



Santa Clara
Family Health Plan

The Spirit of Care

AGENDA
Santa Clara County Health Authority
Governing Board Regular Meeting

Thursday, February 21st, 2013

2:30-5:00 PM

210 E. Hacienda Avenue

Campbell CA 95008

- | | |
|--|---------|
| 1. Roll Call | Ms. Lew |
| 2. Action item: Review and approval of November 2012 meeting minutes | Ms. Lew |
| 3. Public comment | Ms. Lew |

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 or public comment period to 30 minutes

- | | |
|---|------------|
| 4. Action item: Approval of revised Appendix A, Conflict Of Interest Code | Ms. Darrow |
| 5. Report of Executive Committee | Mr. Dawes |
| a. Action items | |
| 1. Acceptance of October through December 2012 financial statements | |
| 2. Approve Duals Proposed Budget FY 12/13 | |

6. Discussion item: Review of Other Health Plan Key Initiatives Ms. Darrow

A presentation will be given to highlight the various initiatives the Health Plan is focused on this year

7. Discussion item: Model of Care for the Dual Demonstration Project Dr. Robertson

Chief Medical Officer will give a presentation on the approved Model of Care for the Dual Demonstration project

8. Discussion item: Notice of Additional Board Meeting Ms. Lew

Notice of additional board meeting in late March/early April to present final Dual Demo budget, financials and decision to go forward

9. Committee reports

- a. Consumer Affairs Committee: Dr. Wenner

1. Discussion item

A recap of recent Committee proceedings will be presented

- b. Provider Advisory Council: Dr. Robertson

1. Discussion item

A recap of recent Council proceedings will be presented

2. Action item:

Approve nomination for Dr. Thad Padua to join the Provider Advisory Council

10. Action item: Request for, and approval of, volunteers for Ms. Darrow
Bylaws Committee.

11. Adjournment

For information about this notice or to review any of the documents constituting the agenda packet, please contact Shannon McNally, Santa Clara Family Health Plan, 210 E. Hacienda Avenue, Campbell CA, 95008, tel. 408-874-1842. Requests for provision of this notice in an alternative format in accordance with the Americans with Disabilities Act of 1990 should be made no later than two business days prior to the date of the meeting.

MINUTES
Santa Clara County Health Authority
Governing Board Annual Retreat

Thursday, November 29th, 2012
12:00 PM-4:00 PM
210 E. Hacienda Avenue
Campbell CA 95008

Board members present:

Ms. Michele Lew
Mr. Bob Brownstein
Dr. Dale Rai
Dr. Wally Wenner
Ms. Emily Harrison
Dr. Adel Abi-Hanna
Ms. Laura Jones
Mr. Daniel Peddycord
Mr. Christopher Dawes
Ms. Judy Chirco
Ms. Laura Williams

Board members not present:

Ms. Pattie DeMellopine

Others present:

Ms. Elizabeth Darrow, Chief Executive Officer
Mr. Dave Cameron, Chief Financial Officer
Mr. Matt Woodruff, Chief Operations Officer
Mr. Rayne Johnson, Chief Information Officer
Dr. Thad Padua, Medical Director
Ms. Kathleen King, Executive Director, Foundation
Ms. Shannon McNally, Secretary
Ms. Beth Paige, Compliance Officer
Ms. Pat McClelland, VP of Member Operations
Ms. Robin Bilinski, Manager, Government Relations
Mr. Rene Santiago, Deputy County Executive and Director of Santa Clara Valley Health and Hospital Systems
Mr. John Ramey, Executive Director, Local Health Plans of California

Dr. Marty Fentstersheib, MD, MPH – Health Officer, Santa Clara County Public Health Department

1. Roll Call

Chairman Lew called the meeting to order at 12:50pm. Roll call was taken, and a quorum was established.

2. Public comment

There was no public comment.

3. Action item: Review and approval of September 27th, 2012 meeting minutes

It was moved, seconded, and approved to accept minutes as presented.

4. Discussion item: Report from the County Health Officer

Dr. Marty Fentstersheib presented an overview of the state of the County's health.

- Vietnamese Health Assessment/Latino Health Assessment
- Health Insurance & Healthcare Access
- Cancer Risk Factors & Mortality
- Mental Health
- Status of Latino/Hispanic Health

Dr. Fentstersheib commented that the data continued to show disparities in health status relative to race/ethnicity. He correlated this phenomenon with the CDC's paradigm which describes socioeconomic factors (poverty, education, housing, environment, inequality, etc) as the greatest determinants of health status while clinical interventions and counseling have the least impact.

5. Discussion item: View from Sacramento

Mr. John Ramey presented an overview of the view from Sacramento highlighting the recent election results and what it means for healthcare and specifically for the Health Plan. Mr. Ramey stated that under the Affordable Healthcare Act, coverage will be made much more available to those without

access. Mr. Ramey also noted that federal debt is too high and that this cannot be fixed without changes in Medicare and Medicaid.

6. Action item: Acceptance of July through September 2012 Financial Statements

Mr. Cameron presented highlights for the three months ending September 2012 financial statement:

- Operating loss of \$138,000 for the month and \$706,000 year to date. This compares to a budgeted loss of \$581,000 for the month and \$2.0m year to date.
- Revenue is \$54,000 or 0.3% above budget for the month and \$203,000 or 0.3% above budget year to date.
- September enrollment was 138,370 or 0.4% below budget. Year to date the Plan is under budget by 0.3%. All lines of business are close to or on budget except Healthy Workers which is 9.5% below budget for the first three months of the year.
- Health care costs were under budget by \$310,000 or 1.5% for the month and \$787,000 under budget, or 1.3% year to date.
- Administrative Expenses were \$70,000, or 4.6%, favorable to budget for the month and \$239,000, or 4.9%, favorable year to date. Administrative expenses were 6.9% and 7.1% of revenues for the month and year to date respectively.
- Tangible Net Equity was \$23.5 million or 4.0 times the minimum TNE required by the Department of Managed Health Care. The Plan's reserves are roughly \$14.9 million below the reserves targeted by the Board of two months capitation revenue.
- SCFHP was issued an Unqualified Opinion by our external auditors, Moss Adams, which means our June 30, 2012 financial statements are fairly presented in accordance with generally accepted accounting principles.

Mr. Cameron stated that the Health Plan continues to reserve for the provider rate cuts (AB-97) as the state will likely retroactively apply them to July 1, 2011. The Plan is currently absorbing all rate cuts and not passing any reductions to our network providers. Mr. Cameron also noted that the state has not reconciled and the Health Plan is still being paid at two year old rates.

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

7. Discussion item: Reserves Discussion

Mr. Cameron discussed reserve requirements and SCFHP's current position and future considerations.

Mr. Cameron shared a comparison chart highlighting changes in the Health Plans reserves over the years. Ms. Darrow commented how dramatically the reserves can diminish and recommended that the Health Plan be aware of the risk being carried and to make sure that the Plan makes solid decisions when looking at the reserves. Ms. Darrow also reminded the board of the financial struggles back in 2009 and noted that it would be extremely painful for the Health Plan to go through that again.

8. Report of the Chief Executive Officer

a. Discussion item: Program Overview and Outlook

SPDs

Ms. Darrow gave an overview on several of the Health Plans programs. Starting with the SPD population, Ms. Darrow discussed the characteristics of the population and the current experience of the Health Plan. Background of Seniors receiving Medi-Cal shows that most seniors have disabilities and some type of activity limitation. Disability, functional impairment, and chronic conditions co-exist. Overall, there is less participation in prevention programs. Ms. Darrow commented that there are barriers to accessing care which include physical, communication, equipment, transportation and practitioner awareness. Some of the managed care challenges with SPDs are assuring continuity of care and reiterating the importance of a primary care physician, educating members about available community resources and encouraging members to receive preventive services.

All new members receive a welcome phone call while those in the high risk category are contacted by case managers who perform a needs assessment. This population requires intensive customer care. The State did not communicate effectively about mandatorily enrollment and cannot be relied upon to get a clear message to the beneficiaries. Between November 2011 and October 2012 the outbound calls from the Plans call center went from 8,700 to 18,700, specifically supporting SPDs. Members have appreciated the Health Plans outreach efforts. Ms. Darrow also noted that one benefit from all of this is that it has helped the Plan interdepartmentally and overall to improve the organization.

Healthy Families Transition to Medi-Cal

The California State Budget eliminates the Healthy Families Program and transfers these beneficiaries to Medi-Cal to receive their medical, dental and vision services. The transition will take place over 12 months beginning January 2013. Ms. Darrow commented that this transition will help to simplify eligibility, improve the coverage and premiums will be eliminated for lower income beneficiaries. For the Health Plan there were seven providers who refuse to transition to Medi-Cal contracts. This impacts 2.6% of the total population. These members are being contacted and assisted with transitioning to new providers.

Duals Demonstration Project

Ms. Darrow stated that the Health Plan has applied for the Medicare Dual Demonstration project, also known as the Coordinated Care Initiative, having submitted all applications, and are waiting for CMS approval. The Health Plans Model of Care has been approved for 2 years by NCQA. The Plan expects rates at the end of December 2012 and a comprehensive audit for readiness and compliance in early 2013. The Coordinated Care Initiative requires the Plan to coordinate Medicare, Medi-Cal and Long Term Support Services and the Plan must also administer a Part D plan. Beneficiaries will be mandatorily enrolled with an opt out provision until or unless there is a need for long term care or IHSS, then the beneficiary must enroll in managed care. The Plan is allowed to start the program with our current enrolled dual eligibles. This program merges social benefits with medical benefits and the Plan will be responsible for managing these benefits.

Ms. Darrow commented that this will be very different from what the Plan has done in the past. The Health Plan has never managed long term care. The Plan will now have a federal contract to administer Medicare benefits. This is a highly regulated program with multiple reporting requirements. The Plan will also be required to pay claims based on Medicare payment methodologies which requires IT system investments. The Health Plan must interface with CMS electronically for enrollment, eligibility and reconciliation. The Plan must become NCQA accredited in three years.

Ms. Darrow stated that the Plan must prepare case management and disease management tailored to chronically ill adults and disabled beneficiaries. The Health Plan will also need to develop expertise for benefits that were not managed before and to align networks appropriately and be much savvier purchasers of health care. Ms. Darrow noted that this is a very controversial program, highly visible pilot with several opponents.

Ms. Darrow commented that she felt that the Health Plan participating in the Duals Demonstration project would be a natural expansion in government programs. It is important to expand our portfolio of programs and is a good opportunity for improving our infrastructure and expertise. Medicare is a much better payer than Medi-Cal which is good for our providers.

To prepare, the Health Plan has started to develop a Medicare budget. There are actuaries lined up and ready for rates. The Plan is also currently performing due diligence for systems solutions. Once all of this has been put together, the Plan will put forth a proposal to the Board with a recommendation to go forward or withdrawal.

Healthy Kids

Ms. Darrow began by congratulating Kathleen King and the Foundation for the work on the passage of Measure A. Healthy Kids product reached its peak in 2006 with 13,000 kids. Enrollment is now under 6,000. There has been a significant decline caused by Kaiser enrollment and a change in immigration patterns. Healthy Kids programs across the state have been discontinued or modified and all have had a sharp decrease in enrollment. Funding has decreased, major and some local foundations have ceased premium payments. The City of San Jose has extended its funding through June 2013.

Healthy Workers

Ms. Darrow gave an overview of the Healthy Workers program, stating that it is a pilot program to cover uninsured adults, enabled by AB12 legislation that was approved by the Governor in 2007. Eligible employers must have between 2-50 workers in Santa Clara County, 35% of eligible employees need to earn 0% to 350% of FPL and 50% of eligible employees must enroll. Ms. Darrow stated that the program is slow to sell due to complexity of eligibility requirements and costs to small businesses. Some businesses could not keep up with the premiums. Access at VMC has also been an issue, along with lack of provider choice.

Ms. Darrow commented that Health Care Reform could also change the outlook of the program. Valley's Low Income Health Plan may attract some of these members at or below 133% FPL. The premium is zero and the network and benefits are virtually the same. Also, beginning in 2014, the California Exchange will be available to small groups and individuals. Ms. Darrow also stated that the Health Plan recommends, as of January 2013, that the Plan discontinue all lead generations and marketing of the

Healthy Workers program. Any new applicants will be accepted but notified of the sunset. The health Plan will also notify DMHC of the intent to discontinue the program. By way of further discussion, Ms. Darrow asked for approval from the Board to move forward with discussions with the County on Healthy Kids and to approve discontinuing Healthy Workers effective December, 2013.

Mr. Brownstein expressed his concerns, stating that he was not comfortable, and did not support, the Health Plan discussing the future of the Healthy Kids program until discussions about funding took place. Mr. Brownstein recommended that the Health Plan initiate conversation with the County regarding the County's intentions in regard to funding Healthy Kids. Once the County has made a decision, the Health Plan could begin to participate in a broad, open communication based process. Mr. Brownstein abstained from voting.

Ms. Williams commented that Ms. Darrow's presentation stated full support of the Healthy Kids program and that there was no indication of ending the program.

Ms. Chirco also expressed concern stating that it seemed to be too soon after the election and the message that this sends to the citizens of Santa Clara County could be misunderstood. Ms. Chirco noted that she is uncomfortable with the conversation.

Mr. Santiago commented that the passage of Measure A would provide great support for the County and expressed his appreciation. Mr. Santiago also stated that the Healthy Kids program was a high priority and that he does not see moving away from this. Health is the highest priority for the County and the goal is to expand coverage to everyone. Mr. Santiago also gave his support in discussing the future of programs such as Healthy Kids and Healthy Workers, noting that the stakeholders are very important.

It was moved, seconded, and approved that the Health Plan moves forward with discussion with the County regarding Healthy Kids and Healthy Families.

It was moved, seconded, and approved to discontinue the Healthy Workers program effective December, 2013.

9. Committee reports

a. Consumer Affairs Committee

i. Discussion item

A recap of recent Committee proceedings were presented.

b. Provider Advisory Council

i. Discussion item

A recap of recent Committee proceedings were presented.

10. Action item: Approve 2013 meeting calendar(s)

It was moved, seconded, and approved to approve the calendar(s) as presented.

11. Adjournment

It was moved, seconded, and approved to adjourn the meetings at 4:23pm.

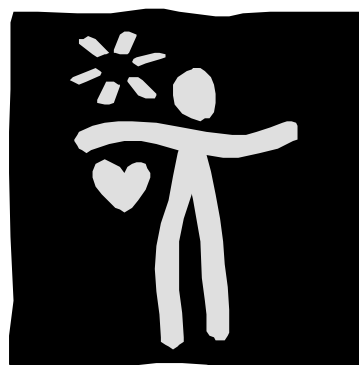
Shannon McNally, Secretary to the Board

**Appendix A - Amended
 Santa Clara County Health Authority
 Conflict of Interest Code
 POSITIONS REQUIRED TO FILE**

The following is a list of those positions that are required to submit Statements of Economic Interests (Form 700) pursuant to the Political Reform Act of 1974, as amended:

Required to File Form 700:

Position	Disclosure Category Number
Health Authority Board Member	1
Chief Executive Officer	2
Chief Financial Officer	2
Chief Operating Officer	4
Medical Director	5
Chief Medical Officer	5
Chief Information Officer	2
Executive Director, Santa Clara Family Health Foundation	6
Director, Medical Management	5
Vice President Member Operations	4
Vice President Provider Operations	5
Director, Infrastructure and System Support	4
Pharmacy Director	5
Sr. Director of Integrated Business Solutions	4
Consultant	7



Santa Clara
Family Health Plan

The Spirit of Care

Financial Statements

For Six Months Ended

December 2012

(Unaudited)

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Santa Clara Family Health Plan CFO Finance Report

For the Month & Year to Date Ended December 31, 2012

Summary of Financial Results

For the month of December 2012, SCFHP recorded an operating loss of \$158 thousand compared to a budgeted operating surplus of \$605 thousand, resulting in an unfavorable variance from budget of \$763 thousand. For year to date December 2012, SCFHP recorded an operating loss of \$432 thousand compared to a budgeted operating loss of \$337 thousand, resulting in an unfavorable variance from budget of \$95 thousand. 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
Favorable/(Unfavorable)

Current Month					Year to Date			
Actual	Budget	Variance \$	Variance %		Actual	Budget	Variance \$	Variance %
\$ 22,695,580	\$ 22,653,251	\$ 42,329	0.2%	Revenue	\$ 133,535,569	\$ 132,005,384	\$ 1,530,185	1.2%
21,255,395	20,439,867	(815,528)	-4.0%	Medical Expense	124,493,289	122,482,057	(2,011,232)	-1.6%
1,440,184	2,213,384	(773,200)	-35%	Gross Margin	9,042,280	9,523,327	(481,047)	-5%
1,633,720	1,585,077	(48,644)	-3.1%	Administrative Expense	9,440,366	9,720,386	280,020	2.9%
(193,536)	628,307	(821,843)	131%	Net Operating Income	(398,086)	(197,059)	(201,027)	-102%
35,721	(23,333)	59,054	253%	Non-Operating Income/Exp	(33,588)	(140,000)	106,412	76%
\$ (157,815)	\$ 604,974	\$ (762,789)	126%	Operating Surplus/ (Loss)	\$ (431,674)	\$ (337,059)	(94,615)	-28%

Revenue

The Health Plan recorded net revenue of \$22.7 million for the month of December 2012, compared to budgeted revenue of \$22.7 million, resulting in an favorable variance from budget of \$42 thousand, or 0.2%. For December 2012 year to date net revenue was \$133.5 million, compared to budgeted revenue of \$132.0 million, resulting in a favorable variance from budget of \$1.5 million, or 1.2%.

On October 27, 2011, DHCS announced that CMS approved key elements of California state bill AB 97. AB 97 contains cost saving measures in the state's Medi-Cal program that would significantly impact the Plan's revenue rates retroactive to July 1, 2011. The State scored a major victory on December 13, 2012, when a three judge panel of the Ninth Circuit of Appeals upheld the Medi-Cal provider cuts contained in AB 97. SCFHP has reserved for all AB 97 cuts in case the State decides to recoup funding back to the AB 97 effective date of July 2011.

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 2012, overall member months were higher than budget by 842 members, or +0.6%. For year to date December 2012, overall member months were below budget by 814 members, or -0.1%.

Compared to the end of the prior fiscal year, 6/30/2012, membership in Medi-Cal increased by 2.3%. Membership in the Healthy Families and Healthy Kids programs declined, by 2.3% and 7.1%, respectively, since 6/30/2012. Member months and changes from prior year are summarized on Page 10.

Medical Expenses

For the month of December 2012, medical expense was \$21.3 million compared to budget of \$20.4 million, resulting in an unfavorable budget variance of \$816 thousand, or 4.0%. For year to date December 2012, medical expense was \$124.5 million compared to budget of \$122.5 million, resulting in an unfavorable budget variance of \$2.0 million, or 1.6%. The increase was primarily due to a spike in Pharmacy costs, and increased Global Provider capitation payments based on membership volume.

Administrative Expenses

Overall administrative costs were over budget by \$49 thousand (-3.1%), and \$280 thousand under budget (+2.9%), for the month of December 2012 and year to date December 2012, respectively. The primary reason for being over budget in December was additional actuarial consulting expenses as a result of numerous DHCS requests and work on the Duals Demonstration Project.

Administrative expenses were 7.2% and 7.1% of revenues, for the month of December and year to date December 2012, respectively.

Balance Sheet (Page 6)

Current assets at December 31, 2012 totaled \$63.1 million compared to current liabilities of \$40.0 million, yielding a current ratio (the ratio of current assets to current liabilities) of 1.6:1 as of December 31, 2012. Working capital decreased by \$279.5 thousand for the six-month year-to-date period ended December 31, 2012.

Cash as of December 31, 2012, decreased by \$20.6 million from the cash balance as of year-end June 30, 2012. Net receivables increased by \$24.4 million during the same six-month period.

Liabilities increased by a net amount of \$4.2 million during the six months ended December 31, 2012. Increases include \$7.6 million for additions to the reserve for Medi-Cal revenue rate reductions, offset by decreases in other categories of liabilities.

On February 25, 2010, the Board adopted a resolution to set aside excess funds generated from the Healthy Kids program, to be used for future Healthy Kids premium costs beginning with FY10. Based on this resolution, \$1.4 million, \$1.1 million, and \$710 thousand, for FY2010, FY2011, and FY2012, respectively, were designated by the Health Authority's Governing Board to be used for future Healthy Kids premiums. Designated funds remain under the control of the Governing Board which may, at its discretion, later use the funds for other purposes. As of May 2012, potential funding for Healthy Kids as designated with this resolution was redirected to be used toward the support of the County Safety net.

Capital Expenses increased by \$196 thousand for the six months ended December 31, 2012.

Tangible Net Equity

Tangible net equity (TNE) was \$23.8 million at December 31, 2012, compared to the minimum TNE required by the Department of Managed Health Care (DMHC) of \$6.4 million (per last filing for quarter ended 09-30-12). A chart showing TNE trends is shown on page 12 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, 2012, the Plan's reserves are about \$16.2 million below this reserves target (see calculation below).

Calculation of targeted reserves as of December 31, 2012:

Estimate of two months' capitation (Dec-2012 Medi-Cal Capitation of \$19,529,500 X 2 = \$ 39,059,000)	\$ 39,059,000
Less: Unrestricted Net Equity per balance sheet (rounded up)	<u>\$ 22,871,000</u>
Approximate reserves below target	<u>\$ 16,188,000</u>

**Santa Clara County Health Authority
Balance Sheet**

	<u>12/31/2012</u>	<u>11/30/2012</u>	<u>10/31/2012</u>	<u>6/30/2012</u>
Assets				
Current Assets				
Cash and Marketable Securities	\$ 32,811,448	\$ 40,719,703	\$ 35,648,059	\$ 53,399,695
Premiums Receivable	29,470,508	28,195,255	29,199,550	5,105,903
Due from Santa Clara Family Health Foundation - net	41,347	83,838	39,592	34,629
Prepaid Expenses and Other Current Assets	<u>820,584</u>	<u>717,767</u>	<u>754,284</u>	<u>716,693</u>
Total Current Assets	63,143,887	69,716,564	65,641,485	59,256,920
Long Term Assets				
Equipment	6,517,201	6,512,201	6,492,318	6,320,782
Less: Accumulated Depreciation	<u>(5,917,045)</u>	<u>(5,860,310)</u>	<u>(5,801,588)</u>	<u>(5,568,491)</u>
Total Long Term Assets	<u>600,155</u>	<u>651,891</u>	<u>690,730</u>	<u>752,291</u>
Total Assets	<u>\$ 63,744,042</u>	<u>\$ 70,368,455</u>	<u>\$ 66,332,215</u>	<u>\$ 60,009,211</u>
Liabilities and Net Assets				
Liabilities				
Trade Payables	\$ 5,572,159	\$ 5,030,471	\$ 4,654,486	\$ 2,145,127
Employee Benefits	751,146	742,686	715,928	734,733
Retirement Obligation per GASB 45	200,001	166,668	133,334	-
Due to Santa Clara County Valley Health Plan	1,316,929	1,591,401	1,005,934	3,145,623
Advance Premium - Healthy Kids	62,109	57,948	72,237	61,520
QIF Fees Payable	-	-	-	-
AB 97 Provider Reductions	20,259,985	19,163,042	17,609,320	12,650,821
Medical Cost Reserves	<u>11,804,811</u>	<u>19,681,523</u>	<u>18,300,757</u>	<u>17,062,812</u>
Total Liabilities	39,967,140	46,433,738	42,491,995	35,800,635
Net Assets / Reserves				
Invested in Capital Assets	600,155	651,891	690,730	752,291
Restricted under Knox-Keene agreement	305,350	305,350	305,350	305,350
Board Designated Reserve - Healthy Kids	710,588	710,588	710,588	710,588
Unrestricted Net Equity	22,592,482	22,540,747	22,501,908	34,325,540
Current YTD Income (Loss)	<u>(431,674)</u>	<u>(273,859)</u>	<u>(368,356)</u>	<u>(11,885,193)</u>
Net Assets / Reserves	<u>23,776,902</u>	<u>23,934,716</u>	<u>23,840,220</u>	<u>24,208,576</u>
Total Liabilities and Net Assets	<u>\$ 63,744,042</u>	<u>\$ 70,368,455</u>	<u>\$ 66,332,215</u>	<u>\$ 60,009,211</u>

Santa Clara County Health Authority
Income Statement for the Month Ending December 31, 2012

	For the Month of December 2012					For Six Months Ending December 2012				
	Actual	% of Revenue	Budget	% of Revenue	Variance	Actual	% of Revenue	Budget	% of Revenue	Variance
REVENUES										
MEDI-CAL	\$ 20,707,721	91.2%	\$ 20,648,561	91.2%	\$ 59,159	\$ 121,351,503	90.9%	\$ 120,064,209	91.0%	\$ 1,287,294
HEALTHY FAMILIES	1,144,289	5.0%	1,155,757	5.1%	(11,469)	6,920,194	5.2%	6,934,544	5.3%	(14,350)
HEALTHY KIDS	581,943	2.6%	594,151	2.6%	(12,208)	3,546,045	2.7%	3,562,312	2.7%	(16,267)
AGNEWS	163,993	1.6%	104,932	0.5%	59,061	1,034,202	1.3%	629,593	1.4%	404,609
HEALTHY WORKERS	97,635	0.4%	149,850	0.7%	(52,215)	683,625	0.5%	814,725	0.6%	(131,100)
TOTAL REVENUE	22,695,580	100.9%	22,653,251	100.0%	42,328	133,535,569	100.6%	132,005,384	100.9%	1,530,185
MEDICAL EXPENSES										
MEDI-CAL	19,486,466	85.9%	18,750,429	82.8%	(736,037)	114,606,888	85.8%	112,422,654	85.2%	(2,184,234)
HEALTHY FAMILIES	1,233,245	5.4%	975,685	4.3%	(257,559)	6,125,020	4.6%	5,854,110	4.4%	(270,910)
HEALTHY KIDS	465,873	2.1%	481,861	2.1%	15,989	2,815,154	2.1%	2,896,787	2.2%	81,633
AGNEWS	52,382	0.2%	84,753	0.4%	32,371	415,379	0.0%	508,518	0.0%	93,139
HEALTHY WORKERS	17,430	0.1%	147,139	0.6%	129,709	530,849	0.0%	799,988	0.0%	269,139
TOTAL MEDICAL EXPENSES	21,255,395	93.7%	20,439,867	90.2%	(815,528)	124,493,289	92.5%	122,482,057	91.8%	(2,011,232)
MEDICAL OPERATING MARGIN	1,440,184	6.3%	2,213,384	9.8%	(773,200)	9,042,280	6.8%	9,523,327	7.2%	(481,047)
ADMINISTRATIVE EXPENSES										
SALARIES AND BENEFITS	988,411	4.4%	1,033,300	4.6%	44,889	6,083,651	4.6%	6,409,729	4.9%	326,078
RENTS AND UTILITIES	101,336	0.4%	104,659	0.5%	3,323	606,672	0.5%	627,956	0.5%	21,284
PRINTING AND ADVERTISING	22,936	0.1%	14,258	0.1%	(8,678)	114,520	0.1%	85,550	0.1%	(28,970)
INFORMATION SYSTEMS	94,709	0.4%	80,159	0.4%	(14,550)	499,481	0.4%	480,952	0.4%	(18,530)
PROF FEES / CONSULTING / TEMP STAFFING	214,985	0.9%	159,283	0.7%	(55,702)	994,102	0.7%	955,700	0.7%	(38,402)
DEPRECIATION / INSURANCE / EQUIPMENT	90,152	0.4%	78,583	0.3%	(11,569)	496,522	0.4%	471,500	0.4%	(25,022)
OFFICE SUPPLIES / POSTAGE / TELEPHONE	53,936	0.2%	57,150	0.3%	3,214	325,368	0.2%	342,900	0.3%	17,532
MEETINGS / TRAVEL / DUES	53,607	0.2%	51,092	0.2%	(2,516)	289,414	0.2%	306,549	0.2%	17,135
OTHER	13,648	0.1%	6,592	0.0%	(7,056)	30,635	0.0%	39,550	0.0%	8,915
TOTAL ADMINISTRATIVE EXPENSES	1,633,720	7.2%	1,585,077	7.0%	(48,644)	9,440,366	7.1%	9,720,386	7.4%	280,020
OPERATING SURPLUS (LOSS)	(193,536)	-0.9%	628,307	2.8%	(821,843)	(398,086)	-0.3%	(197,059)	-0.1%	(201,027)
GASB 45-POST EMPLOYMENT BENEFITS EXPENSE	(33,334)	-0.1%	(33,333)	-0.1%	(0)	(200,001)	0.0%	(200,000)	0.0%	(1)
INTEREST & OTHER INCOME	69,055	0.3%	10,000	0.0%	59,055	166,413	0.1%	60,000	0.0%	106,413
NET INCOME (LOSS) FINAL	\$ (157,815)	-0.7%	\$ 604,974	2.7%	\$ (762,789)	\$ (431,674)	-0.3%	\$ (337,059)	-0.3%	\$ (94,615)

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

Current Month					Year to Date			
Actual	Budget	Variance \$	Variance %		Actual	Budget	Variance \$	Variance %
\$ 988,411	\$ 1,033,300	\$ 44,889	4.3%	Personnel	\$ 6,083,651	\$ 6,409,729	\$ 326,078	5.1%
645,309	551,776	(93,533)	-17.0%	Non-Personnel	3,356,715	3,310,657	\$ (46,058)	-1.4%
1,633,720	1,585,077	(48,644)	-3.1%	Total Administrative Expense	9,440,366	9,720,386	280,020	2.9%

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

SIX MONTHS ENDED DECEMBER 31, 2012

	Medi-Cal	Healthy Families	Healthy Kids	Agnews	Healthy Workers	Grand Total
P&L (ALLOCATED BASIS)						
REVENUE	\$121,351,503	\$6,920,194	\$3,546,045	\$1,034,202	683,625	\$133,535,569
MEDICAL EXPENSES	114,606,888	6,125,020	2,815,154	415,379	530,849	\$124,493,289
GROSS MARGIN	6,744,616	795,174	730,891	618,823	152,776	\$9,042,280
ADMINISTRATIVE EXPENSES (indirect costs subject to % MM allocation)	7,871,994	1,123,491	399,961	8,673	36,247	\$9,440,366
OPERATING INCOME/(LOSS)	(1,127,378)	(328,317)	330,930	610,150	116,529	(398,086)
OTHER INCOME/EXPENSE (% of mm Allocation)	(28,008)	(3,997)	(1,423)	(31)	(129)	(33,588)
NET INCOME/ (LOSS)	<u>(\$1,155,386)</u>	<u>(\$332,314)</u>	<u>\$329,507</u>	<u>\$610,119</u>	<u>\$116,400</u>	<u>(\$431,674)</u>

PMPM ALLOCATED P&L:

REVENUE	\$173.64	\$69.38	\$99.87	\$1,343.12	\$212.44	\$159.33
MEDICAL EXPENSES	163.99	61.41	79.28	539.45	164.96	148.54
GROSS MARGIN	9.65	7.97	20.58	803.67	47.48	10.79
ADMINISTRATIVE EXPENSES	11.26	11.26	11.26	11.26	11.26	11.26
OPERATING INCOME/(LOSS)	(1.61)	(3.29)	9.32	792.40	36.21	(0.47)
OTHER INCOME / (EXPENSE)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)
NET INCOME / (LOSS)	<u>(\$1.65)</u>	<u>(\$3.33)</u>	<u>\$9.28</u>	<u>\$792.36</u>	<u>\$36.17</u>	<u>(\$0.52)</u>

ALLOCATION BASIS:

MEMBER MONTHS - Month and YTD	698,865	99,742	35,508	770	3,218	838,103
% of Member Months	83.39%	11.90%	4.24%	0.09%	0.38%	100.00%

Santa Clara Family Health Plan
Statement of Cash Flows
For Six Months Ended December 31, 2012

Cash flows from operating activities	
Premiums received	\$ 116,773,999
Medical expenses paid	\$ (131,579,983)
Administrative expenses paid	<u>\$ (5,752,257)</u>
Net cash from operating activities	\$ (20,558,242)
Cash flows from capital and related financing activities	
Purchases of capital assets	\$ (196,419)
Cash flows from investing activities	
Interest income and other income, net	<u>\$ 166,413</u>
Net (Decrease) increase in cash and cash equivalents	<u>\$ (20,588,247)</u>
Cash and cash equivalents, beginning of year	<u>\$ 53,399,695</u>
Cash and cash equivalents at December 31, 2012	<u>\$ 32,811,448</u>
Reconciliation of operating income to net cash from operating activities	
Operating income (loss)	\$ (598,087)
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	\$ 348,555
Changes in operating assets and liabilities	
Premiums receivable	\$ (24,364,606)
Due from Santa Clara Family Health Foundation	\$ (6,718)
Prepays and other assets	\$ (103,891)
Accounts payable and accrued liabilities	\$ 3,627,033
Capitation payable	\$ (1,828,694)
Employee benefit liabilities	\$ 16,413
Advance premium - Healthy Kids	\$ 590
Reserve for Rate Reductions (AB 97)	\$ 7,609,164
Incurred but not reported claims payable and risk share payments payable	<u>\$ (5,258,001)</u>
Total adjustments	<u>\$ (19,960,154)</u>
Net cash from operating activities	<u>\$ (20,558,242)</u>

Santa Clara Family Health Plan Enrollment Summary

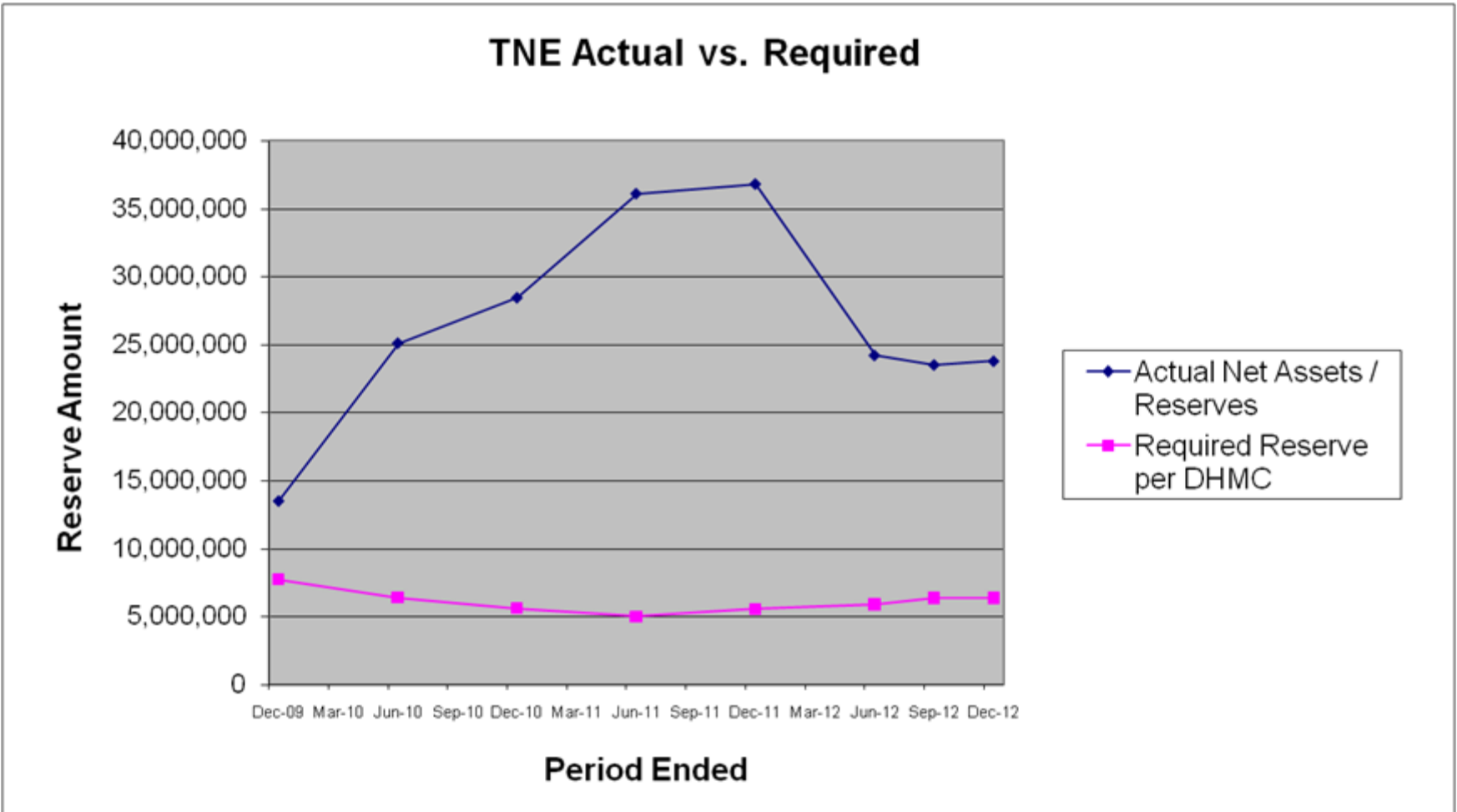
For the Month of December 2012

For Six Months Ending December 2012

	<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 FY13 vs FY12</u>
Medi-Cal	118,975	117,428	1.32%	698,865	697,227	0.23%	658,349	6.15%
Healthy Families	16,478	16,964	(2.86%)	99,742	101,784	(2.01%)	103,686	(3.80%)
Healthy Kids	5,775	5,903	(2.17%)	35,508	35,487	0.06%	39,874	(10.95%)
Agnews	125	133	(6.02%)	770	798	(3.51%)	781	(1.41%)
Healthy Workers	<u>583</u>	<u>666</u>	<u>(12.46%)</u>	<u>3,218</u>	<u>3,621</u>	<u>(11.13%)</u>	<u>2,085</u>	<u>54.34%</u>
Total	<u>141,936</u>	<u>141,094</u>	<u>0.60%</u>	<u>838,103</u>	<u>838,917</u>	<u>(0.10%)</u>	<u>804,775</u>	<u>4.14%</u>

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

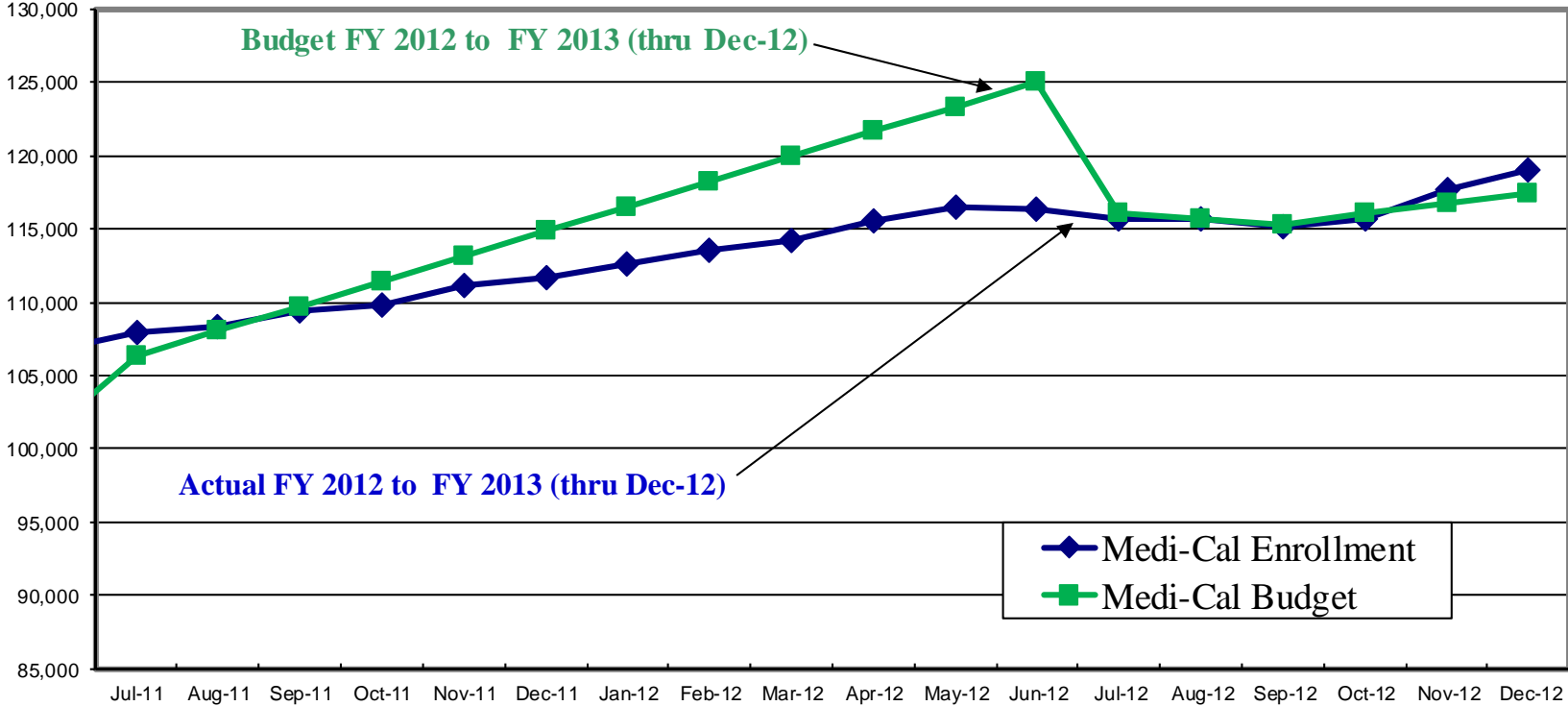
	<u>12/31/2009</u>	<u>6/30/2010</u>	<u>12/31/2010</u>	<u>6/30/2011</u>	<u>12/31/2011</u>	<u>6/30/2012</u>	<u>9/30/2012</u>	<u>12/31/2012</u>
Actual Net Assets / Reserves	13,501,652	25,103,011	28,445,504	36,093,769	36,803,460	24,208,576	23,502,086	23,776,902
Required Reserve per DHMC	7,737,000	6,388,000	5,591,000	4,996,000	5,558,000	5,901,000	6,363,000	6,363,000



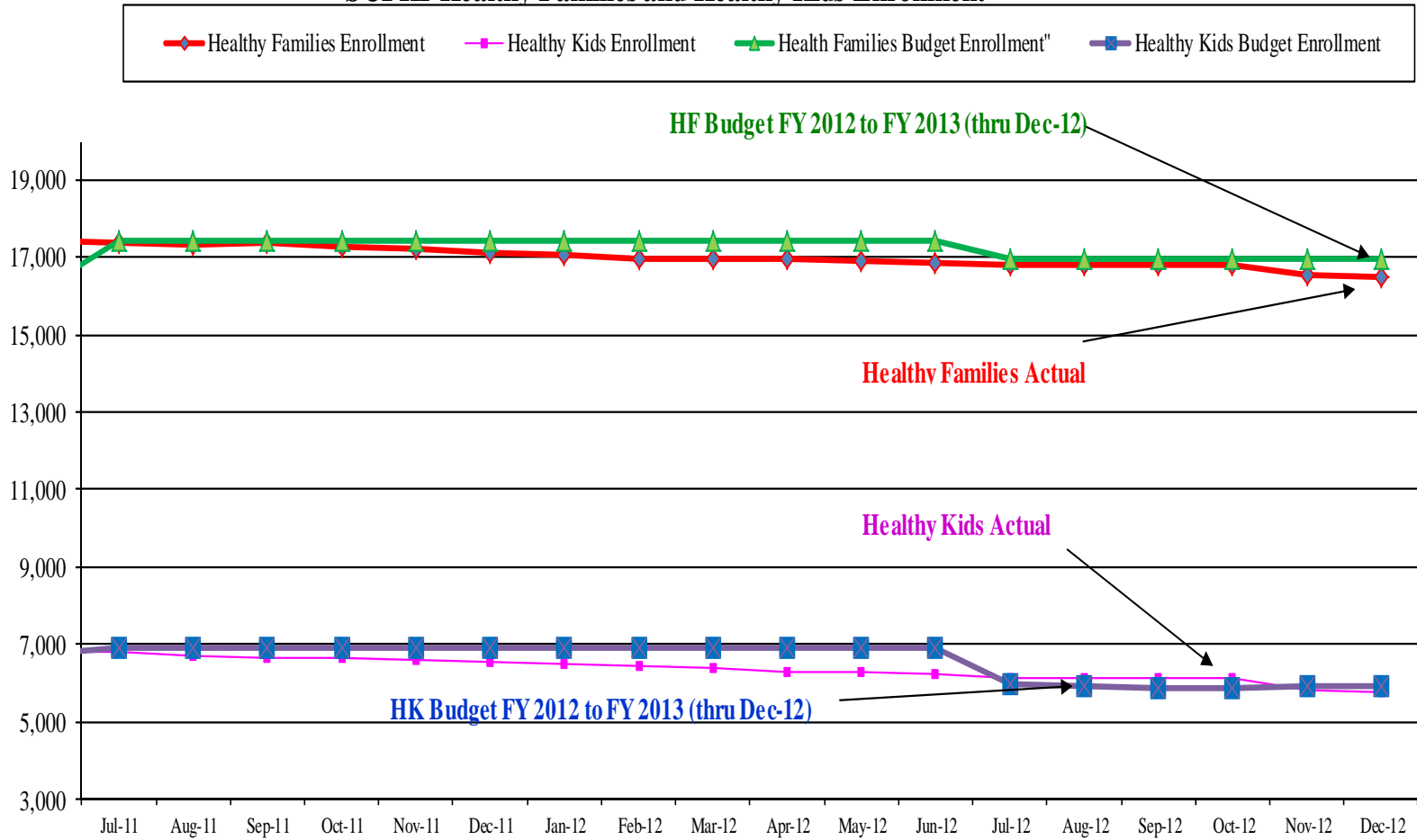
**Santa Clara County Health Authority
Enrollment Summary by Network
December 2012**

	Medi-Cal		Healthy Families		Healthy Kids		AG		Healthy Workers		Total	
	Enrollment	% of Total	Enrollment	% of Total	Enrollment	% of Total	Enrollment	% of Total	Enrollment	% of Total	Enrollment	% of Total
Network 1	9,428	8%	716	4%	175	3%	125	100%	0	0%	10,444	7%
Network 2: SCVHHS, Safety Net Clinics, FQHC Clinics, Palo Medical Foundation Physicians Medical Group	61,570	52%	5,745	35%	4,007	69%	0	0%	583	100%	71,905	51%
Premier Care	2,595	2%	682	4%	57	1%	0	0%	0	0%	3,334	2%
Kaiser	27,895	23%	7,450	45%	1,397	24%	0	0%	0	0%	36,742	26%
Community Clinics	8,220	7%	1,885	11%	139	2%	0	0%	0	0%	10,244	7%
Total	9,267	8%	0	0%	0	0%	0	0%	0	0%	9,267	7%
	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	118,975	100%	16,478	100%	5,775	100%	125	100%	583	100%	141,936	100%
Enrollment @ 6-30-12	-	-	-	-	-	-	-	-	-	-	-	-
Net % Change from Beginning of FY	<u>116,329</u>		<u>16,873</u>		<u>6,217</u>		<u>129</u>		<u>486</u>		<u>140,034</u>	
	<u>2.27%</u>		<u>-2.34%</u>		<u>-7.11%</u>		<u>-3.10%</u>		<u>19.96%</u>		<u>1.36%</u>	

SCFHP Medi-Cal Enrollment



SCFHP Healthy Families and Healthy Kids Enrollment



Report Item

Approve additional funding to allow SCFHP staff to continue pre-implementation planning and related activities for participation in California’s Coordinated Care Initiative.

Background

Governor Browns general fund Budget for the FY 2012-13 proposed the transition of Medi-Cal members receiving Medi-Cal funded long term services and supports (LTSS) into Medi-Cal managed care. It also proposed a new Demonstration program known as the Duals Demonstration, transitioning beneficiaries who are eligible for both Medi-Cal and Medicare (dual eligible) into managed care plans to provide both Medi-Cal and Medicare benefits. In July 2012 the legislature passed and the Governor signed the CCI. This Program will involve 8 counties in California including Santa Clara County and is scheduled to begin enrollment in June 2013, however, in discussions with DHCS this will probably be pushed to September 2013.

Both the State and CMS are pursuing aggressive, and constantly evolving, program requirements and timelines for implementation of the CCI. The proposed action would authorize management to allocate additional funding necessary to continue with the preparation and completion of the tasks necessary prior to a final decision to participate in the CCI.

Detail on expenditures to date, as well as proposed additional expenditures, are summarized in Table 1 below.

	Table I			
Category	Expensed to date	Additional Request	Grand Total	
Professional Fees - BPO		\$ 108,334	\$ 108,334	
Professional Fees - Medical Management		\$ 116,667	\$ 116,667	
Hardware/Software	\$ 19,000		\$ 19,000	
Consulting Fees	\$ 10,000	\$ 32,849	\$ 42,849	
Actuarial Fees	\$ 25,000	\$ 50,000	\$ 75,000	
	<u>\$ 54,000</u>	<u>\$ 307,850</u>	<u>\$ 361,850</u>	

The expenditures listed above were not included in FY 2012-13 budget because the CCI requirements had not yet been made available when the budget was approved. SCFHP’s ultimate participation in the CCI is contingent on the Boards approval of the three-way contract with CMS, DHCS and SCFHP, including the final capitation rates.



Consumer Affairs Committee Minutes – September 11, 2012

In Attendance:

Committee Members: Blanca Esquerro, Candace Roney, Cassandra Chan, Hung Vinh, Myrna Vega, Rachel Hart, Tammy Nguyen, Tran Vu, Vanessa Ho, Vu Nguyen, Waldemar Wenner
SCFHP Staff: Elizabeth Darrow, Pat McClelland and Tanya Nguyen

Item	Discussion	Action	Assigned to:	Due Date
Call to Order and Roll Call	Roll call was taken. A quorum was present at 6:12 pm and the meeting was called to order.			
Review of Minutes	The minutes from the June 12, 2012 meeting were reviewed and approved.	The minutes were approved	All	
Public Comment	No public comments			
Overview of Member Grievance Materials	Ms. McClelland provided an overview of the Health Plan's member grievance and appeal process. She also reviewed member materials which include (1) member welcome letters, (2) EOC, (3) grievance letters, and (4) newsletters and (5) other Health Plan communications. Additionally, members are informed about their rights to file a grievance as well as the processes through interactions such as talking to Health Plan staff, provider offices, and the web site.			
Health Plan Update-	Ms. Darrow provided an update on Healthy Families Program transition. The California 2012/2013 State Budget Bill made major			



Consumer Affairs Committee Minutes – September 11, 2012

Item	Discussion	Action	Assigned to:	Due Date
<p>Healthy Families Program Transition</p>	<p>changes to the Healthy Families Program (HFP). All children enrolled in the HFP will move into the Medi-Cal Program.</p> <p>The move will take place over one year period, starting no sooner than January 1, 2013. The Medi-Cal benefits are very similar to the HFP and includes medical, dental and vision benefits. Under the Medi-Cal program, some transitioned members will pay a monthly premium. However, there will be no co-payments.</p> <p>Most SCHFP Healthy Families members will keep the same primary care provider under the Medi-Cal program. The Health Plan will continue to update the Committee on the transition progress.</p>			
<p>Health Plan Update- Overview of Health Care Reform</p>	<p>Ms. Darrow provided an overview of the basic provisions of the Patient Protection and Affordable Care Act (Health Care Reform). The Health Care Reform was signed by President Obama on March 23, 2010, and was upheld by Supreme Court June 28, 2012. Some keys provisions include:</p> <ul style="list-style-type: none"> • Patient Protections in Private Insurance: <ul style="list-style-type: none"> ✓ Insurers may not deny coverage, charge higher premium or provide coverage that excludes coverage of essential health benefits due to a pre-existing medical condition or past history of a medical condition. ✓ Until 2014, young adults age 19-26 may be subject to pre-existing condition exclusions. 			



Consumer Affairs Committee Minutes – September 11, 2012

Item	Discussion	Action	Assigned to:	Due Date
	<ul style="list-style-type: none"> ✓ Prohibits annual limits for group plans and new plans in the individual market. ✓ Insurers must accept every employer and individual that applies for coverage and must guarantee renewability of plan. <ul style="list-style-type: none"> • Insurance Exchanges: <ul style="list-style-type: none"> ✓ Will provide a range of choices in health coverage for individuals and small businesses. However, SCFHP will not participate in the Exchange since this provision only applies for the commercial plans. Ms. Darrow indicated that people with income below 400% of the federal poverty level (FPL) will qualify for premium and cost-sharing subsidies in the form of tax credits. <p>Ms. Darrow also discussed the implications of the Health Care Reform for SCFHP. The Medi-Cal income criteria will increase to 138% of FPL. Therefore, the Health Plan will see an increase in enrollment of adults who don't have children.</p> <p>In addition, the implementation of Health Care Reform provides potential opportunity to offer for the Basic Health Plan option for low to moderate income adults from 133% to 200% FPL.</p> <p>The Health Plan is collaborating with the Social Services Agency and the County in implementing the Health Care Reform initiative.</p>			



Santa Clara
Family Health Plan

The Spirit of Care

Consumer Affairs Committee Minutes – September 11, 2012

Item	Discussion	Action	Assigned to:	Due Date
Future Agenda Items	Dr. Wenner asked the Committee to consider ways to share presented information to other members and their communities.		All	
Adjournment	The meeting adjourned at 7:30pm.			
Next Meeting Date	The next meeting is scheduled for December 11, 2012 from 6:00- 7:00p.m			

Walter P. Wenner
Consumer Affairs Committee Chairperson

12/11/12
Date

**Santa Clara Family Health Plan
 Provider Advisory Council
 October 10, 2012
 Boardroom**

PAC Attendees: Thad Padua, MD, Peter L. Nguyen, DO, Michelle Hugin, MD, and Kenneth Phan, MD

Delegated Groups: Tuyen Ngo, MD

SCFHP Attendees: Matthew Woodruff, Jimmy Lin, MD, Mike Lipman, Pat McClelland, Vivian Than, Stacy Renteria, Diane Brown, Tammy Moore, Abby Baldovinos, Sarah Moline, and Melinda Shaw

ITEM	DISCUSSION	ACTION	RESPONSIBLE PARTIES	DUE DATE
Meeting Called To Order	Co-Chair Dr. Thad Padua called meeting to order.	None		
Review of Minutes	Meeting minutes are approved by the Committee after a quorum was present at the meeting.	None		
CEO Report	<p><u>Healthy Families/Medi-Cal Transition</u></p> <p>Matthew Woodruff, COO reported out on the first phase of the transition of Santa Clara County's Healthy Families members to Medi-Cal, which will be implemented on January 2, 2013 with the next phases implemented in April, August and September. The Health Plan has 5 PCP's that will not be moving forward with the Health Plan in this transition into Medi-Cal, which translates to 2.6% of the Health Plan's new Medi-Cal members will need a new Primary Care Provider on January 2, 2013. Services for these Healthy Families members such as dental and vision will remain intact on the Medi-Cal side. Co-payments and premiums will change; for Healthy Families members currently under 150% of the Federal Poverty Level there will be no premium and for those members currently between 151% and 200% of the Federal Poverty Level they will pay the same premium currently have. Co-payments if any - may be minimal and will only be around those members aged 18 and 19 years old.</p>	None	N/A	N/A

Santa Clara Family Health Plan
 Provider Advisory Council
 October 10, 2012
 Boardroom

ITEM	DISCUSSION	ACTION	RESPONSIBLE PARTIES	DUE DATE
	<p>Outreach and communications to Healthy Families members and providers will be supplied to the Health Plan before October 31st by MRMIB. DHCS and MRMIB will be doing outreach on November 1st and December 1st directly to Healthy Families members via mail and telephone.</p> <p>The Health Plan anticipates continuity of care issues to come up at the September transition date around out-of-network PCP's who see our members and accept our rates then the Health Plan has to keep the member with the out-of-network PCP for 12 months. The Health Plan does not know how that will work around pharmacy providers. This rule mirrors the SPD membership transition around continuity of care and providers.</p> <p>Reporting requirements around the Healthy Families transition will mirror the SPD reporting requirements. Appeals and grievances will be broken out separately; out-of-area, in-area and out of network, continuity of care, etc.</p> <p>The Committee discussed emergency room co-payments to get members to see their PCPs instead of emergency room visits. CMS struck down that provision in the Governor's budget.</p> <p>CBAS – Wait for the CBAS presentation from Tammy and Diane to discuss the topic. The Health Plan has seven CBAS facilities contracted as of October 1st.</p> <p>Duals Demonstration – The Health Plan has not received a contract yet from the State, the original deadline was suppose to</p>	<p>None</p> <p>None</p>	<p>N/A</p> <p>N/A</p>	<p>N/A</p> <p>N/A</p>

Santa Clara Family Health Plan
 Provider Advisory Council
 October 10, 2012
 Boardroom

ITEM	DISCUSSION	ACTION	RESPONSIBLE PARTIES	DUE DATE
	<p>be September now that has been pushed out to November, which will effect the MOU's timeline for the community based providers, which will now be pushed out 30-45 days out after the Health Plan receives the contract from the State. Hopefully around the holidays the MOU's can be put in place.</p> <p>Payment rates are not coming out with the contract, so that means hopefully after the first of the year we will have the rates on reimbursement.</p> <p>Mike Lipman, VP of Provider Operations discussed the Duals Stakeholders meetings around long-term support services and behavioral health to the Committee, which will lead into the Committee voting on two new members appointments to PAC on item IV of agenda.</p> <p>Dr. Thad Padua stated once the meeting has a quorum the Committee can vote on the CBAS stakeholder appointments.</p>			
<p>Medical Services</p>	<p><u>CBAS Referral Process</u> – Diane Brown, Medical Management Director introduced Tammy Moore as CBAS and Agnews Case Manager and she has been embedded in the Adult Day services. The presentation will cover the changes from Fee-for-service Medi-Cal to Managed Care. Tammy reviewed her presentation with the Committee. Committee has a copy of the presentation in the PAC binder.</p> <p>Dr. Ngo requested a list of CBAS providers contracted with the Health Plan.</p>	<p>Send Dr. Ngo the CBAS List</p>	<p>Mike Lipman</p>	<p>12/5/12</p>

Santa Clara Family Health Plan
 Provider Advisory Council
 October 10, 2012
 Boardroom

ITEM	DISCUSSION	ACTION	RESPONSIBLE PARTIES	DUE DATE
	<p>The Committee discussed the referral process and education of what CBAS is with providers within the next few months. Tammy recommended hospital case management would be a good place to start the education process about CBAS. CBAS is primarily for senior adults.</p> <p><u>PAC Purpose Statement and New Member appointment for LTSS/IHSS</u></p> <p>Dr. Padua asked the Committee to review the read-line version of the Provider Advisory Committee Purpose Statement to update. The Committee also agrees to update the meeting requirements on last item around PAC members missing meetings and replacement after 2 meetings missed. Committee approved current read-lined version of purpose statement and approved the new member appointments of Karen Anton and Paul Taylor to move forward to the upcoming Board Meeting.</p> <p>Dr. Padua requested the approved language changes to go forward to the Bylaws Committee.</p>	<p>Approved read-lined version of PAC Purpose Statement to move forward to Bylaws Committee.</p> <p>Approved nomination of Karen Anton and Paul Taylor to move forward to the Board.</p>	<p>Mike Lipman/Matt Woodruff</p> <p>Mike Lipman/Matt Woodruff</p>	<p>12/5/12</p> <p>12/5/12</p>
Compliance	<p><u>Grievance Report</u> – Matt reviewed the grievance report with the Committee. The report is located in their PAC binder to follow along. Committee reviewed the report.</p> <p>The Committee discussed grievances related to Medicare/Medical members, which leads to an authorization issue discussion around PMG members who are Medi-Medi.</p>	<p>None</p> <p>None</p>	<p>N/A</p> <p>N/A</p>	<p>N/A</p> <p>N/A</p>
Pharmacy	<p><u>P&T Update</u> – Sarah Moline, Pharmacy Director reviewed the new glucometer based on the P&T Committee’s</p>	<p>At least 2 notifications to Provider</p>	<p>Matt Woodruff/Mike</p>	<p>12/5/12</p>

Santa Clara Family Health Plan
 Provider Advisory Council
 October 10, 2012
 Boardroom

ITEM	DISCUSSION	ACTION	RESPONSIBLE PARTIES	DUE DATE
	<p>recommendation last September for a new glucometer based on cost analysis. This will replace the One-Touch as the preferred glucometer of the Health Plan. The new vendor For Care will be providing new glucometers to our diabetic membership for free during the transition period. The supplies will be paid and covered by the Health Plan as listed in the formulary. The savings will be volume based due to the exclusive contract the Health Plan has with Foracare which will give us a 1 million dollar savings.</p> <p>The Committee asked to see the price comparison the P&T Committee looked at to make this recommendation. Ms. Moline did not have that comparison chart but assured the Committee that the P&T Committee look at cost-comparisons.</p> <p>Sarah asked for suggestions for a seamless transition. She explained that the Diabetic Clinic at VMC does not use Foracare and she anticipates some problems around that clinic in this transition. 78% of our diabetic members do use the One-Touch system. There is a 90 day transition period. The Committee discussed the various ways the Health Plan will communicate this change to members and providers. A mandatory consult will be done at the pharmacy level with the members. Does the change in machine require a prescription? Sarah stated yes, and re-fills around supplies also need a new prescription as it is a different NDC.</p> <p>This will be requiring much more communication to the provider than the Committee anticipated. What if the</p>	<p>communication around this new product implementation and subsequent prescriptions for new glucometer, refills and modems for diabetic members.</p> <p>For Communication to Members there will have to be one letter and an outbound telephone campaign during the transition period.</p> <p>Sarah and Mike to work with VMC Diabetic Clinic on transition. Call and or meet with the clinic.</p> <p>Report out on progress at next PAC meeting.</p>	<p>Lipman/Sarah Moline</p> <p>Matt Woodruff/Mike Lipman/Sarah Moline</p> <p>Mike Lipman/Sarah Moline</p> <p>Mike Lipman/Sarah Moline</p>	<p>12/5/12</p> <p>12/5/12</p> <p>12/5/12</p>

Santa Clara Family Health Plan
 Provider Advisory Council
 October 10, 2012
 Boardroom

ITEM	DISCUSSION	ACTION	RESPONSIBLE PARTIES	DUE DATE
<p>Authorization Policy Review</p>	<p><u>Proposed Authorization Policy</u> Mike reported out on the current issue around the health plan not receiving authorizations on a timely basis to pay claims from the IPA's. The Health Plan constantly has to call the IPA's about authorization information not received before the claims. The Committee discussed the health plan withhold payment to the IPA's until the problem is remedied; discussion of the IT departments to work it out on scheduled workgroup calls; Committee discussed Connect Claims Portal issues around eligibility.</p> <p>Proposed policy will be all claims sent to the Health Plan will be denied until the authorization is sent to the Health Plan and a cap on retro-authorizations. Cap will be 90 days for retro-authorization. Currently there is no end date on retro-authorization.</p> <p>Dr. Padua stated will this Committee approve a no authorization/no pay claim policy that SCFHP will pay through an appeal? Committee voted NO.</p> <p>Should have a time limit on retro-authorization – what should that timeline be 90 days or 6 months? Committee undecided. Agree to bring this back to discuss.</p> <p>Re-write policy nothing retro-authorized past 90 days.</p> <p><u>E-Claims Update</u> The Health Plan is actively denying initial claims from</p>	<p>Bring back a second draft of the policy. Put the proposed policy on paper so Committee members can read it.</p> <p>Committee members refused the verbal first draft of the policy.</p> <p>None</p>	<p>Matt Woodruff/Mike Lipman</p> <p>N/A</p>	<p>12/5/2012</p> <p>12/5/12</p>

Santa Clara Family Health Plan
 Provider Advisory Council
 October 10, 2012
 Boardroom

ITEM	DISCUSSION	ACTION	RESPONSIBLE PARTIES	DUE DATE
	<p>contracted providers that do not submit electronic claims. Corrected claims and resubmissions are required to come on paper. Claims from a non-contracted provider are OK to come on paper. There are plenty of options for contracted providers to submit claims through electronically, Connect Website Portal for professional claims, DocuHealthLink for electronic professional and institutional claims, Emdeon and Office Ally are contracted clearinghouses with the Health Plan for both professional and institutional claims, 4-eGuru, MedAid Consulting and Office Ally are contracted to process electronic PM160's to the Health Plan.</p> <p>The Health Plan has both big providers and small providers still not compliant. We are targeting education to these providers.</p>			
Other	Request from Dr. Nguyen wanted verification that Office Ally will send PM160 electronically to the State as well as the Health Plan. Does he still needs to submit the PM160 to County?	Requirement for provider to send electronic PM160's to State and/or County.	Matt Woodruff/ Mike Lipman	12/5/12
Provider Services	<u>CME</u> Mike reported on the next CME on October 18 th on Addiction Medicine and Addiction Science. The event flyer is in the PAC binder.	None	N/A	
Adjournment	Meeting adjourned at 2:00 pm			

Signature: 

Date: 12-12-12

Medical Management Department

Quality:

Statewide Collaborative QIP

All Cause Readmissions (ACR) Baseline readmission rate for 2012 SCFHP is 9.44%. This compares favorably to the statewide MediCal average of 11.96%.

Our proposed interventions have been submitted to HSAG for approval. Interventions include discharge instruction tote bag, training hospital case management and contract with New Directions for high risk, complex need enrollees most likely for readmission (for example, homeless).

2013 HEDIS

Administrative data pull is complete and early indications are exciting. Chart retrieval begins March 1.

SCFHP Internal QIP

Childhood Obesity Partnership & Education (COPE) CY 2012 reports to be run next month. No additional information at this time.

Utilization Management:

Seniors and Persons with Disabilities

SCFHP has 16632 mandatorily enrolled Members as of 01/30/13. Clinical Case Managers continue to work with our independent network providers as well as our delegated networks to provide SPD members with care coordination.

- Network 10 and Network 40 have 1680 SPD members as of 01/30/13.
- 28 SPD Complex Case Management Cases open as of 01/30/13.

Community Based Adult Services (CBAS)

CBAS Enrollment: 455 in December increased to 499 at end of January due to State Fair Hearing outcomes and new referrals.

New referrals: 16 during the month

Nurse Assessments (face to face) completed: 29

Medical Management Department – Prior Authorization Totals and TAT Report

Line of Business : All Lines of Business

Network 10 (MediCal only Network 40)

and all CBAS members

End Date : 01/30/2013

Start Date : 01/01/2013

Urgency	Under	%	Over	%	Incomplete	%	Total
Routine	419	87%	44	9%	18	4%	481
Urgent	41	91%	2	4%	2	4%	45
Retro	91	87%	3	3%	11	10%	105
TOTAL							631

CareNet 24 Nurse Advise Line

Total Number of Calls: December 2012: 571

Disposition of Calls in December

Disposition	#	% of Total
Activate EMS 911	8	<2%
See ED Immediately	83	15%
Call Provider	252	46%
CareNet provided Home/Self Care	179	33%
Information or Advice only	37	1%
No call backs after Multiple Attempts	12	<1%
TOTAL	571	100%