



Santa Clara
Family Health Plan
The Spirit of Care



MINUTES

Santa Clara County Health Authority
Governing Board Meeting

Thursday, February 5, 2015
2:30 PM-5:00 PM
210 E. Hacienda Avenue
Campbell CA 95008

Board members present:

Ms. Dolores Alvarado
Ms. Melinda Landau
Ms. Kathleen King
Ms. Laura Jones
Ms. Michele Lew
Dr. Daljeet Rai
Dr. Waldermar Wenner
Mr. Robert Brownstein
Mr. Paul Murphy

Board members not present:

Mr. Christopher Dawes
Ms. Jolene Smith
Ms. Linda Williams
Ms. Liz Kniss

Staff present:

Ms. Elizabeth Darrow, Chief Executive Officer
Mr. Dave Cameron, Chief Financial Officer
Dr. Jeff Robertson, Chief Medical Officer
Mr. Anthony Solem, Chief Medicare Officer

Others present:

Elizabeth Pianca, Secretary to the Board
Mark Pasos, Walgreens Co.

1. **Roll Call**

Chairperson Lew called the meeting to order at 2:30 pm. Roll was taken, and a quorum was established.

2. **Action Item: Review and approval of November 13, 2014, Annual Retreat Meeting**

It was moved, seconded, and approved to accept November 13, 2014 meeting minutes as presented.

3. **Public comment**

There were no public comments.

4. **Action Item: Adopt Resolution approving the revised Conflict of Interest**

Ms. Pianca, Secretary, presented the annual update to the Conflict of Interest Codes for the Health Authority. Ms. Pianca commented that there was an action taken by the Board to approve the Conflict of Interest Code Appendix A and Appendix B at the meeting on November 13, 2014. However, the resolution approving the Code amendments was not adopted and this matter is being returned to the Board for adoption of the resolution approving the Code amendments.

It was moved, seconded, and approved to accept the revised Conflict of Interest Codes.

5. **Action Item: Approval of October, November, December 2014 Financial Statements**

Mr. Cameron, Chief Financial Officer, reviewed the highlights for Fiscal Year 2014-15. Mr. Cameron covered the Financial Results summary for the month and year to date as of December 2014 and six months; SCFHP recorded a net surplus of \$0.3m and YTD \$13.4m (\$0.5m favorable to budget). Medi-Cal surplus was \$13.7m, largely due to Medi-Cal Expansion growth YTD. Lower Administrative costs YTD was 3.6 as % of revenue. Revenue was over budget by \$41.9m, with Medical Expenses over budget by \$40.0m. Administrative expenses were under budget by \$1.0m and other expenses were over budget by \$2.4m. December 2014 membership was at 220,858, 12.3% favorable to budget. December YTD: 1,265,140 member months which reflected 10.5% favorable to budget and 37% higher than December YTD last year, and continued growth in Medi-Cal Expansion membership was 69% favorable to budget.

It was moved, seconded, and approved to accept October, November, December 2014 Financial Statements. Dr. Rai abstained.

6. **Action Item: Approve extending ACA 1202 payment for applicable providers**

Mr. Cameron, Chief Financial Officer, gave a detailed overview of the Affordable Care Act (ACA) Section 1202: Increased Payments for Medicaid Primary Care Services. The background on Section 1202 requires payment of the Medicare rate for certain Medicaid primary care services provided in the calendar years 2013 and 2014. This provision applies to designated Providers for evaluation and management (E&M) codes when delivered by a physician with a specialty designation of family medicine, internal medicine, or pediatric medicine, or an approved subspecialty. Physicians and mid-levels reimbursed through the Federally Qualified Health Centers (FQHC) or Rural Health Centers (RHC) are not eligible.

The Centers for Medicare and Medicaid Services (CMS) allowed the Department of Health Care Services (DHCS) discretion on the selection of a model for payment distribution. DHCS chose model 1 payment structure, i.e. prospective capitation payment with full risk and no reconciliation. Based on this model and estimates using payments made to date, SCFHP has been incurring a residual for this ACA payment.

After payments to physicians for 2013 and 2014, SCFHP has residual funds. As such, in keeping with the mission of SCFHP to support the safety net providers, we recommend Board action to continue payments of enhanced primary care physician services beyond CY 2014, until residual of funds received from the DHCS have been disbursed to eligible providers.

It was moved, seconded, and approved to extend ACA 1202 payment for applicable providers.

7. **Action Item: Appoint Board Member Brownstein to the Executive Committee**

Ms. Lew commented that there is one vacancy on the Executive Committee and Ms. Lew recommended that the Board appoint Mr. Brownstein, who was a former Board Chair for SCFHP and is a returning Board Member. Mr. Brownstein would replace Emily Harrison's position.

It was moved, seconded, and approved to appoint Mr. Brownstein to the Executive Committee.

8. **Action Item: Accept Cal MediConnect Update**

Ms. Darrow gave a detailed overview of the implementation of Cal MediConnect (CMC). Specifically, opt outs: She noted that the Governor's budget mentions the termination of CMC if the opt out numbers don't improve. The statewide opt out last year was 54% yet the projected opt out rate was 30 to 35%. SCFHP for January and February averaged 40% opt out. She reminded the Board that one of the provisions of the demonstration is that if the program is not showing cost savings for the State, the Department of Finance can end the program. Additionally, advocates and providers, especially in Los Angeles, are vehemently opposed to CMC and this has had ripple effects statewide. Ms. Darrow also reminded the Board that MLTSS is delinked so even if CMC were to end, SCFHP would still be responsible for MLTSS. There is a lot of confusion and Ms. Darrow believes it will take a few months to smooth out for individuals to reconsider joining voluntarily, which they can do even if they've opted out once. With respect to SCFHP preparation, Ms. Darrow noted that all several staff was here on January 1st. The health plan had record phone volume and has ramped up significantly with Call Center staff. A lot of focus is on the IT implementation and Ms. Darrow was pleased to report the health plan expected to have the first Medicare check run next Friday, which has been a monumental undertaking. The staff is working Saturdays, Sundays, and well into the evening, it's been a huge project and Ms. Darrow praised the staff and noted we are lucky to have such a dedicated staff. SCFHP has been recruiting and by the next Board meeting a staffing ratio will be presented. SCFHP is currently meeting with CMS and DHCS on a weekly basis, there are multiple reporting requirements.

Ms. Darrow highlighted for the Board the major focus areas of CMS and DHCS:

Access: this includes Continuity of Care Protections and then movement of the member into network providers as needed

Health Risk Assessment: SCFHP is required to do a health risk assessment within 45 days of enrollment. Risk stratification is the focus of CMS, so that the high risk individuals are case managed immediately, that their needs are assessed and they are receiving care in the proper setting.

Pharmacy: We are now a Part D plan under all the regulatory requirements and scrutiny of CMS. Focus areas currently include access to prescriptions, ID Cards, transition supplies, appeal and grievance rights.

Call Trend: This includes phone volume, wait time, abandon call numbers, etc. We have augmented our call center through the use of a backup call center vendor.

Appeals and Grievances

Ms. Darrow concluded that as of February, SCFHP has a little over 6000 enrollees in CMC, retention and decreasing the number of opt outs will be paramount to the long term success of the program.

It was moved, seconded, and approved to accept Cal MediConnect update.

9. **Action Item: Accept presentation by Dr. Robertson who presented an overview of Cal MediConnect and MLTSS Managed Long Term Services and Supports**

Dr. Robertson, Chief Medical Officer, gave a detailed overview of the CCI and Dual Eligible population. He also reviewed Pharmacy utilization and its implication for this population

Dr. Robertson reviewed the following items:

- Cal MediConnect went live January 1, 2015
- Initial enrollment of 5400 hundred lives
- High Risk determination - 300 (5%)
- High prevalence of disabled vs. elderly -- 30% under 65 and 25% under 50
- Pharmacy: leading indicator of cost and disease burden

- Prescription cost comparison - Cal MediConnect \$359.45 PMPM, SPD \$155.56 PMPM, MediCal \$41.84 PMPM
- Dr. Robertson discussed the top 10 drug classes by count and cost and what that implies
- Disability - SMI, Chronic Pain, Fibromyalgia Syndromes, Advanced Diabetes, ESRD (25), Cancer
- Hepatitis B&C Part D cost - Medicare criteria for coverage vs MediCal
- Surprisingly absent was Alzheimer's
- Dr. Robertson also gave an overview of MLTSS, Managed Long Term Services and Supports.
- Started on July 1, 2014
- Applies to MediCal and Cal MediConnect; LTC - Custodial - 129 (22CMC), CBAS - 478, MSSP - 103, IHSS - 6,300

It was moved, seconded, and approved to accept Dr. Robertson's report

10. **Action Item: Accept Search Committee Update**

Ms. Lew, Chairperson, commented that the Search Committee has made good progress in the search for a new CEO. The Search Committee did a paper review of candidates vetted by the search firm. In January, four candidates were interviewed face to face and the Search Committee identified two strong finalists to bring forward to the full Board. Ms. Lew noted she will work with the Board to find a special Board meeting to meet with the two candidates. The candidates are also in the process of meeting with key Stakeholders including members of SCFHP Executive Team, and with County leadership which includes Jeff Smith, Rene Santiago, Paul Lorenz and Emily Harrison. The goal is to get the Stakeholder's feedback and include that in the discussion when the Board meets, hopefully sometime this month or early March.

It was moved, seconded, and approved to approve the Search Committee Update

11. **Action Item: Committee Reports - Consumer Affairs Committee**

Dr. Wenner, Board Member, reported on the Consumer Affairs Committee's (CAC) September minutes. Dr. Wenner reported that the Committee had a discussion regarding the management of call center and that they were also interested in how the denials and grievances were being managed. The next CAC meeting is December 9th and the results from that meeting will be discussed in the next Committee Update.

Dr. Robertson, Chief Medical Officer, reported that the Provider Advisory Council (PAC) had not met, but there is a meeting planned for this month and he'll present a report at the next Board meeting.

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

12. **Adjournment**

It was moved, seconded, and approved to adjourn the meeting at 3:55 pm.

Elizabeth Pianca, Secretary to the Board