

**MINUTES**  
**Santa Clara County Health Authority**  
**Executive Committee**

Thursday, January 17<sup>th</sup>, 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

1. Roll call

The meeting was called to order at 8:41 a.m. by Mr. Dawes. 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 December 13<sup>th</sup>, 2012.

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

4. Action item: Accept report from Chief Financial Officer on November 2012 financial statements
  - Operating surplus of \$94k for the month and a loss of \$274k year to date. This compares to a budgeted surplus of \$555k for the month and a loss of \$972k year to date.
  - Revenue is \$694k, or 3.1%, above budget for the month and \$1.5m, or 1.4% above budget year to date.
  - November enrollment is at 140,800, or 0.3%, above budget. Year to date the Plan is under budget by 0.2%. All lines of business are close to or on budget except Healthy Workers which is 10.3% below budget year to date.
  - Health Care costs were over budget by \$1.2m, or 5.9%, for the month and \$1.2m over budget, or 1.2%, year to date. The increase was primarily due to the catch up of Medi-Cal Maternity Kick payments, and increased Global Provider capitation payments based on membership volume.
  - Administrative expenses are \$42k, or 2.6%, favorable to budget for the month and \$329k, or 4.0%, favorable year to date. Administrative expenses were 6.8% and 7.0% of revenues for the month and year to date.
  - Tangible net equity (TNE) is \$23.9m or 3.7 time the minimum TNE required by the Department of Managed Health Care (DMHC). The Plan's reserves are roughly \$15.7m below the reserves targeted by the Board of two months capitation revenue.

Mr. Cameron commented that the primary reason for the revenue increase is a higher than average Medi-Cal rate than budgeted both for the month and year to date. We are continuing to reserve for the provider rate cuts (AB-97); on December 13<sup>th</sup> 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: Approve Duals Proposed Budget FY 12/13

Mr. Cameron approached the committee asking for approval to spend unbudgeted monies in order to prepare for the Duals project. The Health Plan's current IT system cannot support the Duals Demonstration project and the Plan will need to spend additional dollars for implementation of a new, more sophisticated, platform. Ms. Darrow commented that the new IT platform would initially be utilized to support the Duals project and with time all lines of business would be moved over and supported on this platform as well if we are satisfied and the budget can support.

**It was moved, seconded, and approved** to approve the Duals Proposed Budget FY 12/13 as presented.

6. Discussion item: CEO Update

Ms. Darrow updated the Executive Committee on the Health Plan activities and initiatives. Ms. Darrow stated that she expected to have an agreement by the end of the week to start work helping VHP. Planning meetings are being set up to start looking that the relationship between the Health Plan and VHP and delegation. Ms. Darrow also stated that she has recommended a consultant to VHP who could help assist with an evaluation.

*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