

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

Thursday, January 12<sup>th</sup>, 2012  
8:30-10:00 AM  
Santa Clara Family Health Plan  
210 E. Hacienda Avenue  
Campbell CA 95008  
408-874-1720

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**Members present:**

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

**Members absent:**

None

**Staff present:**

Ms. Elizabeth Darrow, Chief Executive Officer  
Mr. Dave Cameron, Chief Financial Officer  
Mr. Matthew Woodruff, Chief Operations Officer  
Ms. Shannon McNally, Executive Assistant

1. Roll call

The meeting was called to order at 8:33 a.m. by Chairman Dawes. Roll call was taken, and a quorum was established.

2. Public comment

There was no public comment.

3. 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.

The meeting was adjourned to closed session at 8:38 a.m.

4. Report from closed session

Chairman Dawes reported that real estate and personnel issues were discussed and that no action was taken.

5. Action item: Approve minutes of Executive Committee, September 15, 2011 and November 17, 2011

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

6. Action item: Accept report from Chief Financial Officer on October 2011 and November 2011 financial statements.

Mr. Cameron presented highlights for the five months ending November 2011 financial statements:

- Operating loss of \$7k for the month of November and \$690,000 year to date.
- Revenue is \$814k or 4.1% below budget for November and \$297k or 0.6% below budget year to date.
- November enrollment was 135,474 or 1.8% below budget. Year to date the Plan is under budget by 0.5%. All lines of business were slightly below budgeted levels.
- Administrative Expenses were \$180,000 or 11.1% favorable to budget for November and \$977,000 or 12.2% favorable year to date. Administrative expenses were 7.3% and 7.2% of revenues for the month and year to date respectively.

- Tangible new equity (TNE) was \$36.8 million or 7.2 times the minimum TNE required by the Department of Managed Care (DMHC). The Plans reserves are roughly \$2.4 million above the reserves target established 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 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.

7. Discussion item: School Collaborative Outreach and Santa Clara Family Health Plan

Ms. Darrow commented that letters had gone out to the School Collaborative Outreach last week explaining that the Health Foundation had made a decision to send all grant money back to school districts, who had granted the money in the first place. The Collaborative had raised some money and will also be receiving a check. Currently, the only commitment that the Health Plan has is to continue to provide the brochures until the end of 2012.

Ms. Darrow noted that there is a ten year history with the School Collaborative and that the Health Plan has donated money, for their activities, which the Health Plan can no longer support. The decision was made to bring School Outreach under the general Outreach Department effective October, 2011. The reason for this change was to streamline and provide more efficient processes and management.

8. Discussion item: State Budget Proposal

Ms. Darrow presented highlights of the State budget proposal and its impact on managed care plans. Dual-eligible mandatory enrollment is on the horizon. Ms. Darrow noted her concern in keeping these beneficiaries with the Health Plan, and her belief that this could be an opportunity for growth. The management of long term care is another possible change for the Health Plan. This would dramatically change the skill set of the Health Plan's clinical staff and change relationships with nursing homes.

Mr. Brownstein commented that the Health Plan should have a strategic plan as these changes present a lot of obstacles and opportunities.

9. Adjournment

**It was moved, seconded, and approved** to adjourn the meeting at 9:22 a.m.

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Elizabeth G. Pianca, Secretary to the Board

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Shannon McNally, Recorder to the Board