



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 - APPROVED

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