

MINUTES
Santa Clara County Health Authority
Executive Committee

Thursday, September 12th, 2013

8:30-10:00 AM

Santa Clara Family Health Plan
210 E. Hacienda Avenue
Campbell CA 95008

Members present:

Ms. Michele Lew

Dr. Dale Rai

Ms. Linda Williams

Members absent:

Dr. Wally Wenner

Ms. Liz Kniss

Ms. Emily Harrison

Staff present:

Ms. Elizabeth Darrow, Chief Executive Officer

Mr. Dave Cameron, Chief Financial Officer

Ms. Shannon McNally, Executive Assistant

Mr. Rayne Johnson, Chief Information Officer

Mr. Matt Woodruff, Chief Operations Officer

Mr. Jeff Robertson, Chief Medical Officer

Others present:

Ms. Laura Jones, SCCHA Governing Board Member

Mr. Mark Pasos, Walgreens Co.

1. Roll call

The meeting was called to order at 8:32 a.m. by Ms. Lew. Roll call was taken, and a quorum was established.

2. Public comment

There was no public comment.

3. Action item: Approve minutes of Executive Committee dated May 16th, 2013.

It was moved, seconded, and approved to approve the minutes as presented

4. Action item: Accept report from Chief Financial Officer on May and June 2013 financial statements.

Financial highlights for the twelve months ending June 30, 2013

- Operating surplus of \$1.1 million for the month and a \$4.4 million surplus year to date.
- Revenue is \$2.7 million or 11.9% above budget for the month and \$20.3 million, or 7.5%, above budget year to date.
- June enrollment is at 155,315, or 8.5%, above budget. Year to date the Plan is over budget by 2.3%. Medi-Cal enrollment is over budget 24.8% for the month and 10.1% over budget year to date. Approximately 16,000 former SCFHP Healthy Families members have transitioned into Medi-Cal as of 6-30-13. Healthy Kids are below budget year to date by 6.0% and 2.6% respectively.
- Health Care costs were over budget by \$2.5 million, or 12.3%, for the month and \$19.8 million over budget, or 8.1%, year to date.
- Administrative expenses are \$143k, or 9.3%, favorable to budget for the month and \$510k, or 2.6%, favorable year to date. Administrative expenses were 5.4% and 6.5% of revenues for the month and year to date respectively.
- Tangible net equity (TNE) was \$28.6 million or 3.8 times the minimum TNE required by the Department of Managed Health Care (DMHC). The Plan's reserves are roughly \$17.7 million below the reserves targeted by the Board of two months capitation revenue.
- Healthy Kids accumulated surplus from FY 2012 and 2013 is \$1.5 million. These funds will be used for premiums in FY 2014.

It was moved, seconded, and approved to approve the May and June 2013 financial statements as presented.

5. Action item: Approve requested budget allocations for Dual Demonstration start up

Ms. Darrow gave an update on the Duals Demonstration project commenting that an announcement was made to push back the demonstration to April 2014. The Health Plan continues to work on implementation. Budget allocations for the Dual Demonstration start-up costs were presented.

It was moved, seconded, and approved to approve the requested budget allocations for the Dual Demonstration start up as presented.

6. Discussion item: CEO Update

Ms. Darrow gave an update on the Plan's current activities and initiatives. Ms. Darrow commented that the Health Plan's legal counsel has gone through extensive research with respect to the Joint Powers Authority with the county. Mr. Spohn, attorney for the Health Plan, will be attending the next Governing Board meeting to share this information with the Board members. Ms. Darrow stated that she has invited Dr. Jeff Smith and Mr. Rene Santiago to attend the meeting and hopes to be able to make progress through this discussion.

Ms. Darrow commented that a call is scheduled with Mr. Santiago and Mr. Lorenz next week to discuss next steps with the MSO for Valley Medical Center.

Ms. Darrow stated that the Health Plan continues to move toward their Certification of Customer Service Excellence. The Plan recently completed a reorganization of the Member Services Department to better align resources for outreach, Medicare, enrollment, eligibility, customer service and provider services. The Plan's next audit is in November.

By way of further discussion, Ms. Darrow noted that the Health Plan expects the Expansion population in January 2014. LIHP enrollees will move to SCFHP and then be delegated to the County. The health Plan will not experience much of a financial change but expect that it will push enrollment up. Ms. Darrow also commented that the Health Plan is engaged in Healthy Kids outreach, screening for every potential program and using community resources.

Executive Session

7. Adjourn to closed session

a. Personnel (Government Code 54957)

It is the intention of the Committee to meet in closed session to consider the performance evaluation of the Chief Executive Officer.

b. Real Property Negotiations (Government Code Section 54956.8)

It is the intention of the Executive Committee of the Santa Clara County Health Authority Governing Board to meet in Closed Session to confer with its Real Property Negotiators concerning:

The price and terms for the possible acquisition of real property located at 210 E. Hacienda Avenue, Campbell, CA 95008, APN 424-33-121. The negotiator for the Health Authority is Dave Cameron, Chief Financial Officer. The other negotiating party is the owner of the 210 E. Hacienda Avenue property.

8. Report from closed session

The Executive Committee discussed property negotiations. No action was taken.

The Executive Committee discussed personnel issues. No action was taken.

9. Adjournment

It was moved, seconded, and approved to adjourn the meeting at 8:58 a.m.

Shannon McNally, Secretary to the Board