

MINUTES
Santa Clara County Health Authority
Executive Committee

Thursday, February 16th, 2012

8:30-10:00 AM

Santa Clara Family Health Plan

210 E. Hacienda Avenue

Campbell CA 95008

408-874-1720

Members present:

Mr. Bob Brownstein

Ms. Michele Lew

Mr. Patrick Love

Members absent:

Mr. Chris Dawes

Dr. Dale Rai

Staff present:

Ms. Elizabeth Darrow, Chief Executive Officer

Mr. Dave Cameron, Chief Financial Officer

Mr. Matthew Woodruff, Chief Operations Officer

Ron Schmidt, VP of Information Technology

Ms. Shannon McNally, Executive Assistant

1. Roll call

The meeting was called to order at 8:32 a.m. by 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, January 12, 2012

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

4. Action item: Accept report from Chief Financial Officer on December 2011 financial statement.

Mr. Cameron presented highlights for the six months ending December 2011 financial statement:

- Operating surplus of \$19k for the month of December and \$710k year to date.
- Revenue is \$994k or 4.7% below budget for December and \$1.6 million or 1.3% below budget year to date.
- December enrollment was 135,871 or 2.75% below budget. Year to date the Plan is under budget by 0.9%. All lines of business were slightly below budgeted levels.
- Administrative Expenses were \$124k or 11.4% favorable to budget for December and \$1.1 million or 11.4% favorable year to date. Administrative expenses were 7.4% and 7.3% of revenues for the month and year to date respectively.
- The plans Unrestricted Net Equity of \$32.4M is approximately \$1.5M above the reserves target established by the Board of two months capitation revenue.

Mr. Cameron commented that the Health Plan has seen significant growth with the SPD population. Mr. Cameron also noted that the Health Plan is continuing to reserve for the provider rate cuts (AB-97) that will be retroactively applied to July 1, 2011. The Plan is currently absorbing all rate cuts and not passing any reductions on to network providers.

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

5. Action item: Accept Moss Adams proposal to perform FY2011-2012 Audit.

Mr. Cameron presented a proposal from Moss Adams to perform the FY2011-2012 audit for the Health Plan. Mr. Cameron noted that Moss Adams is charging the same audit fee that they have charged for the last two years and recommended that we continue to use their services.

Mr. Brownstein noted that the Health Plan should look at using other companies moving forward. Ms. Darrow noted that the Health Plan would be more

aggressive in advocating this, however, with the many outside audits currently going on it was to the Health Plans advantage to remain with Moss Adams for the time being.

It was moved, seconded, and approved to accept the Moss Adams proposal as presented.

6. Action item: Approve contract amendment with VMC

This item was deferred and no action was taken.

7. Discussion item:

a. Reductions in Medi-Cal Payments

Mr. Cameron commented that there was an injunction by a federal judge that is going to be appealed by DHCS and we don't yet know how that will impact proposed cuts.

Ms. Darrow also commented that hospitals, physicians, skilled nursing facilities, etc. are all adamantly opposed to any cuts. DHCS will appeal, but the argument for California providers is very strong since California provider payments are the lowest in the country. Ms. Darrow stated that Health Plan rates could still be decreased. Ms. Darrow noted that SPD, duals and long term care are the future. She further noted this is the expansion population in 2014.

b. Review Investment Policy

Mr. Cameron included a copy of the Health Plans investment policy for review. Mr. Cameron commented that all excess funds are with the County Treasury portfolio and, when compared with the State, the yield for the past several years is double. Mr. Cameron noted that he is very satisfied with this policy.

8. Adjourn to closed session

a. Real Property Negotiations (Government Code 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 discuss Real 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.

9. Report from closed session

The Executive Session was deferred.

10. Adjournment

It was moved, seconded, and approved to adjourn the meeting at 8:58 a.m.

Elizabeth G. Pianca, Secretary to the Board

Shannon McNally, Recorder to the Board