



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 – APPROVED

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