

Regular Meeting of the Santa Clara County Health Authority Governing Board

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

AGENDA

- | | | | |
|---|----------------|------|--------|
| <p>1. Roll Call
Welcome new Board Member, Brian Darrow</p> | Mr. Brownstein | 2:30 | 5 min. |
| <p>2. Meeting Minutes
Review minutes of the November 19, 2015 Regular Board Meeting.
Possible Action: Approve 11/19/2015 minutes</p> | Mr. Brownstein | 2:35 | 5 min. |
| <p>3. Public Comment
Members of the public may speak to any item not on the agenda; 2 minutes per speaker. The Board reserves the right to limit the duration of public comment period to 30 minutes.</p> | Mr. Brownstein | 2:40 | 5 min. |
| <p>4. Announcement Prior to Recessing into Closed Session
Announcement that the Governing Board will recess into closed session to discuss Items No. 5(a), (b), and (c) below, and will identify its Designated Representatives for Item No. 5(a).</p> | | | |
| <p>5. Adjourn to Closed Session</p> <p>a. <u>Conference with Labor Negotiators (Government Code Section 54957.6):</u>
It is the intention of the SCCHA Governing Board to meet in Closed Session to confer with its Designated Representatives.</p> <ul style="list-style-type: none"> • Santa Clara County Health Authority Designated Representatives: Dave Cameron, Sharon Valdez, and Richard Noack • Employee organization: Local 521, SEIU <p>b. <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.</p> <p>c. <u>Pending Litigation (Government Code Section 54956.9(d)(1):</u>
It is the intention of the SCCHA Governing Board to meet in Closed Session to confer with Legal Counsel regarding one item of existing litigation.</p> | | 2:45 | |

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

6.	Report from Closed Session	Mr. Brownstein	3:20	5 min.
7.	CEO Update Discuss status of current topics and initiatives. Possible Action: Accept CEO update	Ms. Tomcala	3:25	5 min.
8.	Bylaws Committee Discuss possible amendments to the Bylaws. Possible Action: Appoint three Board members to serve on the Bylaws Committee and direct the Bylaws Committee to convene to draft amendments to the Bylaws	Ms. Tomcala	3:30	10 min.
9.	Unified Managed Care Strategy Update Provide an update on Unified Managed Care Strategy. Possible Action: Approve Unified Managed Care Strategy	Mr. Brownstein	3:40	10 min.
10.	Fiscal 2014-15 External Audit Report Discuss Fiscal 2014-15 External Audit Report. Possible Action: Accept External Audit Report as presented	Mr. Brownstein	3:50	10 min.
11.	2015 Financial Statements Review recent organizational financial performance and related variables. Possible Action: Approve October, November, and December Financial Statements	Mr. Cameron	4:00	10 min.
12.	Mid-Year Budget Projections Discuss projected 2015-2016 year-end budget performance and underlying assumptions. Possible Action: Accept Budget Projections as presented	Ms. Tomcala/ Mr. Cameron	4:10	15 min.
13.	Committee Reports			
a.	Executive Committee Review minutes of the December 17, 2015 Committee Meeting. Possible Action: Accept December 17, 2015 Executive Committee Report as presented	Ms. Lew	4:25	5 min.
b.	Consumer Affairs Committee Review minutes of the December 8, 2015 Committee Meeting. Possible Action: Accept December 8, 2015 Consumer Affairs Committee Report as presented	Dr. Wenner	4:30	5 min.
14.	Adjournment	Mr. Brownstein	4:35	

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



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

**Thursday, January 28, 2016
4:45 PM - 5:00 PM
210 E. Hacienda Avenue
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AGENDA

- 1. Roll Call** Mr. Brownstein

- 2. Public Comment**
Members of the public may speak to any item not on the agenda; 2 minutes per speaker. The Board reserves the right to limit the duration of public comment period to 30 minutes.

- 3. Overview of Community Health Authority** Mr. Cameron
Discuss background of the Santa Clara Community Health Authority.

- 4. Bylaws Committee** Ms. Tomcala
Discuss requirements in the current Bylaws.
Possible Action: Direct the Bylaws Committee to convene to draft any suggested amendments to the Santa Clara Community Health Authority Bylaws

- 5. Adjournment** Mr. Brownstein

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Thursday, November 19, 2015

2:30 PM - 5:00 PM

210 E. Hacienda Avenue

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Minutes - DRAFT

Board Members present:

Bob Brownstein, Chair
Dolores Alvarado
Christopher Dawes
Darrell Evora
Laura Jones
Kathleen King
Michele Lew
Paul Murphy
Jolene Smith
Brenda Taussig
Wally Wenner, M.D.
Linda Williams

Board Members not present:

Liz Kniss

Staff present:

Christine Tomcala, Chief Executive Officer
Dave Cameron, Chief Financial Officer
Jeff Robertson, Chief Medical Officer
Chris Turner, Interim Chief Medicare Officer
Jonathan Tamayo, Chief Information Officer
Pat McClelland, VP Member & Medical Operations
Gary Kaplan, VP Vendor Relations and Delegation Oversight
Sharon Valdez, VP Human Resources
Beth Paige, Compliance Officer
Khurram Shah, Medicare Compliance Manager
Rita Zambrano, Executive Assistant

Others present:

Caitlin Grandison, SEIU Local 521 representative
Gloria Ramirez, SCFHP employee
Richard Noack, Hopkins and Carley LLC

1. Roll Call

Chair Brownstein called the meeting to order at 2:30 PM. Roll call was taken, and a quorum was established.

2. Minutes Review and Approval

The minutes of the September 24, 2015 Regular Board Meeting were reviewed.

It was moved, seconded, and the September 24, 2015 meeting minutes were **approved** as presented.

3. Public Comment

There were no public comments.

4. Adjourn to Closed Session

a. Conference with Labor Negotiators

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

Richard Noack

b. Contract Negotiations with Provider of Health Care Services

The Board discussed the contract between the Health Authority and MedImpact.

5. Report from Closed Session

Mr. Brownstein reported that the Board approved a motion authorizing the Santa Clara Family Health Plan (SCFHP) CEO to negotiate and execute a contract with MedImpact.

6. CEO Update

Christine Tomcala acknowledged Laura Jones, who resigned from the Board effective following the meeting. Ms. Tomcala thanked Ms. Jones for her service to SCFHP.

It was noted Dr. Wally Wenner requested that the Board consider amendments to the Bylaws that would expand the number of providers who sit on the Board, and would provide the opportunity for input to the Board of Supervisors when appointing individuals. The topic was raised for future consideration.

Ms. Tomcala announced that Tony Solem, Chief Medicare Officer, and two of his direct reports have resigned. To provide the organization with the necessary ongoing Medicare expertise, Chris Turner has joined SCFHP on a consulting basis as Interim Chief Medicare Officer.

It was further reported that a Medical Director has been hired to assist Dr. Jeff Robertson. Current part-time Medical Director, Dr. Jimmy Lin, resigned and Lily Boris, a former SCFHP Medical Director, will be returning to the plan four days per week.

Ms. Tomcala shared that SCFHP received the 2015 Outstanding Performance Award for a Medium Scale Plan from the Department of Health Care Services (DHCS). The award reflects the plan's favorable performance on HEDIS measures.

Ms. Tomcala reported that SCFHP has engaged consulting firm WeiserMazars to assist with four key activities related to critical Plan Objectives. They will be assisting with Medi-Cal and CMS audit readiness, NCQA accreditation readiness, and restructuring our policies and procedures to meet compliance and accreditation needs.

It was announced that SCFHP has reached an agreement with O'Connor Hospital to resume providing full hospital services to Medi-Cal members effective October 15, 2015. Staff has been moving forward with that expanded understanding while continuing to work on the contract language.

The Board was informed that SCFHP responded to the DHCS Health Homes RFI in October. Dr. Robertson drafted the brief, non-binding response. It indicated SCFHP would be interested in participating in the program, with an implementation date no sooner than January 2017. More information regarding program requirements should be available in December.

Ms. Tomcala provided a brief government affairs update, noting no agreement has been reached on the MCO tax due to the large financial impact on commercial plans, such as Kaiser Permanente. While a deal may be reached early next year, painful budget cuts should be anticipated in the Governor's budget proposal to be released in January. The availability of MCO tax dollars is the primary determinant of the future of the CCI program, including the CMC demonstration.

At the previous Board meeting, it was reported that the Plan received a subpoena related to a Department of Managed Health Care (DMHC) complaint. Ms. Tomcala indicated she was just notified that the investigation is complete and the DMHC Enforcement unit concluded that no violations had occurred. Credit to Beth Paige and Dr. Robertson, and others in the organization, for pulling together the information required to resolve this matter.

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

7. Compliance Report

Ms. Paige, Compliance Officer, referred to the Compliance Report in the Board materials, and reported on Medi-Cal compliance highlights since September. DHCS accepted SCFHP's Joint Audit SPD Corrective Action Plan, and extended SCFHP's Medi-Cal contract to December 31, 2016. In July 2016, DMHC will be visiting the Plan for a routine financial exam for the time period ending March 31, 2013.

Member complaints received from the State regulators were reviewed. In processing these complaints, Ms. Paige identified opportunities for process improvement in the areas of timely access to particular specialty services at Valley; procedures for timely system entry of faxes for authorizations, appeals and grievances; and identification of potential grievance/quality of care issues when PCP changes are requested.

Ms. Paige also noted the requirement to conduct annual compliance training for all staff and Board members. The Board training will be provided electronically and will cover regulations, fiduciary responsibilities, and a broad base of information.

Khurram Shah, Medicare Compliance Manager, reported on the Medicare compliance highlights. SCFHP received a Notice of Non-Compliance (NONC) pertaining to reporting on MMP Core 2.1, Members with an assessment completed within 90 days of enrollment. Mr. Shah reported that the data was resubmitted in accordance with the appropriate HPMS memo and the issue has been resolved. Staff are further assessing the other annual, quarterly, and monthly reports to ensure all pertinent information is captured consistent with applicable regulations.

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

8. Chief Medical Officer (CMO) Report

Dr. Robertson gave an overview of the 2016 SCFHP Quality Improvement Projects. Improvement projects are mandated by both Medi-Cal and Cal MediConnect (CMC). Out of the four available categories for a Medi-Cal Performance Improvement Project (PIP), SCFHP selected Diabetes, with a focus on retinal eye exams, which is a low performing HEDIS measure. For the CMC Chronic Care Improvement Project (CCIP), SCFHP selected Hypertension Management, and for the CMC Quality Improvement Project (QIP), the Plan will focus on All-Cause Readmissions, which is mandated by the Centers for Medicare and Medicaid Services (CMS). Both initiatives are also Quality Withhold measures. Dr. Robertson also discussed the importance of Adherence to Treatment.

Jolene Smith asked if the diabetes data could be broken out by adults and children. Dr. Robertson responded that he would try to break it out above and below 18 years of age.

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

9. Fiscal 2014-15 External Audit Report

Dave Cameron reported that the annual audit report is three weeks overdue as a result of KPMG's continued research on the reporting and valuation of CalPERS pension funds. The Plan is required to file year-end financials with DMHC by October 31, 2015. An extension was requested from DMHC for the filing but we never received a response.

10. July, August, and September 2015 Financial Statements

Mr. Cameron reviewed highlights of the July, August, and September 2015 financial statements. In the month of September, SCFHP experienced a loss of \$(1.1m), with a fiscal year-to-date surplus of \$3.3m. The loss was primarily due to a rapid increase in long-term care expenses. Discussion took place regarding the difference in premium for members over 19 versus under age 19. Staff to provide a report at the next Board meeting of premium by aid category.

It was moved, seconded, and the July, August, and September Financial Statements were **approved** as presented.

11. Reserves Discussion and Recommendation

Mr. Cameron introduced discussion of the Reserve Strategy, noting the Board requested an analysis of the reserve policy in June 2015, and the Executive Committee reviewed the presentation last month. The current SCFHP reserve policy of maintaining two months of premium revenue was established by the Board in December 2011, but it has not been met since it was established. Reserves are currently approximately 1.1 months of premium revenue.

The current regulatory reserve requirement is based on Tangible Net Equity (TNE). However, this measure has not been updated since it was established in 1979 and does not consider non-FFS risks, plus claims factors appear arbitrary. DMHC has discussed shifting the reserve requirement to Risk Based Capital (RBC), which is the nationally recognized model maintained by the National Association of Insurance Commissioners (NAIC). This industry standard model takes into consideration assets, underwriting, credit, and business risk.

Mr. Cameron noted that SCFHP needs reserves not only to meet regulatory requirements, but also for absorbing volatility due to the unpredictability of healthcare costs, for stability during periods of insufficient or delayed revenue, accounting changes, and to provide for potential membership growth and infrastructure investment. At the present time, SCFHP's reserve as a percent of annual revenue (6.04%) is below the state weighted average of our peer group.

The Milliman Research Report on Medicaid Risk-Based Managed Care: Analysis of Financial Results for 2014, which was released in June 2015, suggests non-profit health plans typically hold RBC in the range of 400-500%. As of June 2015, SCFHP reserves stood at 328% RBC. Assuming a 450% RBC target, the FY2016 requirement would be approximately \$123 million compared with an estimated SCFHP reserve level of \$74 million.

Mr. Cameron summarized that staff recommends a target reserve level between 400-500% RBC to allow SCFHP to absorb extended periods of elevated claims and/or insufficient premium, both of which are common in the cyclical health insurance business. He noted it is difficult to increase the RBC ratio when business is growing, since required capital typically increases at the same pace as reserves. Therefore, it is recommended that SCFHP retain profits which are higher than expected, and profits when growth stabilizes, until the target RBC percent is met. Staff will provide the Board with an annual review of the reserve policy concurrent with approval of the annual operating budget.

Discussion took place regarding the right level of reserves. Linda Williams inquired how long it would take to get to the recommended reserve level and Mr. Cameron responded it may take five years to fund due to growth. Mr. Brownstein commented he would be more comfortable with a process where a certain portion of higher than expected profits goes into reserves, and another part is brought to the Board for a decision regarding whether the funds should be used for reserves, or provider payments, service augmentation, or other programmatic changes.

Mr. Brownstein suggested a motion to ask staff to report back on a proposed Reserve Methodology at the next meeting which would designate a specific reserve for cash on hand in terms of number of days based on best practices. This includes an analysis of the reserve policy that allocates some surplus revenues to automatically go into reserves and some for other purposes that would be presented to the Board.

It was moved, seconded, and approved to accept the proposed motion.

12. Unified Managed Care Strategy Update

Mr. Brownstein reported that a team of Board members has been meeting to develop a proposal regarding the greater integration of managed care with the County. The genesis of this effort is the County's concern that with an increasingly unpredictable and somewhat unstable health care environment, safety net services are more at risk than was previously the case, and integrating the work of SCFHP with the County would help with that instability. The Board Team drafted the Integrated Managed Care Proposal in the Board materials for discussion with the County. It proposes a Managed Care Coordinating Council (MCCC) which would have authority to take public positions on issues relevant to managed care. As regards all other issues, the MCCC would strictly be a coordinating and advisory body that would generate focus on collaboration between the Plan and the County. Chris Dawes voiced his support of the proposal,

noting it does not usurp the authority of the Board of Supervisors or the SCCHA Board, which would require the State's approval if it did.

It was moved, seconded, and approved to give the Board Team authority to present the Integrated Managed Care Proposal as an initial position, and hold discussions with the County. The Board Team is to bring any changes or amendments to the Board for approval.

13. Publicly Available Salary Schedule Changes

Ms. Valdez gave an update on the Publicly Available Salary Schedule for those positions that were added and deleted since the last update to the SCCHA Board of Directors on September 24, 2015.

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

14. Committee Reports

a. Executive Committee

Michele Lew provided a recap of the October 22, 2015 Executive Committee minutes.

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

b. Provider Advisory Council

Dr. Robertson provided a recap of the October 8, 2015, Provider Advisory Council minutes.

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

15. 2016 Meeting Calendar

The proposed 2016 SCCHA Meeting Calendar was presented for consideration.

It was moved, seconded, and approved the 2016 SCCHA Meeting Calendar was **approved**.

16. Adjournment

It was moved, seconded, and approved to adjourn the meeting at 4:50 PM.

Elizabeth Pianca, Secretary to the Board



Santa Clara
Family Health Plan

The Spirit of Care

Financial Statements
For Four Months Ended October 2015
(Unaudited)

Table of Contents

Description	Page
Financial Statement Comments	1-5
Balance Sheet	6
Income Statement for the Month and YTD period Ended October 2015	7
Administrative Expense Summary October 2015	8
Statement of Operations by Line of Business (Includes Allocated Expenses)	9
Statement of Cash Flows for the YTD period Ended October 2015	10
Enrollment by Line of Business	11
Enrollment by Network	12
Enrollment by Aid Category	13
Tangible Net Equity – Actual vs. Required	14

Santa Clara Family Health Plan
CFO Finance Report
For the Month and Year to Date Ended October 31, 2015

Summary of Financial Results

For the month of October 2015, SCFHP recorded a net loss of \$0.8 million compared to a budgeted net surplus of \$1.9 million resulting in an unfavorable variance from budget of \$2.8 million. For year to date October 2015, SCFHP recorded a net surplus of \$2.4 million compared to a budgeted net surplus of \$8.0 million resulting in a unfavorable variance from budget of \$5.6 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 – October 2015
Favorable/ (Unfavorable)

Current Month					Year to Date			
Actual	Budget	Variance \$	Variance %		Actual	Budget	Variance \$	Variance %
\$ 86,001,336	\$ 79,113,344	\$ 6,887,993	8.7%	Revenue	\$340,271,680	\$309,568,468	\$ 30,703,211	9.9%
83,986,329	73,893,214	(10,093,115)	-13.7%	Medical Expense	326,389,531	288,222,501	(38,167,029)	-13.2%
2,015,008	5,220,130	(3,205,122)	-61.4%	Gross Margin	13,882,149	21,345,967	(7,463,818)	-35.0%
2,917,881	2,815,225	(102,656)	-3.6%	Administrative Expense	11,348,284	11,422,280	73,996	0.6%
(902,873)	2,404,905	(3,307,779)	-137.5%	Net Operating Income	2,533,865	9,923,687	(7,389,822)	-74.5%
21,957	(478,570)	500,527	104.6%	Non-Operating Income/Exp	(95,261)	(1,914,281)	1,819,019	95.0%
\$ (880,917)	\$ 1,926,335	\$ (2,807,252)	-145.7%	Net Surplus/ (Loss)	\$ 2,438,604	\$ 8,009,406	\$ (5,570,802)	-69.6%

Revenue

The Health Plan recorded net revenue of \$86.0 million for the month of October 2015, compared to budgeted revenue of \$79.1 million, resulting in a favorable variance from budget of \$6.9 million, or 8.7%. For year to date October 2015, the Plan recorded net revenue of \$340.3 million, compared to budgeted revenue of \$309.6 million, resulting in a favorable variance from budget of \$30.7 million, or 9.9%, which was primarily driven by the additional In Home Support Services (IHSS) pass-through revenue that also increases the medical expenses commensurately. Higher than budgeted membership also contributed to positive variance in Medi-Cal expansion 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 October 2015, overall member months were higher than budget by 10,579 (+4.2%). For year to date October 2015, overall member months were higher than budget by 23,257 (+2.3%).

In the four months since the end of the prior fiscal year, 6/30/2015, membership in Medi-Cal increased by 6.6%, membership in the Healthy Kids program decreased by 3.9%, and membership in the Agnews program decreased by 1.8%.

In January 2015, we started enrolling members for the Medicare Line of Business (CMC). For the month of October 2015, membership in the Medicare program was lower than the budget by 664 member months (-7.4%). For year to date October 2015, membership in the Medicare program was lower than the budget by 1,931 member months (-5.8%). In the four months since the end of the prior fiscal year, 6/30/2015, membership in Medicare program increased by 16.2%.

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

Medical Expenses

For the month of October 2015, medical expense was \$83.9 million compared to budget of \$73.9 million, resulting in an unfavorable budget variance of \$10.1 million, or -13.7%. For year to date October 2015, medical expense was \$326.4 million compared to budget of \$288.2 million, resulting in an unfavorable budget variance of \$38.2 million, or -13.2%. The increased medical expenses year to date, compared to budget, are primarily attributable to two categories: Long term care contributed to \$12.8 million or 92.0% over budget and IHSS pass-through expense contributed to \$24.9 million or 208.1% over budget. Higher than budgeted membership also contributed to the unfavorable variance in medical expenses.

Administrative Expenses

Overall administrative costs were over budget by \$102 thousand (-3.6%) for the month of October 2015, and under budget by \$74 thousand (+0.6%) for year to date October 2015. Salaries/Benefits are under budget; however, higher than budgeted Professional Fees/Consulting/Temporary Staffing costs offset some of this favorable variance. Information systems expenses were also higher than budgeted because of the continued Cal Medi Connect (CMC) program and systems implementation needs.

Overall administrative expenses were 3.7% of revenues for year to date October 2015.

Balance Sheet (Page 6)

Current assets at October 31, 2015 totaled \$387.1 million compared to current liabilities of \$306.1 million, yielding a current ratio (the ratio of current assets to current liabilities) of 1.3 as of October 31, 2015. Working capital increased by \$2.6 million for the four months year to date ended October 31, 2015.

Cash as of October 31, 2015, increased by \$49.3 million compared to the cash balance as of year-end June 30, 2015. Net receivables increased by \$47.8 million during the same four months period ended October 31, 2015. The cash position increased largely due to the continued overpayment of Medi-Cal expansion premium revenues by the DHCS and deferred Medicare revenue.

Liabilities increased by a net amount of \$94.6 million during the four months ended October 2015. 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 \$4.8 million as required by GASB 68, as of June 30, 2015.

Capital Expenses increased by \$313 thousand for the four months ended October 31, 2015.

Tangible Net Equity

Tangible Net Equity (TNE) was \$75.1 million at October 31, 2015 compared to the minimum TNE required by the Department of Managed Health Care (DMHC) of \$23.9 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 October 31, 2015, the Plan's reserves are below this reserves target by about \$75.6 million (see calculation below).

Calculation of targeted reserves as of October 31, 2015

Estimate of two months' capitation (based on October 2015) (October-2015 Medi-Cal capitation of \$72,965,003 x 2 = \$145,930,006)	\$145,932,000
Less: Unrestricted Net Equity per balance sheet (rounded)	<u>\$ 70,362,000</u>
Approximate reserves below target	<u>\$ 75,570,000</u>

**Santa Clara County Health Authority
Balance Sheet**

	<u>10/31/2015</u>	<u>9/30/2015</u>	<u>8/31/2015</u>	<u>6/30/2015</u>
Assets				
Current Assets				
Cash and Marketable Securities	\$ 159,817,870	\$ 133,454,211	\$ 150,661,832	\$ 110,520,927
Premiums Receivable	225,482,179	189,805,625	182,278,826	177,531,031
Due from Santa Clara Family Health Foundation - net	0	0	0	3,612
Prepaid Expenses and Other Current Assets	<u>1,809,748</u>	<u>2,271,185</u>	<u>2,292,669</u>	<u>1,917,101</u>
Total Current Assets	387,109,797	325,531,022	335,233,327	289,972,670
Long Term Assets				
Equipment	12,191,691	12,175,786	12,085,696	11,879,173
Less: Accumulated Depreciation	<u>(7,790,190)</u>	<u>(7,681,463)</u>	<u>(7,572,258)</u>	<u>(7,363,871)</u>
Total Long Term Assets	4,401,501	4,494,323	4,513,438	4,515,302
Total Assets	\$ 391,511,298	\$ 330,025,345	\$ 339,746,764	\$ 294,487,972
Deferred Outflow of Resources	\$ 1,367,331	\$ 1,367,331	1,367,331	1,367,331
Total Deferred Outflows and Assets	392,878,629	331,392,676	341,114,095	295,855,303
Liabilities and Net Position				
Current Liabilities				
Trade Payables	\$ 8,693,107	\$ 8,553,349	\$ 30,532,575	\$ 4,924,038
Deferred Rent	158,892	160,953	163,013	167,134
Employee Benefits	894,979	868,782	861,161	973,066
Retirement Obligation per GASB 45	187,662	151,777	115,892	0
Advance Premium - Healthy Kids	62,852	61,781	64,208	64,127
Deferred Revenue - Medicare	9,365,547	0	0	0
Liability for ACA 1202	5,075,111	5,075,257	5,069,591	5,069,225
Payable to Hospitals (SB208)	(35,535)	(35,535)	(35,535)	(35,535)
Payable to Hospitals (AB 85)	1,608,214	1,580,865	1,540,785	4,615,251
Due to Santa Clara County Valley Health Plan	3,690,932	2,824,551	2,389,080	11,230,305
MCO Tax Payable - State Board of Equalization	8,783,495	8,773,976	10,681,043	8,909,559
Due to DHCS	68,732,897	56,389,864	44,318,631	22,173,221
Liability for In Home Support Services (IHSS)	106,445,324	69,537,810	69,537,810	69,537,810
Premium Deficiency Reserve (PDR)	13,088,054	13,088,054	13,088,054	13,088,054
Medical Cost Reserves	<u>79,368,988</u>	<u>76,722,166</u>	<u>74,036,781</u>	<u>70,819,543</u>
Total Current Liabilities	306,120,520	243,753,650	252,363,091	211,535,798
Non-Current Liabilities				
Noncurrent Pension Deficiency Reserve	4,911,946	4,911,946	4,911,946	4,911,946
Net Pension Liability GASB 68	4,883,971	4,883,971	4,883,971	4,883,971
Total Liabilities	315,916,437	253,549,567	262,159,008	221,331,715
Deferred Inflow of Resources	1,892,634	1,892,634	1,892,634	1,892,634
Net Position / Reserves				
Invested in Capital Assets	4,401,501	4,494,323	4,513,438	4,515,302
Restricted under Knox-Keene agreement	305,350	305,350	305,350	305,350
Unrestricted Net Equity	67,924,103	67,831,281	67,812,166	30,416,972
Current YTD Income (Loss)	<u>2,438,604</u>	<u>3,319,521</u>	<u>4,431,499</u>	<u>37,393,330</u>
Net Position / Reserves	<u>75,069,558</u>	<u>75,950,475</u>	<u>77,062,453</u>	<u>72,630,954</u>
Total Liabilities, Deferred Inflows, and Net Assets	\$ 392,878,629	\$ 331,392,676	\$ 341,114,095	\$ 295,855,303
Solvency Ratios:				
Working Capital	\$ 80,989,277	\$ 81,777,372	\$ 82,870,236	\$ 78,436,872
Working Capital Ratio	1.3	1.3	1.3	1.4
Average Days Cash on Hand	58	49	58	55

Santa Clara County Health Authority
Income Statement for the Four Months Ending Oct 31, 2015

	For the Month of Oct 2015					For Four Months Ending Oct 31, 2015				
	Actual	% of Revenue	Budget	% of Revenue	Variance	Actual	% of Revenue	Budget	% of Revenue	Variance
REVENUES										
MEDI-CAL	\$ 76,738,485	89.2%	\$ 68,801,277	87.0%	\$ 7,937,208	\$ 305,017,305	89.6%	\$ 271,743,981	87.8%	\$ 33,273,324
HEALTHY KIDS	\$ 379,741	0.4%	\$ 377,102	0.5%	\$ 2,640	\$ 1,545,407	0.5%	\$ 1,533,546	0.5%	\$ 11,861
MEDICARE	\$ 8,883,110	10.3%	\$ 9,849,285	12.4%	\$ (966,175)	\$ 33,708,968	9.9%	\$ 35,948,221	11.6%	\$ (2,239,253)
AGNEWS	\$ -	0.0%	\$ 85,680	0.1%	\$ (85,680)	\$ -	0.0%	\$ 342,720	0.1%	\$ (342,720)
TOTAL REVENUE	\$ 86,001,336	100.0%	\$ 79,113,344	100.0%	\$ 6,887,993	\$ 340,271,680	100.0%	\$ 309,568,468	100.0%	\$ 30,703,211
MEDICAL EXPENSES										
MEDI-CAL	\$ 81,888,614	95.2%	\$ 63,178,687	79.9%	\$ (18,709,927)	\$ 296,314,658	87.1%	\$ 248,349,593	80.2%	\$ (47,965,065)
HEALTHY KIDS	\$ 720,131	0.8%	\$ 344,442	0.4%	\$ (375,689)	\$ 1,501,367	0.4%	\$ 1,400,729	0.5%	\$ (100,638)
MEDICARE	\$ 1,337,446	1.6%	\$ 10,297,371	13.0%	\$ 8,959,924	\$ 28,393,769	8.3%	\$ 38,181,323	12.3%	\$ 9,787,554
AGNEWS	\$ 40,138	0.0%	\$ 72,714	0.1%	\$ 32,576	\$ 179,736	0.1%	\$ 290,856	0.1%	\$ 111,120
TOTAL MEDICAL EXPENSES	\$ 83,986,329	97.7%	\$ 73,893,214	93.4%	\$ (10,093,115)	\$ 326,389,531	95.9%	\$ 288,222,501	93.1%	\$ (38,167,029)
MEDICAL OPERATING MARGIN	\$ 2,015,008	2.3%	\$ 5,220,130	6.6%	\$ (3,205,122)	\$ 13,882,149	4.1%	\$ 21,345,967	6.9%	\$ (7,463,818)
ADMINISTRATIVE EXPENSES										
SALARIES AND BENEFITS	\$ 1,471,536	1.7%	\$ 1,664,624	2.1%	\$ 193,088	\$ 5,855,114	1.7%	\$ 6,600,705	2.1%	\$ 745,591
RENTS AND UTILITIES	\$ 108,211	0.1%	\$ 114,203	0.1%	\$ 5,991	\$ 450,132	0.1%	\$ 481,811	0.2%	\$ 31,678
PRINTING AND ADVERTISING	\$ 112,018	0.1%	\$ 30,317	0.0%	\$ (81,702)	\$ 222,653	0.1%	\$ 172,267	0.1%	\$ (50,386)
INFORMATION SYSTEMS	\$ 230,961	0.3%	\$ 124,602	0.2%	\$ (106,359)	\$ 648,701	0.2%	\$ 498,407	0.2%	\$ (150,294)
PROF FEES / CONSULTING / TEMP STAFFING	\$ 700,619	0.8%	\$ 557,838	0.7%	\$ (142,782)	\$ 3,077,993	0.9%	\$ 2,469,505	0.8%	\$ (608,488)
DEPRECIATION / INSURANCE / EQUIPMENT	\$ 150,651	0.2%	\$ 173,105	0.2%	\$ 22,454	\$ 540,400	0.2%	\$ 611,489	0.2%	\$ 71,090
OFFICE SUPPLIES / POSTAGE / TELEPHONE	\$ 49,357	0.1%	\$ 85,346	0.1%	\$ 35,989	\$ 263,707	0.1%	\$ 251,883	0.1%	\$ (11,823)
MEETINGS / TRAVEL / DUES	\$ 82,649	0.1%	\$ 57,549	0.1%	\$ (25,100)	\$ 271,432	0.1%	\$ 305,645	0.1%	\$ 34,213
OTHER	\$ 11,879	0.0%	\$ 7,642	0.0%	\$ (4,237)	\$ 18,153	0.0%	\$ 30,568	0.0%	\$ 12,415
TOTAL ADMINISTRATIVE EXPENSES	\$ 2,917,881	3.4%	\$ 2,815,225	3.6%	\$ (102,656)	\$ 11,348,284	3.3%	\$ 11,422,280	3.7%	\$ 73,996
OPERATING SURPLUS (LOSS)	\$ (902,873)	-1.0%	\$ 2,404,905	3.0%	\$ (3,307,779)	\$ 2,533,865	0.7%	\$ 9,923,687	3.2%	\$ (7,389,822)
GASB 45-POST EMPLOYMENT BENEFITS EXPENSE	\$ (35,885)	0.0%	\$ (57,946)	-0.1%	\$ 22,061	\$ (187,662)	-0.1%	\$ (231,784)	-0.1%	\$ 44,123
GASB 68 - UNFUNDED PENSION LIABILITY	\$ -	0.0%	\$ (437,479)	-0.6%	\$ 437,479	\$ -	0.0%	\$ (1,749,917)	-0.6%	\$ 1,749,917
INTEREST & OTHER INCOME	\$ 57,841	0.1%	\$ 16,855	0.0%	\$ 40,986	\$ 92,400	0.0%	\$ 67,420	0.0%	\$ 24,980
NET SURPLUS (LOSS) FINAL	\$ (880,917)	-1%	\$ 1,926,335	2.4%	\$ (2,807,252)	\$ 2,438,604	0.7%	\$ 8,009,406	2.6%	\$ (5,570,802)

Administrative Expense
Actual vs. Budget
For the Current Month & Fiscal Year to Date - Oct 2015
Favorable/(Unfavorable)

Current Month					Year to Date			
Actual	Budget	Variance \$	Variance %		Actual	Budget	Variance \$	Variance %
\$ 1,471,536	\$ 1,664,624	\$ 193,088	11.6%	Personnel	\$ 5,855,114	\$ 6,600,705	\$ 745,591	11.3%
1,446,345	1,150,601	(295,745)	-25.7%	Non-Personnel	5,493,170	4,821,575	\$ (671,595)	-13.9%
2,917,881	2,815,225	(102,656)	-3.6%	Total Administrative Expense	11,348,284	11,422,280	73,996	0.6%

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

Four Months Ended Oct 31, 2015

	Medi-Cal (incl. Agnews)	CMC	Healthy Kids	Grand Total
P&L (ALLOCATED BASIS)				
REVENUE	297,212,217	41,514,056	\$1,545,407	\$340,271,680
MEDICAL EXPENSES	286,334,582	38,553,582	1,501,367	\$326,389,531
(MLR)	96.3%	92.9%	97.2%	95.9%
GROSS MARGIN	10,877,635	2,960,475	44,039	13,882,149
ADMINISTRATIVE EXPENSES <i>(% MM allocation except CMC)</i>	9,785,105	1,384,521	178,658	11,348,284
OPERATING INCOME/(LOSS)	1,092,530	1,575,954	(134,619)	2,533,865
OTHER INCOME/(EXPENSE) <i>(% of Revenue Allocation)</i>	(83,206)	(11,622)	(433)	(95,261)
NET INCOME/ (LOSS)	\$1,009,324	\$1,564,332	(\$135,051)	\$2,438,604
PMPM (ALLOCATED BASIS)				
REVENUE	\$304.33	\$1,317.61	\$86.67	\$331.67
MEDICAL EXPENSES	293.19	1,223.65	84.20	318.14
GROSS MARGIN	11.14	93.96	2.47	13.53
ADMINISTRATIVE EXPENSES	10.02	43.94	10.02	11.06
OPERATING INCOME/(LOSS)	1.12	50.02	(7.55)	2.47
OTHER INCOME/ (EXPENSE)	(0.09)	(0.37)	(0.02)	(0.09)
NET INCOME/ (LOSS)	\$1.03	\$49.65	(\$7.57)	\$2.38
ALLOCATION BASIS:				
MEMBER MONTHS - YTD	976,605	31,507	17,831	1,025,943
Member MONTHS by LOB	95.2%	3.1%	1.8%	100%
Revenue by LOB	87.3%	12.2%	0.5%	100%

**Santa Clara Family Health Plan
Statement of Cash Flows
For Four Months Ended Oct 31, 2015**

Cash flows from operating activities	
Premiums received	\$ 338,757,755
Medical expenses paid	\$ (288,471,945)
Administrative expenses paid	<u>\$ (768,750)</u>
Net cash from operating activities	\$ 49,517,061
 Cash flows from capital and related financing activities	
Purchases of capital assets	\$ (312,518)
 Cash flows from investing activities	
Interest income and other income, net	<u>\$ 92,400</u>
 Net (Decrease) increase in cash and cash equivalents	<u>\$ 49,296,943</u>
 Cash and cash equivalents, beginning of year	<u>\$ 110,520,927</u>
 Cash and cash equivalents at Oct 31, 2015	<u><u>\$ 159,817,870</u></u>
 Reconciliation of operating income to net cash from operating activities	
Operating income (loss)	\$ 2,346,204
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	\$ 426,319
Changes in operating assets and liabilities	
Premiums receivable	\$ (47,951,149)
Due from Santa Clara Family Health Foundation	\$ 3,612
Prepays and other assets	\$ 107,353
Deferred outflow of resources	\$ -
Accounts payable and accrued liabilities	\$ 10,233,523
State payable	\$ 46,433,612
Santa Clara Valley Health Plan payable	\$ (7,539,374)
Net Pension Liability	\$ -
Medical cost reserves and PDR	\$ 8,549,445
Deferred inflow of resources	<u>\$ -</u>
Total adjustments	<u>\$ 47,170,857</u>
Net cash from operating activities	<u><u>\$ 49,517,061</u></u>

Santa Clara Family Health Plan Enrollment Summary

For the Month of Oct 2015

Four Months Ending Oct 2015

	<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	249,867	238,621	4.7%	976,168	951,061	2.6%	806,849	21.0%
Healthy Kids	4,362	4,360	0.0%	17,831	17,731	0.6%	19,832	(10.1%)
Medicare	8,354	9,018	(7.4%)	31,507	33,438	(5.8%)		
Agnews	110	114	0.0%	437	456	0.0%	455	(4.0%)
Total	262,693	252,114	4.2%	1,025,943	1,002,686	2.3%	827,136	24.0%

**Santa Clara County Health Authority
October 2015**

	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	20,708	8%	192	4%	8,354	100%	110	100%	29,364	11%
SCVHHS, Safety Net Clinics, FQHC Clinics	136,725	55%	2,926	67%	0	0%	0	0%	139,651	53%
Palo Alto Medical Foundation	6,883	3%	42	1%	0	0%	0	0%	6,925	3%
Physicians Medical Group	44,617	18%	1,064	24%	0	0%	0	0%	45,681	17%
Premier Care	15,269	6%	138	3%	0	0%	0	0%	15,407	6%
Kaiser	<u>25,665</u>	<u>10%</u>	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0%</u>	<u>25,665</u>	<u>10%</u>
Total	<u>249,867</u>	<u>100%</u>	<u>4,362</u>	<u>100%</u>	<u>8,354</u>	<u>100%</u>	<u>110</u>	<u>100%</u>	<u>262,693</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>6.6%</u>		<u>-3.9%</u>		<u>16.2%</u>		<u>-1.8%</u>		<u>6.6%</u>	

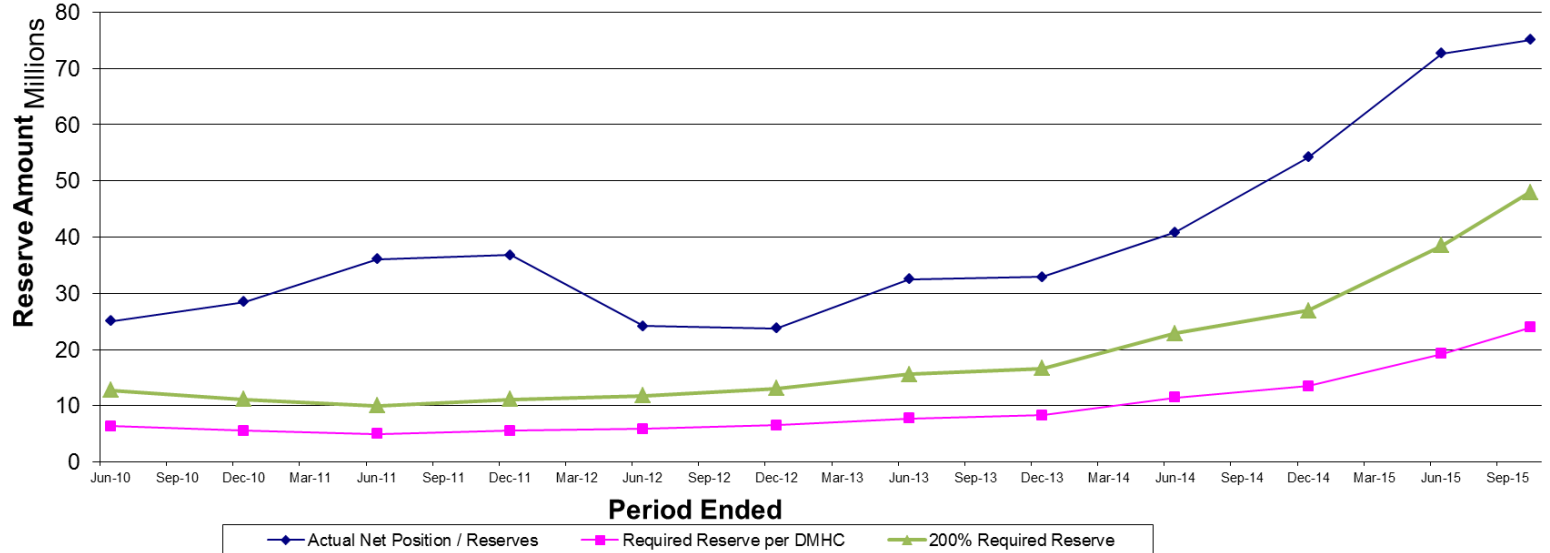
Santa Clara Family Health Plan Enrollment by Aid-Category

	2014-11	2014-12	2015-01	2015-02	2015-03	2015-04	2015-05	2015-06	2015-07	2015-08	2015-09	2015-10
Adult (over 19)	32,051	31,670	31,384	30,539	30,128	29,402	28,746	28,225	27,892	27,378	27,136	27,196
Adult (under 19)	77,710	79,189	80,857	82,027	83,773	85,820	88,510	90,765	92,716	95,501	97,820	99,750
Aged - Medi-Cal Only	7,911	7,980	8,211	8,430	8,376	8,544	8,699	8,776	8,702	8,790	8,920	8,971
Disabled - Medi-Cal Only	11,719	11,675	11,538	11,511	11,478	11,377	11,381	11,295	11,258	11,174	11,121	11,081
Child (HF conversion)	20,535	19,420	17,664	16,784	15,827	14,420	12,762	11,153	9,541	7,791	6,032	4,575
Adult Expansion	52,493	55,582	58,725	59,298	61,043	63,349	66,492	68,736	71,197	73,710	75,831	77,776
Long Term Care	57	60	91	102	104	124	139	157	175	180	187	186
Total Non-Duals	202,476	205,576	208,470	208,691	210,729	213,036	216,729	219,107	221,481	224,524	227,047	229,535
Aged -Duals	5,389	5,209	4,289	5,373	6,270	7,343	8,360	9,323	10,024	10,699	11,602	12,464
Disabled - Duals	3,525	3,458	2,466	2,920	3,260	3,669	4,037	4,450	4,733	4,938	5,243	5,549
Other Duals	837	886	839	883	950	1,008	1,065	1,150	1,237	1,302	1,371	1,461
Long Term Care - Duals	44	43	42	69	102	234	343	468	618	697	787	859
Total Duals	9,795	9,596	7,636	9,245	10,582	12,254	13,805	15,390	16,612	17,635	19,002	20,332
Total Medi-Cal	212,271	215,172	216,106	217,936	221,311	225,290	230,534	234,497	238,093	242,159	246,049	249,867
Healthy Kids	4,762	4,763	4,795	4,665	4,623	4,584	4,595	4,541	4,496	4,598	4,375	4,362
Agnews	113	112	112	112	112	112	112	112	108	109	110	110
CMC	0	0	5,415	6,001	6,353	7,001	6,590	6,924	7,235	7,381	7,587	8,018
CMC - Long Term Care	0	0	142	161	195	225	246	263	308	317	325	336
Total Enrollment	217,146	220,047	226,570	228,875	232,594	237,212	242,077	246,337	250,240	254,564	258,446	262,693

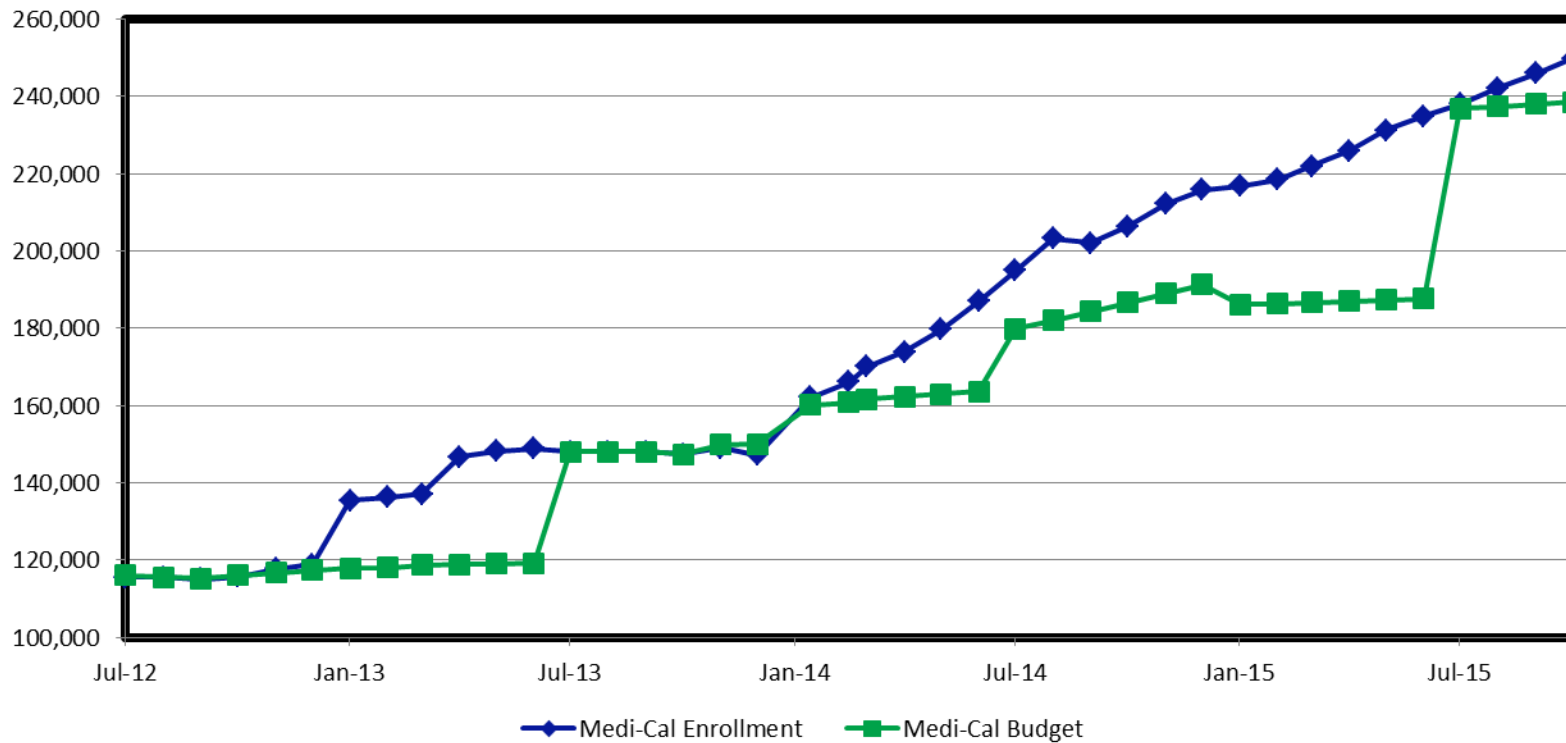
**Santa Clara County Health Authority
Tangible Net Equity - Actual vs. Required
As of Period Ended:**

	<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>10/31/2015</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	75,069,558
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	23,971,000
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	47,942,000

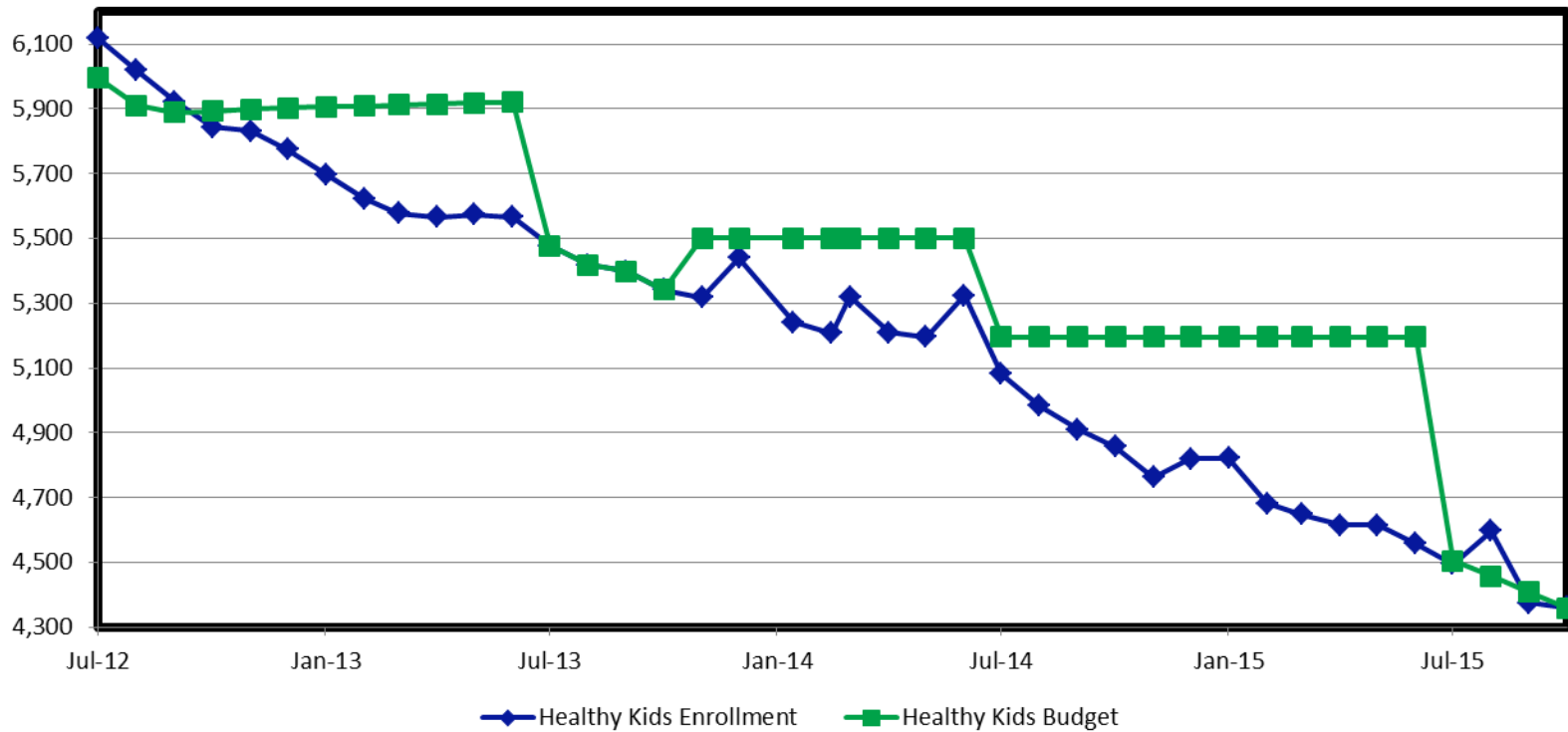
TNE Actual vs. Required



SCFHP Medi-Cal Enrollment as of Oct 2015



SCFHP Healthy Kids Enrollment as of Oct 2015





Santa Clara
Family Health Plan

The Spirit of Care

Financial Statements
For Five Months Ended November 2015
(Unaudited)

Table of Contents

Description	Page
Financial Statement Comments	1-5
Balance Sheet	6
Income Statement for the Month and YTD period Ended November 2015	7
Administrative Expense Summary November 2015	8
Statement of Operations by Line of Business (Includes Allocated Expenses)	9
Statement of Cash Flows for the YTD period Ended November 2015	10
Enrollment by Line of Business	11
Enrollment by Network	12
Enrollment by Aid Category	13
Tangible Net Equity – Actual vs. Required	14

Santa Clara Family Health Plan
CFO Finance Report
For the Month and Year to Date Ended November 30, 2015

Summary of Financial Results

For the month of November 2015, SCFHP recorded a net surplus of \$0.7 million compared to a budgeted net surplus of \$1.8 million resulting in an unfavorable variance from budget of \$1.1 million. For year to date November 2015, SCFHP recorded a net surplus of \$3.1 million compared to a budgeted net surplus of \$9.8 million resulting in a unfavorable variance from budget of \$6.7 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 – November 2015
Favorable/ (Unfavorable)

Current Month					Year to Date			
Actual	Budget	Variance \$	Variance %		Actual	Budget	Variance \$	Variance %
\$ 91,433,032	\$ 80,364,837	\$ 11,068,194	13.8%	Revenue	\$431,704,711	\$389,933,306	\$ 41,771,406	10.7%
87,802,364	75,267,621	(12,534,742)	-16.7%	Medical Expense	414,191,894	363,490,123	(50,701,772)	-13.9%
3,630,668	5,097,216	(1,466,548)	-28.8%	Gross Margin	17,512,817	26,443,183	(8,930,366)	-33.8%
2,938,388	2,850,550	(87,839)	-3.1%	Administrative Expense	14,286,672	14,272,830	(13,842)	-0.1%
692,280	2,246,666	(1,554,387)	-69.2%	Net Operating Income	3,226,145	12,170,353	(8,944,208)	-73.5%
(23,728)	(478,570)	454,842	95.0%	Non-Operating Income/Exp	(118,989)	(2,392,851)	2,273,862	95.0%
\$ 668,552	\$ 1,768,096	\$ (1,099,544)	-62.2%	Net Surplus/ (Loss)	\$ 3,107,156	\$ 9,777,503	\$ (6,670,346)	-68.2%

Revenue

The Health Plan recorded net revenue of \$91.4 million for the month of November 2015, compared to budgeted revenue of \$80.4 million, resulting in a favorable variance from budget of \$11.1 million, or 13.8%. For year to date November 2015, the Plan recorded net revenue of \$431.7 million, compared to budgeted revenue of \$389.9 million, resulting in a favorable variance from budget of \$41.8 million, or 10.7%, 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. Higher than budgeted membership also contributed to positive variance in Medi-Cal expansion revenue. 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 November 2015, overall member months were higher than budget by 14,654 (+5.8%). For year to date November 2015, overall member months were higher than budget by 38,183 (+3.0%).

In the five months since the end of the prior fiscal year, 6/30/2015, membership in Medi-Cal increased by 8.5%, membership in the Healthy Kids program decreased by 4.8%, and membership in the Agnews program decreased by 0.9%.

In January 2015, we started enrolling members in Cal MediConnect (CMC). For the month of November 2015, membership in the CMC program was lower than the budget by 590 member months (-6.2%). For year to date November 2015, membership in the CMC program was lower than the budget by 2,522 member months (-5.9%). In the five months since the end of the prior fiscal year, 6/30/2015, membership in CMC program increased by 23.9%.

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

Medical Expenses

For the month of November 2015, medical expense was \$87.8 million compared to budget of \$75.3 million, resulting in an unfavorable budget variance of \$12.5 million, or -16.7%. For year to date November 2015, medical expense was \$414.2 million compared to budget of \$363.5 million, resulting in an unfavorable budget variance of \$50.7 million, or -13.9%. The increased medical expenses year to date, compared to budget, are primarily attributable to two categories: Long term care contributed to \$16.6 million or 90.0% over budget and IHSS pass-through expense contributed to \$32.2 million or 212.8% over budget. Higher than budgeted membership also contributed to the unfavorable variance in medical expenses.

Administrative Expenses

Overall administrative costs were over budget by \$88 thousand (-3.1%) for the month of November 2015, and over budget by \$14 thousand (-0.1%) for year to date November 2015. Salaries/Benefits were under budget; however, higher than budgeted Professional Fees/Consulting/Temporary Staffing costs offset some of this favorable variance. Information systems expenses were also higher than budgeted because of the continued configuration necessary to meet the needs of the Cal Medi Connect (CMC) program.

Overall administrative expenses were 3.3% of revenues for year to date November 2015.

Balance Sheet (Page 6)

Current assets at November 30, 2015 totaled \$398.4 million compared to current liabilities of \$316.7 million, yielding a current ratio (the ratio of current assets to current liabilities) of 1.3 as of November 30, 2015. Working capital increased by \$3.3 million for the five months year to date ended November 30, 2015.

Cash as of November 30, 2015, increased by \$44.5 million compared to the cash balance as of year-end June 30, 2015. Net receivables increased by \$64.5 million during the same five month period ended November 30, 2015. The cash position increased largely due to the continued overpayment of Medi-Cal expansion premium revenues by the DHCS.

Liabilities increased by a net amount of \$105.1 million during the five months ended November 2015. 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 \$4.8 million as required by GASB 68, as of June 30, 2015.

Capital Expenses increased by \$327 thousand for the five months ended November 30, 2015.

Tangible Net Equity

Tangible Net Equity (TNE) was \$75.7 million at November 30, 2015 compared to the minimum TNE required by the Department of Managed Health Care (DMHC) of \$23.9 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 November 30, 2015, the Plan's reserves are below this reserves target by about \$70.9 million (see calculation below).

Calculation of targeted reserves as of November 30, 2015

Estimate of two months' capitation (based on November 2015) (November-2015 Medi-Cal capitation of \$71,025,234 x 2 = \$142,050,468)	\$142,051,000
Less: Unrestricted Net Equity per balance sheet (rounded)	<u>\$ 71,125,000</u>
Approximate reserves below target	<u>\$ 70,926,000</u>

**Santa Clara County Health Authority
Balance Sheet**

	NOV 15	OCT 15	SEP 15	JUN 15
Assets				
Current Assets				
Cash and Marketable Securities	\$ 154,996,430	\$ 159,817,870	\$ 133,454,211	\$ 110,520,927
Premiums Receivable	242,021,966	225,482,179	189,805,625	177,531,031
Due from Santa Clara Family Health Foundation - net	0	0	0	3,612
Prepaid Expenses and Other Current Assets	<u>1,404,354</u>	<u>1,809,748</u>	<u>2,271,185</u>	<u>1,917,101</u>
Total Current Assets	398,422,749	387,109,797	325,531,022	289,972,670
Long Term Assets				
Equipment	12,206,436	12,191,691	12,175,786	11,879,173
Less: Accumulated Depreciation	<u>(7,898,871)</u>	<u>(7,790,190)</u>	<u>(7,681,463)</u>	<u>(7,363,871)</u>
Total Long Term Assets	4,307,565	4,401,501	4,494,323	4,515,302
Total Assets	\$ 402,730,314	\$ 391,511,298	\$ 330,025,345	\$ 294,487,972
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	404,097,645	392,878,629	331,392,676	295,855,303
Liabilities and Net Position				
Current Liabilities				
Trade Payables	\$ 7,947,626	\$ 8,693,107	\$ 8,553,349	\$ 4,924,038
Deferred Rent	156,832	158,892	160,953	167,134
Employee Benefits	884,975	894,979	868,782	973,066
Retirement Obligation per GASB 45	223,546	187,662	151,777	0
Advance Premium - Healthy Kids	60,798	62,852	61,781	64,127
Deferred Revenue - Medicare	0	9,365,547	0	0
Liability for ACA 1202	5,071,748	5,075,111	5,075,257	5,069,225
Payable to Hospitals (SB208)	(35,535)	(35,535)	(35,535)	(35,535)
Payable to Hospitals (AB 85)	1,657,339	1,608,214	1,580,865	4,615,251
Due to Santa Clara County Valley Health Plan	3,700,668	3,690,932	2,824,551	11,230,305
MCO Tax Payable - State Board of Equalization	8,711,123	8,783,495	8,773,976	8,909,559
Due to DHCS	76,975,996	68,732,897	56,389,864	22,173,221
Liability for In Home Support Services (IHSS)	116,839,306	106,445,324	69,537,810	69,537,810
Premium Deficiency Reserve (PDR)	13,088,054	13,088,054	13,088,054	13,088,054
Medical Cost Reserves	<u>81,388,508</u>	<u>79,368,988</u>	<u>76,722,166</u>	<u>70,819,543</u>
Total Current Liabilities	316,670,984	306,120,520	243,753,650	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	4,883,971	4,883,971	4,883,971	4,883,971
Total Liabilities	326,466,901	315,916,437	253,549,567	221,331,715
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	4,307,565	4,401,501	4,494,323	4,515,302
Restricted under Knox-Keene agreement	305,350	305,350	305,350	305,350
Unrestricted Net Equity	68,018,039	67,924,103	67,831,281	30,416,972
Current YTD Income (Loss)	<u>3,107,156</u>	<u>2,438,604</u>	<u>3,319,521</u>	<u>37,393,330</u>
Net Position / Reserves	75,738,110	75,069,558	75,950,475	72,630,954
Total Liabilities, Deferred Inflows, and Net Assets	\$ 404,097,645	\$ 392,878,629	\$ 331,392,676	\$ 295,855,303
Solvency Ratios:				
Working Capital	\$ 81,751,765	\$ 80,989,277	\$ 81,777,372	\$ 78,436,872
Working Capital Ratio	1.3	1.3	1.3	1.4
Average Days Cash on Hand	55	58	49	55

Santa Clara County Health Authority
Income Statement for the Five Months Ending Nov 30, 2015

	For the Month of Nov 2015					For Five Months Ending Nov 30, 2015				
	Actual	% of Revenue	Budget	% of Revenue	Variance	Actual	% of Revenue	Budget	% of Revenue	Variance
REVENUES										
MEDI-CAL	\$ 81,694,232	89.3%	\$ 69,419,420	86.4%	\$ 12,274,812	\$ 386,711,537	89.6%	\$ 341,163,401	87.5%	\$ 45,548,136
HEALTHY KIDS	\$ 373,253	0.4%	\$ 372,988	0.5%	\$ 265	\$ 1,918,660	0.4%	\$ 1,906,534	0.5%	\$ 12,126
MEDICARE	\$ 9,365,547	10.2%	\$ 10,486,750	13.0%	\$ (1,121,203)	\$ 43,074,515	10.0%	\$ 46,434,971	11.9%	\$ (3,360,456)
AGNEWS	\$ -	0.0%	\$ 85,680	0.1%	\$ (85,680)	\$ -	0.0%	\$ 428,400	0.1%	\$ (428,400)
TOTAL REVENUE	\$ 91,433,032	100.0%	\$ 80,364,837	100.0%	\$ 11,068,194	\$ 431,704,711	100.0%	\$ 389,933,306	100.0%	\$ 41,771,406
MEDICAL EXPENSES										
MEDI-CAL	\$ 77,122,217	84.3%	\$ 64,010,805	79.7%	\$ (13,111,411)	\$ 373,436,875	86.5%	\$ 312,360,399	80.1%	\$ (61,076,476)
HEALTHY KIDS	\$ 377,697	0.4%	\$ 340,684	0.4%	\$ (37,013)	\$ 1,879,064	0.4%	\$ 1,741,413	0.4%	\$ (137,651)
MEDICARE	\$ 10,278,487	11.2%	\$ 10,843,418	13.5%	\$ 564,931	\$ 38,672,256	9.0%	\$ 49,024,741	12.6%	\$ 10,352,485
AGNEWS	\$ 23,963	0.0%	\$ 72,714	0.1%	\$ 48,751	\$ 203,699	0.0%	\$ 363,570	0.1%	\$ 159,871
TOTAL MEDICAL EXPENSES	\$ 87,802,364	96.0%	\$ 75,267,621	93.7%	\$ (12,534,742)	\$ 414,191,894	95.9%	\$ 363,490,123	93.2%	\$ (50,701,772)
MEDICAL OPERATING MARGIN	\$ 3,630,668	4.0%	\$ 5,097,216	6.3%	\$ (1,466,548)	\$ 17,512,817	4.1%	\$ 26,443,183	6.8%	\$ (8,930,366)
ADMINISTRATIVE EXPENSES										
SALARIES AND BENEFITS	\$ 1,406,222	1.5%	\$ 1,588,896	2.0%	\$ 182,674	\$ 7,261,335	1.7%	\$ 8,189,600	2.1%	\$ 928,265
RENTS AND UTILITIES	\$ 103,555	0.1%	\$ 114,203	0.1%	\$ 10,648	\$ 553,687	0.1%	\$ 596,014	0.2%	\$ 42,326
PRINTING AND ADVERTISING	\$ 18,076	0.0%	\$ 90,317	0.1%	\$ 72,241	\$ 240,728	0.1%	\$ 262,583	0.1%	\$ 21,855
INFORMATION SYSTEMS	\$ 288,613	0.3%	\$ 124,602	0.2%	\$ (164,011)	\$ 937,314	0.2%	\$ 623,009	0.2%	\$ (314,305)
PROF FEES / CONSULTING / TEMP STAFFING	\$ 900,148	1.0%	\$ 638,891	0.8%	\$ (261,257)	\$ 3,978,141	0.9%	\$ 3,108,396	0.8%	\$ (869,745)
DEPRECIATION / INSURANCE / EQUIPMENT	\$ 139,593	0.2%	\$ 173,105	0.2%	\$ 33,513	\$ 679,992	0.2%	\$ 784,595	0.2%	\$ 104,603
OFFICE SUPPLIES / POSTAGE / TELEPHONE	\$ 12,352	0.0%	\$ 56,346	0.1%	\$ 43,994	\$ 276,059	0.1%	\$ 308,229	0.1%	\$ 32,171
MEETINGS / TRAVEL / DUES	\$ 59,951	0.1%	\$ 56,549	0.1%	\$ (3,402)	\$ 331,383	0.1%	\$ 362,193	0.1%	\$ 30,811
OTHER	\$ 9,879	0.0%	\$ 7,642	0.0%	\$ (2,237)	\$ 28,033	0.0%	\$ 38,210	0.0%	\$ 10,177
TOTAL ADMINISTRATIVE EXPENSES	\$ 2,938,388	3.2%	\$ 2,850,550	3.5%	\$ (87,839)	\$ 14,286,672	3.3%	\$ 14,272,830	3.7%	\$ (13,842)
OPERATING SURPLUS (LOSS)	\$ 692,280	0.8%	\$ 2,246,666	2.8%	\$ (1,554,387)	\$ 3,226,145	0.7%	\$ 12,170,353	3.1%	\$ (8,944,208)
GASB 45-POST EMPLOYMENT BENEFITS EXPENSE	\$ (35,885)	0.0%	\$ (57,946)	-0.1%	\$ 22,061	\$ (223,546)	-0.1%	\$ (289,730)	-0.1%	\$ 66,184
GASB 68 - UNFUNDED PENSION LIABILITY	\$ -	0.0%	\$ (437,479)	-0.5%	\$ 437,479	\$ -	0.0%	\$ (2,187,396)	-0.6%	\$ 2,187,396
INTEREST & OTHER INCOME	\$ 12,157	0.0%	\$ 16,855	0.0%	\$ (4,698)	\$ 104,557	0.0%	\$ 84,275	0.0%	\$ 20,282
NET SURPLUS (LOSS) FINAL	\$ 668,552	1%	\$ 1,768,096	2.2%	\$ (1,099,544)	\$ 3,107,156	0.7%	\$ 9,777,503	2.5%	\$ (6,670,346)

Administrative Expense
Actual vs. Budget
For the Current Month & Fiscal Year to Date - Nov 2015
Favorable/(Unfavorable)

Current Month					Year to Date			
Actual	Budget	Variance \$	Variance %		Actual	Budget	Variance \$	Variance %
\$ 1,406,222	\$ 1,588,896	\$ 182,674	11.5%	Personnel	\$ 7,261,335	\$ 8,189,600	\$ 928,265	11.3%
1,532,167	1,261,654	(270,513)	-21.4%	Non-Personnel	7,025,337	6,083,229	\$ (942,107)	-15.5%
2,938,388	2,850,550	(87,839)	-3.1%	Total Administrative Expense	14,286,672	14,272,830	(13,842)	-0.1%

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

Five Months Ended Nov 30, 2015

	Medi-Cal (incl. Agnews)	CMC	Healthy Kids	Grand Total
P&L (ALLOCATED BASIS)				
REVENUE	376,755,008	53,031,044	\$1,918,660	\$431,704,711
MEDICAL EXPENSES (MLR)	361,554,432 96.0%	50,758,398 95.7%	1,879,064 97.9%	\$414,191,894 95.9%
GROSS MARGIN	15,200,575	2,272,646	39,595	17,512,817
ADMINISTRATIVE EXPENSES <i>(% MM allocation except CMC)</i>	12,310,206	1,754,989	221,476	14,286,672
OPERATING INCOME/(LOSS)	2,890,369	517,657	(181,881)	3,226,145
OTHER INCOME/(EXPENSE) <i>(% of Revenue Allocation)</i>	(103,843)	(14,617)	(529)	(118,989)
NET INCOME/ (LOSS)	\$2,786,526	\$503,040	(\$182,410)	\$3,107,156
PMPM (ALLOCATED BASIS)				
REVENUE	\$305.94	\$1,312.23	\$86.60	\$333.61
MEDICAL EXPENSES	293.59	1,255.99	84.81	320.07
GROSS MARGIN	12.34	56.24	1.79	13.53
ADMINISTRATIVE EXPENSES	10.00	43.43	10.00	11.04
OPERATING INCOME/(LOSS)	2.35	12.81	(8.21)	2.49
OTHER INCOME / (EXPENSE)	(0.08)	(0.36)	(0.02)	(0.09)
NET INCOME / (LOSS)	\$2.26	\$12.45	(\$8.23)	\$2.40
ALLOCATION BASIS:				
MEMBER MONTHS - YTD	1,231,487	40,413	22,156	1,294,056
Member MONTHS by LOB	95.2%	3.1%	1.8%	100%
Revenue by LOB	87.3%	12.3%	0.4%	100%

**Santa Clara Family Health Plan
Statement of Cash Flows
For Five Months Ended Nov 30, 2015**

Cash flows from operating activities	
Premiums received	\$ 421,821,727
Medical expenses paid	\$ (363,851,071)
Administrative expenses paid	<u>\$ (13,272,449)</u>
Net cash from operating activities	\$ 44,698,208
 Cash flows from capital and related financing activities	
Purchases of capital assets	\$ (327,262)
 Cash flows from investing activities	
Interest income and other income, net	<u>\$ 104,557</u>
 Net (Decrease) increase in cash and cash equivalents	<u>\$ 44,475,503</u>
 Cash and cash equivalents, beginning of year	<u>\$ 110,520,927</u>
 Cash and cash equivalents at Nov 30, 2015	<u><u>\$ 154,996,430</u></u>
 Reconciliation of operating income to net cash from operating activities	
Operating income (loss)	\$ 3,002,599
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	\$ 534,999
Changes in operating assets and liabilities	
Premiums receivable	\$ (64,490,936)
Due from Santa Clara Family Health Foundation	\$ 3,612
Prepays and other assets	\$ 512,748
Deferred outflow of resources	\$ -
Accounts payable and accrued liabilities	\$ 190,023
State payable	\$ 54,604,340
Santa Clara Valley Health Plan payable	\$ (7,529,638)
Net Pension Liability	\$ -
Medical cost reserves and PDR	\$ 10,568,965
Deferred inflow of resources	<u>\$ -</u>
Total adjustments	<u>\$ 41,695,609</u>
Net cash from operating activities	<u><u>\$ 44,698,208</u></u>

Santa Clara Family Health Plan Enrollment Summary

For the Month of Nov 2015

Five Months Ending Nov 2015

	<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	254,499	239,264	6.4%	1,230,935	1,190,325	3.4%	1,019,120	20.8%
Healthy Kids	4,325	4,312	0.3%	22,156	22,043	0.5%	24,594	(9.9%)
Medicare	8,906	9,496	(6.2%)	40,413	42,935	(5.9%)		
Agnews	111	114	0.0%	552	570	0.0%	568	(2.8%)
Total	267,841	253,187	5.8%	1,294,056	1,255,873	3.0%	1,044,282	23.9%

**Santa Clara County Health Authority
November 2015**

	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	21,436	8%	193	4%	8,906	100%	111	100%	30,646	11%
SCVHHS, Safety Net Clinics, FQHC Clinics	139,613	55%	2,902	67%	0	0%	0	0%	142,515	53%
Palo Alto Medical Foundation	7,009	3%	40	1%	0	0%	0	0%	7,049	3%
Physicians Medical Group	45,013	18%	1,050	24%	0	0%	0	0%	46,063	17%
Premier Care	15,461	6%	140	3%	0	0%	0	0%	15,601	6%
Kaiser	<u>25,967</u>	<u>10%</u>	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0%</u>	<u>25,967</u>	<u>10%</u>
Total	<u>254,499</u>	<u>100%</u>	<u>4,325</u>	<u>100%</u>	<u>8,906</u>	<u>100%</u>	<u>111</u>	<u>100%</u>	<u>267,841</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>8.5%</u>		<u>-4.8%</u>		<u>23.9%</u>		<u>-0.9%</u>		<u>8.7%</u>	

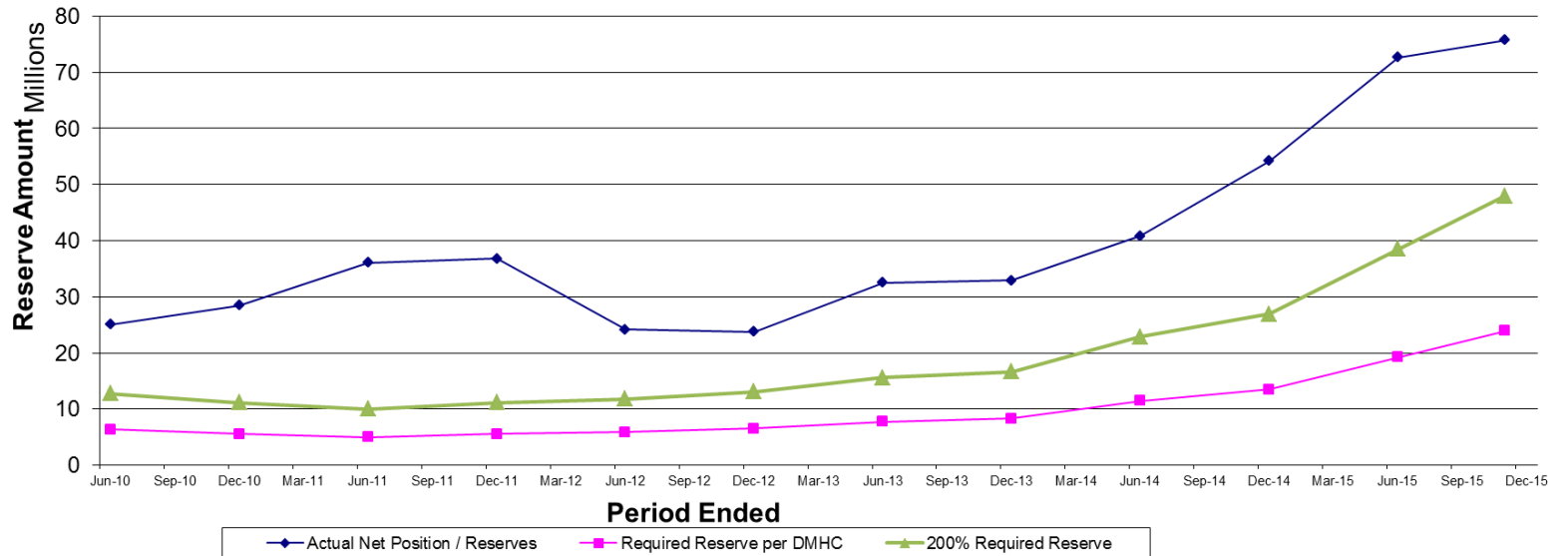
Santa Clara Family Health Plan Enrollment by Aid-Category

	2014-12	2015-01	2015-02	2015-03	2015-04	2015-05	2015-06	2015-07	2015-08	2015-09	2015-10	2015-11
Adult (over 19)	31,638	31,344	30,493	30,083	29,353	28,698	28,178	27,848	27,335	27,084	27,152	27,234
Adult (under 19)	79,191	80,859	82,030	83,778	85,841	88,551	90,812	92,782	95,565	97,889	99,823	101,802
Aged - Medi-Cal Only	7,994	8,238	8,460	8,403	8,561	8,709	8,777	8,693	8,781	8,910	8,963	9,165
Disabled - Medi-Cal Only	11,760	11,609	11,562	11,523	11,419	11,427	11,345	11,315	11,230	11,168	11,111	11,112
Child (HF conversion)	19,420	17,664	16,784	15,827	14,420	12,762	11,153	9,541	7,791	6,032	4,575	3,837
Adult Expansion	55,595	58,748	59,326	61,070	63,376	66,519	68,767	71,227	73,743	75,866	77,812	79,466
Other	33	42	50	49	53	52	54	48	47	55	47	45
Long Term Care	57	78	101	113	146	164	183	201	205	222	235	251
Total Non-Duals	205,688	208,582	208,806	210,846	213,169	216,882	219,269	221,655	224,697	227,226	229,718	232,912
Aged	5,242	4,320	5,428	6,337	7,426	8,449	9,425	10,144	10,830	11,736	12,603	13,558
Disabled	3,427	2,424	2,851	3,176	3,571	3,924	4,322	4,582	4,775	5,072	5,362	5,678
Other	887	842	886	954	1,012	1,069	1,155	1,243	1,308	1,378	1,466	1,492
Long Term Care	40	50	80	115	245	363	488	643	722	816	901	970
Total Duals	9,596	7,636	9,245	10,582	12,254	13,805	15,390	16,612	17,635	19,002	20,332	21,698
Total Medi-Cal	215,284	216,218	218,051	221,428	225,423	230,687	234,659	238,267	242,332	246,228	250,050	254,610
Healthy Kids	4,763	4,795	4,665	4,623	4,584	4,595	4,541	4,496	4,598	4,375	4,362	4,325
CMC Non-Long Term Care		5,432	6,009	6,362	7,001	6,587	6,917	7,238	7,381	7,588	8,019	8,539
CMC - Long Term Care		125	153	186	225	249	270	305	317	324	335	367
Total CMC		5,557	6,162	6,548	7,226	6,836	7,187	7,543	7,698	7,912	8,354	8,906
Total Enrollment	220,047	226,570	228,878	232,599	237,233	242,118	246,387	250,306	254,628	258,515	262,766	267,841

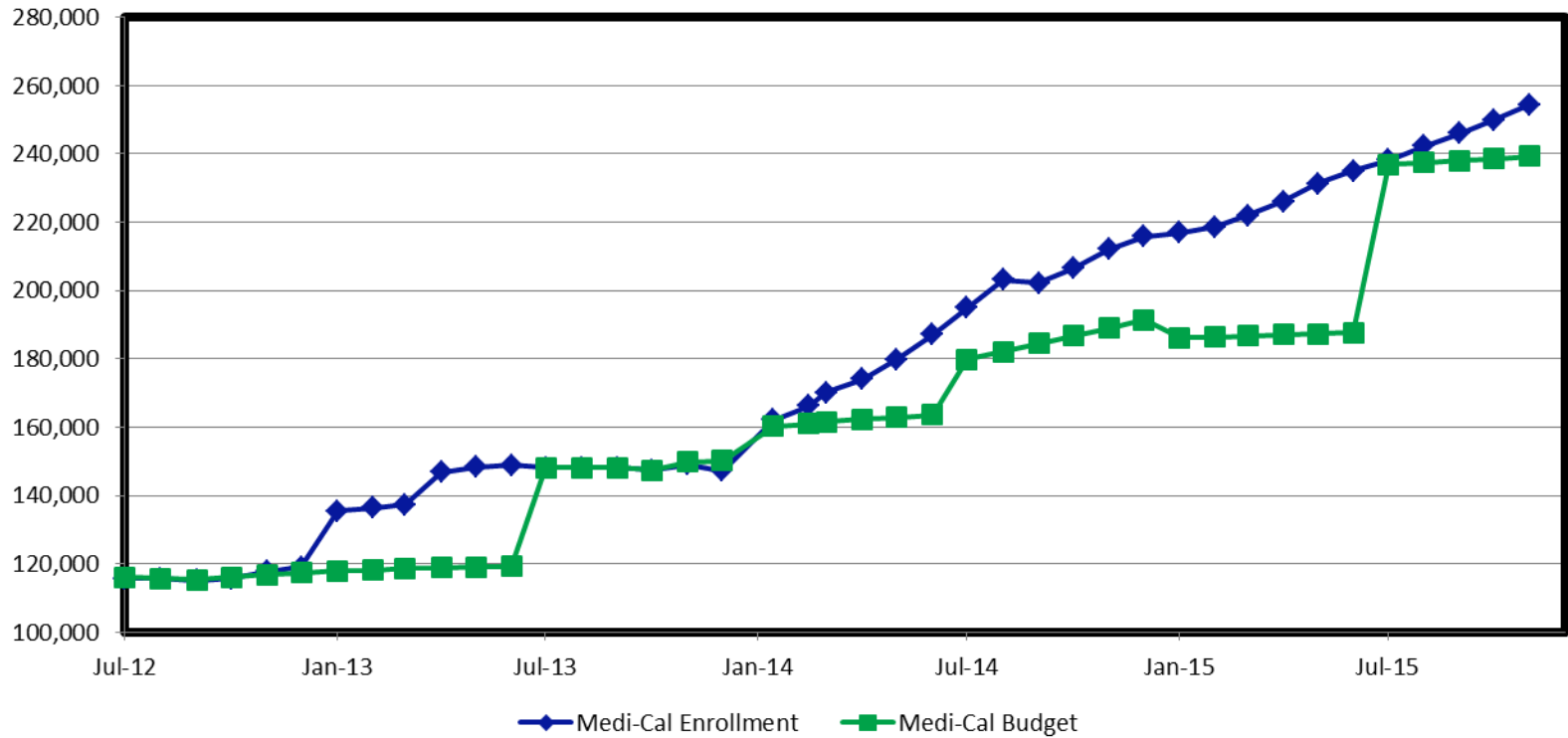
Santa Clara County Health Authority
Tangible Net Equity - Actual vs. Required
As of Period Ended:

	<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>11/30/2015</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	75,738,110
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	23,971,000
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	47,942,000

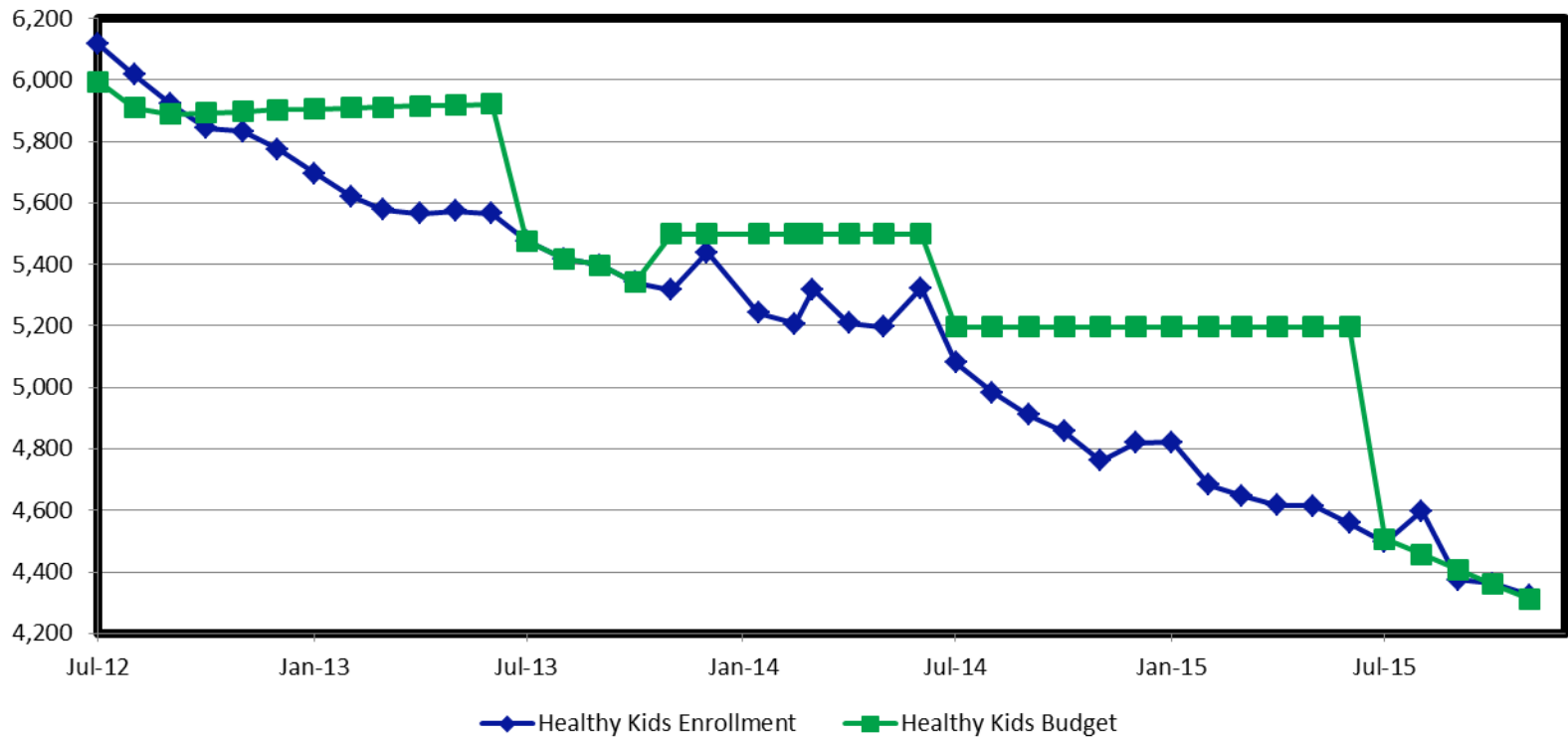
TNE Actual vs. Required



SCFHP Medi-Cal Enrollment as of Nov 2015



SCFHP Healthy Kids Enrollment as of Nov 2015





Santa Clara
Family Health Plan

The Spirit of Care

Financial Statements
For Six Months Ended December 2015
(Unaudited)

Table of Contents

Description	Page
Financial Statement Comments	1-5
Balance Sheet	6
Income Statement for the Month and YTD period Ended December 2015	7
Administrative Expense Summary December 2015	8
Statement of Operations by Line of Business (Includes Allocated Expenses)	9
Statement of Cash Flows for the YTD period Ended December 2015	10
Enrollment by Line of Business	11
Enrollment by Network	12
Enrollment by Aid Category	13
Medi-Cal Revenue by Aid Category	14
Tangible Net Equity – Actual vs. Required	15
Enrollment Charts	16-17

Santa Clara Family Health Plan
CFO Finance Report
For the Month and Year to Date Ended December 31, 2015

Summary of Financial Results

For the month of December 2015, SCFHP recorded a net surplus of \$4.6 million compared to a budgeted net surplus of \$1.5 million resulting in a favorable variance from budget of \$3.1 million. For year to date December 2015, SCFHP recorded a net surplus of \$7.7 million compared to a budgeted net surplus of \$11.3 million resulting in a unfavorable variance from budget of \$3.5 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 – December 2015

Favorable/ (Unfavorable)

Current Month					Year to Date			
Actual	Budget	Variance \$	Variance %		Actual	Budget	Variance \$	Variance %
\$ 94,121,007	\$ 81,683,988	\$ 12,437,019	15.2%	Revenue	\$525,825,718	\$471,617,293	\$ 54,208,425	11.5%
86,513,750	76,744,808	(9,768,941)	-12.7%	Medical Expense	500,705,644	440,234,931	(60,470,713)	-13.7%
7,607,257	4,939,180	2,668,078	54.0%	Gross Margin	25,120,074	31,382,362	(6,262,288)	-20.0%
2,903,043	2,945,977	42,934	1.5%	Administrative Expense	17,189,714	17,218,806	29,092	0.2%
4,704,215	1,993,203	2,711,012	136.0%	Net Operating Income	7,930,360	14,163,556	(6,233,196)	-44.0%
(64,752)	(478,570)	413,818	86.5%	Non-Operating Income/Exp	(183,741)	(2,871,421)	2,687,680	93.6%
\$ 4,639,463	\$ 1,514,633	\$ 3,124,830	206.3%	Net Surplus/ (Loss)	\$ 7,746,619	\$ 11,292,135	\$ (3,545,516)	-31.4%

Revenue

The Health Plan recorded net revenue of \$94.1 million for the month of December 2015, compared to budgeted revenue of \$81.7 million, resulting in a favorable variance from budget of \$12.4 million, or 15.2%. For year to date December 2015, the Plan recorded net revenue of \$525.8 million, compared to budgeted revenue of \$471.6 million, resulting in a favorable variance from budget of \$54.2 million, or 11.5%, 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. Higher than budgeted membership also contributed to positive variance in Medi-Cal expansion revenue. 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 December 2015, overall member months were higher than budget by 18,342 (+7.2%). For year to date December 2015, overall member months were higher than budget by 56,525 (+3.7%).

In the six months since the end of the prior fiscal year, 6/30/2015, membership in Medi-Cal increased by 10.3%, membership in the Healthy Kids program decreased by 5.9%, 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 December 2015, membership in the CMC program was lower than the budget by 301 member months (-3.0%). For year to date December 2015, membership in the CMC program was lower than the budget by 2,823 member months (-5.3%). In the six months since the end of the prior fiscal year, 6/30/2015, membership in CMC program increased by 35.0%.

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

Medical Expenses

For the month of December 2015, medical expense was \$86.5 million compared to budget of \$76.7 million, resulting in an unfavorable budget variance of \$9.8 million, or -12.7%. For year to date December 2015, medical expense was \$500.7 million compared to budget of \$440.2 million, resulting in an unfavorable budget variance of \$60.5 million, or -13.7%. The increased medical expenses year to date, compared to budget, are primarily attributable to two categories: Long term care contributed to \$18.9 million or 80.9% over budget and IHSS pass-through expense contributed to \$39.5 million or 215.6% over budget. Higher than budgeted membership also contributed to the unfavorable variance in medical expenses.

Administrative Expenses

Overall administrative costs were under budget by \$43 thousand (+1.5%) for the month of December 2015, and under budget by \$29 thousand (+0.2%) for year to date December 2015. Salaries/Benefits were under budget; however, higher than budgeted Professional Fees/Consulting/Temporary Staffing costs offset some of this favorable variance. Information systems expenses were also higher than budgeted because of the continued configuration necessary to meet the needs of the Cal Medi Connect (CMC) program.

Overall administrative expenses were 3.3% of revenues for year to date December 2015.

Balance Sheet (Page 6)

Current assets at December 31, 2015 totaled \$406.2 million compared to current liabilities of \$319.7 million, yielding a current ratio (the ratio of current assets to current liabilities) of 1.3 as of December 31, 2015. Working capital increased by \$8.1 million for the six months year to date ended December 31, 2015.

Cash as of December 31, 2015, increased by \$36.2 million compared to the cash balance as of year-end June 30, 2015. Net receivables increased by \$78.2 million during the same six month period ended December 31, 2015. The cash position increased largely due to the continued overpayment of Medi-Cal expansion premium revenues by the DHCS.

Liabilities increased by a net amount of \$108.1 million during the six months ended December 2015. 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 \$4.8 million as required by GASB 68, as of June 30, 2015. The increase in liabilities was partially offset by the annual risk pool payments made in December 2015.

Capital Expenses increased by \$327 thousand for the six months ended December 31, 2015.

Tangible Net Equity

Tangible Net Equity (TNE) was \$80.4 million at December 31, 2015 compared to the minimum TNE required by the Department of Managed Health Care (DMHC) of \$23.9 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 December 31, 2015, the Plan's reserves are below this reserves target by about \$69.0 million (see calculation below).

Calculation of targeted reserves as of December 31, 2015

Estimate of two months' capitation (based on December 2015) (December-2015 Medi-Cal capitation of \$72,456,828 x 2 = \$144,913,656)	\$142,914,000
Less: Unrestricted Net Equity per balance sheet (rounded)	<u>\$ 75,873,000</u>
Approximate reserves below target	<u>\$ 69,041,000</u>

**Santa Clara County Health Authority
Balance Sheet**

	<u>DEC 15</u>	<u>NOV 15</u>	<u>OCT 15</u>	<u>JUN 15</u>
Assets				
Current Assets				
Cash and Marketable Securities	\$ 146,674,508	\$ 154,996,430	\$ 159,817,870	\$ 110,520,927
Premiums Receivable	255,780,902	242,021,966	225,482,179	177,531,031
Due from Santa Clara Family Health Foundation - net	0	0	0	3,612
Prepaid Expenses and Other Current Assets	<u>3,724,224</u>	<u>1,404,354</u>	<u>1,809,748</u>	<u>1,917,101</u>
Total Current Assets	406,179,633	398,422,749	387,109,797	289,972,670
Long Term Assets				
Equipment	12,206,436	12,206,436	12,191,691	11,879,173
Less: Accumulated Depreciation	<u>(8,007,321)</u>	<u>(7,898,871)</u>	<u>(7,790,190)</u>	<u>(7,363,871)</u>
Total Long Term Assets	4,199,115	4,307,565	4,401,501	4,515,302
Total Assets	<u>\$ 410,378,748</u>	<u>\$ 402,730,314</u>	<u>\$ 391,511,298</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>411,746,079</u>	<u>404,097,645</u>	<u>392,878,629</u>	<u>295,855,303</u>
Liabilities and Net Position				
Current Liabilities				
Trade Payables	\$ 5,345,039	\$ 7,947,626	\$ 8,693,107	\$ 4,924,038
Deferred Rent	154,771	156,832	158,892	167,134
Employee Benefits	988,216	884,975	894,979	973,066
Retirement Obligation per GASB 45	303,554	223,546	187,662	0
Advance Premium - Healthy Kids	62,664	60,798	62,852	64,127
Deferred Revenue - Medicare	0	0	9,365,547	0
Liability for ACA 1202	5,071,748	5,071,748	5,075,111	5,069,225
Payable to Hospitals (SB208)	(35,535)	(35,535)	(35,535)	(35,535)
Payable to Hospitals (AB 85)	1,696,465	1,657,339	1,608,214	4,615,251
Due to Santa Clara County Valley Health Plan	4,525,739	3,700,668	3,690,932	11,230,305
MCO Tax Payable - State Board of Equalization	9,001,182	8,711,123	8,783,495	8,909,559
Due to DHCS	85,389,655	76,975,996	68,732,897	22,173,221
Liability for In Home Support Services (IHSS)	127,359,633	116,839,306	106,445,324	69,537,810
Premium Deficiency Reserve (PDR)	13,088,054	13,088,054	13,088,054	13,088,054
Medical Cost Reserves	<u>66,728,771</u>	<u>81,388,508</u>	<u>79,368,988</u>	<u>70,819,543</u>
Total Current Liabilities	319,679,955	316,670,984	306,120,520	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	4,883,971	4,883,971	4,883,971	4,883,971
Total Liabilities	<u>329,475,872</u>	<u>326,466,901</u>	<u>315,916,437</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	4,199,115	4,307,565	4,401,501	4,515,302
Restricted under Knox-Keene agreement	305,350	305,350	305,350	305,350
Unrestricted Net Equity	68,126,489	68,018,039	67,924,103	30,416,972
Current YTD Income (Loss)	<u>7,746,619</u>	<u>3,107,156</u>	<u>2,438,604</u>	<u>37,393,330</u>
Net Position / Reserves	<u>80,377,573</u>	<u>75,738,110</u>	<u>75,069,558</u>	<u>72,630,954</u>
Total Liabilities, Deferred Inflows, and Net Assets	<u>\$ 411,746,079</u>	<u>\$ 404,097,645</u>	<u>\$ 392,878,629</u>	<u>\$ 295,855,303</u>
Solvency Ratios:				
Working Capital	\$ 86,499,678	\$ 81,751,765	\$ 80,989,277	\$ 78,436,872
Working Capital Ratio	1.3	1.3	1.3	1.4
Average Days Cash on Hand	52	55	58	55

Santa Clara County Health Authority
Income Statement for the Six Months Ending Dec 31, 2015

	For the Month of Dec 2015					For Six Months Ending Dec 31, 2015				
	Actual	% of Revenue	Budget	% of Revenue	Variance	Actual	% of Revenue	Budget	% of Revenue	Variance
REVENUES										
MEDI-CAL	\$ 83,478,260	88.7%	\$ 70,063,918	85.8%	\$ 13,414,343	\$ 470,189,797	89.4%	\$ 411,227,319	87.2%	\$ 58,962,478
HEALTHY KIDS	\$ 373,308	0.4%	\$ 368,919	0.5%	\$ 4,389	\$ 2,291,968	0.4%	\$ 2,275,452	0.5%	\$ 16,515
MEDICARE	\$ 10,269,439	10.9%	\$ 11,165,472	13.7%	\$ (896,033)	\$ 53,343,954	10.1%	\$ 57,600,443	12.2%	\$ (4,256,489)
AGNEWS	\$ -	0.0%	\$ 85,680	0.1%	\$ (85,680)	\$ -	0.0%	\$ 514,080	0.1%	\$ (514,080)
TOTAL REVENUE	\$ 94,121,007	100.0%	\$ 81,683,988	100.0%	\$ 12,437,019	\$ 525,825,718	100.0%	\$ 471,617,293	100.0%	\$ 54,208,425
MEDICAL EXPENSES										
MEDI-CAL	\$ 76,109,240	80.9%	\$ 64,916,706	79.5%	\$ (11,192,533)	\$ 449,546,115	85.5%	\$ 377,277,105	80.0%	\$ (72,269,009)
HEALTHY KIDS	\$ 374,189	0.4%	\$ 336,968	0.4%	\$ (37,222)	\$ 2,253,254	0.4%	\$ 2,078,381	0.4%	\$ (174,873)
MEDICARE	\$ 10,009,333	10.6%	\$ 11,418,420	14.0%	\$ 1,409,087	\$ 48,681,590	9.3%	\$ 60,443,161	12.8%	\$ 11,761,572
AGNEWS	\$ 20,987	0.0%	\$ 72,714	0.1%	\$ 51,727	\$ 224,686	0.0%	\$ 436,284	0.1%	\$ 211,598
TOTAL MEDICAL EXPENSES	\$ 86,513,750	91.9%	\$ 76,744,808	94.0%	\$ (9,768,941)	\$ 500,705,644	95.2%	\$ 440,234,931	93.3%	\$ (60,470,713)
MEDICAL OPERATING MARGIN	\$ 7,607,257	8.1%	\$ 4,939,180	6.0%	\$ 2,668,078	\$ 25,120,074	4.8%	\$ 31,382,362	6.7%	\$ (6,262,288)
ADMINISTRATIVE EXPENSES										
SALARIES AND BENEFITS	\$ 1,646,199	1.7%	\$ 1,740,352	2.1%	\$ 94,153	\$ 8,907,535	1.7%	\$ 9,929,953	2.1%	\$ 1,022,418
RENTS AND UTILITIES	\$ 102,480	0.1%	\$ 114,203	0.1%	\$ 11,723	\$ 656,167	0.1%	\$ 710,216	0.2%	\$ 54,049
PRINTING AND ADVERTISING	\$ 36,770	0.0%	\$ 30,317	0.0%	\$ (6,454)	\$ 277,499	0.1%	\$ 292,900	0.1%	\$ 15,401
INFORMATION SYSTEMS	\$ 86,428	0.1%	\$ 124,602	0.2%	\$ 38,174	\$ 1,023,742	0.2%	\$ 747,611	0.2%	\$ (276,131)
PROF FEES / CONSULTING / TEMP STAFFING	\$ 735,602	0.8%	\$ 639,511	0.8%	\$ (96,090)	\$ 4,713,742	0.9%	\$ 3,747,907	0.8%	\$ (965,835)
DEPRECIATION / INSURANCE / EQUIPMENT	\$ 129,815	0.1%	\$ 173,105	0.2%	\$ 43,291	\$ 809,807	0.2%	\$ 957,700	0.2%	\$ 147,893
OFFICE SUPPLIES / POSTAGE / TELEPHONE	\$ 102,482	0.1%	\$ 55,846	0.1%	\$ (46,636)	\$ 378,541	0.1%	\$ 364,075	0.1%	\$ (14,466)
MEETINGS / TRAVEL / DUES	\$ 60,150	0.1%	\$ 60,399	0.1%	\$ 248	\$ 391,533	0.1%	\$ 422,592	0.1%	\$ 31,059
OTHER	\$ 3,116	0.0%	\$ 7,642	0.0%	\$ 4,526	\$ 31,149	0.0%	\$ 45,852	0.0%	\$ 14,703
TOTAL ADMINISTRATIVE EXPENSES	\$ 2,903,043	3.1%	\$ 2,945,977	3.6%	\$ 42,934	\$ 17,189,714	3.3%	\$ 17,218,806	3.7%	\$ 29,092
OPERATING SURPLUS (LOSS)	\$ 4,704,215	5.0%	\$ 1,993,203	2.4%	\$ 2,711,012	\$ 7,930,360	1.5%	\$ 14,163,556	3.0%	\$ (6,233,196)
GASB 45-POST EMPLOYMENT BENEFITS EXPENSE	\$ (80,007)	-0.1%	\$ (57,946)	-0.1%	\$ (22,061)	\$ (303,554)	-0.1%	\$ (347,676)	-0.1%	\$ 44,123
GASB 68 - UNFUNDED PENSION LIABILITY	\$ -	0.0%	\$ (437,479)	-0.5%	\$ 437,479	\$ -	0.0%	\$ (2,624,875)	-0.6%	\$ 2,624,875
INTEREST & OTHER INCOME	\$ 15,255	0.0%	\$ 16,855	0.0%	\$ (1,600)	\$ 119,813	0.0%	\$ 101,130	0.0%	\$ 18,682
NET SURPLUS (LOSS) FINAL	\$ 4,639,463	5%	\$ 1,514,633	1.9%	\$ 3,124,830	\$ 7,746,619	1.5%	\$ 11,292,135	2.4%	\$ (3,545,516)

Administrative Expense
Actual vs. Budget
For the Current Month & Fiscal Year to Date - Dec 2015
Favorable/(Unfavorable)

Current Month					Year to Date			
Actual	Budget	Variance \$	Variance %		Actual	Budget	Variance \$	Variance %
\$ 1,646,199	\$ 1,740,352	\$ 94,153	5.4%	Personnel	\$ 8,907,535	\$ 9,929,953	\$ 1,022,418	10.3%
1,256,843	1,205,624	(51,219)	-4.2%	Non-Personnel	8,282,180	7,288,853	\$ (993,326)	-13.6%
2,903,043	2,945,977	42,934	1.5%	Total Administrative Expense	17,189,714	17,218,806	29,092	0.2%

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

Six Months Ended Dec 31, 2015

	Medi-Cal (incl. Agnews)	CMC	Healthy Kids	Grand Total
P&L (ALLOCATED BASIS)				
REVENUE	457,971,871	65,561,880	\$2,291,968	\$525,825,718
MEDICAL EXPENSES (MLR)	434,641,438 94.9%	63,810,953 97.3%	2,253,254 98.3%	\$500,705,644 95.2%
GROSS MARGIN	23,330,433	1,750,927	38,714	25,120,074
ADMINISTRATIVE EXPENSES (% MM allocation except CMC)	14,784,234	2,143,277	262,203	17,189,714
OPERATING INCOME/(LOSS)	8,546,199	(392,350)	(223,489)	7,930,360
OTHER INCOME/(EXPENSE) (% of Revenue Allocation)	(160,030)	(22,909)	(801)	(183,741)
NET INCOME/ (LOSS)	\$8,386,168	(\$415,259)	(\$224,290)	\$7,746,619
PMPM (ALLOCATED BASIS)				
REVENUE	\$307.32	\$1,308.31	\$86.72	\$335.62
MEDICAL EXPENSES	291.67	1,273.37	85.26	319.59
GROSS MARGIN	15.66	34.94	1.46	16.03
ADMINISTRATIVE EXPENSES	9.92	42.77	9.92	10.97
OPERATING INCOME/(LOSS)	5.73	(7.83)	(8.46)	5.06
OTHER INCOME / (EXPENSE)	(0.11)	(0.46)	(0.03)	(0.12)
NET INCOME / (LOSS)	\$5.63	(\$8.29)	(\$8.49)	\$4.94
ALLOCATION BASIS:				
MEMBER MONTHS - YTD	1,490,189	50,112	26,429	1,566,730
Member MONTHS by LOB	95.1%	3.2%	1.7%	100%
Revenue by LOB	87.1%	12.5%	0.4%	100%

**Santa Clara Family Health Plan
Statement of Cash Flows
For Six Months Ended Dec 31, 2015**

Cash flows from operating activities	
Premiums received	\$ 510,887,516
Medical expenses paid	\$ (453,679,160)
Administrative expenses paid	<u>\$ (20,847,326)</u>
Net cash from operating activities	\$ 36,361,031
Cash flows from capital and related financing activities	
Purchases of capital assets	\$ (327,262)
Cash flows from investing activities	
Interest income and other income, net	<u>\$ 119,813</u>
Net (Decrease) increase in cash and cash equivalents	<u>\$ 36,153,581</u>
Cash and cash equivalents, beginning of year	<u>\$ 110,520,927</u>
Cash and cash equivalents at Dec 31, 2015	<u><u>\$ 146,674,508</u></u>
Reconciliation of operating income to net cash from operating activities	
Operating income (loss)	\$ 7,626,806
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	\$ 643,449
Changes in operating assets and liabilities	
Premiums receivable	\$ (78,249,871)
Due from Santa Clara Family Health Foundation	\$ 3,612
Prepays and other assets	\$ (1,807,122)
Deferred outflow of resources	\$ -
Accounts payable and accrued liabilities	\$ (2,190,385)
State payable	\$ 63,308,057
Santa Clara Valley Health Plan payable	\$ (6,704,566)
Net Pension Liability	\$ -
Medical cost reserves and PDR	\$ (4,090,772)
Deferred inflow of resources	<u>\$ -</u>
Total adjustments	<u>\$ 28,734,224</u>
Net cash from operating activities	<u><u>\$ 36,361,031</u></u>

Santa Clara Family Health Plan Enrollment Summary

For the Month of Dec 2015

Six Months Ending Dec 2015

	<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	258,592	239,953	7.8%	1,489,527	1,430,278	4.1%	1,235,045	20.6%
Healthy Kids	4,273	4,265	0.2%	26,429	26,309	0.5%	29,414	(10.1%)
Medicare	9,699	10,000	(3.0%)	50,112	52,935	(5.3%)		
Agnews	110	114	0.0%	662	684	0.0%	681	(2.8%)
Total	272,674	254,332	7.2%	1,566,730	1,510,205	3.7%	1,265,140	23.8%

**Santa Clara County Health Authority
December 2015**

	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	22,126	9%	184	4%	9,699	100%	110	100%	32,119	12%
SCVHHS, Safety Net Clinics, FQHC Clinics	141,950	55%	2,872	67%	0	0%	0	0%	144,822	53%
Palo Alto Medical Foundation	7,123	3%	37	1%	0	0%	0	0%	7,160	3%
Physicians Medical Group	45,443	18%	1,029	24%	0	0%	0	0%	46,472	17%
Premier Care	15,640	6%	151	4%	0	0%	0	0%	15,791	6%
Kaiser	<u>26,310</u>	<u>10%</u>	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0%</u>	<u>26,310</u>	<u>10%</u>
Total	<u>258,592</u>	<u>100%</u>	<u>4,273</u>	<u>100%</u>	<u>9,699</u>	<u>100%</u>	<u>110</u>	<u>100%</u>	<u>272,674</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>10.3%</u>		<u>-5.9%</u>		<u>35.0%</u>		<u>-1.8%</u>		<u>10.7%</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
Adult (over 19)	31,344	30,493	30,083	29,353	28,698	28,178	27,848	27,335	27,084	27,152	27,234	27,495
Adult (under 19)	80,859	82,030	83,778	85,841	88,551	90,812	92,782	95,565	97,889	99,823	101,802	103,083
Aged - Medi-Cal Only	8,238	8,460	8,403	8,561	8,709	8,777	8,693	8,781	8,910	8,963	9,165	9,281
Disabled - Medi-Cal Only	11,609	11,562	11,523	11,419	11,427	11,345	11,315	11,230	11,168	11,111	11,112	11,021
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
Adult Expansion	58,748	59,326	61,070	63,376	66,519	68,767	71,227	73,743	75,866	77,812	79,466	81,269
Other	42	50	49	53	52	54	48	47	55	47	45	45
Long Term Care	78	101	113	146	164	183	201	205	222	235	251	268
Total Non-Duals	208,582	208,806	210,846	213,169	216,882	219,269	221,655	224,697	227,226	229,718	232,912	235,923
Aged	4,320	5,428	6,337	7,426	8,449	9,425	10,144	10,830	11,736	12,603	13,558	14,248
Disabled	2,424	2,851	3,176	3,571	3,924	4,322	4,582	4,775	5,072	5,362	5,678	5,848
Other	842	886	954	1,012	1,069	1,155	1,243	1,308	1,378	1,466	1,492	1,646
Long Term Care	50	80	115	245	363	488	643	722	816	901	970	1,037
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
Total Medi-Cal	216,218	218,051	221,428	225,423	230,687	234,659	238,267	242,332	246,228	250,050	254,610	258,702
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
CMC Non-Long Term Care	5,432	6,009	6,362	7,001	6,587	6,917	7,238	7,381	7,588	8,019	8,539	9,342
CMC - Long Term Care	125	153	186	225	249	270	305	317	324	335	367	357
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
Total Enrollment	226,570	228,878	232,599	237,233	242,118	246,387	250,306	254,628	258,515	262,766	267,841	272,674

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

Category of Aid	PMPM Premium
-----------------	--------------

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

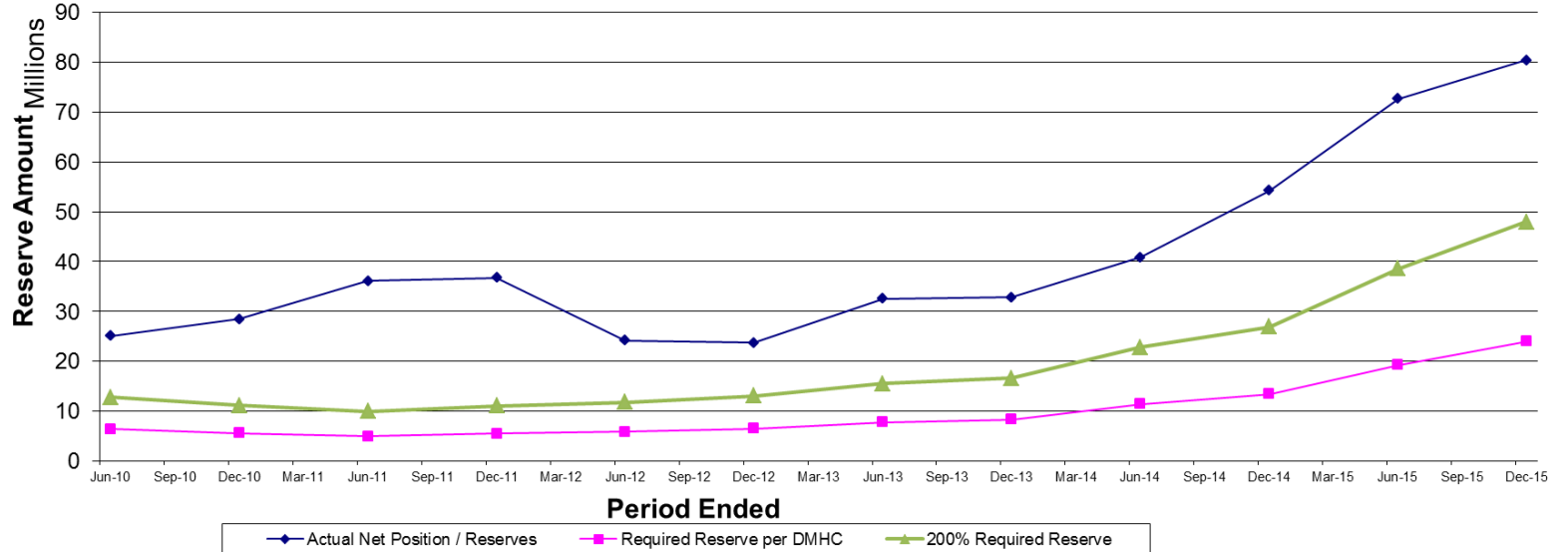
* Home and Community Based Services (HCBS)

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

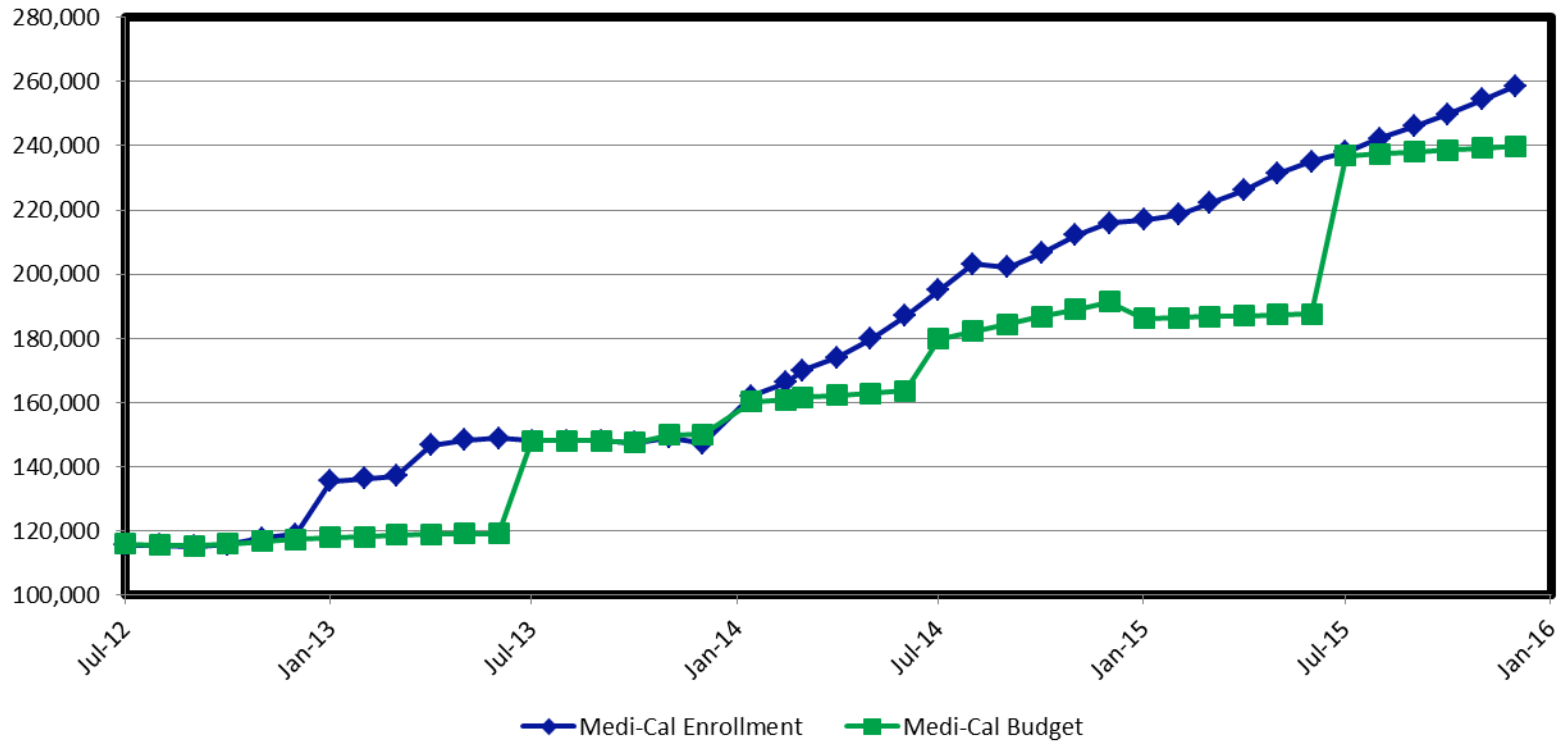
Santa Clara County Health Authority
Tangible Net Equity - Actual vs. Required
As of Period Ended:

	<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>12/31/2015</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	80,377,573
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	23,971,000
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	47,942,000

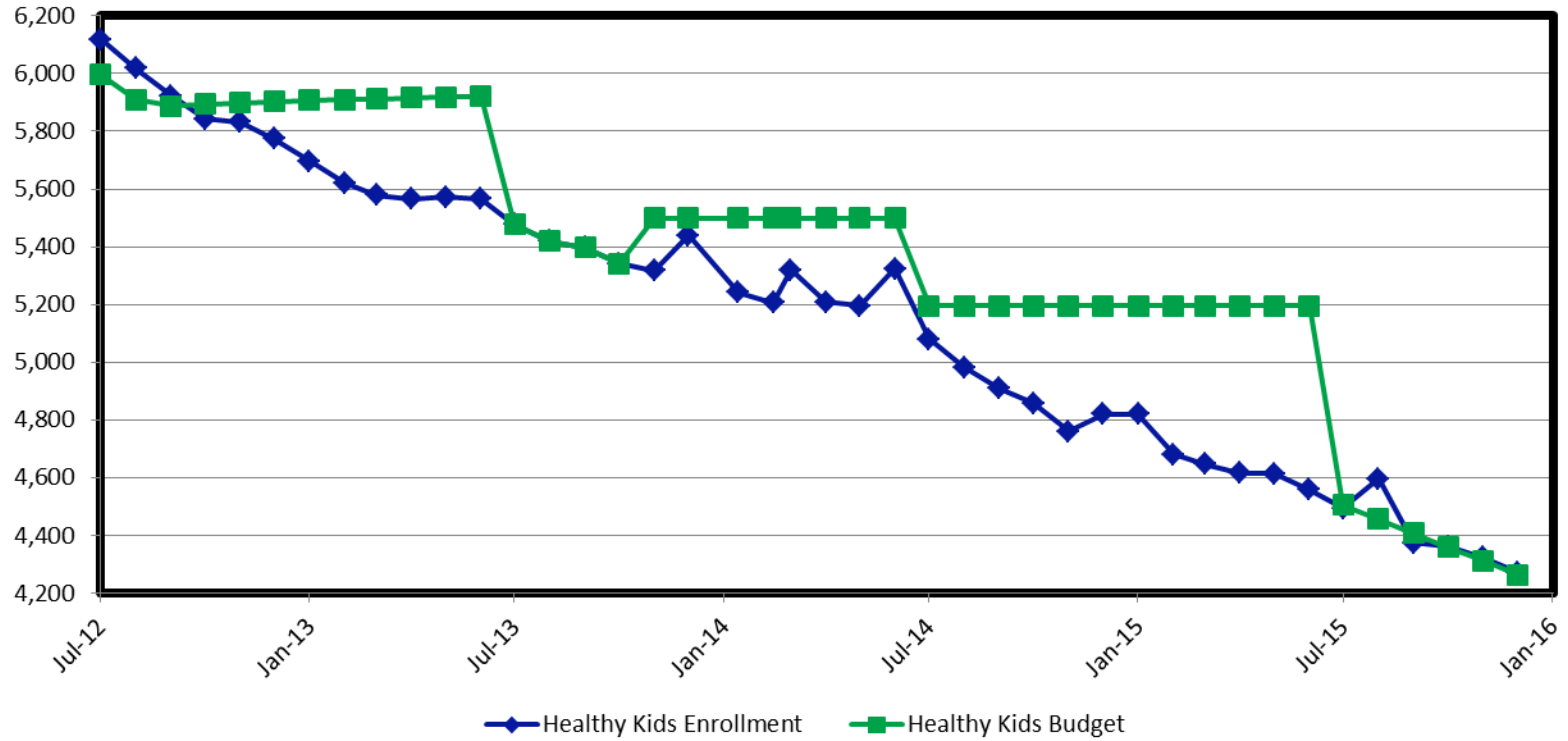
TNE Actual vs. Required



SCFHP Medi-Cal Enrollment as of Dec 2015



SCFHP Healthy Kids Enrollment as of Dec 2015





December 2015 Financial Summary

SCCHA Governing Board Meeting
January 28, 2016



Fiscal Year 2015-16 Highlights

- **Net Surplus (loss):**
 - December \$4.6m surplus and YTD \$7.7m surplus (\$3.5m) unfavorable to budget
 - The variance is primarily related to long-term care expenses that have increased rapidly this fiscal year (note expense growth on page 5 chart).
- **Revenue** – over budget by \$54.2 m (+11.5%)
 - Majority of the increase is In Home Support Services (IHSS) pass-through revenue . Medi-Cal Expansion revenue is also higher than anticipated.
- **Medical Expenses** – over budget by \$60.5m (-13.7%)
 - Primarily due to IHSS and long-term care expense.
- **Administrative Expenses** – under budget by \$29k (+0.2%)
 - Due to unfilled positions partially offset by temporary staff and consultants.
- **Other Expenses** – under budget by \$2.6m; Primarily due to no current year adjustments to the pension liability.
- **Enrollment**
 - December 2015 membership: 272,674 (7.2% favorable to budget)
 - December YTD: 1,566,730 member months (3.7% favorable to budget and 24% higher than December YTD last year)
 - Continued growth in Medi-Cal Expansion membership (10% favorable to budget)



Consolidated Performance

December 2015 and Year to Date

	Month of December	FYTD through December
Revenue	\$94.1 million	\$525.8 million
Medical Costs	\$86.5 million	\$500.7 million
Medical Loss Ratio	91.9%	95.2%
Administrative Costs	\$2.9 million (3.1%)	\$17.2 million (3.3%)
Other Income/ Expense	(\$64,752)	(\$183,741)
Net Surplus (Loss)	\$4,639,463	\$7,746,619
Cash on Hand	(52 Days)	\$146.7 million
Receivables		\$255.8 million
Current Liabilities		\$319.7 million
Tangible Net Equity		\$80.4 million
Pct. Of Min. Requirement		335%



Consolidated Performance

Summary Operating Results - Actual vs. Budget For the Current Month & Fiscal Year to Date - Dec 2015

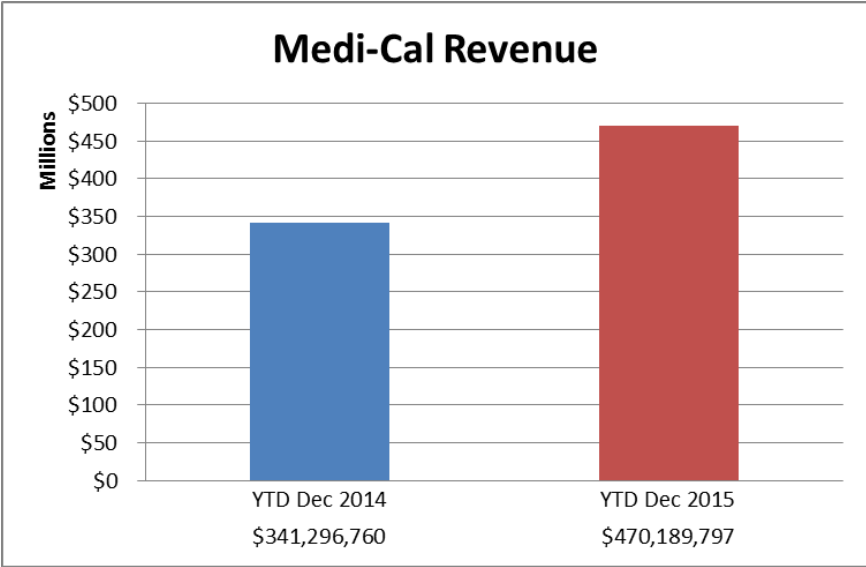
Favorable/(Unfavorable)

Current Month					Year to Date			
Actual	Budget	Variance \$	Variance %		Actual	Budget	Variance \$	Variance %
\$ 94,121,007	\$ 81,683,988	\$ 12,437,019	15.2%	Revenue	\$525,825,718	\$471,617,293	\$ 54,208,425	11.5%
86,513,750	76,744,808	(9,768,941)	-12.7%	Medical Expense	500,705,644	440,234,931	(60,470,713)	-13.7%
7,607,257	4,939,180	2,668,078	54.0%	Gross Margin	25,120,074	31,382,362	(6,262,288)	-20.0%
2,903,043	2,945,977	42,934	1.5%	Administrative Expense	17,189,714	17,218,806	29,092	0.2%
4,704,215	1,993,203	2,711,012	136.0%	Net Operating Income	7,930,360	14,163,556	(6,233,196)	-44.0%
(64,752)	(478,570)	413,818	86.5%	Non-Operating Income/Exp	(183,741)	(2,871,421)	2,687,680	93.6%
\$ 4,639,463	\$ 1,514,633	\$ 3,124,830	206.3%	Net Surplus/ (Loss)	\$ 7,746,619	\$ 11,292,135	\$ (3,545,516)	-31.4%

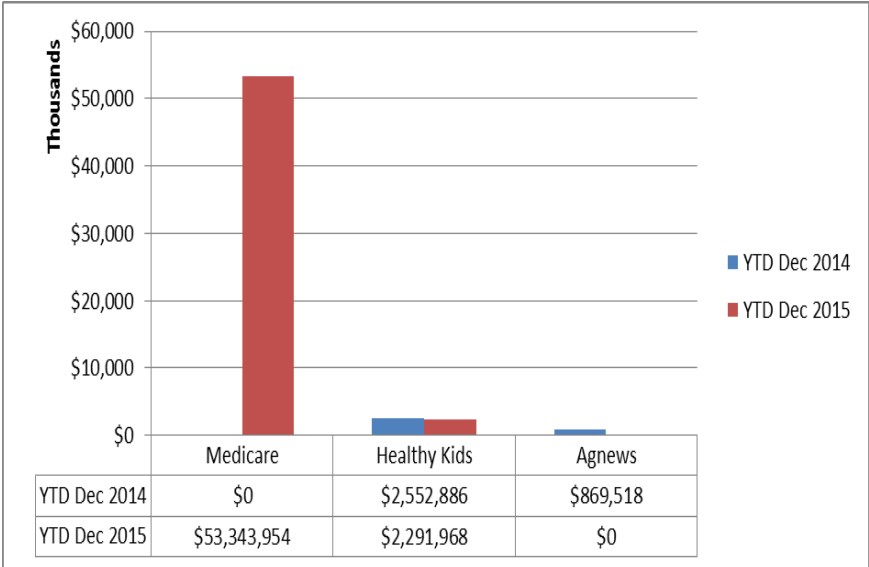


Revenue Trend

Graph 1: Portrays current YTD Medi-Cal revenue vs. previous year. Increase of 38%.

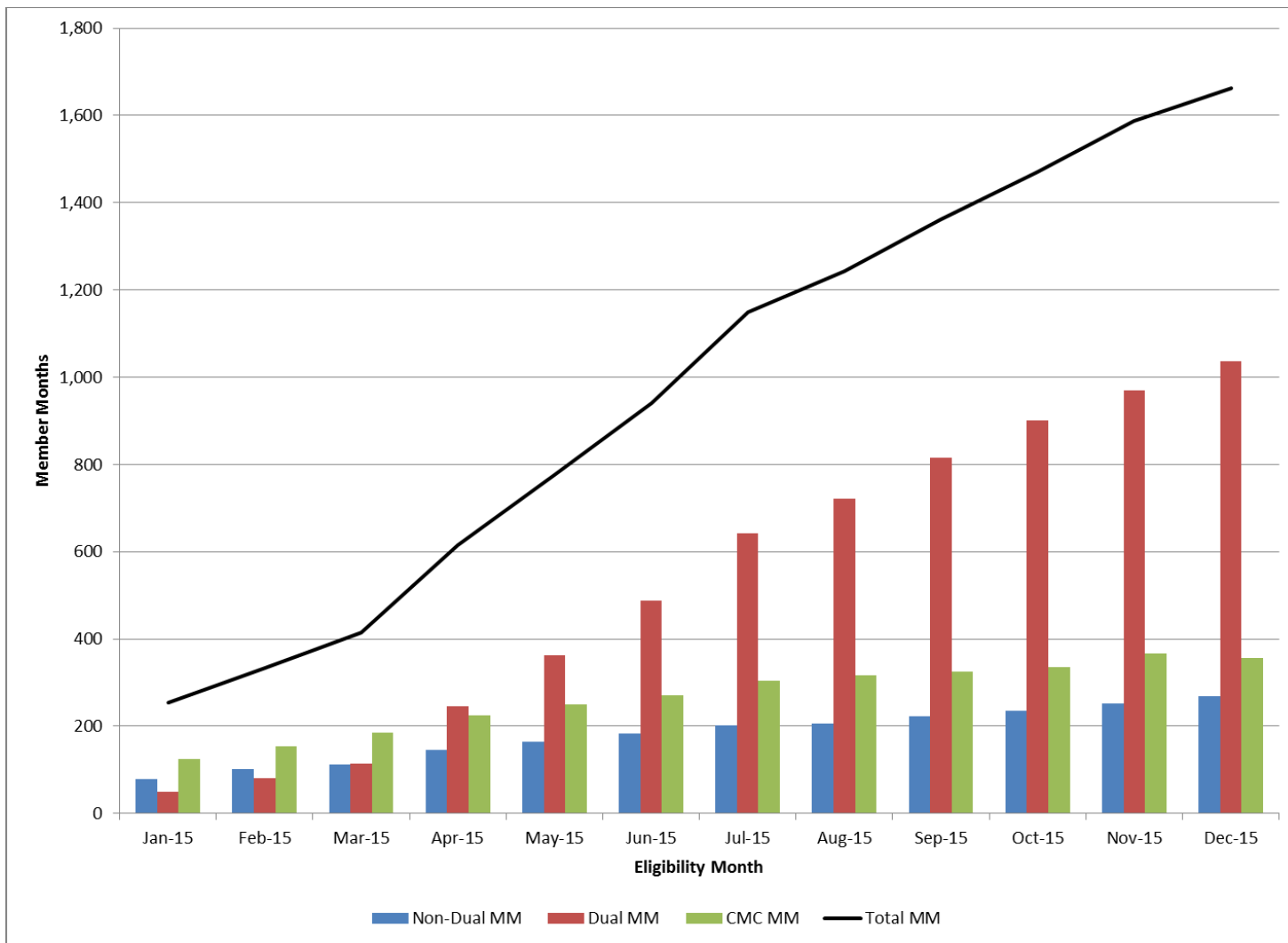


Graph 2: Represents all other operating revenue YTD compared to previous year. Increase of 1,526%.



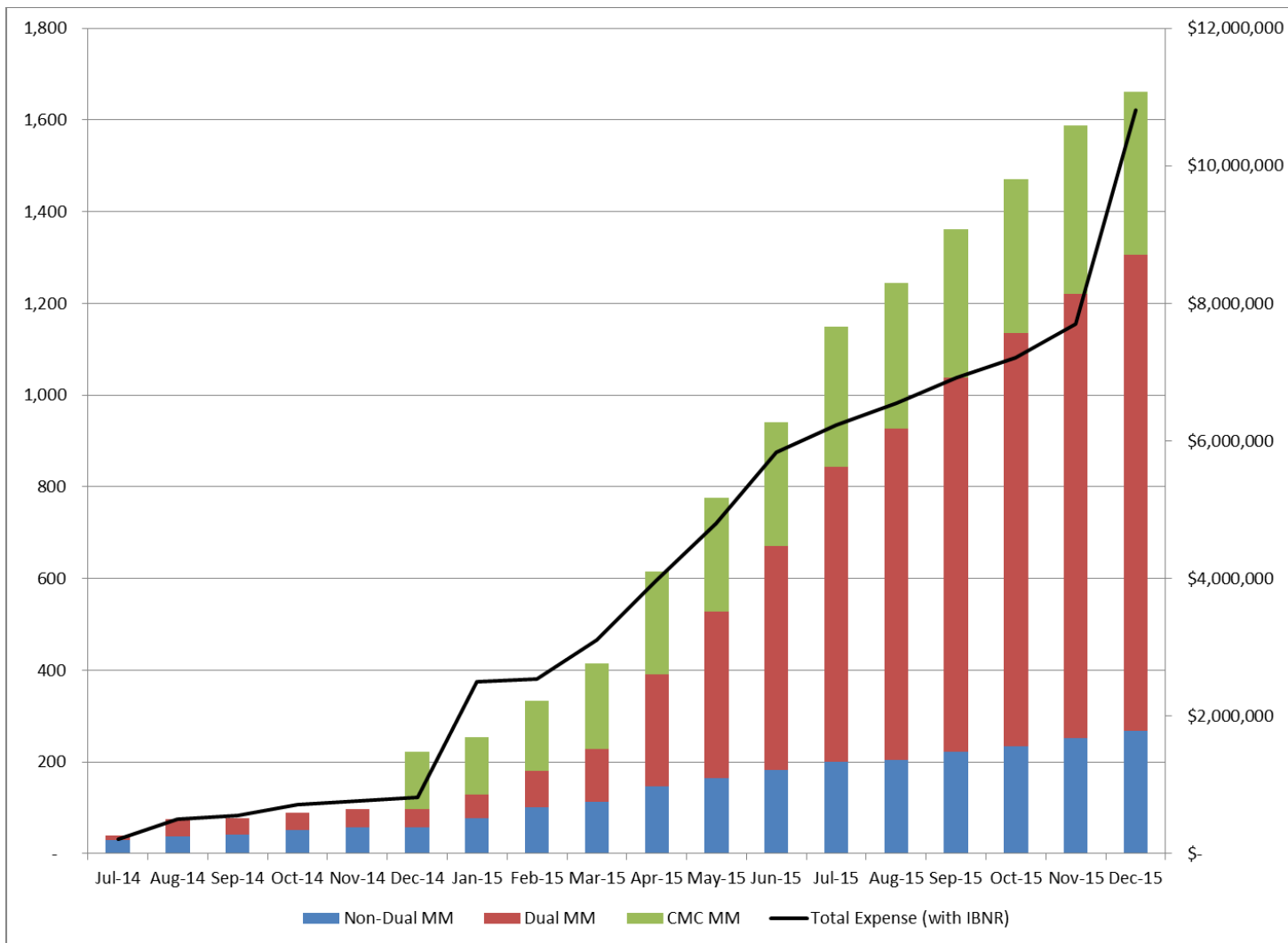


Long Term Care Membership Medi-Cal and CMC





Medi-Cal Long Term Care Experience July 2014 – December 2015





Enrollment Summary

December and YTD

Santa Clara Family Health Plan Enrollment Summary

For the Month of Dec 2015

Six Months Ending Dec 2015

	<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	258,592	239,953	7.8%	1,489,527	1,430,278	4.1%	1,235,045	20.6%
Healthy Kids	4,273	4,265	0.2%	26,429	26,309	0.5%	29,414	(10.1%)
Medicare	9,699	10,000	(3.0%)	50,112	52,935	(5.3%)		
Agnews	110	114	0.0%	662	684	0.0%	681	(2.8%)
Total	272,674	254,332	7.2%	1,566,730	1,510,205	3.7%	1,265,140	23.8%



Enrollment by Network - YTD

**Santa Clara County Health Authority
December 2015**

	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	22,126	9%	184	4%	9,699	100%	110	100%	32,119	12%
SCVHHS, Safety Net Clinics, FQHC Clinics	141,950	55%	2,872	67%	0	0%	0	0%	144,822	53%
Palo Alto Medical Foundation	7,123	3%	37	1%	0	0%	0	0%	7,160	3%
Physicians Medical Group	45,443	18%	1,029	24%	0	0%	0	0%	46,472	17%
Premier Care	15,640	6%	151	4%	0	0%	0	0%	15,791	6%
Kaiser	<u>26,310</u>	<u>10%</u>	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0%</u>	<u>26,310</u>	<u>10%</u>
Total	<u>258,592</u>	<u>100%</u>	<u>4,273</u>	<u>100%</u>	<u>9,699</u>	<u>100%</u>	<u>110</u>	<u>100%</u>	<u>272,674</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>10.3%</u>		<u>-5.9%</u>		<u>35.0%</u>		<u>-1.8%</u>		<u>10.7%</u>	

Membership has increased 10.7% since the beginning of the Fiscal Year, primarily as a result of Medi-Cal Expansion, which started January 1, 2014 and has grown to 82,514 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
Adult (over 19)	31,344	30,493	30,083	29,353	28,698	28,178	27,848	27,335	27,084	27,152	27,234	27,495
Adult (under 19)	80,859	82,030	83,778	85,841	88,551	90,812	92,782	95,565	97,889	99,823	101,802	103,083
Aged - Medi-Cal Only	8,238	8,460	8,403	8,561	8,709	8,777	8,693	8,781	8,910	8,963	9,165	9,281
Disabled - Medi-Cal Only	11,609	11,562	11,523	11,419	11,427	11,345	11,315	11,230	11,168	11,111	11,112	11,021
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
Adult Expansion	58,748	59,326	61,070	63,376	66,519	68,767	71,227	73,743	75,866	77,812	79,466	81,269
Other	42	50	49	53	52	54	48	47	55	47	45	45
Long Term Care	78	101	113	146	164	183	201	205	222	235	251	268
Total Non-Duals	208,582	208,806	210,846	213,169	216,882	219,269	221,655	224,697	227,226	229,718	232,912	235,923

Aged	4,320	5,428	6,337	7,426	8,449	9,425	10,144	10,830	11,736	12,603	13,558	14,248
Disabled	2,424	2,851	3,176	3,571	3,924	4,322	4,582	4,775	5,072	5,362	5,678	5,848
Other	842	886	954	1,012	1,069	1,155	1,243	1,308	1,378	1,466	1,492	1,646
Long Term Care	50	80	115	245	363	488	643	722	816	901	970	1,037
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

Total Medi-Cal	216,218	218,051	221,428	225,423	230,687	234,659	238,267	242,332	246,228	250,050	254,610	258,702
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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
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CMC Non-Long Term Care	5,432	6,009	6,362	7,001	6,587	6,917	7,238	7,381	7,588	8,019	8,539	9,342
CMC - Long Term Care	125	153	186	225	249	270	305	317	324	335	367	357
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

Total Enrollment	226,570	228,878	232,599	237,233	242,118	246,387	250,306	254,628	258,515	262,766	267,841	272,674
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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)

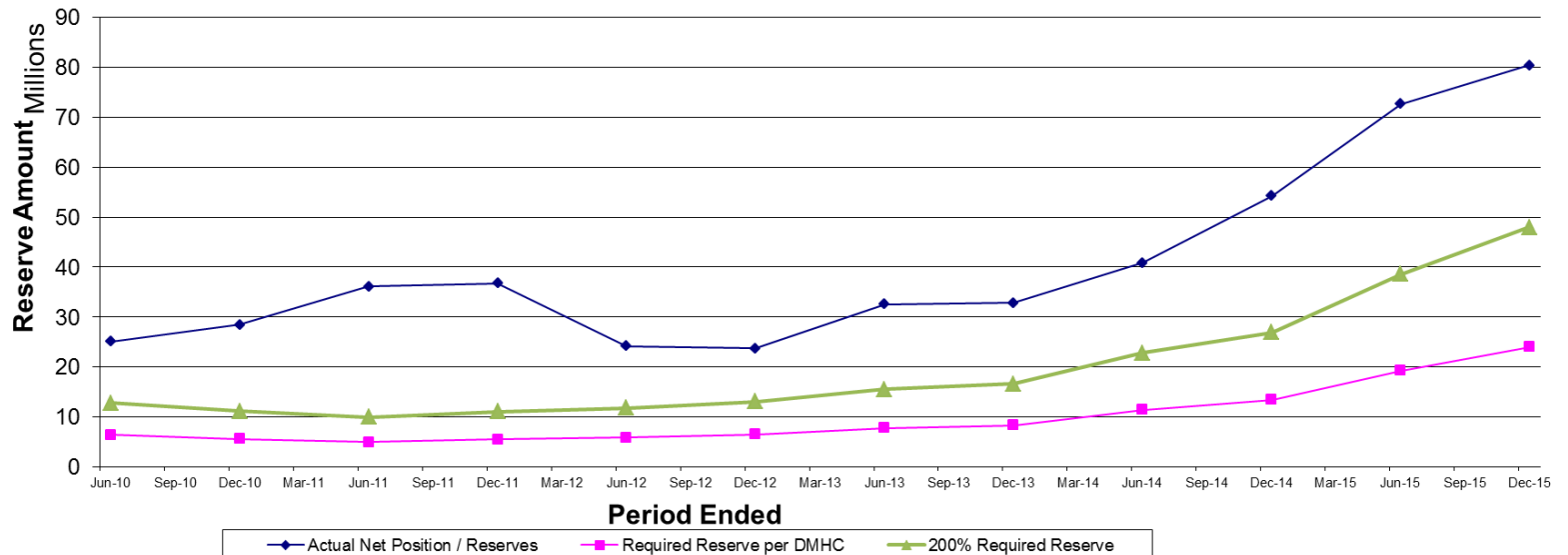
** Subject to quarterly re-blending (net of IHSS)



Tangible Net Equity at December 31, 2015

TNE is \$80.4 million or 3.35 times the minimum TNE required by the Department of Managed Health Care (DMHC). The Plans reserves are roughly \$69.0 million below the reserves targeted by the Authority Board of two months' Medi-Cal capitation revenue.

TNE Actual vs. Required



FY16 Mid-Year Budget Forecast Assumptions

Member Months:

Medi-Cal enrollment is over budget 4.1% through December; however, we are forecasting a 1% per month decline in membership because of redeterminations and an improving economy. Healthy Kids member months are trending to budget. CMC passive enrollment ended in December and with a current opt out rate of 40% we are projecting no net growth for the remainder of the fiscal year.

Revenue:

All Line of business forecasts were based on Per Member Per Month (PMPM) trends. The forecasted PMPM variance from the budget is: Medi-Cal: +9.8%; Healthy Kids: Flat; Cal MediConnect: -2.9%. Final Re-Blending of the CCI Medi-Cal and CMC membership could have significant positive impact on revenue. We should know the potential impact in the next several months.

Medical Expenses:

All Line of business forecasts were based on Per Member Per Month (PMPM) trends and any known utilization or contract changes. The forecasted PMPM variance from the budget is: Medi-Cal: +10.2%; Healthy Kids: +7.9%; Cal MediConnect: -4.4%.

Administrative Expenses:

Based on additional staff and consulting requirements due to increased workload, compliance GAPs identified, and ongoing configuration of our Qnxt and Altruista Information Technology (IT) and medical management systems, the administrative expenses were revised as follows:

1. Update of budgeted FY16 expenses based on December YTD run rate (\$2.2 million).
2. Request for 20 new positions at an annualized cost of \$1.8 million (\$0.8 million). (Position schedule attached).
3. Unbudgeted positions already added YTD (\$0.7 million).
4. Consulting and temporary costs to acquire specialized knowledge needed to meet regulatory requirements (\$0.8 million).
5. Printing and mailing costs to meet the Evidence of Coverage (EOC) regulations (\$1.0 million).
6. Incremental depreciation costs for new capital projects (\$82K).

Capital Expenses:

Request for additional \$0.8 million (see attached for details) to implement new IT projects (enhancement of existing systems or acquisition of new systems).

SCFHP FY16 - MID YEAR BUDGET FTE UPDATE

UNBUDGETED POSITIONS ADDED TO DATE

Number of Positions	Dept. No	Dept. Name	Position	Start Date
1	200	Provider Operations	Provider Services Database Manager	12/1/2015
1	230	Member Services	Member Services Representative	1/25/2016
1	300	Finance	Senior Healthcare Financial Analyst	1/8/2016
1	510	Utilization Management (UM)	Nurse Case Manager	7/20/2015
2	510	Utilization Management (UM)	Behavioral Health Case Manager	11/9/2015
1	510	Utilization Management (UM)	Behavioral Health Coordinator	2/1/2016
1	510	Utilization Management (UM)	UM Operations Supervisor	12/14/2015

8

NEW POSITIONS

Number of Positions	Dept. No	Dept. Name	Position	Start Date
1	105	Medicare	Grievance and Appeal Coordinator	3/1/2016
1	230	Member Services	MLTSS Social Work Case Manager	3/1/2016
4	230	Member Services	Member Services Representative (Inbound)	3/1/2016
3	230	Member Services	Member Services Representative (Provider Inbound)	3/1/2016
1	300	Finance	Edifecs (HCC Risk Adjustment) analyst	3/1/2016
1	300	Finance	Eligibility Coordinator	3/1/2016
1	510	Utilization Management (UM)	Health Services Director	3/1/2016
1	510	Utilization Management (UM)	Prior Authorization Coordinator	2/1/2016
1	510	Utilization Management (UM)	Data Entry Specialist	2/1/2016
1	520	Quality Improvement (QI)	Director of Quality Improvement	4/1/2016
1	520	Quality Improvement (QI)	Accreditation Program Manager	2/1/2016
1	520	Quality Improvement (QI)	QI Coordinator	2/1/2016
1	700	Compliance	Chief Compliance Officer	3/1/2016
1	700	Compliance	Internal Compliance Auditor	3/1/2016
1	700	Compliance	Business Analyst	3/2/2016

20

Santa Clara County Health Authority
Six Months Actual - Six Months Forecast - Summary for FYE 12/31/2015

	Actual	Forecast	Budget	Variance
	Dec-16	Jun-16	Jun-16	Fav/(Unfav)
<u>Enrollment</u>				
Medi-Cal	1,490,189	2,983,780	2,888,595	95,185
Healthy Kids	26,429	51,029	50,941	88
Cal MediConnect (CMC)	50,112	105,066	112,935	(7,869)
Total Member Months	1,566,730	3,139,875	3,052,471	87,403
<u>Revenues</u>				
Medi-Cal (incl. Agnews)	\$ 457,971,871	\$ 926,869,453	\$ 817,284,919	\$ 109,584,533
Healthy Kids	\$ 2,291,968	\$ 4,425,319	\$ 4,405,967	\$ 19,353
Cal MediConnect	\$ 65,561,880	\$ 137,458,583	\$ 152,150,119	\$ (14,691,536)
Total Revenues	\$ 525,825,719	\$ 1,068,753,355	\$ 973,841,005	\$ 94,912,350
<u>Medical Expenses</u>				
Medi-Cal (incl. Agnews)	\$ 434,641,438	\$ 870,275,006	\$ 764,268,776	\$ (106,006,230)
Healthy Kids	\$ 2,253,254	\$ 4,350,571	\$ 4,024,377	\$ (326,194)
Cal MediConnect	\$ 63,810,953	\$ 137,114,502	\$ 154,089,178	\$ 16,974,676
Total Medical Expenses	\$ 500,705,644	\$ 1,011,740,079	\$ 922,382,330	\$ (89,357,749)
Medical Operating Margin (% of Revenue)	\$ 25,120,075 4.8%	\$ 57,013,276 5.3%	\$ 51,458,675 5.3%	\$ 5,554,601
<u>Administrative Expenses</u>				
Total Administrative Expenses (% of Revenue)	\$ 17,189,714 3.3%	\$ 39,993,409 3.7%	\$ 34,108,748 3.5%	\$ (5,884,661)
Operating Surplus (Loss)	\$ 7,930,361	\$ 17,019,867	\$ 17,349,927	\$ (330,059)
GASB 45 - Post Employment Benefits Expenses	\$ (303,554)	\$ (783,597)	\$ (695,352)	\$ (88,245)
GASB 68 - Unfunded Pension Liability	\$ -	\$ (900,000)	\$ (5,249,750)	\$ 4,349,750
Interest Income	\$ 119,813	\$ 211,345	\$ 202,261	\$ 9,084
Net Surplus (Loss) Final	\$ 7,746,620	\$ 15,547,615	\$ 11,607,085	\$ 3,940,530
<u>Revenues PMPM</u>				
Medi-Cal (incl. Agnews)	\$ 307	\$ 311	\$ 283	\$ 28
Healthy Kids	\$ 87	\$ 87	\$ 86	\$ 0
Cal MediConnect	\$ 1,308	\$ 1,308	\$ 1,347	\$ (39)
<u>Medical Expenses PMPM</u>				
Medi-Cal (incl. Agnews)	\$ 292	\$ 292	\$ 265	\$ (27)
Healthy Kids	\$ 85	\$ 85	\$ 79	\$ (6)
Cal MediConnect	\$ 1,273	\$ 1,305	\$ 1,364	\$ 59

June-16 expense forecast excludes:

1. Potential adjustment for Premium Deficiency Reserve (PDR) valuation. As of 12-31-15, an \$18.0 million reserve remains on the balance sheet and will be evaluated in the first quarter.
2. Any Board designated ACA 1202 extended payments to eligible providers that may occur later in the year (per resolution dated February 5th 2015).

**Santa Clara Family Health Plan
Capital Budget**

Capital assets (office furniture and fixtures, computer equipment, software, and leasehold improvements) whose acquisition costs exceed \$1,000 are accounted for in the capital budget. The following table presents the planned capital acquisitions for 2015-16.

Description	Type	Budget Original	Mid-Yr Update	Budget Updated
Reconfiguration of cubicles, move, and designer for Medical Department, 1st Floor, Quad 2	O	\$ 60,000		\$ 60,000
Replace entire carpet areas on the 1st floor, all of Quad 2	L	35,000		35,000
Moves and reconfigurations to accommodate projected growth in current building	O	50,000	50,000	100,000
Moves and reconfigurations to accommodate projected growth in future building	O	50,000	(50,000)	-
Great Plains Upgrade	C	50,000		50,000
Microsoft Licensing True Up required in 2015	C	400,000	280,000	680,000
Backup solution to replace eVault	C	327,779		327,779
Hardware (PCs etc. for new employees and refresh of outdated equipment)	C	100,000	35,000	135,000
Cisco Phone system upgrade (UCCX)	C	304,000		304,000
Cactus Software	C	80,000		80,000
Storage Hardware	C		66,667	66,667
Grievance and Appeals software implementation	C		30,000	30,000
EDIFICS Risk Adjustment Software	C		411,290	411,290
Total Capital Expenditures		\$ 1,456,779	\$ 822,957	\$ 2,279,736



Santa Clara
Family Health Plan
The Spirit of Care



Regular Meeting of the Santa Clara County Health Authority Executive Committee

Thursday, December 17, 2015
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
Wally Wenner, M.D.
Linda Williams
Liz Kniss (via telephone)

Staff Present

Christine Tomcala, CEO
Dave Cameron, CFO
Sharon Valdez, VP Human Resources

Other Attendees

Richard Noack, Hopkins & Carley LLC
Caitlin Grandison, SEIU Local 521 Representative
Lillia Quihuiz, SEIU Local 521 Representative
Judy Carreras, SCFHP Employee
Maria Coloma, SCFHP Employee
Anne Chan, SCFHP Employee
Xitlalit Hernandez-Sotelo, SCFHP Employee
Monica Garcia, SCFHP Employee
Stacey Renteria, SCFHP Employee
Rilma Garcia, SCFHP Employee
Michelle Rodriguez, SCFHP Employee
Steven Mashin, SCFHP Employee

1. Roll Call

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

2. Minutes Review and Approval

It was moved, seconded, and the October 22, 2015 meeting minutes were **approved** as presented.

3. Public Comment

Monica Garcia, an employee of SCFHP and a member of the SEIU Contract Action Team, addressed the Executive Committee. She was pleased to report that progress has been made in negotiating the first union contract with the

Health Plan, and sees our first contract as an opportunity to establish a foundation for true labor-management collaboration. However, she indicated a contract with Union Security is needed. That means:

- A contract with language that lays out a grievance process
- A contract that identifies the role of stewards
- A contract that values our input and feedback and ensures we have a voice at the workplace
- A contract that guarantees job security, not At-Will employment.

Stacey Renteria, an employee with SCFHP for nine years and a member of the SEIU Bargaining Team, addressed the Executive Committee. She indicated the modest, across-the-board wage increase of 2.5% was a step in the right direction, however, 86% of our unit feels that the current system is not fair or transparent. A few examples:

1. While this Governing Board approves a Pay Scale for the agency, there is no transparency or guidance on how employees are placed or moved within that scale.
2. Workers are held accountable to complete their annual self-evaluation forms but managers are not.
3. The performance evaluations that are tied to pay have standards that are unclear and can easily be biased.
4. There is no clear correlation between the current pay rates of employees and their length of service with the agency.

The Bargaining Team will be asking for a fair compensation system that is transparent, reflects the cost of living in the Bay Area, is comparable to other health plans, and encourages retention and recruitment.

Steven Mashin, an employee with SCFHP, addressed the Executive Committee. He has been employed at SCFHP for 12 months; six months as a temp and six months as a full-time exempt employee. Mr. Mashin is a Registered Nurse and a Union Member.

Mr. Mashin spoke on the topic of "Right to Work." He stated staff deserve permanent status, guaranteeing fairness, transparency, and clear and fair rules with regard to progressive disciplinary/corrective action and the termination process.

4. Adjourn to Closed Session

a. Conference with Labor Negotiators (Government Code Section 54957.6):

The Executive Committee met in Closed Session to confer with its Designated Representatives:

- Designated Representatives' Names: Dave Cameron, Sharon Valdez, and Richard Noack
- Employee organization: Local 521, SEIU

5. Report from Closed Session

Michele Lew reported that the Executive Committee met with the designated representatives and no action was taken.

6. Fiscal Year 2014-2015 Audited Financial Statements

Dave Cameron, Chief Financial Officer, reported on the 2014-2015 Audited Financial Statements. The significant item was an \$18m Premium Deficiency Reserve (PDR) for the CMC line of business, which was required to be recorded by the external auditors. Mr. Cameron stated this is a very conservative figure and the program is performing significantly better today. The PDR will be reviewed every six months.

Mr. Cameron indicated we just received a draft of the management letter and it noted a material weakness in internal controls regarding the recording of the Premium Deficiency Reserve and the recording of revenue adjustments for the CCI population. The final version will be forwarded to the Governing Board when received.

It was moved, seconded, and approved accept the Audited Financial Statements for fiscal year 2014-15.

7. October 2015 Financial Statements

Mr. Cameron presented October 2015 YTD financial performance. For the month of October and YTD, the Plan incurred a \$0.9m loss and \$2.4m surplus, respectively. Both were below budget largely due to rising Long Term Care (LTC) costs, as there are a lot more eligible members than budgeted. Additionally, we are paid a blended rate on a portion of the LTC mix over four cohorts: Institutional, Home Services high and low, IHSS, and Community Wellness. Therefore, we are constantly evaluating our mix and estimating the rate; however, we have adopted a conservative approach in recording the estimated revenue until we get credible information from the State. Total Plan revenue is significantly over budget primarily because of the IHSS pass-through revenue. Administrative expenses were slightly under budget YTD.

Mr. Cameron stated that we plan on presenting a mid-year budget forecast at the next Board meeting based on six months of actual data to give a better picture of our year-end forecast.

It was moved, seconded, and approved to accept the October 2015 Financial Statements as presented.

8. CEO Update

Christine Tomcala, Chief Executive Officer, announced that Brian Darrow will be the new Board member replacing Laura Jones. He is the Health Policy Aide for Ken Yeager. Mr. Darrow will be joining us at the next Board meeting in January.

Unified Managed Care was discussed at the last Board meeting and the next step is to meet with the County. Potential meeting dates in January are being proposed.

Ms. Tomcala reported a consulting team from WeiserMazars is in-house, helping to identify Medicare and Medi-Cal compliance gaps, assessing readiness for NCQA accreditation, and reviewing our policies and procedures. She stated there will need to be some governance changes, for example, the Quality Improvement Committee should be a Board committee. Also, there will be some changes in the senior team, for example, the Compliance Officer needs to report to the CEO.

Wally Wenner, M.D. asked Ms. Tomcala to comment on his request to have some influence on appointments to the Board. Ms. Tomcala replied she has spoken to Bob Brownstein, Board Chair, and assessment of how that might happen is underway. Linda Williams commented that because of the way the appointments work, we do not have a mechanism for filling knowledge gaps on the Board. Ms. Tomcala commented that one of the gaps is in the knowledge of Long Term Care, as the Plan was previously more child-focused.

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

10. Adjournment

It was moved, seconded, and approved to adjourn the meeting at 10:05 am.

Elizabeth Pianca, Secretary to the Board



Consumer Affairs Committee Minutes – December 8, 2015

In Attendance:

Committee Members: Blanca Ezquerro, Danette Zuniga, Hung Vinh, Rachel Hart, and Waldemar Wenner, M.D.

SCFHP Staff: Christine Tomcala, Pat McClelland, Andres Aguirre, Chelsea Byom, Laura Watkins

Item	Discussion	Action	Assigned to:	Due Date
Call to Order and Roll Call	Roll call was taken. The meeting was called to order at 6:07 p.m. A quorum was present.			
Review of Minutes	The minutes from the June 9, 2015 and September 8, 2015 meeting were reviewed and approved.	None		
Public Comment	No public comment			
Health Plan Updates	<p>Ms. Christine Tomcala provided the following update:</p> <p>SCFHP membership continues to grow. There are currently over 268,000 members enrolled. That is a 9,000 member increase since the Committee last met in June. There are over 254,000 members enrolled in Medi-Cal, 4,300 enrolled in Health Kids and there are 8,900 members in the Medicare-Medi-Cal program, Cal MediConnect.</p> <p>Since the last meeting, SCFHP reached an agreement with the Daughters of Charity for inpatient and ER services at O’Connor Hospital. The agreement was signed October 15, 2015 and services have resumed.</p> <p>Ms. Tomcala was pleased to announce that SCFHP recently received</p>			



Consumer Affairs Committee Minutes – December 8, 2015

Item	Discussion	Action	Assigned to:	Due Date
	<p>the 2015 Outstanding Performance Award from the California Department of Health Care Services (DHCS) for medium size Medi-Cal plans in California. The award recognizes SCFHP's achievements in the improvement of health care quality and population health. This award is tied to SCFHP's improved performance in HEDIS.</p> <p>Dr. Wenner asked if this Committee will grow to include older health plan representatives. Ms. Tomcala shared that for Cal MediConnect, the Medicare-Medi-Cal plan, there is a dedicated consumer advisory board.</p>			
Overview of Member Orientation Videos	<p>Ms. Chelsea Byom, Communications Project Manager, was introduced. Ms. Byom explained the health plan is developing a series of informational communications for the website that are in video format. These are self-service tools available to members and the community through the SCFHP website. The videos include closed captioning to make the information available to people in Spanish, Vietnamese, Simplified Chinese and Tagalog.</p> <p>The first video is called "Getting Started with Santa Clara Family Health Plan." The Committee viewed the video and overall their feedback was very positive. They were very happy with the look and feel of the video. They felt it was easy to understand, the messaging</p>			



Consumer Affairs Committee Minutes – December 8, 2015

Item	Discussion	Action	Assigned to:	Due Date
	<p>was short and simple and the cartoon characters were cute.</p> <p>Ms. Byom shared there are two other videos in production to help people understand what they can do on the website and what information is available. The Committee reviewed the list of proposed video topics and suggested to add a topic about the information and materials you receive from the health plan and the topic “What is a health plan.” Ms. Byom will attend a future meeting to share the next set of videos.</p> <p>Ms. Watkins, Marketing Director, was introduced. Ms. Watkins distributed a brochure to the group about the Cal MediConnect (CMC) program. The purpose is to highlight the experiences of members who have benefited from the integrated programs and services provided through the Cal MediConnect program. The information is written for community partners.</p> <p>Another version is in process to give current and prospective members information about how CMC has helped current members.</p>			
<p>Overview Group Needs Assessment</p>	<p>Mr. Andres Aguirre, Quality Improvement Manager was introduced. Mr. Aguirre shared information on the Group Needs Assessment. He explained health plans are required to assess the needs of members enrolled in their plan regarding health education, cultural and</p>			



Consumer Affairs Committee Minutes – December 8, 2015

Item	Discussion	Action	Assigned to:	Due Date
	<p>linguistic programs, and gaps in service. The assessment may occur in several ways, including surveying health plan members as well as through reports using claims and encounter data.</p> <p>Mr. Aguirre explained that SCFHP uses the findings from the GNA to plan and implement culturally competent and linguistically appropriate services, health education and continuous quality improvement programs and services.</p> <p>SCFHP is collaborating with other health plans as well as with the Department of Health Care Services (DHCS) to complete translations of the surveys into all threshold languages. The survey will be administered state-wide January through June 2016. The findings will be submitted to DHCS in October 2016. SCFHP findings will be shared with providers, SCFHP committees, members and the Governing Board, with information on how SCFHP will address the identified needs.</p> <p>Ms. McClelland expressed appreciation to the committee members who participated in focus group studies regarding the GNA survey tool.</p>			
Future Agenda Items	The group would like to learn more about how to access information about community resources.		All	



Consumer Affairs Committee Minutes – December 8, 2015

Item	Discussion	Action	Assigned to:	Due Date
2016 Meeting Schedule	The 2016 meeting schedule was distributed to the Committee.			
Adjournment	The meeting adjourned at 6:55 p.m.			
Next Meeting Date	The next meeting is scheduled on March 8, 2016 from 6:00 - 7:00 p.m.			

Consumer Affairs Committee Chairperson

Date

**Compliance Department Activity
November, December 2015 and January 2016**

Reporting

- Regulatory Filings/Reports/Other:
 - Routine DMHC Plan Filings
 - Annual Claims AB1455 Report
 - BHT Provider Network
 - Quarterly Network Assessment Q2 2015
 - Quarterly Pending and Unresolved Grievances
 - Routine DHCS Reports – All filed timely
 - Medi-Cal Reports (includes monthly, quarterly, semi-annual and annual filings)
 - DHCS COC and Provider Network Survey
 - Call Center Report Q4 2015
 - Plan Subcontractor Report
 - Geo Access Q4 2015 Report
 - CBAS Report Q4 2015
 - Dental General Anesthesia Monthly Report
 - Annual Personnel Disclosure Form
 - Cal MediConnect Reports (includes monthly and quarterly filings)
 - DHCS Quarterly CMC Complaint and Resolution Report
 - Cal MediConnect Nursing Facility Prompt Payment Survey Quarter 3
 - CA 1.2 (Ongoing and backlogged data)- High risk members with an Individualized Care Plan (ICP) within 30 working days after the completion of the Health Risk Assessment (HRA)
 - CA 1.4 (Ongoing and backlogged data)- Low risk members with an Individualized Care Plan (ICP) within 30 working days after the completion of the *timely* Health Risk Assessment (HRA)
 - Resubmissions:
 - MMP Core 2.1 (Quarter 3)- Members with a Health Risk Assessment completed within 90 days of enrollment
 - MMP Core 4.2 (Quarter 3)- Grievances and Appeals (Non Part D)
 - MMP Core 9.1 (Quarter 3)- Emergency room behavioral health services utilization
 - Ad Hoc Regulatory Requests
 - DHCS Submission of Plan's MOU with San Andreas Regional Center regarding transition of Medi-Cal members BHT Services from Regional Center to Managed Care Plan.
 - SCFHP agreed with DHCS' proposed methodology for recoupment of overpayments made to Managed Care Plans for the Optional Expansion payments. DHCS will offset the monthly capitation payments received by the Plan by 25% each month until the recoupment is complete.
 - Submission and approval of Medi-Cal Provider Directory
 - DHCS BHT Services QAS Provider and Professional Survey
 - DHCS Inquiry: BHT Services Survey Follow-Up Questions

**Santa Clara Family Health Plan
Compliance Report
January 2016**

- DHCS Inquiry: Mental Health Report Follow-Up Questions
- DHCS Inquiry: Dental GA Prior Auth Data Additional Information Questions
- DHCS Inquiry: Dental Anesthesiology Billing Codes Request
- DHCS APL 15-012 Dental Anesthesia Policy
- DHCS Cost Avoidance Report (Period of 7/1/14 – 6/30/15)
- CCI Quarterly CCI Contract Adequacy Q3 2015 Report

Regulatory Communications

- General
 - DHCS State Support Services Contract Extension to December 31, 2016.
 - SB 75 Medi-Cal Expansion for All Children – will occur no sooner than May 2016. This expansion will open up full scope Medi-Cal benefits to all children under 19 who meet the income standards, regardless of immigration status. This expansion would allow many Healthy Kids members to apply and qualify for Medi-Cal.
- Medi-Cal
 - DHCS Approval of SCFHP’s Medi-Cal Provider Directory.
 - SCFHP received its DHCS 3Q 2015 Encounter Data Quality Report Card. SCFHPs grade was “Low Performing” due to the “timeliness” measures. The DHCS testing and historical encounter submissions were not completed until the beginning of Q3 2015 and this impacted our timeliness score. We expect our 4Q 2015 rating to improve and reflect timely and accurate encounter data submissions.
- Member Complaints via Regulator
 - DMHC
 - Member complaint: Payment denial which turned out to be an Anthem Blue Cross member.
 - Member complaint: Needed Liver Cancer Treatment and Follow up. There was no denial. Member did not like oncologist and VHP authorized member to see another oncologist.
 - Member complaint: SCFHP denied treatment at Stanford and Stanford staff was rude. Stanford did not submit authorization request and therefore no denial of care. Member received treatment she had requested while at Stanford.
 - Member complaint: Break in service for OT/ST for Autism. Services being provided under an LOA with VHP. Provider delayed in requesting additional services and would not continue services until LOA in place.
 - Member complaint: Wanted ABA Services provided to member at member’s pre-school. The ABA provider ultimately agreed to provide 6 hrs/week at members pre-school and the remaining authorized hours will continue to be provided in the member’s home.
 - DMHC IMR overturned SCFHP’s denial and approved a device that SCFHP had determined to be investigative and experimental.
 - DHCS
 - Member Retro Eligibility – DHCS requested to retro enroll two siblings into SCFHP, assigned to Kaiser. They had been seen at Kaiser the previous two months and Kaiser had agreed they would take the enrollment. SCFHP agreed to the retroactive enrollment.

**Santa Clara Family Health Plan
Compliance Report
January 2016**

- Member Assistance Request - DHCS requested SCFHP reach out to member who was enrolled mid-month to ensure he was able to get his services and medications.

- Medicare
 - We received a Notice of Non-Compliance (NONC) pertaining to our CMC reporting on January 11, 2016:
 - The NONC was issued for Failure to Report MMP State Measures as Required.
 - For Core Measure 2.1 and CA Measure 1.5 SCFHP misinterpreted the technical specifications for our initial submissions. Upon receipt of clarification from CMS, this report was resubmitted with accurate numbers that reflect the technical specifications. This resubmission resulted in the NONC.
 - In order to prevent this type of error in the future, we have engaged additional technical resources to review the coding of all CMS and CA required reports against the technical specifications in order to assure accurate submissions going forward. As a result of these efforts, if additional corrections are required, we may also have to resubmit additional reports.

 - HSAG will be conducting a routine validation of data submitted for MMP Core 2.1 (Members with a Health Risk Assessment Completed within 90 days of Enrollment) in order to evaluate plan performance relative to the quality withhold requirements set forth by CMS for CMC plans. This data validation audit is scheduled to take place on April, 6th 2016.

Internal Monitoring/Auditing

- General
 - ICD-10
 - No issues identified since implementation.

 - HIPAA
 - Two privacy disclosures were reported to Compliance in January 2016.
 - One was from a provider and one was sent from SCFHP to the wrong provider.
 - Member Appointment of Representative requests processed:
 - December - 190
 - January - 104

 - WeiserMazars
 - The consulting engagement with WeiserMazars has been an ongoing effort since November 30th. Two onsite visits have occurred during which interviews were conducted and policies and other relevant materials were reviewed.
 - As a result of these efforts a new policy template and schema was developed.
 - Feedback on specific policies has been provided to the operational areas and there is a concerted effort underway to rewrite all policies.
 - Next steps will include development of procedures and other tools in order to solidify and document workflows and processes.
 - Individual departments are also working on correcting any identified gaps in operations and reporting, and to develop and implement process improvements.

**Santa Clara Family Health Plan
Compliance Report
January 2016**

- Medi-Cal
 - Continuing to monitor DHCS Facility Decertification notices to ensure SCFHP contracted providers not on list.

Oversight

- Medi-Cal
 - In 2015, all delegation audits were conducted timely. To date, 4 corrective actions plans have been issued and 3 remain open.
 - The 2016 delegation audit schedule has been issued to delegates.
- Medicare
 - As required by CMS, we have contracted with a vendor, Advent Advisory Group, to conduct the annual data validation of annual reports submitted to CMS at the end of February. The Data Validation audit component is a retrospective review of the data submitted into the CMS system, HPMS, and begins on 4/1/2016.
 - Through internal review we have identified gaps in CMS and DHCS required reporting. As a result, we have engaged consulting resources to ensure we are capturing all of the pertinent elements of each report in accordance with the technical specifications. This will include a retrospective review of all reports submitted since January of 2015 to ensure the most accurate data was submitted to CMS and DHCS.
 - We are still conducting oversight for CMC vendors including the evaluation of Policies and Procedures, evaluating their performance, and making sure that their employees who are dealing with SCFHP business are trained in a manner that fulfills all CMS requirements.

Education/Training

- Board Training
 - Compliance Board training is still being finalized. Training will be implemented by the end of Q1 2016.

Response and Prevention

- General
 - Timely Access to Impacted Services at VMC

In response to a letter from SCFHP regarding access to impacted services at VMC, SCFHP was invited to participate on a task force with VHP and VMC. One meeting was held and two more are scheduled. Grievance and Appeals resulting from access issues were presented. Additional access data has been requested. VMC shared strategies being implemented to address impacted services.
 - FAX Intake

Corrective actions have been put in place in the Medical Department to ensure faxed requests are processed within required timeframes.

DAVID K. MINETA

5103 Elrose Avenue, San Jose, CA 95124

davidmineta@gmail.com • 650.270.7511

SUMMARY

- **Nationally recognized leader** in behavioral health prevention/promotion, treatment, and recovery programs and policies
- **Highly connected and politically savvy expert** with over 20 years experience as Office of National Drug Control Policy deputy director, elected school board trustee, state and local innovator and coalition leader, nonprofit program designer and implementer, and direct services counselor to high-risk youth
- **Skilled fundraiser** with 80-90% success rate in securing grants from Federal, state, and local government, and private foundations totaling at least \$18,750,000 over course of career
- **Natural communicator** with uncanny ability to genuinely connect with wide spectrum of diverse audiences such as senior White House staff, private foundations, elected officials, boards, elementary school students, gang-members, refugees, elders, LGBT communities, and ethnic and racial minority communities
- **Innovator** in substance abuse prevention, treatment, and recovery programs, who has provided direct, life-affirming services to 12,530 youth and other clients
- **Mission-driven, compassionate manager** skilled at creating and motivating high-performing teams, cultivating collaborative workplaces that spur mutual growth of both organization and staff, and highly committed to applying strong business practices in nonprofit settings to better leverage resources
- **Passionate** about serving others, particularly vulnerable and historically underserved communities

EXPERIENCE

MOMENTUM FOR MENTAL HEALTH, San Jose, CA

2015- present

President and CEO

- Lead the organization in the development and implementation of long-term vision, strategies and plans that are designed to maximize the effectiveness of client services and meet the challenges of a changing health care landscape. Ensure ongoing assessment of current programs, administration and structure, and identify needed changes.
- Develop and support a cohesive, collaborative and effective executive team. Provide leadership to ensure a safe, productive and enjoyable working environment for staff and clients.
- Develop and support a cohesive, collaborative and effective senior management team, and ensure that human resources and management practices support a compassionate, high-performing, client-services focused culture.
- Continually monitor and assess government contracts to ensure continuity of service, and proactively assess shifts in funding in terms of program direction. Develop and implement plans for income diversification. Work closely with the Board and development staff to maintain and grow contributed revenue.
- Ensure that Momentum operates in a financially sustainable manner, and maintain effective financial management practices from the executive office to the program management level. Work closely with the Board of Directors and its committees to ensure strong and appropriate fiduciary oversight, governance and engagement.
- Assume overall accountability for programmatic success, including ensuring that outcomes are set, measured and met/exceeded. Oversee continual assessment of program relevancy and sustainability, and stay well informed on trends in behavioral health services and health care reform.

WHITE HOUSE OFFICE OF NATIONAL DRUG CONTROL POLICY, Washington, DC

2010-2015

Deputy Director, Office of Demand Reduction

- Oversee all federal drug control policy related to illicit drug demand reduction; lead overhaul of federal policy from “war-on-drugs” to balanced public health model across relevant federal agencies.
- Lead interagency budget guidance discussions connected to \$10.8 billion for demand reduction programs.
- Manage 10 staff and over 20 interagency relationships to ensure robust, national substance use disorder services infrastructure.
- Oversee integration of substance use disorders into Affordable Care Act implementation by federal, state, and local agencies; provide stakeholder guidance on workforce, e-health records, and essential benefit packages.
- Established historic federal recognition of “recovery” as type of substance use disorder service; created new working group to increase resources for recovery services among federal, state, and local stakeholders.
- Founded new working group for electronic health records (EHR); established federal guidelines requiring integration of substance abuse data collection as a prerequisite to federal certification of EHR systems.

JEFFERSON UNION HIGH SCHOOL DISTRICT BOARD OF TRUSTEES, Daly City, CA

2000-2010

Trustee, Board President

- Elected to school board representing five schools and 5,000 students and families; served twice as board president.
- Selected as delegate assembly representative for San Mateo and San Francisco counties to California School Boards Association.
- Through the superintendent, oversaw implementation of No Child Left Behind in district with large population of Title I students.

- Collaborated with and member of Jefferson Council PTA for 10 years as a Trustee.
- Secured federal grant in 2006 for cutting-edge and innovative program creating small learning communities within a large underachieving comprehensive high school; leveraged stakeholder relationships to create consensus around the proposal, resulting in narrowing of the achievement gap.
- Rallied support for and passed a facilities bond that provided \$136 million for district wide school facility improvements.

ASIAN AMERICAN RECOVERY SERVICES, INC., South San Francisco, CA 1996-2010

Various: Deputy Director, Associate Director, Youth Services Manager, and Program Manager

- Managed 150 staff, serving over 2,000 Asian Pacific Islander, Latino, mainstream clients annually across the Bay Area.
- Helped increase annual budget by 400% from \$3 million to \$12 million; exponentially increased programmatic reach, and funded infrastructure expansion from four to seven sites; directed all grants development work.
- Developed and reached targets to provide superior salary and benefits packages, including certification programs, to attract, train, and motivate the best staff.
- Represented executive director and board of directors in contract negotiations and other business matters.
- Orchestrated and led multiple community collaborations, including the “Partnership for a Safe and Healthy Pacifica,” with federal, state, and local government, philanthropic organizations, and other community-based non-profits and educational institutions; successfully wrote a federal grant, securing \$1 million per year for substance abuse reduction in Pacifica.
- As Associate Director for San Mateo County, supervised all agency services in the county including all adult and youth contracts; secured funding that expanded youth services from a staff of two to 20.

LUTHERAN SOCIAL SERVICES OF NORTHERN CALIFORNIA, Sacramento, CA 1995-1996

Manager, Project REACH

- Managed 10 staff to implement federally funded youth drug prevention and early intervention program targeting underserved Hmong, Mien, and Laotian families in Northern Sacramento.
- Provided culturally competent direct services to 50 middle and high school students facing acculturation issues, mental health, gang violence, and teen pregnancy. Led culturally appropriate educational outreach events.

SANTA CLARA COUNTY DEPARTMENT OF ALCOHOL AND DRUG SERVICES, San Jose, CA 1994-1995

Counselor

- Provided individual and group counseling to very high-risk substance-abusing adolescent population at Foothill Continuation High School.

SAN JOSE UNIFIED SCHOOL DISTRICT, San Jose, CA 1994-1994

Counselor

- Provided school-based crisis counseling, and assessment and referral services to elementary school children at Terrell and Randall Elementary Schools.

ASIAN AMERICANS FOR COMMUNITY INVOLVEMENT, San Jose, CA 1991-1994

Manager, Substance Abuse Prevention for Asian Americans Project

- Managed 10 staff for CSAP-funded youth substance abuse prevention and early intervention program targeting at-risk Cambodian, Laotian, and Vietnamese youth.
- Provided individual and group counseling to students referred by high schools, coordinating all services with external evaluation consultants.
- Wrote and secured prevention grant for over \$1 million annually for five years.

APPOINTMENTS AND DISTINCTIONS

- Center for Substance Abuse Prevention National Advisory Council, June 2009
- SVCF’s Peninsula Partnership Leadership Council that wrote San Mateo County Children and Youth Bill of Rights, 2008-10
- Appointed by San Mateo County Board of Supervisors to San Mateo County First Five Commission, 2008-10
- Selected to represent community-based organizations for the National Network to Eliminate Disparities (NNED) in 2007, a project of the Substance Abuse and Mental Health Services Administration (SAMHSA).
- Co-led San Mateo County committee to update the substance abuse prevention plan, entitled the Roadmap for Alcohol, Tobacco, and Other Drug Prevention, 2006.
- Selected by California Alcohol and Drug Programs to serve on the Continuum of Services System Re-Engineering Task Force to redesign the state’s prevention, treatment, and recovery services, 2005.
- Co-founded the Partnership for a Safe and Healthy Pacifica, a Drug Free Communities Awardee, 2005.

SELECTED PRESENTATIONS AND SPEECHES

- Substance Use Disorders and Health Care Reform, California’s Alcohol and Drug Programs Training Conference, 2012
- On local substance abuse prevention collaborations, California’s 16th Cultural Competency Summit, 2009

- The Minority Male Initiative, The College Board's series on Minority Issues in Education, 2008
- On prevention and intervention for co-occurring disorders in ethnic minority communities, The American Psychiatric Association's Office of Minority and National Affairs, 2008
- On the preliminary findings on the use of the evidence-based model, Brief Strategic Family Therapy (BSFT), in Asian and Pacific American families, SAMHSA Joint Meeting on Adolescent Treatment Effectiveness (JMATE), 2008

PROFESSIONAL AFFILIATIONS (retired due to Federal conflict of interest rules)

- American Public Health Association (APHA), retired member
- California School Boards Association (CSBA), former member
- Community Anti-Drug Coalitions of America (CADCA), retired member
- National Association of Social Workers (NASW), retired member

EDUCATION

CALIFORNIA STATE UNIVERSITY, SAN JOSE, Master of Social Work, 1990

UNIVERSITY OF CALIFORNIA, BERKELEY, Bachelor of Arts in Political Science, 1986



Santa Clara
Family Health Plan
The Spirit of Care

**Santa Clara Family Health Plan
Operations Report
November and December 2015**

**Membership
January 2016**

Mbr Mths	2015-05	2015-06	2015-07	2015-08	2015-09	2015-10	2015-11	2015-12	2016-01
AM	113	113	109	110	111	111	111	110	110
Santa Clara Family Health Plan	113	113	109	110	111	111	111	110	110
HK	4,595	4,541	4,496	4,598	4,375	4,362	4,325	4,273	4,186
Palo Alto Medical Foundation	48	47	45	46	42	42	40	37	36
Physicians Medical Group	1,086	1,088	1,076	1,104	1,057	1,064	1,050	1,029	1,000
Premier Care	160	142	145	146	139	138	140	151	147
Santa Clara Family Health Plan	168	165	172	180	178	192	193	184	186
Valley Health Plan	3,133	3,099	3,058	3,122	2,959	2,926	2,902	2,872	2,817
MC	230,574	234,543	238,158	242,222	246,117	249,939	254,499	258,592	255,859
Kaiser	24,655	24,903	25,105	25,318	25,503	25,666	25,967	26,310	26,078
Network 00	6,307	7,181	7,087	7,388	7,673	8,359	9,070	9,579	10,307
Palo Alto Medical Foundation	6,035	6,214	6,386	6,568	6,765	6,883	7,009	7,123	6,996
Physicians Medical Group	42,393	43,059	43,401	43,781	44,172	44,619	45,013	45,443	44,955
Premier Care	15,126	14,957	15,066	15,181	15,144	15,270	15,461	15,640	15,456
Santa Clara Family Health Plan	10,786	10,883	11,626	11,933	12,358	12,416	12,366	12,547	12,401
Valley Health Plan	125,272	127,346	129,487	132,053	134,502	136,726	139,613	141,950	139,666
UNK		3							
CMC	6,836	7,187	7,543	7,698	7,912	8,354	8,906	9,699	9,159
Santa Clara Family Health Plan	6,836	7,187	7,543	7,698	7,912	8,354	8,906	9,699	9,159
Grand Total	242,118	246,387	250,306	254,628	258,515	262,766	267,841	272,674	269,314

**Long Term Services Supports (LTSS) Department
November 2015**

Long Term Services Support Program (LTSS)	Cal MediConnect	Medi-Cal	Total Members in LTSS Programs
Community-Based Adult Services (CBAS)	69	465	534
In-Home Supportive Services (IHSS)	N/A	N/A	9965
Long Term Care (LTC) – Source: 3387	358	178 Medi-Cal 1040 Duals 1218 Total	1576
Multipurpose Senior Services Program (MSSP)	44	225	269

In-Home Supportive Services (IHSS) are personal care services for people who are disabled, blind or aged 65+ and unable to live at home safely without help.

Community-Based Adult Services (CBAS) is daytime health care at centers that provide nursing, therapy, activities and meals for people with certain chronic health conditions.

Multipurpose Senior Services Program (MSSP) provides social and health care coordination services for people age 65 and older.

Long-Term Care Facilities provide residential long-term custodial or skilled nursing care.

LTSS ENCOUNTERS	Total
CBAS Face-to-Faces (F2F) Completed assessments	19
LTC F2F Completed assessments	1
# of NEW LTSS Referrals this month	28
Provider Site Visits: SNFs 0; CBAS 2	2
LTSS Provider Calls (inbound and outbound calls to LTSS Providers)	178

**Long Term Services Supports (LTSS) Department
December 2015**

Long Term Services Support Program (LTSS)	Cal MediConnect	Medi-Cal	Total Members in LTSS Programs
Community-Based Adult Services (CBAS)	70	472	542
In-Home Supportive Services (IHSS)	N/A	N/A	9317
Long Term Care (LTC) – Source: 3387	245	137 Medi-Cal 858 Duals 995 Total	1240
Multipurpose Senior Services Program (MSSP)	44	265	309

In-Home Supportive Services (IHSS) are personal care services for people who are disabled, blind or aged 65+ and unable to live at home safely without help.

Community-Based Adult Services (CBAS) is daytime health care at centers that provide nursing, therapy, activities and meals for people with certain chronic health conditions.

Multipurpose Senior Services Program (MSSP) provides social and health care coordination services for people age 65 and older.

Long-Term Care Facilities provide residential long-term custodial or skilled nursing care.

LTSS ENCOUNTERS	Total
CBAS Face-to-Faces (F2F) Completed assessments	19
LTC F2F Completed assessments	6
# of NEW LTSS Referrals this month	30
Provider Site Visits: SNFs 1; CBAS 0	1
LTSS Provider Calls (inbound and outbound calls to LTSS Providers)	68

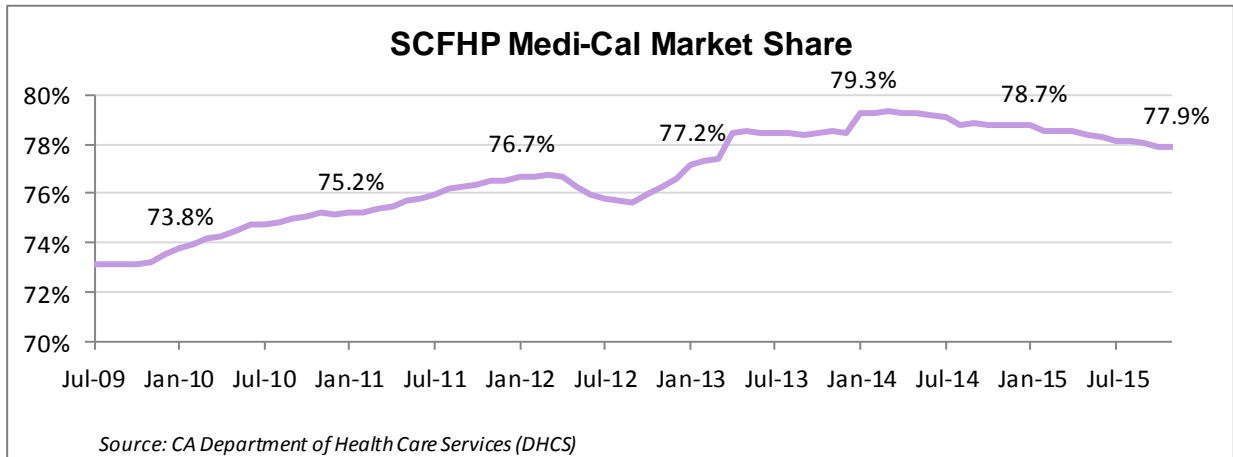
CCI Stakeholder and LTSS Network Engagement

PROVIDER OR STAKEHOLDER GROUP	PURPOSE/FOCUS OF MEETING
CMC Consumer Advisory Board	Monthly meeting – 3 SCFHP members present; Mental Health topic
Santa Clara County LTSS Integration Subcommittee	SCFHP Liaison to countywide group identifying gaps/needs for LTSS individuals and facilitating improved LTSS systems in the county.
Sacred Heart Community Services	Visit to connect and learn about services available for members from Sacred Heart organization
The Health Trust – Presentation to CMs	Educational presentation to all case managers and care coordinators on Health Trust programs including Meals on Wheels and HIV/AIDS Waiver

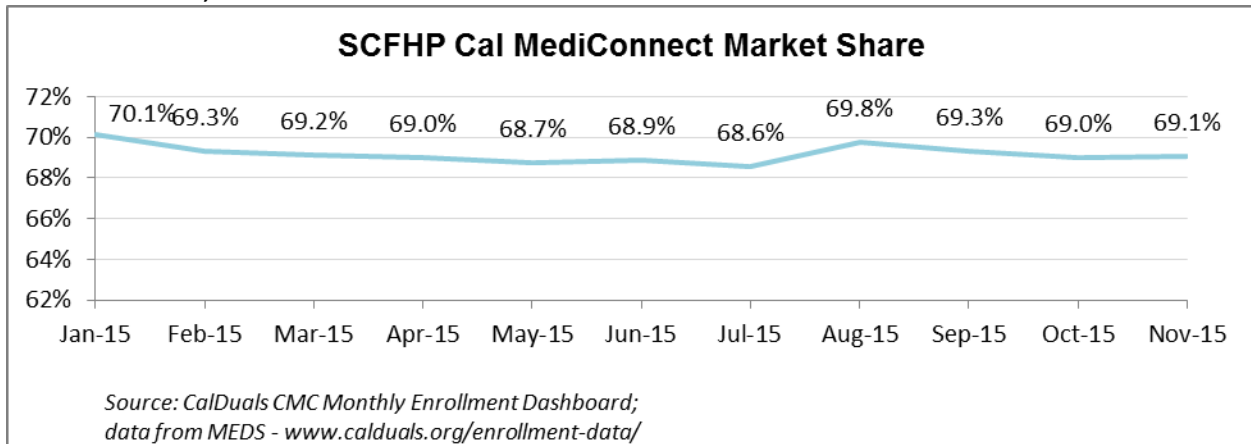
**Marketing Department
November and December 2015**

Market Share

As of November 1, 2015



As of November 1, 2015



Marketing Department November and December 2015

Website Analytics

Note: Self-referral error in Google Analytics continues to inflate traffic numbers. Issue has been submitted to Approval for resolution.

Getting Started Videos:

“Getting Started with SCFHP”

- **Video Views:** 228 in December. 728 lifetime views.
- **Views with Subtitles:** English – 30, Chinese – 3, Spanish – 1
- **Average View Duration:** 78% (1:24/1:49). YouTube indicates that this is average to above average performance amongst all videos of a similar length.

Fun Facts:

- There were 41 referrals from Facebook in December, the highest ever.
- The number of job application submissions in December was the highest all year, 100.
- Year over year, the percentage of sessions on a mobile device have increased by 109%. Yet they remain <6% of all traffic.

Carousel Item Performance – October

Item	Pageviews
Welcome new members! Watch videos on getting started.	46
Cal MediConnect – Vietnamese	20
SCFHP Named One of Top 50 Call Centers in North America	15
Has Your Information Changed? Ask us how to update.	11
Get your flu shot now. Find out how!	7
A Pap Test Every 3 Years can help prevent cervical cancer.	1
Medi-Cal Members – You Can Quit Smoking. We can help!	3

**Pharmacy Department
November and December 2015**

Cal MediConnect (CMC) prior authorization (PA) volume and audit pass rates are consistent with year to date performance. There is continued work to improve Comprehensive Medication Review (CMR) for our Medication Therapy Management (MTM) program members.

	(if applicable)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
PA volume		305	214	198	233	210	186	286	224	306	2861
Approved PAs		207	140	148	172	127	122	212	149	212	1919
Denied PAs		50	38	31	35	43	32	42	42	48	513
PA approval rate		68%	65%	75%	74%	60%	66%	74%	67%	69%	67%
PA audit sample size		20	20	20	20	20	20	20	20	20	N/A
PA audit pass		20	20	20	20	20	20	20	20		N/A
PA audit fail		0	0	0	0	0	0	0	0	In Progress	N/A
PA pass rate	100%	100%	100%	100%	100%	100%	100%	100%	100%		N/A
MTM Eligible Members (YTD)		6,322	6,873	7,538	8,141	8,495	8,945	9,487	Waiting for data		
MTM Qualified Members (YTD)		947	1,162	1,319	1,476	1,603	1,737	1,845			
MTM CMR Completion (YTD)		12	29	32	135	174	199	240			
MTM CMR Completion Rate (YTD)		1%	2%	2%	9%	11%	11%	13%			
Total claims		47,742	46,822	47,177	49,473	49,177	50,864	54,645	54,120	60,961	577,722
Approved claims		23,992	23,845	23,818	25,156	25,251	26,471	28,801	28,607	32,060	298,964
Rejected claims		23,750	22,977	23,359	24,317	23,926	24,393	25,844	25,513	28,901	278,758
Claim approval rate		50%	51%	50%	51%	51%	52%	53%	53%	53%	52%
Transition fills		319	349	322	331	257	273	273	272	367	5237
PDE rejection rate	<0.26%	1.98%	2.45%	2.78%	2.21%	1.99%	1.86%	1.76%	1.57%	1.50%	N/A
Denied claims - % reviewed		N/A	N/A	N/A	N/A	N/A	43%	94%	98%	60%	N/A
Formulary, PA, & ST posting		1-Apr	1-May	1-Jun	1-Jul	31-Jul	31-Aug	30-Sep	30-Oct	30-Nov	N/A
Formulary upload to CMS		3-Apr	5-May	3-Jun	1-Jul	4-Aug	2-Sep	5-Oct	N/A	N/A	N/A
Medi-Cal											
PA volume		1964	1560	1552	1878	1451	1844	1474	1336	1755	20215
PA audit sample size		20	20	20	20	20	20	20	20	20	N/A
PA audit pass		18	20		19	In progress					N/A
PA audit fail		2	0	In progress	1	In progress					N/A
PA pass rate	100%	90%	100%		95%	In progress					N/A

**Pharmacy Department
November and December 2015**

Prior Authorization Report:

Medi-Cal: PA volume has increased significantly which is consistent with seasonal variation. Turnaround time compliance rates continue to be high.

Month	# of PAs	Approved	Closed	Denied	PA Not Required	# of PAs not approved in time	% PAs approved w/in 24 hrs
July	1878	1115	292	426	1	36	98.08%
August	1451	722	246	331	0	23	98.41%
September	1844	877	293	479	0	23	98.75%
October	1474	736	284	375	0	1	99.93%
November	1336	709	224	285	0	5	99.63%
December	1755	996	309	396	0	11	99.37%

Cal Medi-Connect: PA volume has increased which is consistent with seasonal variation.

Month	# of PAs	Approved	Closed	Denied	PA Not Required	# of PAs not approved in time	% PAs approved on time
July	233	172	12	35	12	0	100%
August	210	127	16	43	13	0	100%
September	186	122	13	32	12	0	100%
October	137	67	11	28	10	0	100%
November	132	57	14	26	16	0	100%
December	208	103	28	44	12	0	100%

**Pharmacy Department
November and December 2015**

Pharmacy Costs:

	Month	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Running Year Avg
Medi-Cal (includes Agnews; includes HF starting Jan 2013)	Mbr Months	209,753	213,162	217,014	220,725	224,384	228,643	208,327
	Generic (\$)	\$ 2,655,502	\$ 2,548,444	\$ 2,571,577	\$ 2,601,506	\$ 2,675,586	\$ 2,609,321	\$ 2,659,099
	Generic (vol)	139,267	135,146	135,037	138,448	142,730	137,888	138,472
	Brand (\$)	\$ 6,049,955	\$ 6,031,198	\$ 6,115,243	\$ 6,435,461	\$ 6,764,669	\$ 6,607,616	\$ 5,792,329
	Brand (vol)	16,142	15,408	16,252	17,718	18,609	17,293	17,042
	Claim admin fee	\$ 164,734	\$ 159,587	\$ 160,366	\$ 165,536	\$ 171,019	\$ 164,492	\$ 164,844
	Total	\$ 8,870,191	\$ 8,739,229	\$ 8,847,186	\$ 9,202,503	\$ 9,611,274	\$ 9,381,429	\$ 8,616,273
	PMPM	\$ 42.29	\$ 41.00	\$ 40.77	\$ 41.69	\$ 42.83	\$ 41.03	\$ 41.35
	# of Rx PMPM	0.74	0.71	0.70	0.71	0.72	0.68	0.75
	% Generic (\$)	32%	31%	31%	30%	29%	29%	33%
	% Generic (vol)	90%	90%	89%	89%	88%	89%	89%
	Avg cost/Rx	\$ 57.08	\$ 58.05	\$ 58.48	\$ 58.93	\$ 59.57	\$ 60.45	\$ 55.41
Healthy Kids	Month	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Running Year Avg
	Mbr Months	4,541	4,496	4,598	4,375	4,362	4,325	4,565
	Generic (\$)	\$ 13,579	\$ 11,073	\$ 11,954	\$ 11,838	\$ 14,471	\$ 13,405	\$ 13,586
	Generic (vol)	493	374	419	471	474	466	517
	Brand (\$)	\$ 12,445	\$ 12,347	\$ 18,417	\$ 24,811	\$ 19,390	\$ 13,310	\$ 17,467
	Brand (vol)	47	53	61	74	85	58	83
	Claim admin fee	\$ 572	\$ 453	\$ 509	\$ 578	\$ 593	\$ 555	\$ 636
	Total	\$ 26,596	\$ 23,873	\$ 30,879	\$ 37,226	\$ 34,453	\$ 27,270	\$ 31,689
	PMPM	\$ 5.86	\$ 5.31	\$ 6.72	\$ 8.51	\$ 7.90	\$ 6.31	\$ 6.94
	# of Rx PMPM	0.12	0.09	0.10	0.12	0.13	0.12	0.13
	% Generic (\$)	53%	48%	40%	33%	43%	51%	45%
	% Generic (vol)	91%	88%	87%	86%	85%	89%	86%
Avg cost/Rx	\$ 49.25	\$ 55.91	\$ 64.33	\$ 68.31	\$ 61.63	\$ 52.04	\$ 53.67	
CMC (January 2015 onwards)	Month	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Running Year Avg
	Mbr Months	7,067	7,467	7,477	7,801	8,219	8,694	7,007
	Generic (\$)	\$ 622,810	\$ 652,893	\$ 653,799	\$ 722,522	\$ 750,952	\$ 739,820	\$ 606,201
	Generic (vol)	19,645	20,925	20,795	21,782	23,632	23,711	19,906
	Brand (\$)	\$ 1,628,997	\$ 1,822,494	\$ 1,970,124	\$ 1,992,481	\$ 1,914,146	\$ 2,187,733	\$ 1,834,365
	Brand (vol)	3,728	3,887	4,125	4,468	4,892	4,634	3,966
	Claim admin fee	\$ 41,510	\$ 44,066	\$ 44,258	\$ 46,620	\$ 50,659	\$ 50,341	\$ 42,398
	Total	\$ 2,293,317	\$ 2,519,453	\$ 2,668,181	\$ 2,761,623	\$ 2,715,756	\$ 2,977,893	\$ 2,482,964
	PMPM	\$ 324.51	\$ 337.41	\$ 356.85	\$ 354.01	\$ 330.42	\$ 342.52	\$ 356.14
	# of Rx PMPM	3.31	3.32	3.33	3.36	3.47	3.26	3.41
	% Generic (\$)	29%	27%	26%	28%	29%	26%	26%
	% Generic (vol)	84%	84%	83%	83%	83%	84%	83%
Avg cost/Rx	\$ 98.12	\$ 101.54	\$ 107.07	\$ 105.20	\$ 95.21	\$ 105.06	\$ 104.26	

**Claims Department
November 2015**

COMPLIANCE: % OF CLAIMS PROCESSED WITHIN 64 CALENDAR DAYS (45 WORKING DAYS) (DMHC MINIMUM IS 95%)

2015	2014
November: 79%	November: 85%

*Claims received in November are considered new and are still in progress (claims received in November will be processed in November and December). SCFHP has 64 calendar days from the day of receipt to process these claims.

CLAIMS VOLUME

2015	2014
November: 51,107	November: 39,539

PERCENTAGE OF CLAIMS RECEIVED ELECTRONICALLY (EDI) (GOAL IS 85%)

2015	2014
November: 85%	November: 86%

AUTO ADJUDICATION PERCENTAGE (GOAL IS 85%)

2015	2014
November: 64%	November: 73%

ANALYST PRODUCTIVITY (# OF CLAIMS PROCESSED PER HOUR) (GOAL IS 12 PER HOUR)

2015	2014
November: 12	November: 12

AGE OF PENDED CLAIMS AT MONTH END (CLAIMS MUST BE PROCESSED WITHIN 64 CALENDAR DAYS)

2015		2014	
0-30 DAYS	OVER 30 DAYS	0-30 DAYS	OVER 30 DAYS
November: 10,232	6,444*	November: 6,693	4,818*

*Claims over 30 calendar days old are **not** out of compliance. It is simply a claims aging measure designed to identify which claims need immediate resolution. SCFHP has 64 calendar days from the day of receipt of the claim to either pay or deny the claim.

**Claims Department
December 2015**

COMPLIANCE: % OF CLAIMS PROCESSED WITHIN 64 CALENDAR DAYS (45 WORKING DAYS) (DMHC MINIMUM IS 95%)

2015	2014
December: 70%	December: 83%

*Claims received in December are considered new and are still in progress (claims received in December will be processed in December and January). SCFHP has 64 calendar days from the day of receipt to process these claims.

CLAIMS VOLUME

2015	2014
December: 70,710	December: 42,997

PERCENTAGE OF CLAIMS RECEIVED ELECTRONICALLY (EDI) (GOAL IS 85%)

2015	2014
December: 83%	December: 78%

AUTO ADJUDICATION PERCENTAGE (GOAL IS 85%)

2015	2014
December: 64%	December: 77%

ANALYST PRODUCTIVITY (# OF CLAIMS PROCESSED PER HOUR) (GOAL IS 12 PER HOUR)

2015	2014
December: 15	December: 9

AGE OF PENDED CLAIMS AT MONTH END (CLAIMS MUST BE PROCESSED WITHIN 64 CALENDAR DAYS)

2015		2014	
<u>0-30 DAYS</u>	<u>OVER 30 DAYS</u>	<u>0-30 DAYS</u>	<u>OVER 30 DAYS</u>
December: 12,828	7,074*	December: 7,644	53,891*

*Claims over 30 calendar days old are **not** out of compliance. It is simply a claims aging measure designed to identify which claims need immediate resolution. SCFHP has 64 calendar days from the day of receipt of the claim to either pay or deny the claim.

**Medical Management Department
September 2015**

Medi-Cal, Healthy Kids and Agnews, Cal MediConnect – Inpatient and Outpatient Prior Authorizations

Inpatient Authorizations by Line of Business													
Month	Dec-14	Jan-15	Feb-15	Mar-15	April-15	May-15	June-15	July-15	Aug-15	Sept-15	Oct-15	Nov-15	Dec-15
Agnews	2	2	1	1	0	1	0	0	0	1	0	0	0
Healthy Kids	1	3	0	3	4	1	1	1	1	1	1	0	1
Medi-Cal	233	213	249	289	300	313	388	412	377	388	381	385	395
Cal MediConnect								587	254	237	217	298	304
Total	236	218	250	293	304	315	389	1000	632	627	598	683	700

Outpatient Authorizations by Line of Business													
Month	Dec-14	Jan-15	Feb-15	Mar-15	April-15	May-15	June-15	July-15	Aug-15	Sept-15	Oct-15	Nov-15	Dec-15
Agnews	4	9	11	8	7	4	4	8	6	4	7	6	9
Healthy Kids	1	3	0	1	12	2	1	3	0	3	2	1	2
Medi-Cal	506	518	525	604	594	554	558	596	657	538	549	483	533
Cal MediConnect								258	293	266	552	336	421
Total	511	530	536	613	613	560	563	865	956	811	576	826	965

Outpatient & Inpatient Authorization total by Line of Business													
Month	Dec-14	Jan-15	Feb-15	Mar-15	April-15	May-15	June-15	July-15	Aug-15	Sept-15	Oct-15	Nov-15	Dec-15
Agnews	6	11	12	9	7	5	4	8	6	5	7	6	9
Healthy Kids	2	6	0	4	16	3	2	4	1	4	3	1	3
Medi-Cal	739	731	774	893	894	867	946	1004	1034	926	930	868	928
Cal MediConnect								845	547	503	769	634	725
Total	747	748	786	906	917	875	1,797	1,861	1,588	1,438	1709	1509	1665

Prior Authorization Turnaround Time Medi-Cal and Healthy Kids

Target KPI = 95%

Urgency	July 2015	August 2015	September 2015	October 2015	November 2015	December 2015
Routine	94%	97%	97%	97%	94%	95%
Urgent	97%	97%	98%	98%	97%	91%
Retro	100%	98%	100%	96%	93%	92%

Provider Services Department
December 2015

Encounters /Provider Calls by Provider Type

Provider Operations Department has 3 Provider Services Representatives. Provider calls are taken by all PSR's.

Provider Type*		
Answer Options	Response Percent	Response Count
Agnews	0.0%	0
Arcwell Administration	0.0%	0
Arcwell / IPC Healthcare PCP	0.0%	0
ASC	0.0%	0
Audiology & Hearing Aids	0.0%	0
Autism	0.0%	0
CBAS	6.3%	6
Chiropractic	0.0%	0
CHME	0.0%	0
Community Clinics	3.2%	3
Dialysis	1.1%	1
DME/MS/Orth/Proth	1.1%	1
Home Health	0.0%	0
Home Infusion	0.0%	0
Hospice	1.1%	1
Hospital	1.1%	1
Laboratory	0.0%	0
LTC PCP	4.2%	4
Mental Health	0.0%	0
Mid-levels	0.0%	0
MSSP	0.0%	0
Non-contracted providers	2.1%	2
NT 10 PCP	5.3%	5
NT 10 Specialists	2.1%	2
PAMF	0.0%	0
PMG - PCP and SPEC	5.3%	5
Premier Care - PCP and SPEC	1.1%	1
PT/OT/ST	0.0%	0
Radiology	0.0%	0
Sleep Disorder	0.0%	0
SNF	62.1%	59
Stanford / LPCH	0.0%	0
Transportation	2.1%	2
Urgent Care	0.0%	0
VMC Clinics	2.1%	2
Wound Care	0.0%	0
Other (please specify)		4

Encounters by Category

Reason		
Answer Options	Response Percent	Response Count
Claims	30.5%	29
Authorization	17.9%	17
Eligibility User Name/Password	2.1%	2
Connect User Name/Password	3.2%	3
Eligibility or Benefits for a Member	2.1%	2
New Provider Orientation	0.0%	0
Provider Education - Operations	33.7%	32
Training - New Program, Services, Regulations	1.1%	1
Provider Request for Member Reassignment	4.2%	4
Billing/Member Refund	4.2%	4
ICD-10	1.1%	1
Comments		9

Provider Database

Dec -15	
Providers Added	113
Providers Term	40
Other changes*	153
Lic verification	262
W-9	62

*Open, close panels, changed address, add LOB, add network, On Call changes.

Quality Improvement November and December 2015

Potential Quality Issues (PQI)

A Potential Quality of Care Issue (PQI) is a suspected deviation from the expected provider performance, clinical care or outcome of care that cannot be confirmed without additional review. Such PQI issues must be referred to the Quality Improvement Department for review. Not all PQIs are found to be quality of care problems.

Twenty two cases reported in November/December

Network	PQI's reported
0	2
20	17
40	1
50	2
Line of Business	
Medi-Cal	18
CMC	3
Dual Eligible	1

PQI Levels

Level 0 – Not a SCFHP member

Level I – No quality of care or quality of service issue identified noted.

Level II – Opportunity for improvement in care, service, or system is present/identified.

Level III – Unacceptable care and/or service identified.

Level IV – Immediate Jeopardy

Facility Site Review

Facility Site Review is a means of assessing a primary care provider's ability to meet state defined standards for the ability to;

- Provide appropriate primary health care services;
- Carry out processes that support continuity and coordination of care;
- Maintain patient safety standards and practices; and
- Operate in compliance with all applicable local, state, and federal laws and regulations.

Five site reviews conducted in November/December

**Member Services Department
November 2015**

Member Services Department – All Calls

	November 2015	November 2014	Target KPI *
Total Inbound Calls	18,343	16,817	-----
Average Talk Time	4:47 minutes	4:28 minutes	-----
Average Speed of Answer	46 seconds	60 seconds	<30 seconds
Service Level	62.3%	57%	80% in <30 seconds
Abandonment Rate	5%	4%	<5%
Average Hold Time	42 seconds	28 seconds	≤ 25 seconds

*KPI – Key Performance Indicator

Medi-Cal / Healthy Kids Calls

	November 2015	November 2014	Target KPI *
Total Inbound Calls	15,726	16,817	-----
Average Talk Time	4:28 minutes	4:28 minutes	-----
Average Speed of Answer	65 seconds	60 seconds	<30 seconds
Service Level	53.7%	57%	80% in <30 seconds
Abandonment Rate	5.5%	4%	<5%
Average Hold Time	43 seconds	28 seconds	≤ 25 seconds

Cal-Medi-Connect Calls

	November 2015	November 2014	Target KPI *
Total Inbound Calls	2,617	-----	-----
Average Talk Time	5:46 minutes	-----	-----
Average Speed of Answer	14.3 seconds	-----	<30 seconds
Service Level	79.3%	-----	80% in <30 seconds
Abandonment Rate	1.9%	-----	<5%
Average Hold Time	37 seconds	-----	≤ 25 seconds

**Member Services Department
December 2015**

Member Services Department – All Call Types

	December 2015	December 2014	Target KPI *
Total Inbound Calls	18,181	18,905	-----
Average Talk Time	4:36 minutes	5:44 minutes	-----
Average Speed of Answer	34 seconds	47 seconds	<30 seconds
Service Level	71.2%	63.76%	80% in <30 seconds
Abandonment Rate	3.5%	6%	<5%
Average Hold Time	42 seconds	30 seconds	≤ 25 seconds

*KPI – Key Performance Indicator

Medi-Cal / Healthy Kids Calls

	December 2015	December 2014	Target KPI *
Total Inbound Calls	15,833	18,905	-----
Average Talk Time	4:15 minutes	5:44 minutes	-----
Average Speed of Answer	38 seconds	47 seconds	<30 seconds
Service Level	67%	63.76%	80% in <30 seconds
Abandonment Rate	4%	6%	<5%
Average Hold Time	40 seconds	30 seconds	≤ 25 seconds

Cal-Medi-Connect Calls

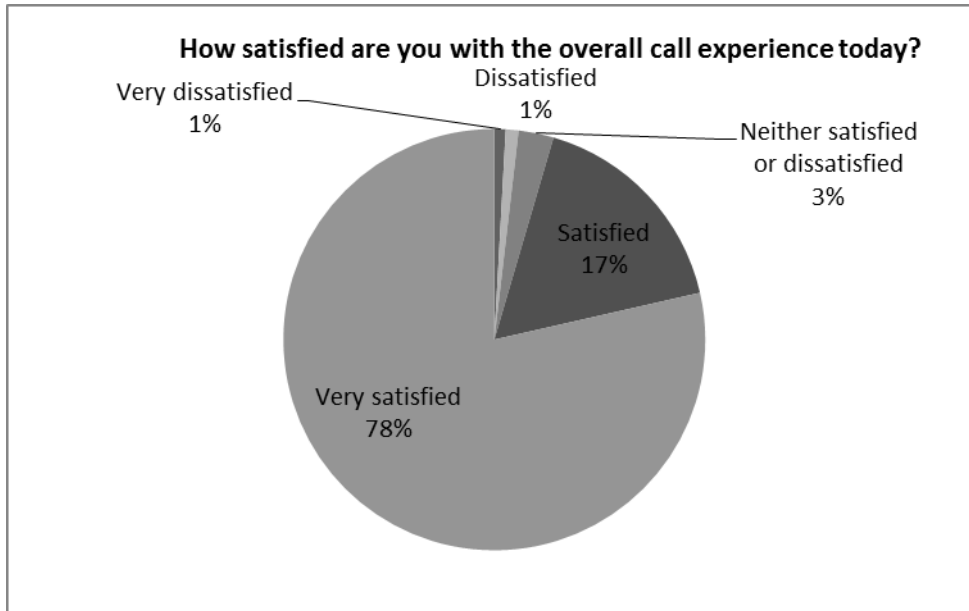
	December 2015	December 2014	Target KPI *
Total Inbound Calls	2,348	-----	-----
Average Talk Time	6:16 minutes	-----	-----
Average Speed of Answer	15 seconds	-----	<30 seconds
Service Level	79.67%	-----	80% in <30 seconds
Abandonment Rate	1.7%	-----	<5%
Average Hold Time	52 seconds	-----	≤ 25 seconds

**Member Services Department
November and December 2015**

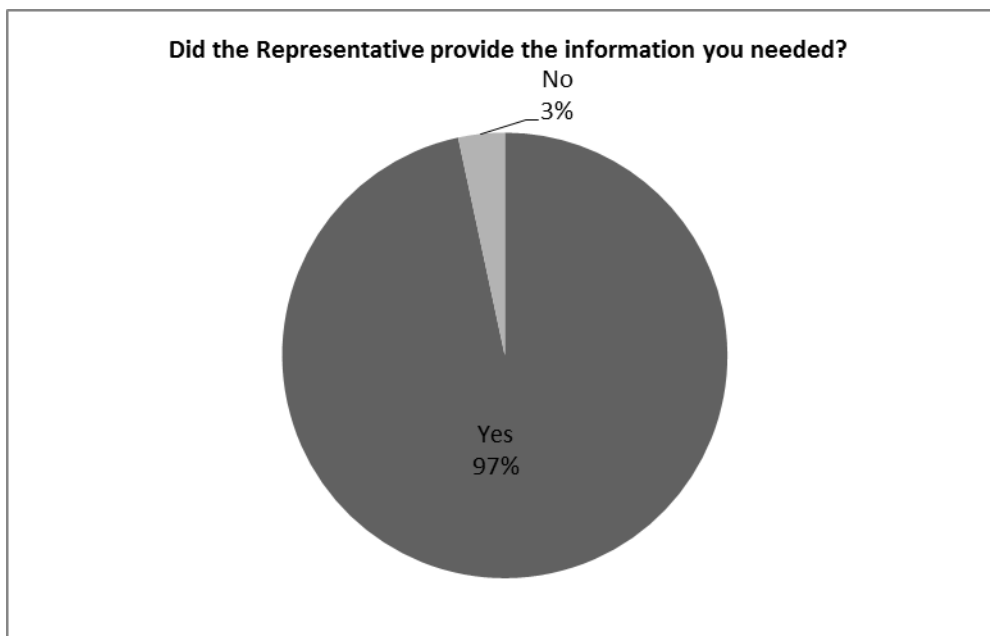
After Call Satisfaction Survey Analysis

Satisfied or Very Satisfied = 95%
Response rate for the month 42.8%

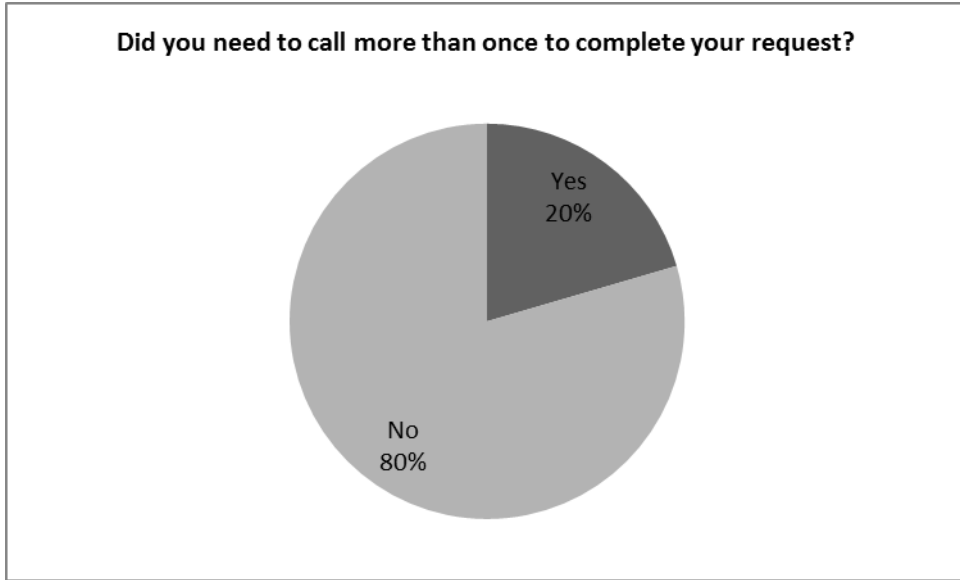
MEMBER SATISFACTION RATING



TRAINING & DEVELOPMENT RATING



ONE CALL RESOLUTION RATING



**Healthy Kids Program
November 2015**

- Healthy Kids Application Activity: 102 applications processed
- Healthy Kids Renewal Applications Activity: 212 renewal applications processed
- Healthy Kids Renewal Applications Families Transitioned to Medi-Cal for Families: 25 Families and 34 Children

**Healthy Kids Program
December 2015**

- Healthy Kids Application Activity: 99 applications processed
- Healthy Kids Renewal Applications Activity: 186 renewal applications processed
- Healthy Kids Renewal Applications Families Transitioned to Medi-Cal for Families: 32 Families and 36 Children