



Regular Meeting of the Santa Clara County Health Authority Executive Committee

Thursday, March 24, 2016
8:30 AM - 10:00 AM
210 E. Hacienda Avenue
Campbell CA 95008

AGENDA

- | | | | |
|---------------------------------------------------------|---------|------|-------|
| 1. Roll Call | Ms. Lew | 8:30 | 5 min |
| 2. Minutes Review and Approval | Ms. Lew | 8:35 | 5 min |
| • February 25, 2016 Executive Committee Regular Meeting | | | |
| 3. Public Comment | Ms. Lew | 8:40 | 5 min |

Members of the public may speak to any item not on the agenda; 2 minutes per speaker. The Executive Committee reserves the right to limit the duration or public comment period to 30 minutes.

Announcement Prior to Recessing into Closed Session

Announcement that the Executive Committee will recess into closed session to discuss Items No. 4(a), (b), and (c) below, and will identify its Designated Representatives for Item No. 4(a).

- | | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------|--------|
| 4. Adjourn to Closed Session | | 8:45 | 20 min |
| a. <u>Conference with Labor Negotiators (Government Code Section 54957.6):</u> | | | |
| It is the intention of the Executive Committee to meet in Closed Session to confer with its Designated Representatives. | | | |
| • SCCHA Designated Representatives: Dave Cameron, Sharon Valdez, and Richard Noack | | | |
| • Employee organization: Local 521, SEIU | | | |
| b. <u>Pending Litigation (Government Code Section 54956.9(d)(1)):</u> | | | |
| It is the intention of the Executive Committee to meet in Closed Session to confer with Legal Counsel regarding one item of existing litigation. | | | |
| <i>In the Matter of the Appeal Regarding Membership Exclusion of Foundation Employees by Santa Clara County Health Authority (Respondent) and Kathleen King (Respondent) Board of Administration, California Public Employees' Retirement System, Case No. 2014-1087; OAH No. 2015030359</i> | | | |
| c. <u>Significant Exposure to Litigation (Government Code Section 54956.9(d)(2)):</u> | | | |

It is the intention of the SCCHA Governing Board to meet in Closed Session to confer with Legal Counsel relating to one item of significant exposure to litigation.

5. Report from Closed Session	Ms. Lew	9:05	5 min
6. February 2016 Financial Statements Consider recommendations relating to the February 2016 Financial Statements. Possible Action: Approve February 2016 Financial Statements	Mr. Cameron	9:10	15 min
7. External Audit RFP Update Discuss status of RFP for External Audit Services.	Mr. Cameron	9:25	10 min
8. Policy Review: GO.01 Organizational Policies Consider draft Policy GO.01. Possible Action: Forward favorable recommendation to the Governing Board to approve Policy GO.01	Ms. Tomcala	9:35	15 min
9. CEO Update Discuss status of current topics and initiatives. Possible Action: Accept CEO update	Ms. Tomcala	9:50	10 min
10. Adjournment	Ms. Lew	10:00	

Notice to the Public—Meeting Procedures

- Persons wishing to address the Committee 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 Executive Committee 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.



Santa Clara
Family Health Plan
The Spirit of Care

**Regular Meeting of the
Santa Clara County Health Authority
Executive Committee**

Thursday, February 25, 2016
8:30 AM - 10:00 AM
210 E. Hacienda Avenue
Campbell CA 95008

VIA TELECONFERENCE AT:

Residence
1985 Cowper Street
Palo Alto, CA 94301

MINUTES – DRAFT

Members Present

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

Staff Present

Christine Tomcala, CEO
Dave Cameron, CFO
Sharon Valdez, VP Human Resources
Rita Zambrano, Executive Assistant

Other Attendees

Richard Noack, Hopkins & Carley, LLC.
Alison Hightower, Littler Mendelson P.C. (via telephone)
April Pitt, SCFHP Employee
Isabel Olazcoaga, SEIU Local 521 Representative

1. Roll Call

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

2. Minutes Review and Approval

It was moved, seconded, and the December 17, 2015 meeting minutes were approved as presented.

3. Public Comment

April Pitt, an employee with SCFHP and an SEIU Local 521 member, spoke on behalf of Maria Bejarano, a SCFHP employee for 10 years and a member of the SEIU Bargaining Team. Ms. Pitt provided the Executive Committee with an update on the Bargaining Unit's progress and their three goals: Fair Compensation, Union Security, and Workers' Benefits. Two of the three goals have been achieved and the one remaining issue is Fair Compensation.

SEIU members are proposing a committee where labor and management come together to create a compensation system that is fair and transparent. The committee would also allow Management and SEIU members to build on a partnership, coming together to put community first.

4. Adjourn to Closed Session

a. Conference with Labor Negotiators

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

b. Pending Litigation

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

5. Report from Closed Session

Michele Lew reported that the Executive Committee met with its designated representatives for item 4(a) and conferred with Legal counsel on item 4(b) and no action was taken.

6. January 2016 Financial Statements

Dave Cameron reported on the January and January YTD 2016 financials.

For the month of January, there was a surplus of \$1.2m and year-to-date the plan has a surplus of \$9.0m. This represents a negative variance from budget of \$3.6m YTD, which is primarily attributed to higher than anticipated long-term care expenses. Mr. Cameron also reported that the new Medi-Cal Expansion (MCE) premium rates for the next fiscal year should be coming out as early as April. We are anticipating a decrease in the rates based on preliminary feedback from DHCS.

Enrollment growth year-to-date is 5.6% favorable to budget and has primarily been in MCE. The Cal MediConnect (CMC) membership has grown 27% since the end of last fiscal year, but is lower than budget by 6% year-to-date. Enrollment by network is stable and there are no significant changes to report.

It was moved, seconded, and approved to accept the January 2016 Financial Statements as presented.

7. External Audit

Mr. Cameron reported on the external audit process and, based on directions from the last meeting, an Audit RFP has been drafted. We plan on sending it to firms this week and expect an appointment of a new audit firm to be in late April.

It was moved, seconded, and the RFP process for External Audit was approved.

8. Governing Board Committee Structure

Christine Tomcala discussed proposed revisions to the Board committee structure. The Santa Clara County Health Authority Governing Board would continue to maintain four committees identified in the Bylaws, the Bylaws Committee, Executive Committee, Provider Advisory Council, and Consumer Affairs Committee. The Quality Improvement Committee and its three subcommittees, the Utilization Management, Credentialing, and Pharmacy & Therapeutics Committees, which currently exist, would become recognized as part of the Board committee structure

and subject to the Brown Act. The Compliance Committee, which is presently an internal staff committee, would also be added to the Board committee structure.

Ms. Tomcala stated that as part of chartering the committees, there needs to be discussion regarding committee composition, including potential board representation on the Compliance Committee and the Quality Improvement Committee. One challenge, as previously noted by Dr. Wenner, is that the Board does not have multiple physicians that could serve on different committees.

It was moved, seconded, and approved to recommend the proposed Board committee structure for Governing Board approval.

9. Executive Committee Charter

Ms. Tomcala presented a draft committee charter that took into consideration language in the Bylaws, current practice, and a desired state. The draft proposes to use the name Executive/Finance Committee, which more clearly reflects the duties of the committee as outlined in the Bylaws. The Bylaws further state that this committee shall also serve as the Audit Committee, which has also been the practice.

Ms. Tomcala further reviewed the Purpose, Membership, and Responsibilities of the committee. The Bylaws state the CEO is an ex officio member of the committee and Ms. Tomcala recommended that the CFO also be a recognized ex officio member, given that the committee is also responsible for finance and audit functions.

While the Purpose reflects the committee's authority to act on behalf of the Board in the event of an emergency, Linda Williams suggested this decision-making authority, with ratification of any actions by the full Board at its next meeting, also be stated under Responsibilities.

There was discussion regarding what constitutes a quorum, with the language from the Bylaws indicating it is the presence of a majority of committee members. A question was raised regarding whether ex officio members count toward a quorum. Discussion also ensued regarding review of vendor and provider agreements, and the potential parameters of contracting and signing authority policies.

It was moved, seconded, and approved to recommend the Executive Committee Charter, with the revision noted regarding decision-making authority, for Governing Board approval.

10. PTO Accrual

Ms. Tomcala reported the Health Plan currently has a maximum PTO cap of 480 hours and allows employees to cash out up to 80 hours annually. Given the current workload and priorities, several staff are finding it challenging to take time off. While Ms. Tomcala is not recommending lifting the cap at this time, she is requesting authorization to temporarily suspend the PTO cap at her discretion based on business needs.

It was moved, seconded, and approved to authorize the CEO to temporarily suspend the PTO accrual cap as needed.

11. CEO Update

Ms. Tomcala updated the committee on the status of the MCO tax.

Ms. Tomcala further reported on audit readiness, and announced that the plan received notice of a joint DHCS/DMHC audit to be conducted in April. She also stated that the Department of Managed Health Care is starting to send representatives to attend local health plan board meetings.

Lastly, Ms. Tomcala brought to the committee's attention a change in the interpretation and calculation of MCE member default PCP assignments to the Santa Clara County Public Hospital Health System. This interpretation has

been discussed with DHCS, and will necessitate a change in the distribution of auto-assigned members between Valley Health Clinics and Community Clinics to remain compliant with the All Plan Letter issued April 23, 2014.

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

12. Adjournment

It was moved, seconded, and approved to adjourn the meeting at 10:15 am.

Elizabeth Pianca, Secretary to the Board



February 2016 Financial Summary

SCCHA Executive Meeting

March 24, 2016



Fiscal Year 2015-16 Highlights (*Revised Budget*)

- **Net Surplus (loss):**
 - February \$1.2m surplus and YTD \$10.2m surplus (\$0.9m) unfavorable to budget
 - The variance is primarily related to long-term care expenses (LTC) that have increased rapidly this fiscal year (note expense growth on page 6 chart).
- **Revenue** – over budget by \$4.2 m (+0.6%)
 - Majority of the increase is In Home Support Services (IHSS) pass-through revenue. Hep C revenue and LTC rate adjustment revenue is also higher than budget. However, CMC revenue is lower than budget.
- **Medical Expenses** – over budget by \$6.1m (-0.9%)
 - Primarily due to higher than budgeted LTC, Pharmacy, and IHSS expense.
- **Administrative Expenses** – under budget by \$752k (3.2%)
 - Slower hiring personnel (FTE and Consultants) ramp up than budgeted.
- **Other Expenses** – under budget by \$175k; Primarily due to higher interest earned.
- **Enrollment**
 - February 2016 membership: 269,288 (1.1% favorable to budget)
 - February YTD: 2,105,321 member months (0.1% favorable to budget and 22% higher than February YTD last year)
 - Continued growth in Medi-Cal Expansion membership but membership slightly dropped in February.



Consolidated Performance

February 2016 and Year to Date

	Month of February	FYTD through February
Revenue	\$94.3 million	\$714.5 million
Medical Costs	\$90 million	\$680.5 million
Medical Loss Ratio	95.4%	95.2%
Administrative Costs	\$2.9 million (3.1%)	\$23 million (3.2%)
Other Income/ Expense	(\$98,307)	(\$737,929)
Net Surplus (Loss)	\$1,259,861	\$10,235,646
Cash on Hand	(49 Days)	\$141.3 million
Receivables		\$271.4 million
Current Liabilities		\$326 million
Tangible Net Equity		\$82.9 million
Pct. Of Min. Requirement		305%



Consolidated Performance

Summary Operating Results - Actual vs. Budget For the Current Month & Fiscal Year to Date - Feb 2016

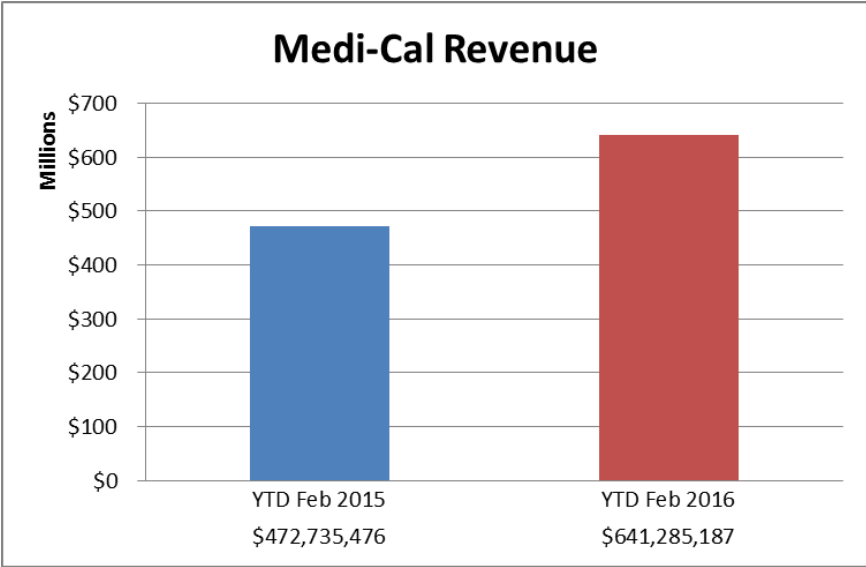
Favorable/(Unfavorable)

Current Month					Year to Date			
Actual	Budget	Variance \$	Variance %		Actual	Budget	Variance \$	Variance %
\$ 94,331,515	\$ 91,786,271	\$ 2,545,244	2.8%	Revenue	\$714,539,185	\$710,282,124	\$ 4,257,061	0.6%
90,023,772	86,393,598	(3,630,174)	-4.2%	Medical Expense	680,519,633	674,397,621	(6,122,012)	-0.9%
4,307,743	5,392,673	(1,084,930)	-20.1%	Gross Margin	34,019,552	35,884,503	(1,864,951)	-5.2%
2,949,575	3,505,244	555,669	15.9%	Administrative Expense	23,045,976	23,797,618	751,642	3.2%
1,358,168	1,887,429	(529,261)	-28.0%	Net Operating Income	10,973,576	12,086,885	(1,113,309)	-9.2%
(98,307)	(139,752)	41,445	29.7%	Non-Operating Income/Exp	(737,929)	(913,244)	175,315	19.2%
\$ 1,259,861	\$ 1,747,677	\$ (487,816)	-27.9%	Net Surplus/ (Loss)	\$ 10,235,646	\$ 11,173,641	\$ (937,994)	-8.4%

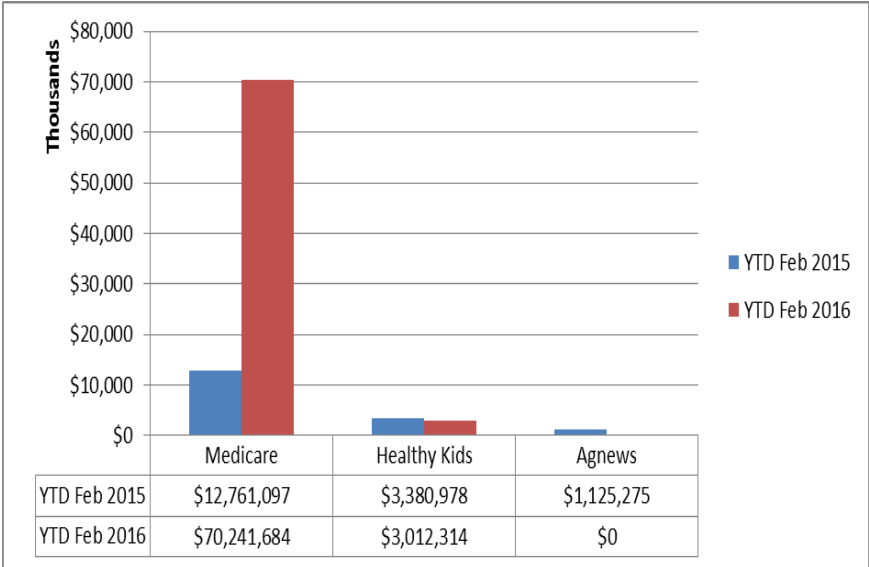


Revenue Trend

Graph 1: Portrays current YTD Medi-Cal revenue vs. previous year. Increase of 36%.

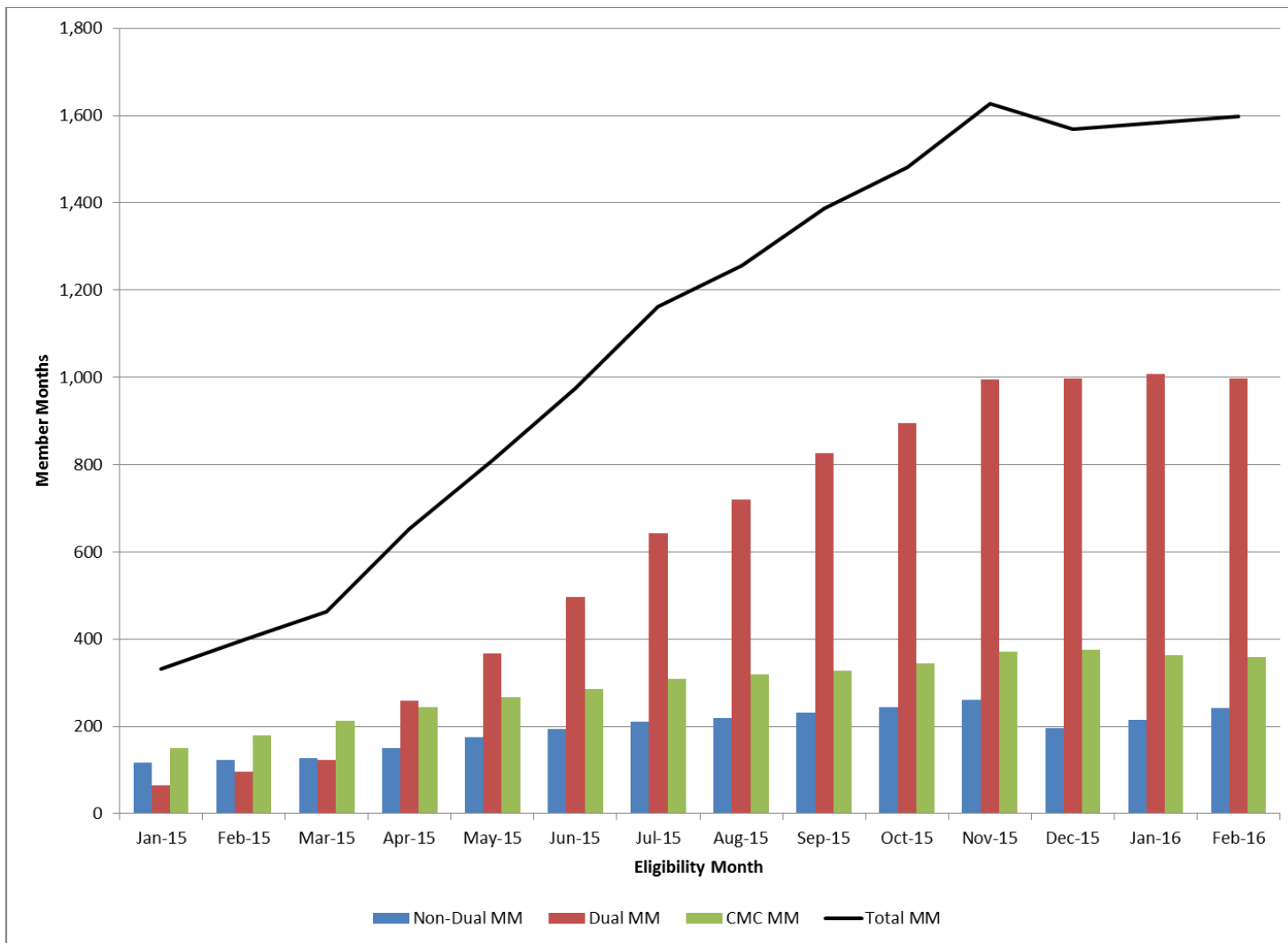


Graph 2: Represents all other operating revenue YTD compared to previous year. Increase of 324%.





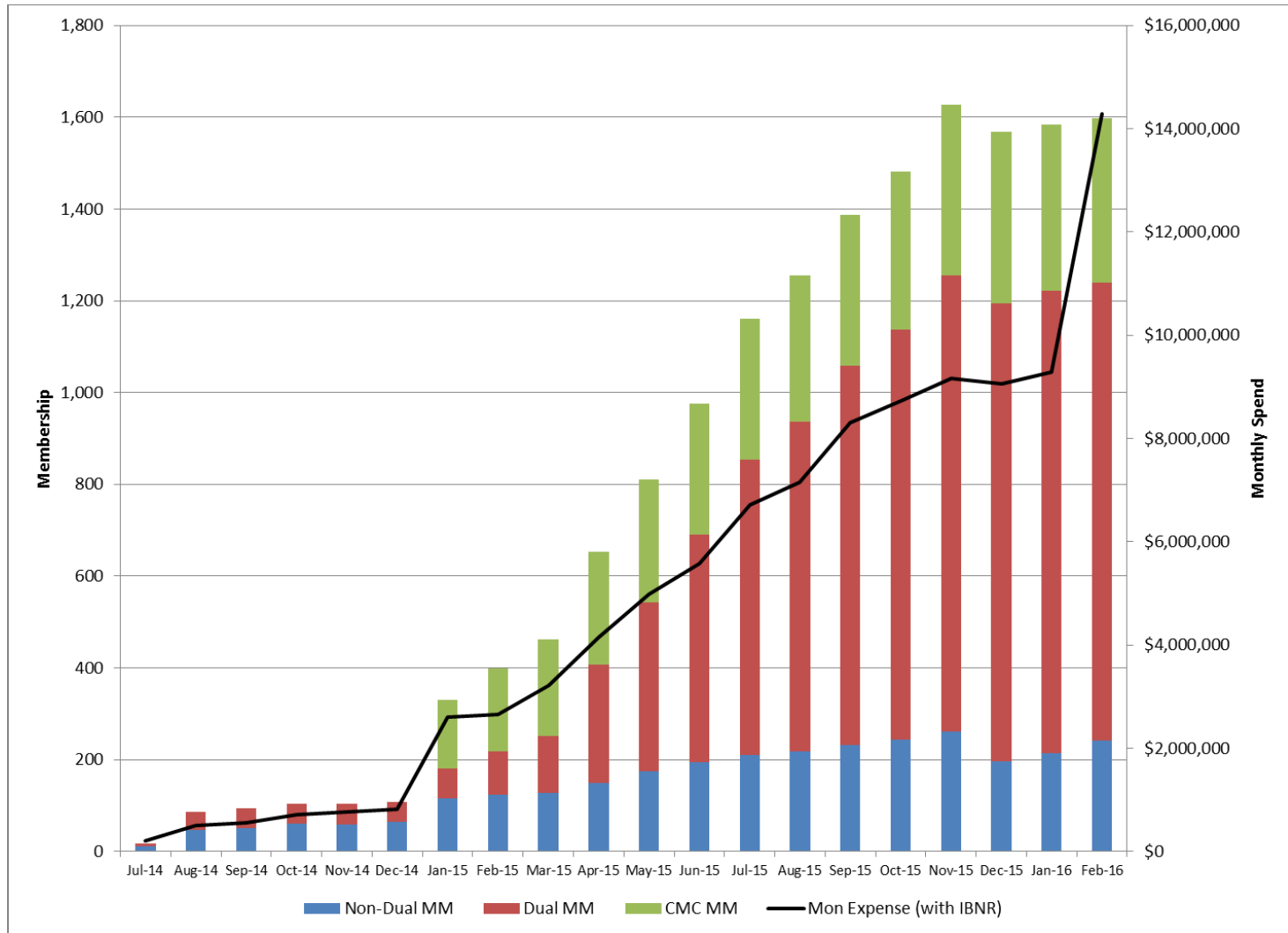
Long Term Care Membership Medi-Cal and CMC





Medi-Cal Long Term Care Experience

July 2014 – February 2016





Enrollment Summary

February and YTD

Santa Clara Family Health Plan Enrollment Summary

For the Month of Feb 2016

Eight Months Ending Feb 2016

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Prior Year Actual</u>	<u>Change FY16 vs. FY15</u>
Medi-Cal	256,178	252,933	1.3%	2,001,553	1,998,205	0.2%	1,670,879	19.8%
Healthy Kids	4,114	4,173	(1.4%)	34,729	34,788	(0.2%)	38,918	(10.8%)
Medicare	8,886	9,159	(3.0%)	68,157	68,430	(0.4%)	11,719	481.6%
Agnews	110	114	0.0%	882	890	0.0%	907	(2.8%)
Total	269,288	266,379	1.1%	2,105,321	2,102,313	0.1%	1,722,423	22.2%



Enrollment by Network - YTD

Santa Clara County Health Authority
February 2016

	Medi-Cal		Healthy Kids		CMC		AG		Total	
	<u>Enrollment</u>	<u>% of Total</u>	<u>Enrollment</u>	<u>% of Total</u>	<u>Enrollment</u>	<u>% of Total</u>	<u>Enrollment</u>	<u>% of Total</u>	<u>Enrollment</u>	<u>% of Total</u>
Direct Contract Physicians	21,943	9%	168	4%	8,886	100%	110	100%	31,107	12%
SCVHHS, Safety Net Clinics, FQHC Clinics	139,026	54%	2,764	67%	0	0%	0	0%	141,790	53%
Palo Alto Medical Foundation	7,174	3%	36	1%	0	0%	0	0%	7,210	3%
Physicians Medical Group	46,010	18%	999	24%	0	0%	0	0%	47,009	17%
Premier Care	15,658	6%	147	4%	0	0%	0	0%	15,805	6%
Kaiser	<u>26,367</u>	<u>10%</u>	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0%</u>	<u>26,367</u>	<u>10%</u>
Total	<u>256,178</u>	<u>100%</u>	<u>4,114</u>	<u>100%</u>	<u>8,886</u>	<u>100%</u>	<u>110</u>	<u>100%</u>	<u>269,288</u>	<u>100%</u>
Enrollment @ 6-30-15	<u>234,497</u>		<u>4,541</u>		<u>7,187</u>		<u>112</u>		<u>246,337</u>	
Net % Change from Beginning of FY	<u>9.2%</u>		<u>-9.4%</u>		<u>23.6%</u>		<u>-1.8%</u>		<u>9.3%</u>	

Membership has increased 9.3% since the beginning of the Fiscal Year, primarily as a result of Medi-Cal Expansion, which started January 1, 2014 and has grown to 79,626 members and the new Cal-MediConnect (CMC) membership.



Enrollment by Aid Category

	2015-01	2015-02	2015-03	2015-04	2015-05	2015-06	2015-07	2015-08	2015-09	2015-10	2015-11	2015-12	2016-01	2016-02
Adult (over 19)	31,337	30,489	30,078	29,351	28,694	28,174	27,844	27,331	27,080	27,148	27,229	27,493	27,509	27,485
Adult (under 19)	80,858	82,029	83,777	85,840	88,550	90,811	92,782	95,564	97,888	99,822	101,801	103,082	102,500	103,017
Aged - Medi-Cal Only	8,208	8,425	8,366	8,522	8,664	8,731	8,642	8,730	8,858	8,909	9,103	9,235	9,241	9,158
Disabled - Medi-Cal Only	11,639	11,614	11,586	11,497	11,510	11,432	11,404	11,321	11,267	11,218	11,230	11,175	11,140	11,083
Child (HF conversion)	17,664	16,784	15,827	14,420	12,762	11,153	9,541	7,791	6,032	4,575	3,837	3,461	3,211	2,863
Adult Expansion	58,718	59,291	61,035	63,336	66,475	68,720	71,183	73,695	75,814	77,756	79,406	81,235	79,284	79,392
Other	44	50	49	53	52	51	48	47	55	47	45	45	40	40
Long Term Care	116	124	128	150	175	194	211	218	232	243	261	197	214	242
Total Non-Duals	208,584	208,806	210,846	213,169	216,882	219,266	221,655	224,697	227,226	229,718	232,912	235,923	233,139	233,280
Aged	4,270	5,354	6,257	7,328	8,341	9,299	10,005	10,681	11,570	12,435	13,368	14,102	14,125	14,287
Disabled	2,461	2,913	3,251	3,659	4,030	4,444	4,727	4,932	5,235	5,544	5,852	6,042	6,049	6,070
Other	841	883	951	1,009	1,066	1,151	1,238	1,303	1,370	1,458	1,483	1,638	1,638	1,654
Long Term Care	64	95	123	258	368	496	642	719	827	895	995	997	1,007	997
Total Duals	7,636	9,245	10,582	12,254	13,805	15,390	16,612	17,635	19,002	20,332	21,698	22,779	22,819	23,008
Total Medi-Cal	216,220	218,051	221,428	225,423	230,687	234,659	238,267	242,332	246,228	250,050	254,610	258,702	255,958	256,288
Healthy Kids	4,795	4,665	4,623	4,584	4,595	4,541	4,496	4,598	4,375	4,362	4,325	4,273	4,186	4,114
CMC Non-Long Term Care	5,406	5,982	6,336	6,981	6,569	6,902	7,235	7,379	7,584	8,010	8,535	9,324	8,796	8,528
CMC - Long Term Care	151	180	212	245	267	285	308	319	328	344	371	375	363	358
Total CMC	5,557	6,162	6,548	7,226	6,836	7,187	7,543	7,698	7,912	8,354	8,906	9,699	9,159	8,886
Total Enrollment	226,572	228,878	232,599	237,233	242,118	246,387	250,306	254,628	258,515	262,766	267,841	272,674	269,303	269,288



Revenue by Aid Category (Medi-Cal)

Category of Aid	PMPM Premium
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NON-DUALS

Adult (over 19)	\$208.45
Adult (under 19)	\$94.29
Aged - Medi-Cal Only	\$531.18
Disabled - Medi-Cal Only	\$531.18
Child (HF conversion)	\$94.29
Adult Expansion	\$363.59
Long Term Care - Institutional	\$8,188.83
HCBS* High	\$809.56
HCBS Low	\$56.16

DUALS

Disabled (Under 21)	\$132.25
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DUALS (over 21) **	Blended Rate
Long Term Care - Institutional	\$ 5,349.63
HCBS High	\$ 548.65
HCBS Low	\$ 199.17
Healthy	\$ 97.43

* Home and Community Based Services (HCBS)

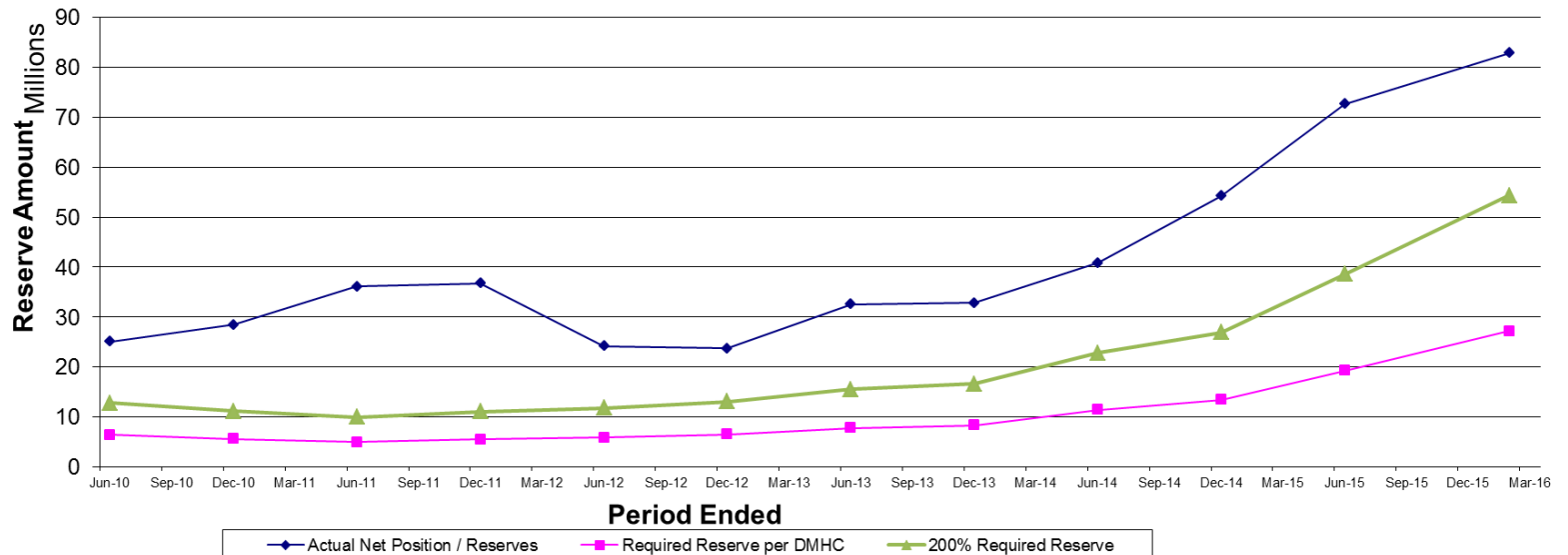
** Subject to quarterly re-blending (net of IHSS)



Tangible Net Equity at February 29, 2016

TNE is \$82.9 million or 3.05 times the minimum TNE required by the Department of Managed Health Care (DMHC). The Plans reserves are roughly \$68.2 million below the reserves targeted by the Authority Board of two months' Medi-Cal capitation revenue.

TNE Actual vs. Required





Santa Clara
Family Health Plan

The Spirit of Care

Financial Statements
For Eight Months Ended February 2016
(Unaudited)

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Santa Clara Family Health Plan
CFO Finance Report
For the Month and Year to Date Ended February 29, 2016

Summary of Financial Results (Revised Budget)

For the month of February 2016, SCFHP recorded a net surplus of \$1.2 million compared to a budgeted net surplus of \$1.7 million resulting in an unfavorable variance from budget of \$0.5 million. For year to date February 2016, SCFHP recorded a net surplus of \$10.2 million compared to a budgeted net surplus of \$11.1 million resulting in a unfavorable variance from budget of \$0.9 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 – February 2016
Favorable/ (Unfavorable)

Current Month					Year to Date			
Actual	Budget	Variance \$	Variance %		Actual	Budget	Variance \$	Variance %
\$ 94,331,515	\$ 91,786,271	\$ 2,545,244	2.8%	Revenue	\$714,539,185	\$710,282,124	\$ 4,257,061	0.6%
90,023,772	86,393,598	(3,630,174)	-4.2%	Medical Expense	680,519,633	674,397,621	(6,122,012)	-0.9%
4,307,743	5,392,673	(1,084,930)	-20.1%	Gross Margin	34,019,552	35,884,503	(1,864,951)	-5.2%
2,949,575	3,505,244	555,669	15.9%	Administrative Expense	23,045,976	23,797,618	751,642	3.2%
1,358,168	1,887,429	(529,261)	-28.0%	Net Operating Income	10,973,576	12,086,885	(1,113,309)	-9.2%
(98,307)	(139,752)	41,445	29.7%	Non-Operating Income/Exp	(737,929)	(913,244)	175,315	19.2%
\$ 1,259,861	\$ 1,747,677	\$ (487,816)	-27.9%	Net Surplus/ (Loss)	\$ 10,235,646	\$ 11,173,641	\$ (937,994)	-8.4%

Revenue

The Health Plan recorded net revenue of \$94.3 million for the month of February 2016, compared to budgeted revenue of \$91.8 million, resulting in a favorable variance from budget of \$2.5 million, or 2.8%. For year to date February 2016, the Plan recorded net revenue of \$714.5 million, compared to budgeted revenue of \$710.3 million, resulting in a favorable variance from budget of \$4.2 million, or 0.6%, which was primarily driven by the additional In Home Support Services (IHSS) pass-through revenue that also increases the medical expenses commensurately. Hep C revenue contributed to positive variance because of a higher number of eligible users than budget. The Plan received Long Term Care (LTC) prior year revenue and also recorded partial LTC rate adjustment revenue reflecting the more expensive MLTSS mix than originally projected by the state during the rate setting. Some of the positive variance was offset by unfavorable variance in Medicare revenue.

A statistical and financial summary for all lines of business is included on page 9 of this report.

Member months

For the month of February 2016, overall member months were higher than budget by 2,909 (+1.1%). For year to date February 2016, overall member months were higher than budget by 3,008 (+0.1%).

In the eight months since the end of the prior fiscal year, 6/30/2015, membership in Medi-Cal increased by 9.2%, membership in the Healthy Kids program decreased by 9.4%, and membership in the Agnews program decreased by 1.8%.

In January 2015, we started enrolling members in Cal MediConnect (CMC). For the month of February 2016, membership in the CMC program was lower than the budget by 273 member months (-3.0%). For year to date February 2016, membership in the CMC program was lower than the budget by 273 member months (-0.4%). In the eight months since the end of the prior fiscal year, 6/30/2015, membership in CMC program increased by 23.6%.

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

Medical Expenses

For the month of February 2016, medical expense was \$90.0 million compared to budget of \$86.4 million, resulting in an unfavorable budget variance of \$3.6 million, or -4.2%. For year to date February 2016, medical expense was \$680.5 million compared to budget of \$674.4 million, resulting in an unfavorable budget variance of \$6.1 million, or -0.9%. The increased medical expenses year to date are primarily attributable to Long term care (\$1.8 million or 3.3%), Pharmacy (\$2.8 million or 3.2%), and IHSS pass-through expense (\$1.6 million or 2.1%) over budget.

Administrative Expenses

Overall administrative costs were under budget by \$556 thousand (15.9%) for the month of February 2016, and under budget by \$752 thousand (3.2%) for year to date February 2016. Both Salaries/Benefits and Consulting expenses were under budget due to the longer than expected ramp up time to hire/engage additional resources approved at the mid-year budget review. Some of this favorability is offset by higher than budgeted Information systems expenses because of the continued configuration necessary to meet the needs of the Cal Medi Connect (CMC) program.

Overall administrative expenses were 3.2% of revenues for year to date February 2016.

Balance Sheet (Page 6)

Current assets at February 29, 2016 totaled \$416.0 million compared to current liabilities of \$326.0 million, yielding a current ratio (the ratio of current assets to current liabilities) of 1.3 as of February 29, 2016. Working capital increased by \$11.5 million for the eight months year to date ended February 29, 2016.

Cash as of February 29, 2016, increased by \$30.8 million compared to the cash balance as of year-end June 30, 2015. Net receivables increased by \$93.9 million during the same eight month period ended February 29, 2016. The cash position increased largely due to the continued overpayment of Medi-Cal expansion premium revenues by the DHCS and the increase in medical cost reserves. Commencing in January DHCS started to recoup the over payments, completion of the payback is anticipated by June of 2016.

Liabilities increased by a net amount of \$115.1 million during the eight months ended February 2016. This was primarily due to the continued overpayment of Medi-Cal expansion premium revenues by the State, an increase in medical cost reserves largely as a result of the rapid growth of long term care claims, and an increase in the IHSS liability. The plan also recorded a Premium Deficiency Reserve (\$18.0 million) for the Cal MediConnect contract period ending December 31, 2017. Additionally, the Health Plan recorded the unfunded Pension Liability of \$5.5 million as required by GASB 68, as of February 29, 2016.

Capital Expenses increased by \$209 thousand for the eight months ended February 29, 2016.

Tangible Net Equity

Tangible Net Equity (TNE) was \$82.9 million at February 29, 2016 compared to the minimum TNE required by the Department of Managed Health Care (DMHC) of \$27.2 million. A chart showing TNE trends is shown on page 14 of this report.

At the December 2011 Board of Director's meeting, a policy was adopted for targeting the organization's capital reserves to equal two months of Medi-Cal capitation revenue.

As of February 29, 2016, the Plan's reserves are below this reserves target by about \$68.2 million (see calculation below).

Calculation of targeted reserves as of February 29, 2016

Estimate of two months' capitation based on February 2016 (rounded) (December-2016 Medi-Cal capitation of \$73,430,132 x 2 = \$146,860,264)	\$146,861,000
Less: Unrestricted Net Equity per balance sheet (rounded)	<u>\$ 78,703,000</u>
Approximate reserves below target	<u>\$ 68,158,000</u>

**Santa Clara County Health Authority
Balance Sheet**

	FEB 16	JAN 16	DEC 15	JUN 15
Assets				
Current Assets				
Cash and Marketable Securities	\$ 141,331,207	\$ 158,905,626	\$ 146,674,508	\$ 110,520,927
Premiums Receivable	271,422,011	256,448,620	255,780,902	177,531,031
Due from Santa Clara Family Health Foundation - net				3,612
Prepaid Expenses and Other Current Assets	<u>3,224,026</u>	<u>3,422,969</u>	<u>3,724,224</u>	<u>1,917,101</u>
Total Current Assets	415,977,243	418,777,215	406,179,633	289,972,670
Long Term Assets				
Equipment	12,088,019	12,293,069	12,206,436	11,879,173
Less: Accumulated Depreciation	<u>(8,229,771)</u>	<u>(8,118,156)</u>	<u>(8,007,321)</u>	<u>(7,363,871)</u>
Total Long Term Assets	<u>3,858,248</u>	<u>4,174,914</u>	<u>4,199,115</u>	<u>4,515,302</u>
Total Assets	<u>\$ 419,835,491</u>	<u>\$ 422,952,129</u>	<u>\$ 410,378,748</u>	<u>\$ 294,487,972</u>
Deferred Outflow of Resources				
	<u>\$ 1,367,331</u>	<u>\$ 1,367,331</u>	<u>1,367,331</u>	<u>1,367,331</u>
Total Deferred Outflows and Assets	<u>421,202,822</u>	<u>424,319,460</u>	<u>411,746,079</u>	<u>295,855,303</u>
Liabilities and Net Position				
Current Liabilities				
Trade Payables	\$ 3,947,070	\$ 3,248,487	\$ 5,345,039	\$ 4,924,038
Deferred Rent	150,650	152,711	154,771	167,134
Employee Benefits	1,039,884	994,496	988,216	973,066
Retirement Obligation per GASB 45	404,738	354,146	303,554	
Advance Premium - Healthy Kids	67,920	62,664	62,664	64,127
Deferred Revenue - Medicare	0	0	0	0
Liability for ACA 1202	2,569,872	5,071,748	5,071,748	5,069,225
Payable to Hospitals (SB208)	<u>(35,535)</u>	<u>(35,535)</u>	<u>(35,535)</u>	<u>(35,535)</u>
Payable to Hospitals (AB 85)	1,658,201	1,637,069	1,696,465	4,615,251
Due to Santa Clara County Valley Health Plan	2,262,481	5,319,880	4,525,739	11,230,305
MCO Tax Payable - State Board of Equalization	9,352,184	9,774,388	9,001,182	8,909,559
Due to DHCS	66,549,670	75,343,679	85,389,655	22,173,221
Liability for In Home Support Services (IHSS)	149,134,056	137,798,320	127,359,633	69,537,810
Premium Deficiency Reserve (PDR)	13,088,054	13,088,054	13,088,054	13,088,054
Medical Cost Reserves	<u>75,858,425</u>	<u>77,689,062</u>	<u>66,728,771</u>	<u>70,819,543</u>
Total Current Liabilities	326,047,671	330,499,169	319,679,955	211,535,798
Non-Current Liabilities				
Noncurrent Premium Deficiency Reserve	4,911,946	4,911,946	4,911,946	4,911,946
Net Pension Liability GASB 68	5,483,971	5,408,971	4,883,971	4,883,971
Total Liabilities	<u>336,443,588</u>	<u>340,820,086</u>	<u>329,475,872</u>	<u>221,331,715</u>
Deferred Inflow of Resources	<u>1,892,634</u>	<u>1,892,634</u>	<u>1,892,634</u>	<u>1,892,634</u>
Net Position / Reserves				
Invested in Capital Assets	3,858,248	4,174,914	4,199,115	4,515,302
Restricted under Knox-Keene agreement	305,350	305,350	305,350	305,350
Unrestricted Net Equity	68,467,356	68,150,690	68,126,489	30,416,972
Current YTD Income (Loss)	<u>10,235,646</u>	<u>8,975,785</u>	<u>7,746,619</u>	<u>37,393,330</u>
Net Position / Reserves	<u>82,866,600</u>	<u>81,606,739</u>	<u>80,377,573</u>	<u>72,630,954</u>
Total Liabilities, Deferred Inflows, and Net Assets	<u>\$ 421,202,822</u>	<u>\$ 424,319,460</u>	<u>\$ 411,746,079</u>	<u>\$ 295,855,303</u>
Solvency Ratios:				
Working Capital	\$ 89,929,572	\$ 88,278,046	\$ 86,499,678	\$ 78,436,872
Working Capital Ratio	1.3	1.3	1.3	1.4
Average Days Cash on Hand	49	55	58	55

Santa Clara County Health Authority
Income Statement for the Eight Months Ending Feb 29, 2016

	For the Month of Feb 2016					For Eight Months Ending Feb 29, 2016				
	Actual	% of Revenue	Budget	% of Revenue	Variance	Actual	% of Revenue	Budget	% of Revenue	Variance
REVENUES										
MEDI-CAL	\$ 85,626,152	90.8%	\$ 81,674,688	89.0%	\$ 3,951,464	\$ 641,285,187	89.7%	\$ 634,421,896	89.3%	\$ 6,863,290
HEALTHY KIDS	\$ 323,996	0.3%	\$ 361,877	0.4%	\$ (37,881)	\$ 3,012,314	0.4%	\$ 3,016,862	0.4%	\$ (4,547)
MEDICARE	\$ 8,381,367	8.9%	\$ 9,749,706	10.6%	\$ (1,368,339)	\$ 70,241,684	9.8%	\$ 72,843,366	10.3%	\$ (2,601,682)
TOTAL REVENUE	\$ 94,331,515	100.0%	\$ 91,786,271	100.0%	\$ 2,545,244	\$ 714,539,185	100.0%	\$ 710,282,124	100.0%	\$ 4,257,061
MEDICAL EXPENSES										
MEDI-CAL	\$ 78,718,551	83.4%	\$ 77,483,042	84.4%	\$ (1,235,509)	\$ 610,776,837	85.5%	\$ 605,332,781	85.2%	\$ (5,444,056)
HEALTHY KIDS	\$ 369,696	0.4%	\$ 373,854	0.4%	\$ 4,158	\$ 2,977,044	0.4%	\$ 3,003,204	0.4%	\$ 26,161
MEDICARE	\$ 10,878,033	11.5%	\$ 8,498,271	9.3%	\$ (2,379,762)	\$ 66,450,358	9.3%	\$ 65,759,966	9.3%	\$ (690,391)
AGNEWS	\$ 57,492	0.1%	\$ 38,431	0.0%	\$ (19,061)	\$ 315,395	0.0%	\$ 301,669	0.0%	\$ (13,725)
TOTAL MEDICAL EXPENSES	\$ 90,023,772	95.4%	\$ 86,393,598	94.1%	\$ (3,630,174)	\$ 680,519,633	95.2%	\$ 674,397,621	94.9%	\$ (6,122,012)
MEDICAL OPERATING MARGIN	\$ 4,307,743	4.6%	\$ 5,392,673	5.9%	\$ (1,084,930)	\$ 34,019,552	4.8%	\$ 35,884,503	5.1%	\$ (1,864,951)
ADMINISTRATIVE EXPENSES										
SALARIES AND BENEFITS	\$ 1,547,666	1.6%	\$ 1,907,020	2.1%	\$ 359,354	\$ 11,968,084	1.7%	\$ 12,502,477	1.8%	\$ 534,393
RENTS AND UTILITIES	\$ 102,613	0.1%	\$ 110,064	0.1%	\$ 7,451	\$ 862,469	0.1%	\$ 875,295	0.1%	\$ 12,826
PRINTING AND ADVERTISING	\$ 50,211	0.1%	\$ 45,473	0.0%	\$ (4,738)	\$ 336,392	0.0%	\$ 368,445	0.1%	\$ 32,052
INFORMATION SYSTEMS	\$ 143,984	0.2%	\$ 87,999	0.1%	\$ (55,985)	\$ 1,385,455	0.2%	\$ 1,199,739	0.2%	\$ (185,716)
PROF FEES / CONSULTING / TEMP STAFFING	\$ 834,248	0.9%	\$ 1,089,953	1.2%	\$ 255,705	\$ 6,355,090	0.9%	\$ 6,711,693	0.9%	\$ 356,603
DEPRECIATION / INSURANCE / EQUIPMENT	\$ 132,660	0.1%	\$ 136,658	0.1%	\$ 3,997	\$ 1,087,715	0.2%	\$ 1,083,122	0.2%	\$ (4,594)
OFFICE SUPPLIES / POSTAGE / TELEPHONE	\$ 65,111	0.1%	\$ 66,684	0.1%	\$ 1,572	\$ 496,316	0.1%	\$ 511,908	0.1%	\$ 15,592
MEETINGS / TRAVEL / DUES	\$ 66,723	0.1%	\$ 56,816	0.1%	\$ (9,907)	\$ 511,198	0.1%	\$ 506,459	0.1%	\$ (4,739)
OTHER	\$ 6,358	0.0%	\$ 4,577	0.0%	\$ (1,781)	\$ 43,255	0.0%	\$ 38,479	0.0%	\$ (4,776)
TOTAL ADMINISTRATIVE EXPENSES	\$ 2,949,575	3.1%	\$ 3,505,244	3.8%	\$ 555,669	\$ 23,045,976	3.2%	\$ 23,797,618	3.4%	\$ 751,642
OPERATING SURPLUS (LOSS)	\$ 1,358,168	1.4%	\$ 1,887,429	2.1%	\$ (529,261)	\$ 10,973,576	1.5%	\$ 12,086,885	1.7%	\$ (1,113,309)
GASB 45-POST EMPLOYMENT BENEFITS EXPENSE	\$ (50,592)	-0.1%	\$ (80,007)	-0.1%	\$ 29,415	\$ (404,738)	-0.1%	\$ (463,568)	-0.1%	\$ 58,830
GASB 68 - UNFUNDED PENSION LIABILITY	\$ (75,000)	-0.1%	\$ (75,000)	-0.1%	\$ -	\$ (600,000)	-0.1%	\$ (600,000)	-0.1%	\$ -
INTEREST & OTHER INCOME	\$ 27,285	0.0%	\$ 15,255	0.0%	\$ 12,030	\$ 266,809	0.0%	\$ 150,324	0.0%	\$ 116,485
NET SURPLUS (LOSS) FINAL	\$ 1,259,861	1%	\$ 1,747,677	1.9%	\$ (487,816)	\$ 10,235,646	1.4%	\$ 11,173,641	1.6%	\$ (937,994)

Administrative Expense
Actual vs. Budget
For the Current Month & Fiscal Year to Date - Feb 2016
Favorable/(Unfavorable)

Current Month					Year to Date			
Actual	Budget	Variance \$	Variance %		Actual	Budget	Variance \$	Variance %
\$ 1,547,666	\$ 1,907,020	\$ 359,354	18.8%	Personnel	\$ 11,968,084	\$ 12,502,477	\$ 534,393	4.3%
1,401,909	1,598,223	196,315	12.3%	Non-Personnel	11,077,892	11,295,141	\$ 217,249	1.9%
2,949,575	3,505,244	555,669	15.9%	Total Administrative Expense	23,045,976	23,797,618	751,642	3.2%

**STATEMENT OF OPERATIONS
BY LINE OF BUSINESS (INCLUDING ALLOCATED EXPENSES)**

Eight Months Ended Feb 29, 2016

	Medi-Cal (incl. Agnews)	CMC	Healthy Kids	Grand Total
P&L (ALLOCATED BASIS)				
REVENUE	622,751,476	88,775,395	\$3,012,314	\$714,539,185
MEDICAL EXPENSES	588,325,475	89,217,114	2,977,044	\$680,519,633
(MLR)	94.5%	100.5%	98.8%	95.2%
GROSS MARGIN	34,426,001	(441,719)	35,270	34,019,552
ADMINISTRATIVE EXPENSES <i>(% MM allocation except CMC)</i>	19,838,641	2,863,266	344,069	23,045,976
OPERATING INCOME/(LOSS)	14,587,360	(3,304,985)	(308,799)	10,973,576
OTHER INCOME/(EXPENSE) <i>(% of Revenue Allocation)</i>	(643,137)	(91,681)	(3,111)	(737,929)
NET INCOME/ (LOSS)	\$13,944,223	(\$3,396,667)	(\$311,910)	\$10,235,646
PMPM (ALLOCATED BASIS)				
REVENUE	\$311.00	\$1,302.51	\$86.74	\$339.40
MEDICAL EXPENSES	293.81	1,308.99	85.72	323.24
GROSS MARGIN	17.19	(6.48)	1.02	16.16
ADMINISTRATIVE EXPENSES	9.91	42.01	9.91	10.95
OPERATING INCOME/(LOSS)	7.28	(48.49)	(8.89)	5.21
OTHER INCOME/ (EXPENSE)	(0.32)	(1.35)	(0.09)	(0.35)
NET INCOME/ (LOSS)	\$6.96	(\$49.84)	(\$8.98)	\$4.86
ALLOCATION BASIS:				
MEMBER MONTHS - YTD	2,002,435	68,157	34,729	2,105,321
Member MONTHS by LOB	95.1%	3.2%	1.7%	100%
Revenue by LOB	87.2%	12.4%	0.4%	100%

**Santa Clara Family Health Plan
Statement of Cash Flows
For Eight Months Ended Feb 29, 2016**

Cash flows from operating activities	
Premiums received	\$ 665,470,891
Medical expenses paid	\$ (604,852,330)
Administrative expenses paid	<u>\$ (29,866,244)</u>
Net cash from operating activities	\$ 30,752,317
 Cash flows from capital and related financing activities	
Purchases of capital assets	\$ (208,845)
 Cash flows from investing activities	
Interest income and other income, net	<u>\$ 266,809</u>
 Net (Decrease) increase in cash and cash equivalents	<u>\$ 30,810,280</u>
 Cash and cash equivalents, beginning of year	<u>\$ 110,520,927</u>
 Cash and cash equivalents at Feb 29, 2016	<u><u>\$ 141,331,207</u></u>
 Reconciliation of operating income to net cash from operating activities	
Operating income (loss)	\$ 9,968,838
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	\$ 865,899
Changes in operating assets and liabilities	
Premiums receivable	\$ (93,890,980)
Due from Santa Clara Family Health Foundation	\$ 3,612
Prepays and other assets	\$ (1,306,924)
Deferred outflow of resources	\$ -
Accounts payable and accrued liabilities	\$ (5,974,505)
State payable	\$ 44,819,074
Santa Clara Valley Health Plan payable	\$ (8,967,824)
Net Pension Liability	\$ 600,000
Medical cost reserves and PDR	\$ 5,038,882
Deferred inflow of resources	<u>\$ -</u>
Total adjustments	<u>\$ 20,783,479</u>
Net cash from operating activities	<u><u>\$ 30,752,317</u></u>

Santa Clara Family Health Plan Enrollment Summary

For the Month of Feb 2016

Eight Months Ending Feb 2016

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Prior Year Actual</u>	<u>Change FY16 vs. FY15</u>
Medi-Cal	256,178	252,933	1.3%	2,001,553	1,998,205	0.2%	1,670,879	19.8%
Healthy Kids	4,114	4,173	(1.4%)	34,729	34,788	(0.2%)	38,918	(10.8%)
Medicare	8,886	9,159	(3.0%)	68,157	68,430	(0.4%)	11,719	481.6%
Agnews	110	114	0.0%	882	890	0.0%	907	(2.8%)
Total	269,288	266,379	1.1%	2,105,321	2,102,313	0.1%	1,722,423	22.2%

**Santa Clara County Health Authority
February 2016**

	Medi-Cal		Healthy Kids		CMC		AG		Total	
	<u>Enrollment</u>	<u>% of Total</u>	<u>Enrollment</u>	<u>% of Total</u>	<u>Enrollment</u>	<u>% of Total</u>	<u>Enrollment</u>	<u>% of Total</u>	<u>Enrollment</u>	<u>% of Total</u>
Direct Contract Physicians	21,943	9%	168	4%	8,886	100%	110	100%	31,107	12%
SCVHHS, Safety Net Clinics, FQHC Clinics	139,026	54%	2,764	67%	0	0%	0	0%	141,790	53%
Palo Alto Medical Foundation	7,174	3%	36	1%	0	0%	0	0%	7,210	3%
Physicians Medical Group	46,010	18%	999	24%	0	0%	0	0%	47,009	17%
Premier Care	15,658	6%	147	4%	0	0%	0	0%	15,805	6%
Kaiser	<u>26,367</u>	<u>10%</u>	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0%</u>	<u>26,367</u>	<u>10%</u>
Total	<u>256,178</u>	<u>100%</u>	<u>4,114</u>	<u>100%</u>	<u>8,886</u>	<u>100%</u>	<u>110</u>	<u>100%</u>	<u>269,288</u>	<u>100%</u>
Enrollment @ 6-30-15	<u>234,497</u>		<u>4,541</u>		<u>7,187</u>		<u>112</u>		<u>246,337</u>	
Net % Change from Beginning of FY	<u>9.2%</u>		<u>-9.4%</u>		<u>23.6%</u>		<u>-1.8%</u>		<u>9.3%</u>	

Santa Clara Family Health Plan Enrollment by Aid-Category

	2015-01	2015-02	2015-03	2015-04	2015-05	2015-06	2015-07	2015-08	2015-09	2015-10	2015-11	2015-12	2016-01	2016-02
Adult (over 19)	31,337	30,489	30,078	29,351	28,694	28,174	27,844	27,331	27,080	27,148	27,229	27,493	27,509	27,485
Adult (under 19)	80,858	82,029	83,777	85,840	88,550	90,811	92,782	95,564	97,888	99,822	101,801	103,082	102,500	103,017
Aged - Medi-Cal Only	8,208	8,425	8,366	8,522	8,664	8,731	8,642	8,730	8,858	8,909	9,103	9,235	9,241	9,158
Disabled - Medi-Cal Only	11,639	11,614	11,586	11,497	11,510	11,432	11,404	11,321	11,267	11,218	11,230	11,175	11,140	11,083
Child (HF conversion)	17,664	16,784	15,827	14,420	12,762	11,153	9,541	7,791	6,032	4,575	3,837	3,461	3,211	2,863
Adult Expansion	58,718	59,291	61,035	63,336	66,475	68,720	71,183	73,695	75,814	77,756	79,406	81,235	79,284	79,392
Other	44	50	49	53	52	51	48	47	55	47	45	45	40	40
Long Term Care	116	124	128	150	175	194	211	218	232	243	261	197	214	242
Total Non-Duals	208,584	208,806	210,846	213,169	216,882	219,266	221,655	224,697	227,226	229,718	232,912	235,923	233,139	233,280
Aged	4,270	5,354	6,257	7,328	8,341	9,299	10,005	10,681	11,570	12,435	13,368	14,102	14,125	14,287
Disabled	2,461	2,913	3,251	3,659	4,030	4,444	4,727	4,932	5,235	5,544	5,852	6,042	6,049	6,070
Other	841	883	951	1,009	1,066	1,151	1,238	1,303	1,370	1,458	1,483	1,638	1,638	1,654
Long Term Care	64	95	123	258	368	496	642	719	827	895	995	997	1,007	997
Total Duals	7,636	9,245	10,582	12,254	13,805	15,390	16,612	17,635	19,002	20,332	21,698	22,779	22,819	23,008
Total Medi-Cal	216,220	218,051	221,428	225,423	230,687	234,659	238,267	242,332	246,228	250,050	254,610	258,702	255,958	256,288
Healthy Kids	4,795	4,665	4,623	4,584	4,595	4,541	4,496	4,598	4,375	4,362	4,325	4,273	4,186	4,114
CMC Non-Long Term Care	5,406	5,982	6,336	6,981	6,569	6,902	7,235	7,379	7,584	8,010	8,535	9,324	8,796	8,528
CMC - Long Term Care	151	180	212	245	267	285	308	319	328	344	371	375	363	358
Total CMC	5,557	6,162	6,548	7,226	6,836	7,187	7,543	7,698	7,912	8,354	8,906	9,699	9,159	8,886
Total Enrollment	226,572	228,878	232,599	237,233	242,118	246,387	250,306	254,628	258,515	262,766	267,841	272,674	269,303	269,288

Santa Clara Family Health Plan Medi-Cal Revenue by Aid-Category

Category of Aid	PMPM Premium
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NON-DUALS

Adult (over 19)	\$208.45
Adult (under 19)	\$94.29
Aged - Medi-Cal Only	\$531.18
Disabled - Medi-Cal Only	\$531.18
Child (HF conversion)	\$94.29
Adult Expansion	\$363.59
Long Term Care - Institutional	\$8,188.83
HCBS* High	\$809.56
HCBS Low	\$56.16

DUALS

Disabled (Under 21)	\$132.25
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DUALS (over 21) **	Blended Rate
Long Term Care - Institutional	\$ 5,349.63
HCBS High	\$ 548.65
HCBS Low	\$ 199.17
Healthy	\$ 97.43

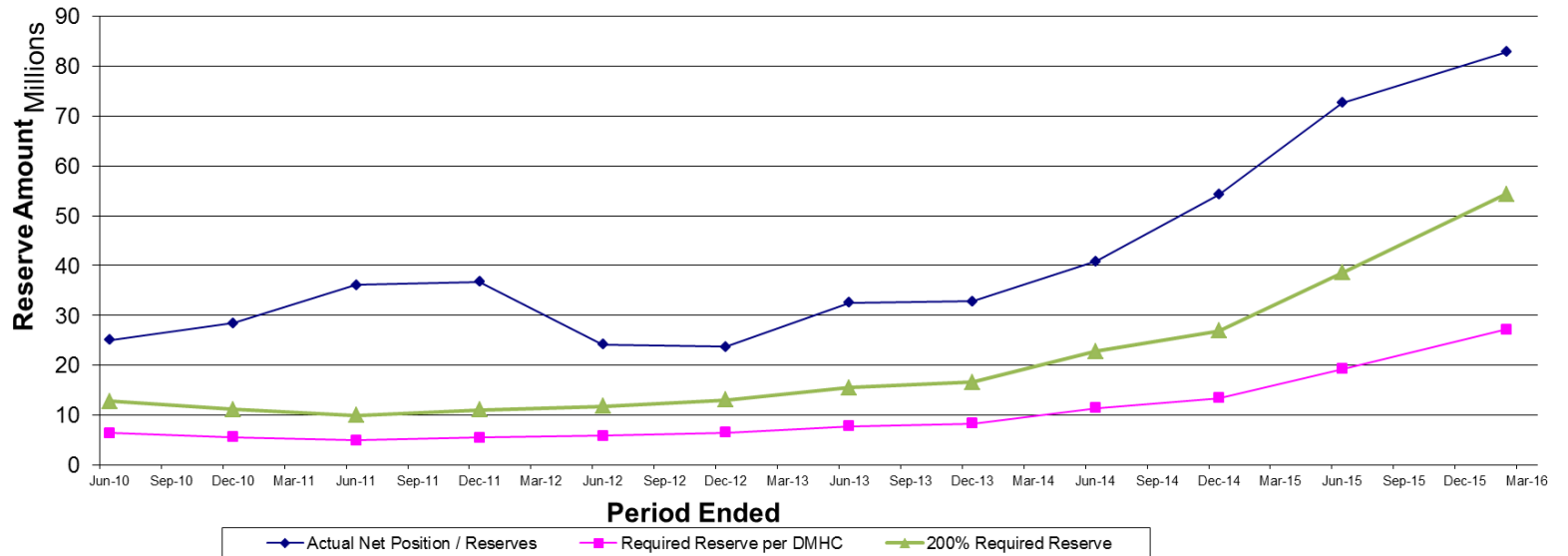
* Home and Community Based Services (HCBS)

** Subject to quarterly re-blending (net of IHSS)

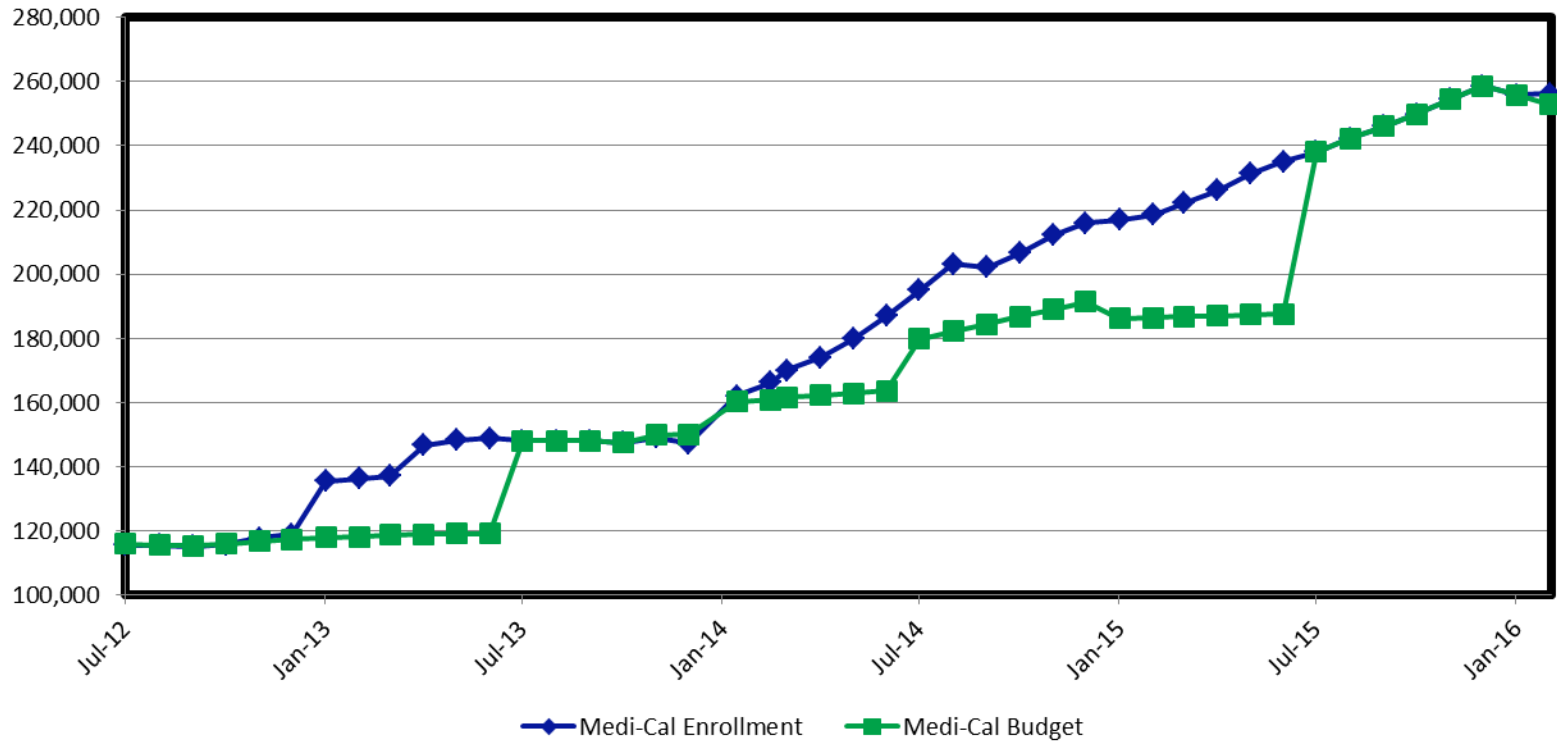
**Santa Clara County Health Authority
Tangible Net Equity - Actual vs. Required
As of Period Ended:**

	<u>6/30/2010</u>	<u>12/31/2010</u>	<u>6/30/2011</u>	<u>12/31/2011</u>	<u>6/30/2012</u>	<u>12/31/2012</u>	<u>6/30/2013</u>	<u>12/31/2013</u>	<u>6/30/2014</u>	<u>12/31/2014</u>	<u>6/30/2015</u>	<u>2/29/2016</u>
Actual Net Position / Reserves	25,103,011	28,445,504	36,093,769	36,803,460	24,208,576	23,776,902	32,551,161	32,878,950	40,872,580	54,224,335	72,630,954	82,866,600
Required Reserve per DMHC	6,388,000	5,591,000	4,996,000	5,558,000	5,901,000	6,525,000	7,778,000	8,330,000	11,434,000	13,467,000	19,269,000	27,185,000
200% of Required Reserve	12,776,000	11,182,000	9,992,000	11,116,000	11,802,000	13,050,000	15,556,000	16,660,000	22,868,000	26,934,000	38,538,000	54,370,000

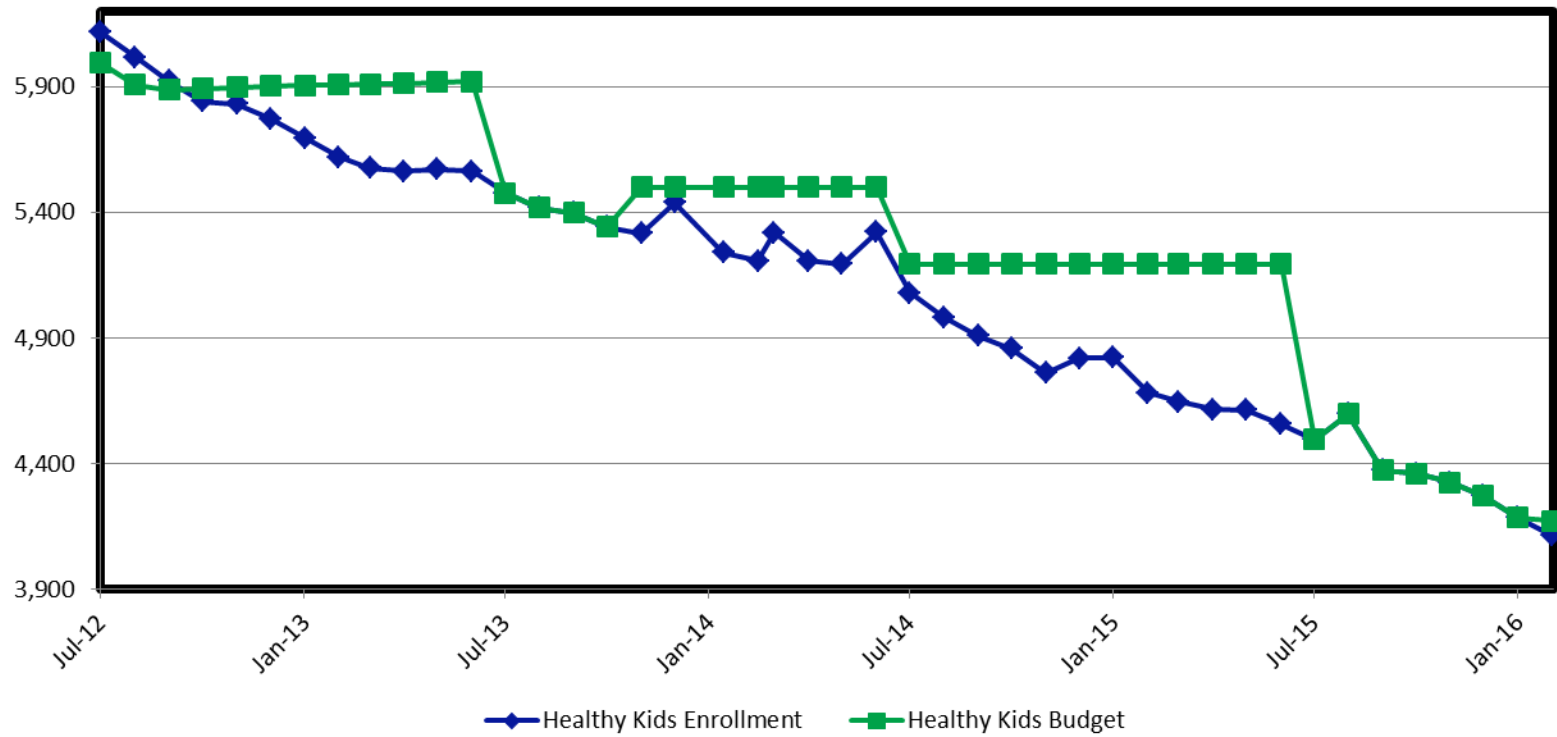
TNE Actual vs. Required



SCFHP Medi-Cal Enrollment as of Feb 2016



SCFHP Healthy Kids Enrollment as of Feb 2016



POLICY



Santa Clara
Family Health Plan

Policy Title:	Organizational Policies	Policy No.:	GO.01
Replaces Policy Title (if applicable):		Replaces Policy No. (if applicable):	
Issuing Department:	Administration	Policy Review Frequency:	Annual
Lines of Business (check all that apply):	<input checked="" type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> Healthy Kids	<input checked="" type="checkbox"/> CMC

I. Purpose

To provide guidance across Santa Clara Family Health Plan (SCFHP) in the development of policies in order to ensure a consistent approach and compliance with the approval process.

II. Policy

Policies will be developed as concise formal statements of principles that indicate how SCFHP will act in a particular aspect of its operation. Policies regulate and direct actions and conduct, and act as the business rules and guidelines under which the organization is operated. Policies will be implemented in accordance with Procedures and supporting documents which provide instructions and set out processes to implement a Policy.

Policies will be created using a Policy Template approved by the Executive team, and will be approved by first and second level approvers as defined in associated procedure(s).

III. Responsibilities

All department managers, directors and executives have responsibility to develop and approve of policies in accordance with this policy.

IV. References

N/A

POLICY

V. Approval/Revision History

First Level Approval		Second Level Approval		
Signature		Signature		
Name		Name		
Title		Title		
Date		Date		
Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
V1	Original			