

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

Thursday, June 14<sup>th</sup>, 2012  
8:30-10:00 AM  
Santa Clara Family Health Plan  
210 E. Hacienda Avenue  
Campbell CA 95008

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**Members present:**

Mr. Bob Brownstein  
Ms. Michele Lew  
Mr. Patrick Love  
Dr. Dale Rai

**Members absent:**

Mr. Chris Dawes

**Staff present:**

Ms. Elizabeth Darrow, Chief Executive Officer  
Mr. Dave Cameron, Chief Financial Officer (via telephone)  
Mr. Matthew Woodruff, Chief Operations Officer  
Mr. Rayne Johnson, Chief Information Officer  
Ms. Shannon McNally, Executive Assistant

**Others Present:**

Mrs. Kathleen King, Executive Director, Santa Clara Family Health Foundation  
Mr. Dana Ditmore, Chair, Santa Clara Family Health Foundation  
Susi Wilson, Santa Clara family Health Foundation Board Member

1. Roll call

The meeting was called to order at 8:37 a.m. by Vice Chair, Mr. Brownstein. 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 17, 2012

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

4. Action Item: Accept report from Chief Financial Officer on April 2012 financial statement

Mr. Cameron presented highlights for the ten months ending April 2012 financial statement:

- Operating loss of \$10.3 million for the month and \$9.5 million year to date. This includes the one time Board approved payment made in April of \$10m to the safety net.
- Revenue is \$2.1 million or 8.7% below budget for the month and \$8.6 million or 4.1% below budget year to date.
- April enrollment was 139,424 or 4.9% below budget. Year to date the Plan is under budget by 2.3%. Medi-Cal enrollment was under budget 5.0% for the month and 2.3% under budget year to date. Healthy Families and Healthy Kids are below budget year to date by 1.5% and 5.3% respectively.
- Health Care costs were under budget by \$433,000 or 2.1% for the month and \$2.2 million under budget or 1.2% year to date.
- Administrative Expenses were \$91,000 or 5.8% favorable to budget for the month and \$1.6 million or 10.3% favorable year to date. Administrative expenses were 6.8% and 7.1% of revenues for the month and year to date respectively.
- Tangible net equity (TNE) was \$26.6 million or 4.9 times the minimum TNE required by the Department of Managed Health care (DMHC). The Plan's reserves are roughly \$11.4 million below the reserves targeted by the Board of two months capitation revenue.

Mr. Cameron commented that the Health Plan is continuing to reserve for the provider rate cuts (AB-97) that will be retroactively applied back to July 1, 2011. The Health Plan Board had previously made the decision to not pass on the rate cuts to providers, however, depending on the new rates the Plan may need to adjust rates to the providers. Mr. Cameron also noted that the \$10.3 million operating loss includes the \$10 million paid to the county safety net.

**It was moved, seconded, and approved** to accept the financial report as presented.

5. Discussion item: Santa Clara Family Health Foundation

Mr. Dana Ditmore, Chair of the Santa Clara Family Health Foundation, gave a presentation to the Executive Committee focusing on the relationship between the Foundation and the Health Plan. Santa Clara Family Health Foundation supports the Health Plan through resource development and outreach on behalf of the community. Mr. Ditmore commented that he had become concerned with the (unintended) separation and wants to reenergize the working relationship between the two organizations. By way of further comment, Mr. Ditmore recommended continuous participation and communication. Ms. Darrow commented that having the Foundation leaders join the Governing Board annual retreat may be something to consider.

6. Discussion item: Budget Prep for Next Fiscal year

Mr. Cameron commented that the Health Plan was in the process of finalizing the budget for 2013 noting that the Plan is being as conservative and aggressive as possible. While there was nothing formal to present at this time, Mr. Cameron hoped to have more information to present to the Committee in August.

7. Discussion item: A&M Project Update

Ms. Darrow commented that she had met with A&M and the County and felt that there was some alignment on moving the project forward. The next steps are to have a session together to map out consensual framework and to formulate into more open discussions. Ms. Darrow also noted that she would continue to update the Committee on the progress of the A&M project.

8. Adjournment

**It was moved, seconded, and approved** to adjourn the meeting at 9:43 a.m.

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Shannon McNally, Secretary to the Board