MLR, provider directory updates, fraud detection, tightened rules for collection and submission of patient data to HHS, and ability to offer incentives to providers for improved clinical outcomes and cost reduction.

Ms. Tomcala noted that since passive enrollment ended in December, CMC membership has been dropping. Ms. Laura Watkins, Director of Marketing and Communications, is leading a cross-functional work group to work on mitigation strategies. The State has also proposed an annual passive enrollment process each fall that would catch up on enrolling beneficiaries who became eligible in the prior year.

Ms. Tomcala reported that the Claims Department has been challenged this year with hiring and retaining staff, while simultaneously assimilating growth in membership and processing claims on two separate systems for Medi-Cal and CMC. Key staff are meeting daily to address the top underlying issues that have been identified.

To address the changing needs of the plan with respect to recent membership growth and addition of the CMC program, the plan has been actively hiring consistent with the Mid-Year Budget Update. The plan has 166 regular staff and 15 temps at present. FY'16 to-date, there have been 50 new hires, 29 staff departures, 28 positions currently open, and 3 open temporary positions.

Lastly, Ms. Tomcala reflected that the #1 Plan Objective for the current fiscal year has been to "Enhance our Compliance Program for Audit Readiness." Staff has been diligently overhauling policies to cite, and ensure consistency with, State, Federal and NCQA guidelines. In April, the plan has been engaged in four routine audits: a Data Validation Audit and a Quality Withhold Performance Measure Validation Activity Study for the CMC line of business, the joint DHCS/DMHC Audit, and preparation for the DMHC Finance Audit, which will have an on-site in June.

It was moved, seconded, and approved to accept the CEO update.

9. Compliance Report

Beth Paige, Compliance Officer, reported on the joint DHCS/DMHC Audit. She noted the on-site is just wrapping up and the DHCS preliminary audit report is expected June 20th.

The consultants continue to meet with staff and provide feedback on policy and work flow development. Individual departments are reviewing operations and reporting, and are developing and implementing process improvements to ensure compliance.

Ms. Paige highlighted the Compliance Report in the Board packet and invited questions.

It was moved, seconded, and approved to accept the Compliance Report as presented.

10. Chief Medical Officer Report

Jeff Robertson, Chief Medical Officer, reported on the Disease Management /Complex Case Management Request for Proposal (RFP) and selection of a vendor. The two elements that comprise 50% of the NCQA scores required for accreditation in Cal MediConnect are Disease Management (DM) and behavioral health conditions and Complex Case Management (CCM) that include Individualized Care Plans and Individualized Care Teams.

A comprehensive RFP was sent to the four vendors nationally that met all RFP requirements. The two lowest bidders were invited to do an onsite presentation. Dr. Robertson discussed the services included in the best fully integrated solution.

It was moved, seconded, and approved to authorize the Chief Executive Officer to negotiate, execute, amend, and terminate a contract with the selected DM/CCM vendor.

11. Publicly Available Salary Schedule Changes

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 update to the SCCHA Board of Directors.

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

12. January, February, and March 2016 Financial Statements

Dave Cameron, Chief Financial Officer, reviewed financial results for the months January through March 2016, fiscal year-to-date.

For the month of March the net surplus was \$0.8m, and \$11m YTD which is (\$1.6m) unfavorable to budget. The primary driver of the variance is higher than expected Long Term Care claims (LTC). There continue to be delays in the MLTSS and CMC rate re-blending process. Additionally, the IHSS reconciliation has not been completed for calendar year 2014. This has caused a high level of concern on what the financial impact is to the plan.

DHCS informed us that our July monthly capitation payment will be delayed until August because of the State budgeting process. This issue is partially mitigated because the State continues to overpay the MCE rate. We do not anticipate any delay in payments to providers.

Enrollment growth year-to-date is \$0.5% favorable to budget and 22% higher than March YTD last year. Cal MediConnect has trended down since the beginning of the year with the end of passive enrollment. Long Term Care membership and payments have stabilized. Enrollment by network is stable and there are no significant changes to report.

Tangible Net Equity is \$83.6m or 3.08 times the minimum TNE required by DMHC.

It was moved, seconded, and the January, February, and March 2016 Financial Statements were **approved**.

13. External Audit RFP

Mr. Cameron reported on the External Audit RFP process, noting that the Plan received proposals from two regional firms with strong healthcare background. The selection team consisted of Mr. Cameron, Ms. Tomcala, Ms. Lew, and two finance staff members, who met with the firms and rated them on their capabilities, the professional team assigned, their audit methodology/audit plan, and most importantly their understanding of health plan business and this assignment.

It was moved, seconded, and approved to authorize the Chief Executive Officer to negotiate, execute, amend, and terminate a contract with the selected External Audit firm.

14. Donations and Sponsorships Policy

Ms. Tomcala brought to the Board's attention the current Donations and Sponsorship Policy, which is more detailed in its direction than the minutes approving the resolution in November 2010. At issue is the language which requires the Governing Board to take action on each individual donation, regardless of amount.

Ms. Tomcala asked the Board to consider revising the policy consistent with how it was reflected in the minutes, with presentation of an annual report to the Board on actual expenditures. She also provided a spreadsheet summarizing donations/sponsorships in FY 2015, FY 2016 to-date, and two proposed sponsorships.

It was moved, seconded, and approved to ratify the 2015 Donations/Sponsorships.
Bob Brownstein, Michele Lew, Linda Williams, and Dolores Alvarado recused themselves.

It was moved, seconded, and approved to ratify the 2016 actual and proposed Donations/Sponsorship expenditures to-date.
Linda Williams, Michele Lew, Kathleen King, and Dolores Alvarado recused themselves.

It was moved, seconded, and approved to revise the policy, authorizing the CEO to make single donations up to \$5,000, not to exceed \$120,000 in any given budget year, with presentation of an annual report to the Board.

15. Diabetes Prevention Program Pilot

Ms. Tomcala presented two letters from Community Health Partnership requesting \$25,000 in funding to support enrollment of 50 Community Health Center Medi-Cal managed care patients at risk for diabetes into the Centers for Disease Control (CDC)-approved, evidence-based Diabetes Prevention Program (DPP) pilot offered by the YMCA. This effort is in support of the Diabetes Prevention Program Initiative approved by the Santa Clara County Board of Supervisors.

It was moved, seconded, and approved to support the Diabetes Prevention Program Pilot by contracting with the YMCA to pay for services rendered to SCFHP members up to \$25,000, and to develop a policy that would authorize the CEO to approve health-related community program spending within limits designated by the Board.

16. Policy Approval: GO.01 Organizational Policies

Ms. Tomcala discussed the need for overhauling the structure, content, and review process of SCFHP's policies for consistency, and to ensure they meet State, Federal, and NCQA guidelines. Ultimately, it is the Board's role to oversee policies, which provide guidelines under which the organization is operated. As the health plan transitions to the new policy structure, approval of policy GO.01 Organizational Policies is requested, which would establish a protocol for establishment of organizational policies.

It was moved, seconded, and Policy GO.01 Organizational Policies was **approved**.

17. Governing Board Committee Structure

Ms. Tomcala discussed the current committee structure, in which existing committees have not all been established as committees of the Governing Board. The proposed Governing Board Committee Structure would ensure that the Board receives necessary information on operation of the plan and is able to provide appropriate oversight. The Executive Committee recommends approval of the proposed structure.

It was moved, seconded, and the Governing Board Committee Structure was **approved**.

18. Committee Charters

Ms. Tomcala presented draft charters for the committees on the Governing Board Committee Structure. The Executive/Finance Committee Charter has been recommended for approval by the Executive Committee. Ms. Tomcala recommended that the Quality Improvement Committee (QIC) Charter be revised to reflect that the Committee is responsible for the review and approval of health services, pharmacy, credentialing, and quality policies. She further recommended that a Board member sit on the QIC, and indicated Darrell Evora expressed willingness to be the Board representative for this Committee.

It was moved, seconded, and the Executive/Finance Committee and Quality Improvement Committee Charters were **approved**, with the revision noted above.

The Utilization Management, Credentialing & Peer Review, Pharmacy & Therapeutics, and Provider Advisory Council Charters were deferred to a future meeting.

19. Provider Advisory Council (PAC) Appointment

Ms Tomcala reported that David Mineta, President and CEO of Momentum for Mental Health, has agreed to participate on the Provider Advisory Council.

It was moved, seconded, and approved to appoint David Mineta to the Provider Advisory Council.

20. Unified Managed Care Update

Mr. Brownstein provided a report on the Unified Managed Care Strategy Board Team Meeting on April 1, 2016 and the expressed mutual interest in pursuing a joint strategic planning process with the County, supported by

engagement of a consultant to assist with planning and facilitation.

It was suggested that a small group start work on strategic planning preparation, in anticipation of conducting an intensive joint strategic planning meeting in a larger group setting.

It was moved, seconded, and approved to accept the Board Team Report, and to rescind the current Board Team and appoint a temporary ad hoc Unified Managed Care Committee that will exist until December 31, 2016 and will be composed of five Governing Board members.

21. Committee Reports

a. Executive Committee

Michele Lew provided a summary of the February 25 and March 24, 2016 Executive Committee Meetings.

It was moved, seconded, and approved to accept the Executive Committee Report.

b. Consumer Affairs Committee

Dr. Wally Wenner provided a summary of the March 8, 2016 Consumer Affairs Committee Meeting.

It was moved, seconded, and approved to accept the Consumers Affairs Committee Report.

c. Provider Advisory Council

Dr. Robertson provided a summary of the December 8, 2015 Provider Advisory Council Meeting .

It was moved, seconded, and approved to accept the Provider Advisory Council Report.

22. Adjournment

The meeting was adjourned at 5:20 pm.

Elizabeth Pianca, Secretary to the Board