

MINUTES
Santa Clara County Health Authority
Executive Committee

Thursday, May 17th, 2012
8:30-10:00 AM
Santa Clara Family Health Plan
210 E. Hacienda Avenue
Campbell CA 95008
and
VIA TELECONFERENCE AT
770 Welch Road, Suite 150
Palo Alto CA 94304

Members present:

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

Members absent:

NONE

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

1. Roll call

The meeting was called to order at 8:32 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 March 15, March 29 and April 9, 2012

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

4. Discussion item: Introduction to Rayne Johnson, CIO

Mr. Johnson introduced himself to the committee and gave an overview of his experience in the health care industry.

5. Action Item: Accept report from Chief Financial Officer on February and March 2012 financial statements

Mr. Cameron presented highlights for the nine months ending March 2012 financial statement:

- Operating surplus of \$29,000 for the month and \$806,000 year to date.
- Revenue is \$2.3 million or 9.9% below budget for the month and \$6.5 million or 3.5% below budget year to date.
- March enrollment was 138,182 or 4.6% below budget. Year to date the Plan is under budget by 2.0%. Medi-Cal enrollment was under budget 4.7% for the month and 1.9% under budget year to date. Healthy Families and Healthy Kids are below budget year to date by 1.4% and 4.8% respectively.
- Health Care costs were under budget by \$1.2 million or 5.8% for the month and \$1.8 million under budget or 1.1% year to date.
- Administrative Expenses were \$127,000 or 7.9% favorable to budget for the month and \$1.6 million or 10.8% favorable year to date. Administrative expenses were 7.2% and 7.1% of revenues for the month and year to date respectively.
- The Plan has Unrestricted Net Equity of \$32.5 million and \$2.5 million of Board designated reserved for Healthy Kids premiums.

Mr. Cameron commented that the Health Plan has been diligently working on next fiscal year budget stating that the new rates will be out on July 1, 2012. Mr. Cameron also noted 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. Ms. Darrow commented that the Health Plan Board had previously made the decision to not pass on the rate cuts to providers, however, based on the new

rates the Plan may have to pass the cuts on to the providers. The percentage of the provider cut is unknown.

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

6. Discussion item: Submission for California Dual Eligible Demonstration Project

Ms. Darrow gave an update on the Health Plan submission for the Dual Demonstration project stating that this would be an opportunity to expand the Plan's portfolio. By way of further discussion, Ms. Darrow commented that the Health Plan would be partnering with DHCS and CMS and also that the project gives the Plan a chance to get back into Medicare. Some advantages include having beneficiaries mandatorily enrolled and a much more streamlined process with an integrated delivery model. Ms. Darrow also noted that the Plan has several employees who have experience in Medicare, however, the demonstration also includes the Plan taking risk for long-term care and In House Support Services (IHSS) which are new services for the Plan to administer. This will require staff recruitment and in-house expertise.

7. Discussion item: Healthy Kids

Mr. Woodruff gave an update on Healthy Kids commenting that, over the life of the program, the Health Plan had not been following the enrollment and eligibility procedures originally intended for the program. The Health Plan is now applying these requirements in a much more stringent manner. The goal is to find out if children qualify for Medi-Cal or Healthy Families or other insurance programs. Mr. Woodruff commented that the largest decrease is seen in 0-5 years and that there is no waiting list for the program.

8. Discussion item: A&M Project Update

Ms. Darrow commented that the A&M project stemmed from a change in the ordinance which prompted the Board of Supervisors to request a public workshop. Seeking to create a unified managed care strategy, A&M has requested that the Health Plan submit detailed information on financials, operation statistics, etc. and has been conducting a series of interviews. Ms. Darrow noted that the Health Plans team did an extraordinary job pulling together the requested information and felt that the Plan has put its best foot forward. A&M is going through the same process with VHP. More

information and an update on the project will be provided during the next meeting.

9. Adjourn to closed session
 - a. Personnel (Government Code 54957)

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

10. Report from closed session
 - a. Personnel issues were discussed and the CEO was directed to follow up with affected personnel.

11. Adjournment

It was moved, seconded, and approved to adjourn the meeting at 9:48 a.m.

Shannon McNally, Secretary to the Board