



AGENDA
Santa Clara County Health Authority
Executive Committee
Open to full Board attendance

Thursday, May 16th, 2013
8:30 AM -10:00 AM
Santa Clara Family Health Plan
210 E. Hacienda Avenue
Campbell CA 95008

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| 1. Roll call | Christopher Dawes |
| 2. Public comment | Christopher Dawes |

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

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| 3. Action item: Approve minutes of Executive Committee dated March 14 th , 2013. | Christopher Dawes |
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| 4. Discussion item: Dual Demonstration Project | Elizabeth Darrow
Dave Cameron |
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Discussion of the Dual Demonstration project, current rates and negotiations with DHCS

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| 5. Discussion item: Special Needs Plan Submission | Elizabeth Darrow
Dave Cameron |
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The CEO will give an update on the status of Special Needs Plan submission

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| 6. Discussion item: CEO Update | Elizabeth Darrow |
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The CEO will update the Executive Committee on Health Plan activities and initiatives.

Executive Session

7. Adjourn to closed session

Christopher Dawes

a. Personnel (Government Code 54957)

It is the intention of the Committee to meet in closed session to discuss personnel issues.

8. Adjournment

Notice to the Public— Meeting Procedures

- Persons wishing to address the Committee 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.
- In compliance with the Americans with Disabilities Act, those requiring accommodations in this meeting should notify Shannon McNally 24 hours prior to the meeting at 408-874-1842.
- To obtain a copy of any supporting document that is available, contact Shannon McNally 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.

MINUTES
Santa Clara County Health Authority
Executive Committee

Thursday, March 14th, 2013
8:30-10:00 AM
Santa Clara Family Health Plan
210 E. Hacienda Avenue
Campbell CA 95008

Members present:

Mr. Bob Brownstein
Ms. Michele Lew
Mr. Chris Dawes
Dr. Wally Wenner
Dr. Dale Rai

Members absent:

None

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:

Mr. Dan Peddycord, SCCHA Governing Board Member
Ms. Emily Harrison, SCCHA Governing Board Member
Mr. Mark Pasos, Walgreens Co.

1. Roll call

The meeting was called to order at 8:36 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 January 17th, 2013.

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

4. Action item: Accept report from Chief Financial Officer on January 2013 financial statements

- Operating surplus of \$329k for the month and a loss of \$102k year to date. This compares to a budgeted surplus of \$527k for the month and a surplus of \$190k year to date.
- Revenue is \$1.1m, or 4.7%, above budget for the month and \$2.6m, or 1.7% above budget year to date.
- January enrollment is at 143,266, or 1.1%, above budget. Year to date the Plan is under budget by .08%. Medi-Cal membership increased by 16,500 in January, approximately 15,000 members transitioned from Healthy Families.
- Health Care costs were over budget by \$1.3m, or 6.3%, for the month and \$3.3m over budget, or 2.3%, year to date. The increase was primarily due to the increased Global Provider capitation payments based on membership volume and higher inpatient utilization.
- Administrative expenses are \$9k, or .5%, favorable to budget for the month and \$289k, or 2.5%, favorable year to date. Administrative expenses were 7.0% and 7.1% of revenues for the month and year to date respectively.
- Tangible net equity (TNE) is \$24.1m or 3.7 times the minimum TNE required by the Department of Managed Health Care (DMHC). The Plan's reserves are roughly \$16.3m below the reserves targeted by the Board of two months capitation revenue.

Mr. Cameron commented that the primary reason for the increase in revenue is a higher average Medi-Cal capitation rate than budgeted both for the month and year to date and additional unbudgeted CBAS revenue. We are continuing to reserve for the provider rate cuts (AB-97); on December 13th the court ruled that DHCS does have the authority to reduce Medi-Cal rates. The Plan is currently absorbing all rate cuts and not passing any reductions to network providers.

It was moved, seconded, and approved to approve the November 2012 financial statements as presented.

5. Action item: Review RFP for external audit firm and approve inclusion of Moss Adams

Mr. Cameron and Ms. Darrow approached the committee asking for approval to include Moss Adams, the Health Plans existing auditors, in the RFP for external auditors. Ms. Darrow commented that it may be a good idea to continue with the Health Plan's current auditors to remain consistent. Mr. Cameron commented that a standard comment would be included in the RFP letter to ensure objectivity.

It was moved, seconded, and approved to approve the inclusion of Moss Adams in the RFP as presented.

6. Discussion item: CEO Update

Ms. Darrow updated the Executive Committee on the Health Plan activities and initiatives. Ms. Darrow stated that the Duals project continues to remain in a holding pattern. DHCS and CMS are not communicating effectively. Ms. Darrow also noted that this uncertainty has been very difficult for Health Plan staff who have worked hard on this project. Some other states have dropped out completely and optimism is waning. Ms. Darrow also commented that the Health Plan is interested in doing Medicare but not to the detriment of the Plan.

Mr. Cameron also commented that the Health Plan would become an MSO for Valley Health Plan/Valley Medical Center. The Health Plan has concerns about the process and hopes to get better data. There are systems issues and payment issues that need to be addressed. Mr. Cameron also stated that there is a meeting scheduled with the County this week and that the Plan will keep the Committee informed on rates and contracts negotiations.

Ms. Darrow stated that the proposal for a JPA with the County was not ready to share, that it had not been what was expected for a JPA and that there were missing components. Attorneys have become involved and Ms. Darrow will keep the committee informed of any further developments.

Lastly, Ms. Darrow commented that the Customer Service department would be having their first audit and that the Plan is hoping to raise the bar and improve the Plan's position as a Customer Service Center of Excellence.

Executive Session

7. Adjourn to closed session

a. 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.

b. 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.

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.

It was moved, seconded, and approved to adjourn the meeting at 10:17 a.m.

Shannon McNally, Secretary to the Board