Regular Meeting of the

Santa Clara County Health Authority
Executive/Finance Committee

Thursday, July 25, 2019, 11:30 AM - 1:00 PM
Santa Clara Family Health Plan, Boardroom
6201 San Ignacio Ave, San Jose, CA 95119

Via Teleconference
Residence
1985 Cowper Street
Palo Alto, CA 94301

AGENDA

1.	**Roll Call**	Mr. Brownstein	11:30	5 min
2.	**Public Comment** Members of the public may speak to any item on the agenda; two minutes per speaker. The Executive/Finance Committee reserves the right to limit the duration of the public comment period to 30 minutes.	Mr. Brownstein	11:35	5 min
3.	**Meeting Minutes** Review meeting minutes of the May 23, 2019 Executive/Finance Committee. **Possible Action:** Approve May 23, 2019 Executive/Finance Committee Minutes **Announcement Prior to Recessing into Closed Session** Announcement that the Executive/Finance Committee will recess into Closed Session to discuss Item 4 below.	Mr. Brownstein	11:40	5 min
4.	**Adjourn to Closed Session**		11:45	
	a. **Real Property Negotiations** (Government Code Section 54956.8): It is the intention of the Executive/Finance Committee to meet in Closed Session to confer with its Real Property Negotiators concerning the price and terms of payment related to the possible lease of real property located at 408 N. Capital Avenue, San Jose, CA. The negotiators for the Health Authority are Dave Cameron, CFO, and Christine Tomcala, CEO. The other negotiating party is Capitol Square Partners.			
5.	**Report from Closed Session**	Mr. Brownstein	12:00	5 min

6.	**May 2019 Financial Statements** Review May 2019 Financial Statements: **Possible Action:** Approve the May 2019 Financial Statements	Mr. Cameron	12:05	10 min
7.	**Diversify Investment Portfolio** Discuss investment Portfolio. **Possible Action:** Approve proposal to diversify investment portfolio	Mr. Cameron	12:15	10 min
8.	**Board Discretionary Fund Expenditure** Consider funding request from The Health Trust for capital improvements to their new Client Services and Operation Center. **Possible Action:** Approve expenditure from the Special Project Board Discretionary Fund to support capital improvements at the new Health Trust Client Services and Operations Center	Ms. Tomcala	12:25	5 min
9.	**Special Project Board Discretionary Fund** Review and discuss criteria outlined in Policy GO.02 and consider potential projects. **Possible Action:** Recommend potential refinements to Policy GO.02 – Special Project Board Discretionary Fund	Ms. Tomcala	12:30	10 min
10.	**Compliance Update** Discuss audit activity and corrective action plan progress. **Possible Action:** Accept Compliance Update	Ms. Larmer	12:40	10 min
11.	**CEO Update** Discuss status of current topics and initiatives. **Possible Action:** Accept CEO Update	Ms. Tomcala	12:50	5 min
12.	**Adjournment**	Mr. Brownstein	1:00	

Notice to the Public—Meeting Procedures

- Persons wishing to address the Committee on any item on the agenda are requested to advise the Recorder so that the Chairperson can call on them when the item comes up for discussion.
- The Committee may take other actions relating to the issues as may be determined following consideration of the matter and discussion of the possible action.
- In compliance with the Americans with Disabilities Act, those requiring accommodations in this meeting should notify Rita Zambrano 48 hours prior to the meeting at 408-874-1842.
- To obtain a copy of any supporting document that is available, contact Rita Zambrano at 408-874-1842. Agenda materials distributed less than 72 hours before a meeting can be inspected at the Santa Clara Family Health Plan offices at 6201 San Ignacio Ave, San Jose, CA 95119.
- This agenda and meeting documents are available at www.scfhp.com

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Santa Clara Family Health Plan, Boardroom
6201 San Ignacio Ave, San Jose, CA 95119

Minutes - Draft

Members Present
Bob Brownstein, Chair
Liz Kniss *(via telephone)*
Linda Williams

Members Absent
Dolores Alvarado

Staff Present
Christine Tomcala, Chief Executive Officer
Dave Cameron, Chief Financial Officer
Robin Larmer, Chief Compliance and Regulatory Affairs Officer
Laurie Nakahira, DO, Chief Medical Officer
Jonathan Tamayo, Chief Information Officer
Neal Jarecki, Controller
Jayne Giangreco, Manager, Administrative Services

Others Present
Daphne Annett, Burke, Williams & Sorensen, LLP *(via telephone)*

1. **Roll Call**

   Bob Brownstein, Chair, called the meeting to order at 11:30 am. Roll call was taken and a quorum was established.

2. **Meeting Minutes**

   The minutes of the May 1, 2019 Executive/Finance Committee were reviewed.

   It was moved, seconded, and the May 1, 2019 Executive/Finance Committee Minutes were **unanimously approved.**

3. **Public Comment**

   There were no public comments.

4. Adjourn to Closed Session

a. <u>Existing Litigation</u>
The Executive/Finance Committee met in Closed Session to confer with Legal Counsel regarding CalPERS Case No. 2017-1114; OAH Case No. 2018051223 and CalPERS Case No. 2017-1115; OAH Case No. 2018051029.

b. <u>Contract Rates</u>
The Executive/Finance Committee met in Closed Session to discuss plan partner rates.

5. Report form Closed Session

Mr. Brownstein reported the Executive/Finance Committee met in Closed Session to discuss items 4 (a) and (b).

6. March 2019 Financial Statements

Dave Cameron, Chief Financial Officer, presented the March 2019 financial statements, which reflected a current month net surplus of $1.7 million ($500 thousand favorable to budget) and a fiscal year-to-date surplus of $12.5 million ($7.5 million favorable to budget). Enrollment declined by 131 members from the prior month to 251,068. Medi-Cal enrollment has declined since October 2016 while CMC membership has grown modestly over the past few months due to continued outreach efforts. Revenue reflected a favorable current month variance of $8.7 million (10.8%) largely due to a one-time retroactive prior year MLTSS rate adjustment of $4.4 million, higher Prop 56 accrual of $1.8 million (offset by higher medical expense), and higher non-dual enrollment of $1.4 million. Medical expense reflected an unfavorable current month variance of $8.8 million (11.7%) largely due to the combination of increased inpatient, LTC and pharmacy expenses of $7.0 million and higher Prop 56 expense noted above. Administrative expenses were at budget for the month and $600 thousand favorable year-to-date due largely to the timing of certain expenses. The balance sheet reflected a Current Ratio of 1.22:1, versus the minimum required by DMHC of 1.0:1. Tangible Net Equity of $190.5 million represented 546.5% of the minimum required by DMHC of $34.9 million.

It was moved, seconded, and the March 2019 Financial Statements were **unanimously approved.**

7. Fiscal Year 2018-2019 Donations and Sponsorships Annual Report

Ms. Tomcala presented the annual summary of donations and sponsorships, indicating SCFHP provided $69,220 in funding during FY 2018-19.

It was moved, seconded, and unanimously approved to accept FY' 2018-19 Donations and Sponsorships Annual Report.

8. Health Homes Program (HHP) Update

Laurie Nakahira, D.O., Chief Medical Officer, reported on the status of the Health Homes Program (HHP), noting this is the new DHCS case management program the State is implementing. SCFHP's implementation date is July 1, 2019. SCFHP currently has five Community-Based Care Management Entities (CBCMEs) that are ready to sign contracts. Valley Health Plan, acting on behalf of the County, declined to participate. In the absence of VMC clinic participation, SCFHP is planning to develop an in-house CBCME.

It was moved, seconded, and unanimously approved to accept the Health Homes Program Update.

9. Compliance Update

Robin Larmer, Chief Compliance and Regulatory Affairs Officer, discussed the status of the CMS Program Audit remedial work. She noted that the Plan has substantially completed the tasks outlined in the Corrective Action Plans, although some G&A reports remain pending due to the Beacon system implementation. Potential risks to successful Audit closure include staffing, particularly the ability of staff to sustain the effort required to manage the remediation long term along with the demands of simultaneous, multiple state audits and daily work.

Program Audit protocol requires the Plan to engage an outside firm to conduct an Independent Validation Audit (IVA) and report to CMS the Plan's success in remediating the Conditions cited in the Audit. The Plan has engaged ATTAC Consulting Group to conduct the IVA, and CMS has approved ATTAC's IVA Work Plan. The Plan requested and was granted an extension of the remediation period (and delay in the beginning of the IVA) to more fully implement the Beacon system. Under the revised timeline, the IVA will begin in July 2019, and the IVA Report and CEO's attestation of full remediation must be submitted to CMS by September 30, 3019.

Ms. Larmer further noted that the Plan discovered in March 2019 that PMG had sub-delegated claim processing to an offshore entity. Such sub-delegation is not allowed without the Plan's consent, which PMG failed to obtain. Because the Plan was unaware of the arrangement, the Plan had not advised DMHC of the arrangement as was required under the terms of the Plan's Knox-Keene license. The Plan submitted a self-disclosure to DMHC, and is continuing to supply information about the sub-delegation and the Plan's oversight more generally. The Plan will be required to submit a material modification filing, and it is possible that the Plan will be assessed a financial penalty.

It was moved, seconded, and the Compliance Report was **unanimously approved.**

10. Network Detection and Prevention Report

Jonathan Tamayo, Chief Information Officer, reported on firewall intrusion, detection, and prevention efforts.

It was moved, seconded and unanimously approved to accept the Network Detection and Prevention Report.

11. CEO Update

Christine Tomcala, Chief Executive Officer, updated the Committee on the status of the pharmacy carve out proposed by Governor Newsom.

Ms. Tomcala provided additional information on the clinics Guardian Angel works with on HEDIS Medical Records Review.

Ms. Tomcala noted that the Health Plan is poised to commence negotiations with SEIU for the annual reopener.

Ms. Tomcala provided an update on the search for a Satellite Office, noting that she and Dolores Alvarado, Board Member, met with Councilmember Carrasco's office.

It was also noted that SCFHP signed a letter of support for the AB715 (Wood) along with other advocacy organizations throughout the state. This bill would raise the eligibility level of the Medi-Cal Aged and Disabled

program to 138% FPL, creating a "bright line" of Medi-Cal income eligibility that will create parity between senior and disabled Medi-Cal beneficiaries, and other adult Medi-Cal beneficiaries.

It was moved, seconded, and unanimously approved to accept the CEO Update.

12. Adjournment

The meeting was adjourned at 1:00 pm.

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Robin Larmer, Secretary

Santa Clara Family Health Plan™

Unaudited Financial Statements
For The Eleven Months Ended May 31, 2019

Agenda

Santa Clara Family Health Plan.

Financial Highlights

Santa Clara Family Health Plan.

	MTD		YTD	
Revenue	$87 M		$958 M	
Medical Expense (MLR)	$81 M	92.2%	$893 M	93.2%
Administrative Expense (% Rev)	$4.9 M	5.6%	$51.4 M	5.4%
Other Income/Expense	$446,916		$3,316,773	
Net Surplus (Loss)	**$2,311,314**		**$16,916,475**	
Cash on Hand			$305 M	
Receivables			$469 M	
Total Current Assets			$783 M	
Current Liabilities			$616 M	
Current Ratio			1.27	
Tangible Net Equity			$195 M	
% of DMHC Requirements			**608.8%**	

Financial Highlights

Net Surplus (Loss)	Month: Surplus of $2.3M is $1.2M or 101.0% favorable to budget of $1.1M. YTD: Surplus of $16.9M is $9.4M or 124.2% favorable to budget of $7.5M.
Enrollment	Month: Membership was 249,077 (1,671 or 0.7% favorable budget of 247,406). YTD: Member months were 2.8M (7.2K or 0.3% favorable budget of 2.8M).
Revenue	Month: $87.5M ($7.3M or 9.1% favorable to budget of $80.2M) YTD: $958.3M ($70.6M or 7.9% favorable to budget of $887.8M)
Medical Expenses	Month: $80.7M ($6.4M or 8.6% unfavorable to budget of $74.3M) YTD: $893.4M ($65.5M or 7.9% unfavorable to budget of $827.9M)
Administrative Expenses	Month: $4.9M ($282.0K or 6.1% unfavorable to budget of $4.7M) YTD: $51.4M ($2.2K or 0.0% favorable to budget of $51.4M)
Tangible Net Equity	TNE was $194.9M (608.8% of minimum DMHC requirements of $32.0M)
Capital Expenditures	YTD Capital Investments of $5.8M vs. $10.9M annual budget, primarily building renovations.

Santa Clara Family Health Plan™

Detail Analyses

Enrollment

- Total enrollment has decreased since June 30, 2018 by 10,398 or -4.0%, in line with budgeted expectation.
- As detailed on page 7, much of the Medi-Cal enrollment decline has been in the Medi-Cal Non-Dual Child, Adult and Adult Expansion categories of aid. Medi-Cal Dual enrollment has been stable overall while CMC enrollment has grown 5.5% due to outreach efforts.
- Membership Trends:
  - Medi-Cal membership decreased since the beginning of the fiscal year by 4.5%. Over the past 12 months, MCAL membership has decreased 4.6%.
  - CMC membership increased since the beginning of the fiscal year by 5.5%. Over the past 12 months, CMC membership has increased 6.4%.
  - Healthy Kids membership increased since the beginning of the fiscal year by 9.7%. Over the past 12 months, HK membership has increased 8.9%.

Santa Clara Family Health Plan Enrollment Summary

	For the Month of May 2019			For Eleven Months Ending May 31 2019					
	Actual	Budget	Variance	Actual	Budget	Variance	Variance (%)	Prior Year Actuals	Δ FY18 vs. FY19
Medi-Cal	237,655	236,637	0.4%	2,667,123	2,664,819	2,304	0.1%	2,824,513	(5.6%)
Cal Medi-Connect	7,915	7,875	0.5%	84,816	84,425	391	0.5%	81,467	4.1%
Healthy Kids	3,507	2,894	21.2%	36,597	32,104	4,493	14.0%	31,098	17.7%
Total	**249,077**	**247,406**	**0.7%**	**2,788,536**	**2,781,348**	**7,188**	**0.3%**	**2,937,078**	**(5.1%)**

Santa Clara Family Health Plan Enrollment By Network
May 2019

Network	Medi-Cal		CMC		Healthy Kids		Total	
	Enrollment	% of Total	Enrollment	% of Total	Enrollment	% of Total	Enrollment	% of Total
Direct Contract Physicians	30,200	13%	7,915	100%	376	11%	38,491	15%
SCVHHS[1], Safety Net Clinics, FQHC[2] Clinics	118,217	50%	-	0%	1,534	44%	119,751	48%
Palo Alto Medical Foundation	6,874	3%	-	0%	97	3%	6,971	3%
Physicians Medical Group	42,236	18%	-	0%	1,234	35%	43,470	17%
Premier Care	14,693	6%	-	0%	266	8%	14,959	6%
Kaiser	25,435	11%	-	0%	-	0%	25,435	10%
Total	**237,655**	**100%**	**7,915**	**100%**	**3,507**	**100%**	**249,077**	**100%**
Enrollment at June 30, 2018	248,776		7,503		3,196		259,475	
Net Δ from Beginning of FY19	-4.5%		5.5%		9.7%		-4.0%	

[1] *SCVHHS = Santa Clara Valley Health & Hospital System*
[2] *FQHC = Federally Qualified Health Center*

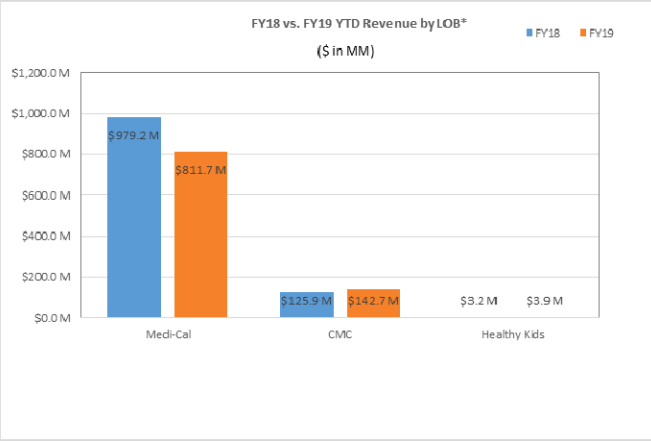
Enrollment By Aid Category

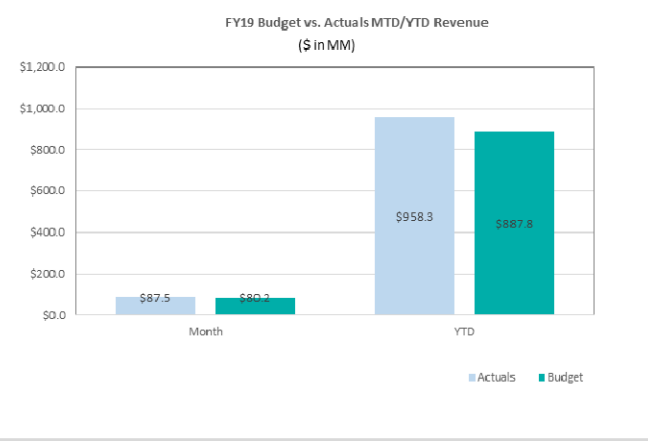
		2018-04	2018-05	2018-06	2018-07	2018-08	2018-09	2018-10	2018-11	2018-12	2019-01	2019-02	2019-03	2019-04	2019-05
NON DUAL	Adult (over 19)	27,359	27,351	27,185	27,001	26,652	26,568	26,354	26,213	26,175	25,954	25,846	25,772	25,552	25,185
	Child (under 19)	100,606	100,449	100,238	99,369	98,316	98,255	97,518	96,830	96,330	95,155	95,177	95,286	95,114	94,528
	Aged - Medi-Cal Only	10,924	10,891	10,963	10,909	10,815	10,887	10,869	10,887	10,923	10,901	10,963	10,934	10,949	10,871
	Disabled - Medi-Cal Only	10,801	10,750	10,750	10,742	10,679	10,635	10,611	10,624	10,631	10,629	10,579	10,558	10,558	10,558
	Adult Expansion	76,677	74,319	74,292	74,261	73,971	73,959	73,601	73,398	73,186	72,075	72,223	72,143	72,114	71,364
	BCCTP	15	15	13	13	14	13	12	11	11	9	9	8	10	11
	Long Term Care	358	370	384	382	384	387	379	377	372	371	376	375	375	370
	Total Non-Duals	**226,740**	**224,145**	**223,824**	**222,676**	**220,831**	**220,703**	**219,343**	**218,340**	**217,628**	**215,093**	**215,173**	**215,076**	**214,671**	**212,886**
DUAL	Adult (21 Over)	401	397	393	387	385	382	385	390	379	373	376	367	368	354
	Aged (21 Over)														
	Disabled (21 Over)	22,969	23,064	22,811	22,919	22,928	22,984	22,963	22,897	22,893	22,765	22,728	22,712	22,914	22,971
	Adult Expansion	451	421	451	455	485	521	533	538	586	556	529	479	304	252
	BCCTP	2	2	2	2	2	2	1	1	1	2	1	1	0	0
	Long Term Care	1,117	1,159	1,295	1,316	1,323	1,292	1,268	1,233	1,208	1,209	1,203	1,201	1,187	1,192
	Total Duals	**24,940**	**25,043**	**24,952**	**25,079**	**25,123**	**25,181**	**25,150**	**25,059**	**25,067**	**24,905**	**24,837**	**24,760**	**24,773**	**24,769**
	Total Medi-Cal	**251,680**	**249,188**	**248,776**	**247,755**	**245,954**	**245,884**	**244,493**	**243,399**	**242,695**	**239,998**	**240,010**	**239,836**	**239,444**	**237,655**
	Healthy Kids	**3,454**	**3,220**	**3,196**	**3,278**	**3,187**	**3,163**	**3,217**	**3,460**	**3,345**	**3,252**	**3,375**	**3,348**	**3,465**	**3,507**
CMC	CMC Non-Long Term Care	7,194	7,203	7,275	7,302	7,318	7,386	7,383	7,407	7,484	7,540	7,616	7,680	7,661	7,706
	CMC - Long Term Care	241	237	228	221	222	214	218	218	211	210	198	204	208	209
	Total CMC	**7,435**	**7,440**	**7,503**	**7,523**	**7,540**	**7,600**	**7,601**	**7,625**	**7,695**	**7,750**	**7,814**	**7,884**	**7,869**	**7,915**
	Total Enrollment	**262,569**	**259,848**	**259,475**	**258,556**	**256,681**	**256,647**	**255,311**	**254,484**	**253,735**	**251,000**	**251,199**	**251,068**	**250,778**	**249,077**

Revenue

Current month revenue of $87.5M is $7.3M or 9.1% favorable to budget of $80.2M. YTD revenue of $958.3M is $70.6M or 7.9% favorable to budget of $887.8M. This month's variances were due to several factors including:

- CMC Medicare Part C revenue was $1.8M higher than budget due to receipt of unbudgeted CY17 quality withhold payment.
- Proposition 56 revenue exceeded budget by $1.7M (with an offsetting increase to medical expense).
- Non-Dual revenue was higher than budget by $1.3M due to a higher enrollment versus budget.
- Maternity and Hep-C volumes were higher than budget resulting in a $452K favorable variance.





	FY18 vs. FY19 YTD Revenue by LOB*			
	FY18	FY19	Variance	
Medi-Cal	$979.2 M	$811.7 M	($167.4 M)	-17.1%
CMC	$125.9 M	$142.7 M	$16.8 M	13.3%
Healthy Kids	$3.2 M	$3.9 M	$0.7 M	20.6%
Total Revenue	**$1,108.3 M**	**$958.3 M**	**($133.2 M)**	**-12.0%**

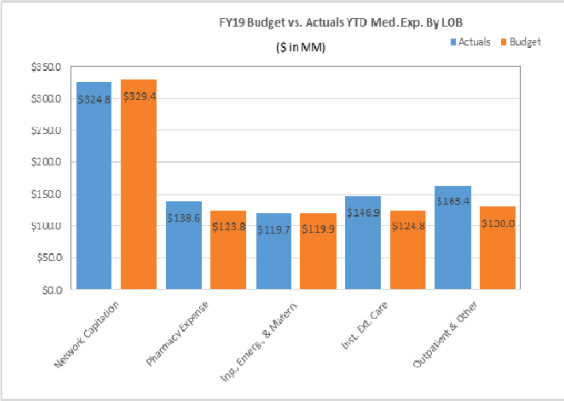
	FY19 Budget vs. Actuals MTD/YTD Revenue			
	Actuals	Budget	Variance	
Month	$87.5	$80.2	$7.3	9.1%
YTD	$958.3	$887.8	$70.6	7.9%

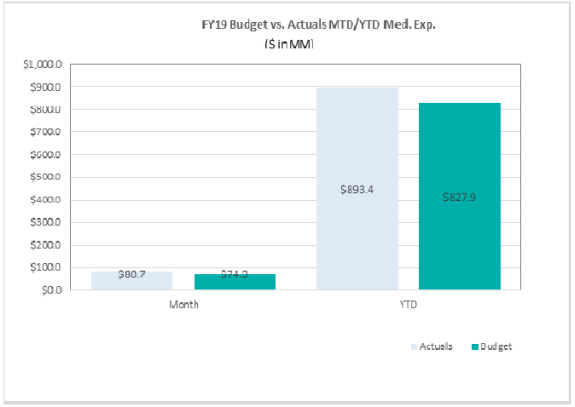
*IHSS was included in FY18 Medi-Cal & CMC revenue through 12/31/17

Medical Expense

Current month medical expense of $80.7M is $6.4M or 8.6% unfavorable to budget of $74.3M. YTD medical expense of $893.4M is $65.5M or 7.9% unfavorable to budget of $827.9M.The current month variances were due to a variety of factors, including:

- CMC Medicare Inpatient, Outpatient and Institutional expenses in excess of budget yielded an unfavorable variance of $1.4M.
- Proposition 56 increased medical expense by $1.7M (with offsetting an increase to revenue).
- Pharmacy costs exceeded budget by $2.9M due to increased utilization and higher specialty drug costs.





	FY19 Budget vs. Actuals YTD Med. Exp. By LOB			
	Actuals	Budget	Variance	
Network Capitation	$324.8	$329.4	$4.6	1.4%
Pharmacy	$138.6	$123.8	-$14.8	-10.7%
Inp., Emerg., & Matern.	$119.7	$119.9	$0.2	0.2%
Inst. Ext. Care	$146.9	$124.8	-$22.0	-15.0%
Outpatient & Other	$163.4	$130.0	-$33.4	-20.5%
Total Medical Expense	**$893.4**	**$827.9**	**-$65.5**	**-7.9%**

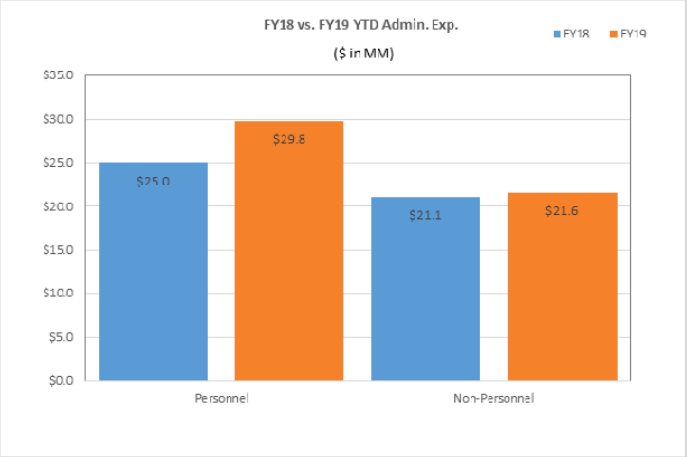
	FY19 Budget vs. Actuals MTD/YTD Med. Exp.			
	Actuals	Budget	Variance	
Month	$80.7	$74.3	-$6.4	-8.6%
YTD	$893.4	$827.9	-$65.5	-7.9%

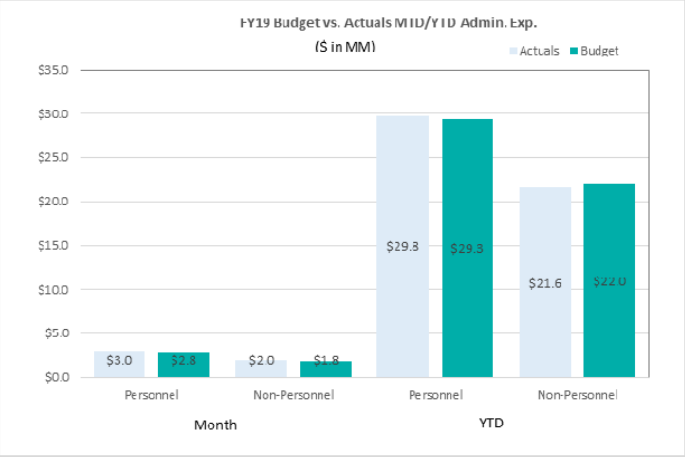
**IHSS was included in medical expense through 12/31/17*

Administrative Expense

Current month admin expense of $4.9M is $282K or 6.1% unfavorable to budget of $4.7M. YTD admin expense of $51.4M is $2.2K or 0.0% favorable to budget of $51.4M. The current month variances were primarily due to the following:

- Personnel expenses were $158K or 5.6% unfavorable to budget due to the timing of permanent staff hiring.
- Consulting expenses related to the CMC audits and Grievances & Appeals contributed to an unfavorable variance of $124K.





	FY18 vs. FY19 YTD Admin. Exp.			
	FY18	FY19	Variance	
Personnel	$25.0	$29.8	$4.8	19.1%
Non-Personnel	$21.1	$21.6	$0.5	2.4%
Total Administrative Expense	**$46.1**	**$51.4**	**$5.3**	**11.5%**

		FY19 Budget vs. Actuals MTD/YTD Admin. Exp.			
		Actuals	Budget	Variance	
Month	Personnel	$3.0	$2.8	-$0.2	-5.6%
	Non-Personnel	$2.0	$1.8	-$0.1	-6.7%
	MTD Total	**$4.9**	**$4.7**	**-$0.3**	**-6.1%**
YTD	Personnel	$29.8	$29.3	-$0.5	-1.5%
	Non-Personnel	$21.6	$22.0	$0.5	2.1%
	YTD Total	**$51.4**	**$51.4**	**$0.0**	**0.0%**

Balance Sheet

- Current assets totaled $782.5M compared to current liabilities of $616.1M, yielding a current ratio (Current Assets/Current Liabilities) of 1.27:1 vs. the DMHC minimum requirement of 1.0:1.
- Cash as of May 31, 2019 increased by $81.2M compared to the cash balance as of year-end June 30, 2018.
- Current Cash & Equivalent components and yields were as follows:

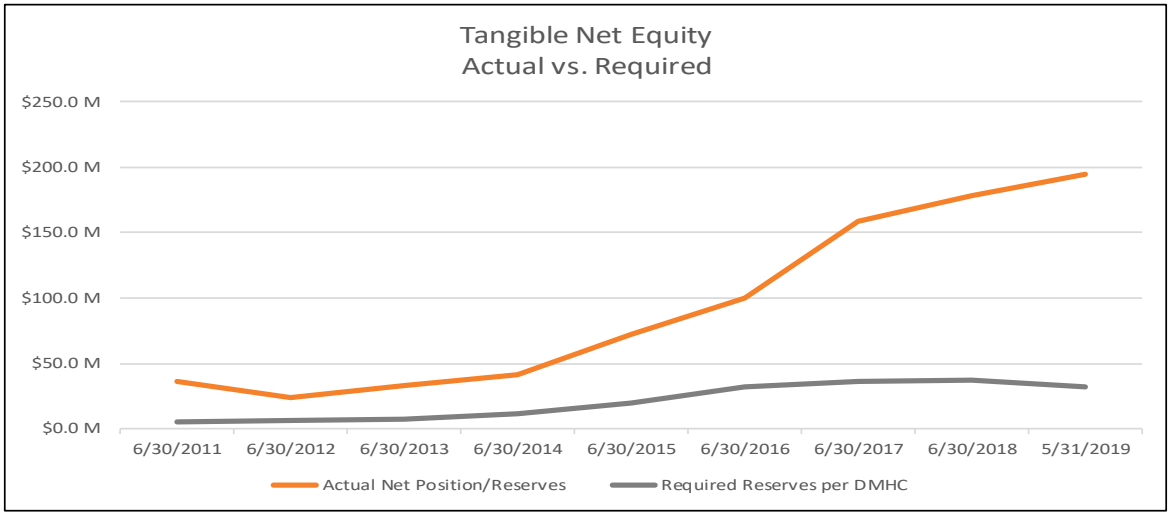
Description	Month-End Balance	Current Yield %	Interest Earned	
			Month	YTD
Short-Term Investments				
County of Santa Clara Comingled Pool	$78,704,048	1.95%	$100,000	$1,294,023
Cash & Equivalents				
Bank of the West Money Market	$409,766	1.34%	$4,074	$101,089
Wells Fargo Bank Accounts	$225,933,828	2.27%	$460,253	$3,330,719
	$226,343,594		$464,326	$3,431,808
Assets Pledged to DMHC				
Restricted Cash	$305,350	0.42%	$0	$335
Petty Cash	$500	0.00%	$0	$0
Total Cash & Equivalents	**$305,353,492**		**$564,326**	**$4,726,167**

Tangible Net Equity

- TNE was $194.9M or 608.8% of the most recent quarterly DMHC minimum requirement of $32.0M.
- TNE trends are presented below:

Santa Clara Health Authority
Tangible Net Equity - Actual vs. Required
As of: May 31, 2019

	6/30/2011	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	5/31/2019
Actual Net Position/Reserves	$36.1 M	$24.2 M	$32.6 M	$40.9 M	$72.6 M	$100.3 M	$158.4 M	$178.0 M	$194.9 M
Required Reserves per DMHC	$5.0 M	$5.9 M	$7.8 M	$11.4 M	$19.3 M	$32.4 M	$35.9 M	$36.8 M	$32.0 M
200% of Required Reserve	$10.0 M	$11.8 M	$15.6 M	$22.9 M	$38.5 M	$64.8 M	$71.8 M	$73.6 M	$64.0 M
Actual as % Required	722.5%	410.2%	418.5%	357.5%	376.9%	309.8%	441.2%	483.4%	608.8%



Reserves Analysis

SCFHP RESERVES ANALYSIS May 2019	
Financial Reserve Target #1: Tangible Net Equity	
Actual TNE	$194,932,337
Current Required TNE	$32,016,586
Excess TNE	**$162,915,751**
Required TNE %	608.8%
SCFHP Target TNE Range:	
350% of Required TNE (Low)	$112,058,051
500% of Required TNE (High)	$160,082,931
TNE Above/(Below) SCFHP Low Target	**$82,874,286**
TNE Above/(Below) High Target	**$34,849,407**
Financial Reserve Target #2: Liquidity	
Cash & Cash Equivalents	$305,353,492
Less Pass-Through Liabilities	
Other Pass-Through Liabilities	($16,136,742)
Total Pass-Through Liabilities	**($16,136,742)**
Net Cash Available to SCFHP	$289,216,749
SCFHP Target Liability	
45 Days of Total Operating Expense	($120,210,934)
60 Days of Total Operating Expense	($160,281,245)
Liquidity Above/(Below) SCFHP Low Target	**$169,005,815**
Liquidity Above/(Below) High Target	**$128,935,504**

Note 1: In December 2018, the Governing Board established a Board Discretionary Fund of $2.2M. The specific projects/recipients have yet to be determined.

Note 2: Other Pass-Through Liabilities include Prop 56 and other provider payables.

Capital Expenditures

YTD Capital investments of $5.8M, largely to complete the renovation of the building, were comprised of the following:

Expenditure	YTD Actual	Annual Budget	
Building	$4,784,323	$ 7,874,631	*
Systems	0	925,000	
Hardware	621,568	1,550,000	
Software	398,887	593,000	
Furniture and Fixtures	0	0	
Automobile	0	0	
Leasehold Improvements	0	0	
TOTAL	**$5,804,778**	**$10,942,631**	

** Includes FY18 budget rollover of $6,628,131*

Note 1: The timing of certain I.T. expenses has been delayed to later in the current fiscal year or possibly into the next fiscal year.

Financial Statements

Income Statement

Santa Clara Family Health Plan.

Santa Clara County Health Authority
Income Statement for Eleven Months Ending May 31, 2019

	Current Month						Fiscal Year To Date					
	Actuals	% of Rev	Budget	% of Rev	Variance	% Var	Actuals	% of Rev	Budget	% of Rev	Variance	% Var
REVENUE												
MEDI-CAL	$ 70,300,691	80.4%	$ 67,290,983	83.9%	$ 3,009,708	4.5%	$ 811,738,998	84.7%	$ 751,431,127	84.6%	$ 60,307,871	8.0%
CAL MEDI-CONNECT:												
CMC MEDI-CAL	2,468,898	2.8%	2,596,331	3.2%	(127,433)	-4.9%	28,588,823	3.0%	27,834,314	3.1%	754,509	2.7%
CMC MEDICARE	14,328,435	16.4%	9,979,853	12.4%	4,348,582	43.6%	114,115,455	11.9%	105,183,791	11.8%	8,931,664	8.5%
TOTAL CMC	16,797,333	19.2%	12,576,184	15.7%	4,221,149	33.6%	142,704,278	14.9%	133,018,105	15.0%	9,686,173	7.3%
HEALTHY KIDS	364,471	0.4%	300,687	0.4%	63,784	21.2%	3,900,987	0.4%	3,335,606	0.4%	565,382	16.9%
TOTAL REVENUE	**$ 87,462,494**	**100.0%**	**$ 80,167,853**	**100.0%**	**$ 7,294,641**	**9.1%**	**$ 958,344,262**	**100.0%**	**$ 887,784,837**	**100.0%**	**$ 70,559,425**	**7.9%**
MEDICAL EXPENSE												
MEDI-CAL	$ 66,115,955	75.6%	$ 62,412,327	77.9%	$ (3,703,628)	-5.9%	$ 756,867,253	79.0%	$ 700,707,323	78.9%	$ (56,159,930)	-8.0%
CAL MEDI-CONNECT:												
CMC MEDI-CAL	*2,692,693*	*3.1%*	*2,277,155*	*2.8%*	*(415,538)*	*-18.2%*	*28,160,170*	*2.9%*	*24,412,551*	*2.7%*	*(3,747,619)*	*-15.4%*
CMC MEDICARE	*11,538,386*	*13.2%*	*9,312,380*	*11.6%*	*(2,226,006)*	*-23.9%*	*104,804,609*	*10.9%*	*99,788,068*	*11.2%*	*(5,016,541)*	*-5.0%*
TOTAL CMC	14,231,079	16.3%	11,589,536	14.5%	(2,641,544)	-22.8%	132,964,778	13.9%	124,200,619	14.0%	(8,764,160)	-7.1%
HEALTHY KIDS	310,752	0.4%	270,818	0.3%	(39,933)	-14.7%	3,547,536	0.4%	3,004,268	0.3%	(543,268)	-18.1%
TOTAL MEDICAL EXPENSES	**$ 80,657,786**	**92.2%**	**$ 74,272,681**	**92.6%**	**$ (6,385,105)**	**-8.6%**	**$ 893,379,567**	**93.2%**	**$ 827,912,209**	**93.3%**	**$ (65,467,358)**	**-7.9%**
MEDICAL OPERATING MARGIN	**$ 6,804,708**	**7.8%**	**$ 5,895,172**	**7.4%**	**$ 909,536**	**12.5%**	**$ 64,964,695**	**6.8%**	**$ 59,872,628**	**6.7%**	**$ 5,092,067**	**7.2%**
ADMINISTRATIVE EXPENSE												
SALARIES AND BENEFITS	$ 2,967,522	3.4%	$ 2,809,927	3.5%	$ (157,594)	-5.6%	$ 29,788,208	3.1%	$ 29,334,830	3.3%	$ (453,378)	-1.5%
RENTS AND UTILITIES	12,313	0.0%	23,611	0.0%	11,298	47.9%	396,275	0.0%	447,281	0.1%	51,006	11.4%
PRINTING AND ADVERTISING	56,452	0.1%	138,150	0.2%	81,698	59.1%	917,370	0.1%	1,390,650	0.2%	473,280	34.0%
INFORMATION SYSTEMS	109,995	0.1%	226,473	0.3%	116,478	51.4%	2,089,463	0.2%	2,491,204	0.3%	401,741	16.1%
PROF FEES/CONSULTING/TEMP STAFFING	1,199,937	1.4%	799,822	1.0%	(400,115)	-50.0%	11,863,302	1.2%	9,679,002	1.1%	(2,184,301)	-22.6%
DEPRECIATION/INSURANCE/EQUIPMENT	375,197	0.4%	457,566	0.6%	82,369	18.0%	4,078,929	0.4%	5,085,730	0.6%	1,006,801	19.8%
OFFICE SUPPLIES/POSTAGE/TELEPHONE	106,036	0.1%	70,930	0.1%	(35,106)	-49.5%	958,060	0.1%	1,479,047	0.2%	520,986	35.2%
MEETINGS/TRAVEL/DUES	105,719	0.1%	114,026	0.1%	8,307	7.3%	955,009	0.1%	1,193,976	0.1%	238,967	20.0%
OTHER	7,140	0.0%	17,804	0.0%	10,664	59.9%	318,377	0.0%	265,427	0.0%	(52,949)	-19.9%
TOTAL ADMINISTRATIVE EXPENSES	**$ 4,940,310**	**5.6%**	**$ 4,658,310**	**5.8%**	**$ (282,000)**	**-6.1%**	**$ 51,364,993**	**5.4%**	**$ 51,367,146**	**5.8%**	**$ 2,153**	**0.0%**
OPERATING SURPLUS (LOSS)	$ 1,864,398	2.1%	$ 1,236,862	1.5%	$ 627,536	50.7%	$ 13,599,702	1.4%	$ 8,505,482	1.0%	$ 5,094,220	59.9%
OTHER INCOME/EXPENSE												
GASB 45 - POST EMPLOYMENT BENEFITS EXPENSE	(59,780)	-0.1%	(59,780)	-0.1%	0	0.0%	(657,576)	-0.1%	(657,580)	-0.1%	4	0.0%
GASB 68 - UNFUNDED PENSION LIABILITY	(75,000)	-0.1%	(75,000)	-0.1%	-	0.0%	(825,000)	-0.1%	(825,000)	-0.1%	-	0.0%
INTEREST & OTHER INCOME	581,695	0.7%	47,605	0.1%	534,090	1121.9%	4,799,349	0.5%	523,654	0.1%	4,275,695	816.5%
OTHER INCOME/EXPENSE	**446,916**	**0.5%**	**(87,175)**	**-0.1%**	**534,091**	**-612.7%**	**3,316,773**	**0.3%**	**(958,926)**	**-0.1%**	**4,275,698**	**-445.9%**
NET SURPLUS (LOSS)	**$ 2,311,314**	**2.6%**	**$ 1,149,687**	**1.4%**	**$ 1,161,627**	**101.0%**	**$ 16,916,475**	**1.8%**	**$ 7,546,556**	**0.9%**	**$ 9,369,918**	**124.2%**

Balance Sheet

SANTA CLARA COUNTY HEALTH AUTHORITY
For the Eleven Months Ending May 31, 2019

	May 2019	April 2019	March 2019	June 2018
Assets				
Current Assets				
Cash and Marketable Securities	$305,353,492	$270,252,107	$349,893,574	$224,156,209
Receivables	469,045,788	492,698,518	521,781,883	493,307,425
Prepaid Expenses and Other Current Assets	8,104,515	7,920,323	7,163,561	7,024,982
Total Current Assets	**782,503,795**	**770,870,948**	**878,839,018**	**724,488,615**
Long Term Assets				
Property and Equipment	43,624,427	43,537,565	43,486,597	38,579,130
Accumulated Depreciation	(17,053,735)	(16,729,649)	(16,404,608)	(14,309,761)
Total Long Term Assets	26,570,692	26,807,916	27,081,988	24,269,369
Total Assets	**809,074,487**	**797,678,864**	**905,921,007**	**748,757,984**
Deferred Outflow of Resources	**14,535,240**	**14,535,240**	**14,535,240**	**14,535,240**
Total Deferred Outflows and Assets	**823,609,727**	**812,214,104**	**920,456,247**	**763,293,224**
Liabilities and Net Assets				
Current Liabilities				
Trade Payables	4,450,765	4,808,233	5,344,550	8,351,090
Deferred Rent	(0)	(0)	(0)	17,011
Employee Benefits	1,713,820	1,817,397	1,765,354	1,473,524
Retirement Obligation per GASB 45	4,208,371	4,148,592	4,088,812	4,882,795
Advance Premium - Healthy Kids	97,693	94,963	91,854	66,195
Deferred Revenue - Medicare	8,950,629	-	-	9,928,268
Whole Person Care/Prop 56	15,893,653	22,418,108	16,962,490	9,263,004
Payable to Hospitals	243,089	243,089	243,089	0
IGT, HQAF & Other Provider Payables	18,097,493	16,057,886	110,652,871	6,691,979
MCO Tax Payable - State Board of Equalization	17,569,259	8,784,630	26,354,443	(0)
Due to DHCS	36,800,474	37,700,004	47,065,057	24,429,978
Liability for In Home Support Services (IHSS)	416,092,527	416,092,527	416,092,527	413,549,551
Current Premium Deficiency Reserve (PDR)	2,374,525	2,374,525	2,374,525	2,374,525
Medical Cost Reserves	89,581,155	92,524,194	86,448,529	92,470,504
Total Current Liabilities	**616,073,453**	**607,064,144**	**717,484,102**	**573,498,425**
Non-Current Liabilities				
Noncurrent Premium Deficiency Reserve (PDR)	5,919,500	5,919,500	5,919,500	5,919,500
Net Pension Liability GASB 68	2,649,796	2,574,796	2,499,796	1,824,796
Total Non-Current Liabilities	**8,569,296**	**8,494,296**	**8,419,296**	**7,744,296**
Total Liabilities	**624,642,749**	**615,558,440**	**725,903,398**	**581,242,721**
Deferred Inflow of Resources	**4,034,640**	**4,034,640**	**4,034,640**	**4,034,640**
Net Assets / Reserves				
Invested in Capital Assets	26,570,692	26,807,916	27,081,988	24,269,369
Restricted under Knox-Keene agreement	305,350	305,350	305,350	305,350
Unrestricted Net Equity	151,139,821	150,902,597	150,628,524	133,805,841
Current YTD Income (Loss)	16,916,475	14,605,161	12,502,346	19,635,303
Total Net Assets / Reserves	194,932,337	192,621,023	190,518,209	178,015,863
Total Liabilities, Deferred Inflows, and Net Assets	**823,609,727**	**812,214,104**	**920,456,247**	**763,293,224**

Cash Flow – YTD

Cash Flows from Operating Activities	
Premiums Received	1,012,545,654
Medical Expenses Paid	(882,320,428)
Adminstrative Expenses Paid	(48,022,515)
Net Cash from Operating Activities	**$82,202,712**
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(5,804,778)
Cash Flows from Investing Activities	
Interest Income and Other Income (Net)	4,799,349
Net Increase/(Decrease) in Cash & Cash Equivalents	**81,197,283**
Cash & Cash Equivalents (Jun 2018)	224,156,209
Cash & Cash Equivalents (May 19)	**$305,353,492**
Reconciliation of Operating Income to Net Cash from Operating Activities	
Operating Income/(Loss)	**$16,916,475**
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities	
Depreciation	3,503,455
Changes in Operating Assets/Liabilities	
Premiums Receivable	24,261,637
Other Receivable	(4,799,349)
Due from Santa Clara Family Health Foundation	-
Prepaids & Other Assets	(1,079,533)
Deferred Outflow of Resources	-
Accounts Payable & Accrued Liabilities	1,576,133
State Payable	29,939,755
IGT, HQAF & Other Provider Payables	11,405,514
Net Pension Liability	825,000
Medical Cost Reserves & PDR	(2,889,349)
IHSS Payable	2,542,975
Deferred Inflow of Resources	-
Total Adjustments	**61,782,782**
Net Cash from Operating Activities	**$82,202,712**

Statement of Operations - YTD

Santa Clara Family Health Plan.

Santa Clara County Health Authority
Statement of Operations
By Line of Business (Including Allocated Expenses)
For Eleven Months Ending May 31 2019

	Medi-Cal	CMC Medi-Cal	CMC Medicare	Total CMC	Healthy Kids	Grand Total
P&L (ALLOCATED BASIS)						
REVENUE	$811,738,998	$28,588,823	$114,115,455	$142,704,278	$3,900,987	**$958,344,262**
MEDICAL EXPENSE	$756,867,253	$28,160,170	$104,804,609	$132,964,778	$3,547,536	**$893,379,567**
(MLR)	93.2%	98.5%	91.8%	93.2%	90.9%	**93.2%**
GROSS MARGIN	$54,871,744	$428,653	$9,310,846	$9,739,499	$353,452	**$64,964,695**
ADMINISTRATIVE EXPENSE	$43,507,297	$1,532,293	$6,116,319	$7,648,613	$209,084	**$51,364,993**
(% of Revenue Allocation)						
OPERATING INCOME/(LOSS)	$11,364,448	($1,103,640)	$3,194,527	$2,090,886	$144,368	**$13,599,702**
(% of Revenue Allocation)						
OTHER INCOME/(EXPENSE)	$2,809,380	$98,944	$394,947	$493,891	$13,501	**$3,316,773**
(% of Revenue Allocation)						
NET INCOME/(LOSS)	$14,173,828	($1,004,696)	$3,589,474	$2,584,778	$157,869	**$16,916,475**
PMPM (ALLOCATED BASIS)						
REVENUE	$304.35	$337.07	$1,345.45	$1,682.52	$106.59	**$343.67**
MEDICAL EXPENSES	$283.78	$332.01	$1,235.67	$1,567.69	$96.94	**$320.38**
GROSS MARGIN	$20.57	$5.05	$109.78	$114.83	$9.66	**$23.30**
ADMINISTRATIVE EXPENSES	$16.31	$18.07	$72.11	$90.18	$5.71	**$18.42**
OPERATING INCOME/(LOSS)	$4.26	($13.01)	$37.66	$24.65	$3.94	**$4.88**
OTHER INCOME/(EXPENSE)	$1.05	$1.17	$4.66	$5.82	$0.37	**$1.19**
NET INCOME/(LOSS)	$5.31	($11.85)	$42.32	$30.48	$4.31	**$6.07**
ALLOCATION BASIS:						
MEMBER MONTHS - YTD	2,667,123	84,816	84,816	84,816	36,597	2,788,536
REVENUE BY LOB	84.7%	3.0%	11.9%	14.9%	0.4%	100.0%

HEALTHTrust

June 5, 2019

Ms. Christine Tomcala, CEO
Santa Clara Family Health Plan
6201 San Ignacio Ave
San Jose, CA 95119

Dear Ms. Tomcala,

The Health Trust respectfully requests a one-time grant of $100,000 for capital improvements to our new **Client Services and Operations Center**. The Center will provide centralized, coordinated health and wellness services and operations benefitting over 2,000 residents of Santa Clara County who are low-income, under/un-insured, and lack access to affordable care.

Founded in 1996, The Health Trust is an established non-profit organization in Santa Clara County. Our mission is to build health equity in Silicon Valley and our work complements and augments services offered by the County and other safety net community partners. As a direct service provider, The Health Trust provides food and nutrition services (including Meals On Wheels and Medically Tailored Meals), case management, and health education programs to vulnerable County residents, many of whom are living with chronic conditions and/or are homeless.

Serving those with the highest needs in our community means that the majority of The Health Trust's clients have difficulty maintaining housing, accessing transportation to jobs and medical appointments, and affording nutritious food. Through our three strategies – improving health through food, making chronic health conditions more preventable and manageable, and prioritizing health in housing – we strive to address the social determinants of health that lead to health disparities in our community, meeting the nutrition, housing, and specific health needs of thousands of people each year in an informed, integrated, and coordinated manner.

COMMUNITY NEED

Today, chronic disease is a leading cause of death and disability in California, and the biggest contributor to health care costs. In Santa Clara County, nearly one-third of adults have high cholesterol, 27% have high blood pressure, and nearly 20% have either diabetes or prediabetes. Among the County's senior population (age 65+), rates are 57%, 62%, and 34%, respectively. There are over 6,300 County residents living with HIV infection, 76% of whom have been diagnosed with AIDS.

Poor nutrition is a leading cause of chronic conditions and illness, especially for those already vulnerable due to age, disability, and income. If left unresolved, the positive effects of health care treatments can be reversed and further exacerbate health conditions, resulting in costly hospitalizations and emergency department visits. Individuals who are low-income are disproportionately affected by these challenges. Without appropriate prevention and

management, health conditions can plunge them even further into poverty – and sometimes homelessness. The bare minimum living wage in the County is estimated to be over $35,000 for a single adult. With rapidly rising housing costs, there are over 7,000 people who are homeless, including more than 600 veterans. Over a quarter of our homeless population are also living with a chronic health condition.

There is overwhelming evidence that eating nutritious food plays a key role in preventing and managing chronic health conditions. Particularly for individuals who are living with chronic health conditions (e.g., diabetes, congestive heart failure, HIV/AIDS), consuming nutritionally appropriate food is critical to managing their conditions and in the long-term improving their health. For example, research results on individuals living with Type 2 Diabetes and/or HIV who receive Medically Tailored Meals (MTMs) demonstrated a significant reduction in hospitalizations (63%), an increase in medication adherence (50%) and a drop in emergency room visits (58%). Similarly, research on patients with chronic diseases has demonstrated a drop in health care costs from $39,000 per month to $28,000 per month. With a food intervention, participants are better able to maintain their health and avoid hospitalization, which, in turn, saves money for individual clients and their healthcare systems.

As a member of the California Food is Medicine Coalition (CalFIMC), The Health Trust is participating in the Medi-Cal Medically Tailored Meals Pilot Program, a three-year, $6 million State-funded pilot program that aims to reduce hospital readmission rates and emergency room utilization for Medi-Cal clients with congestive heart failure. As we near the end of the first year of the pilot, CalFIMC reports that preliminary observations of the pilot project across all six partner organizations align with the goal of using food and nutrition therapy to improve the health of low-income Californians living with chronic illnesses. In addition to this statewide pilot, The Health Trust is currently partnering with a local hospital in a control-group research study to determine the impact of MTMs delivered to their patients.

REQUEST

To better address the social determinants of health of our community members, in FY20, The Health Trust will open a new Client Services and Operations Center near downtown San Jose that will offer a "one-stop shop" for healthy food, case management, and other health support services for vulnerable residents. Preparations for opening the Center include renovating The Health Trust's existing 3,200sf Jerry Larson FOODBasket, our hub for Meals On Wheels and other food/nutrition services, as well as two adjacent spaces that are also under Health Trust lease.

The total renovation cost is approximately $1,500,000. The Health Trust is actively pursuing financial support from the County of Santa Clara, as well as private funders, in order to cover costs. We recently received a $75,000 pledge and currently have two other requests pending (additional requests are planned). The Health Trust respectfully requests a **one-time grant of $100,000** from Santa Clara Family Health Plan (SCFHP) towards these necessary capital improvements.

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www.healthtrust.org

OUTCOMES & IMPACT

The primary outcomes for this project are that the renovation is completed on time and on budget and that the Center is fully operational by December 31, 2019. The Center will include new food storage and distribution equipment, expansion of the client-facing food pantry space, improvements to the back-end nutrition operations space, client meeting rooms, new case management work spaces, health education/disease self-management workshop space, and ADA accessible upgrades. There will also be space where our health insurance enrollment services (currently funded by SCFHP) could operate. Co-locating nutrition, case management and health support services in a convenient location near downtown San Jose and public transportation will enable clients to access high-quality, coordinated, efficient and cost-effective services. These capital improvements will also create future capacity for The Health Trust to serve as a resource for other community-based organizations that want to provide clients with healthy, consistent food assistance but do not have the internal capacity to do so.

When renovations are complete, The Health Trust will be able to provide centralized, on-site services and operations for over 2,000 local residents who are low-income and facing health challenges, creating better access to the healthy food, health education, and case management services they need to thrive.

Meals On Wheels is one of the programs that will operate out of new Center. Older adults like 71-year-old Penny, who has lived in the Bay Area for 45 years, will be able to get the nutritious food they need. Penny has heart and respiratory issues and must use a wheelchair to get around. Penny feels fortunate to live in affordable housing, but it is still tough for her to make ends meet on an annual income of less than $20,000. "Before I was offered the Meals On Wheels program, I was only able to eat once per day," she says. She began receiving daily meals with the addition of fresh fruits and vegetables to supplement, saving her the cost of purchasing them at a local store. Penny's granddaughter says: "The Meals On Wheels program has helped out my grandmother a lot! She does not have to stress about saving enough money to buy food after paying for her housing, medicine, utilities, and so on; she hates asking for financial help, so she may have often went without a few meals here and there before letting anyone know she was even struggling. She typically did not buy vegetables when she could go shopping, instead only frozen meals or whatever was affordable, so these meals help her get some of the daily nutrition she needs."

Thank you for your consideration. Please contact me at (408) 513-8701 or mlew@healthtrust.org with questions or for more information.

Sincerely,

Michele Lew
Chief Executive Officer

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www.healthtrust.org

Santa Clara Family Health Plan

POLICY

Policy Title:	**Special Project Board Discretionary Fund**	**Policy No.:**	GO.02 v2
Replaces Policy Title (if applicable):	N/A	**Replaces Policy No. (if applicable):**	N/A
Issuing Department:	Governance & Org Structure	**Policy Review Frequency:**	Periodically as warranted
Lines of Business (check all that apply):	☐ Medi-Cal	☐ Healthy Kids	☐ CMC

I. Purpose

To define and outline the requirements and criteria by which SCFHP may provide funding for special projects through a Board Discretionary Fund.

II. Policy

SCFHP has established a Board Discretionary Fund to allow the Plan to provide funding for special projects and initiatives focused on serving the health needs of the safety net population in Santa Clara County. The amount of reserves available for the Discretionary Fund will be based on the amount available, if any, over the Board designated maximum Tangible Net Equity (TNE), determined annually after release of the audited financial statements. Availability of reserves will also be subject to the Plan exceeding the Board-established liquidity target range.

It is SCFHP's policy to make strategic investments, subject to the availability of funds, in special projects that support the mission of the Plan, are consistent with annual and strategic objectives, strengthen community partnerships, and explore new and emerging models of care or facilitate expansion of best practice quality care.

The Executive/Finance Committee may approve special project investments up to $100,000. Project funding over $100,000 must be approved by the Governing Board.

Special project investments must meet all of the following criteria:

1. The funding fulfills an overriding public purpose to carry out SCFHP's mission to provide high quality, comprehensive health care coverage to ~~those in~~ Santa Clara County residents eligible for SCFHP programs~~who do not have access to, or are not able to purchase, good health care at an affordable price~~.
2. The funding will be used to address assessed needs of the Plan and its members.
3. The special project will be consistent with the strategic and/or annual objectives of the Plan.
4. The special project will have measurable outcomes.
5. There is a lack of other resources in the community to fund the special project.
6. Continued special project funding from SCFHP would not be required for sustainability of the special project.

~~7. The funding will not be used for general operating costs, but may support project overhead.~~

~~8.~~7. The funding will not adversely impact the ability of SCFHP to operate and to deliver services and programs.

~~9.~~8. The funding will not financially benefit any Santa Clara County Health Authority official or employee.

~~10.~~9. The funding will not be used for political purposes (e.g., donations to political campaigns or ballot measures).

Special Projects to be funded must also meet two or more of the following considerations:

1. The special project will strengthen both the Plan and the member safety net.
2. The special project investment can be included in the Plan's claimable cost structure.
3. The special project will address regulatory or accreditation needs.
4. The funding will be used to pilot a promising approach for addressing emerging health care issues.
5. The funding will facilitate expansion of best practices/evidence-based care.
6. The special project will address social determinants of health.
7. The funding will promote quality care and cost efficiency.
8. The special project will leverage, or build on, existing partnerships or investments.

III. References

1. Tangible Net Equity Policy
2. Liquidity Policy

IV. Approval/Revision History

First Level Approval	Second Level Approval	Third Level Approval
[Manager/Director Name] [Title] Date	[Compliance Name] Title] Date	[Executive Name] [Title] Date

Version Number	Original/ Reviewed/ Revised	Reviewing Committee (if applicable)	Committee Action/Date (Recommended or Approved)	Board Action/Date (Approved or Ratified)
v1	Original			Approved 06/28/2018
v2	Revised			

Santa Clara Family Health Plan™

FY 2019-20 FOCUS
Drive Quality Improvement & Achieve Operational Excellence

DRAFT

	Plan Objectives	Success Measures
1	Pursue benchmark quality performance	• Increase HEDIS composite average to 60% for CMC • Decrease Medi-Cal HEDIS measures below the new MPL (50th percentile) to ≤ 4 • Increase developmental screenings for children to ≥ 5,000 • Conduct gap analysis and roadmap for Medi-Cal NCQA accreditation • Achieve ≤ 120 second average speed of answer for Medi-Cal member calls
2	Enhance compliance program and delegation oversight	• ≥ 95% of metrics on Compliance Dashboard in compliance • 95% of routine regulatory reports submitted timely, without resubmission • Full implementation of enhanced delegation oversight program
3	Improve IT infrastructure	• Conduct HIPAA security risk assessment • Implement and optimize phone system upgrade by December 2019 • Implement monthly gaps in care on the provider portal by December 2019
4	Foster membership growth and retention	• Increase Medi-Cal market share from 78.3% • Achieve net increase of 533 CMC members • Develop a robust provider network strategy
5	Collaborate with Safety Net Community Partners	• Continue Whole Person Care partnership with SCVHHS and achieve ≥ 40 Long Term Care community transitions • Implement Health Homes for members with severe mental illness by January 2020 • Establish satellite office/community resource center
6	Achieve budgeted financial performance	• Achieve FY 2019-20 Net Surplus of $7.7 million • Maintain administrative loss ratio ≤ 7% of revenue

Critical Priority

Santa Clara Family Health Plan™

2016-2020 STRATEGIC PLAN FRAMEWORK

Quality Improvement

Support improved quality outcomes among provider networks and delegated entities

- **Improvement Initiatives** to increase patient access, care coordination, and health promotion.
- **Quality Incentive Programs** and redesigned contract arrangements to promote higher quality and value
- **National Committee Quality Accreditation** to meet the highest standards
- **HEDIS Score Improvement** through targeted initiatives and efforts

Complex Care Delivery

Successfully implement model of care for members with complex conditions

- **Managed Long Term Care Services & Supports** continued program development
- **Enhanced Internal Complex Care Delivery Expertise** to support care for members with complex conditions
- **Strengthened Behavioral Health Program** including enhancing internal capacity and expanding the external provider network
- **Strengthened Community Partnerships** to more effectively address the social determinants of health
- **ACA 2703 Health Homes Implementation** to pilot comprehensive systems of care for most vulnerable members

Growth

Explore opportunities to add new health plan products and grow membership

- **Exploration of Medicare Product Options** for Cal Medi-Connect opt-outs & new Medicare enrollees, such as Medicare Advantage, including Chronic SNP, DSNP, or other products for dual eligibles
- **New Program Options Exploration** such as service area expansions or other new products
- **Marketing and Outreach** to maximize program enrollment and retention

Value-Based Care

Expand contracting, reimbursement, and other arrangements that incentivize value-based care

- **Alternative Reimbursement/Incentive Arrangements and Contracts** that align incentives, promote higher quality, and encourage innovation
- **Pharmacy Contracts and Management** that contain costs and enhance oversight
- **Innovation Pilots** to explore new and emerging models of care
- **Contractual Arrangements & Score Cards** that increase accountability, promote shared savings, and increase capacity

Internal Optimization

Enhance internal systems to support integrated operations and sophisticated business analysis in a value-based care environment

- **Data Analytics and Reporting Functionality** to enable robust analytics, reporting, and compliance
- **Single Claims Operating System** to enable integration with ancillary sub-systems across all departments and lines of business
- **Fraud Waste & Abuse Program** to improve efficiency and quality
- **Risk Adjusted Payment & Quality Withholds** to achieve appropriate levels of revenue
- **Provider Network and Delegated Entity Accountability** for quality, cost, and compliance

BUILDING BLOCKS

Financial Strength	**Culture of Compliance**
Effective Workforce	**Positive County, State and Federal Relationships**

Mission

Santa Clara Family Health Plan is dedicated to improving the health and well-being of the residents of our region. Our mission is to provide high quality, comprehensive health care coverage for those who do not have access to, or are not able to purchase, good health care at an affordable price. Working in partnership with select providers, we act as a bridge between the health care system and those who need coverage.

The Spirit of Care

The Spirit of Care is the guiding principle of Santa Clara Family Health Plan. It is our commitment that our members will receive the care they need and the respect they deserve. It goes beyond the specific medical need of an individual and takes into account the mental, spiritual, and cultural implications of health-care decisions.

Core Values

- We believe that health status cannot improve without parallel improvements in economic opportunities and social status.
- Economic status is the single greatest determinant of community health.
- We believe that as a publicly-funded, local health plan, we have a unique responsibility to work toward improving the health status of our community.
- We must always be a voice for promoting community health, using a comprehensive approach to health care and wellness.
- We believe that to achieve our mission, we must be a well-run, financially viable business that makes a significant investment in our community.
- We believe that our services must be easy to use, and our processes must be easy to understand and follow.
- We believe that our services must be culturally and linguistically appropriate, and that we must teach our members how to use the health-care system.
- We believe that respect for our members, providers, and staff is fundamental to our operations.
- We believe that our network of providers and staff must put our values into action. Our providers and staff must meet high standards of medical service and customer service.
- We believe that the safety-net providers and the traditional providers of quality care to low-income individuals are essential partners of our health plan.

Distinguishing Characteristics

- We are a community-based local health plan.
- We are separate from county government.
- We are a public agency acting on behalf of the people of our community.
- We conduct business in public.
- We are accountable to our members and to the residents of this region.
- We work closely with our safety-net providers and with our community providers.
- We help to ensure the providers' continuing financial viability.
- We help our providers give members high-quality, comprehensive, and culturally and linguistically appropriate services.
- We work in the community to promote health and well-being for all.
- We have a governing board of stakeholders from the community.

Santa Clara Family Health Plan

Board Discretionary Fund
July 25, 2019

Funding Approved December 2018	$	2,200,000

Initiatives Approved	Approval Date	Allocated Amount	$ Spent To-Date	Balance
Health Homes Start-Up Funding	March 2019	≤ $400,000		

Potential Focus Areas
Social Determinants of Health
Home and Community-Based Services
Practice Transformation
Community Resource Center

BALANCE	$	1,800,000

Santa Clara Family Health Plan™

2019 DHCS Audit Findings

Santa Clara Family Health Plan

Medi-Cal

- 1.1.1 Delegation Oversight:
  Plan did not comply with contract requirements to monitor its delegated entity's subcontracting activities.
- 1.2.1 Inconsistently provided written notification to providers for Pharmacy prior authorization
- 1.2.2 Inconsistent application of Medical Necessity criteria for Pharmacy prior authorization
- 2.1.1 Lack of Initial Health Assessment completion by PCP
- 2.2.1 Lack of PCP participation in development of member care plans
- 2.3.1 Policy and Program Description does not reflect current APLs for Early and Periodic Screening, Diagnosis and Treatment (EPSDT) requirements
- 2.4.1 Lack of oversight on transportation delegates
- 2.5.1 Inadequate P&P's addressing Continuity of Care process for entirety of pregnancy
- 2.5.2 Inadequate P&P's addressing Continuity of Care for out of network provider
- 4.1.1 Inclusion of a State Fair Hearing option in Grievance Resolution Letters
- 4.3.1 Noncompliance with 72 hour information privacy reporting
- 5.2.1 Inadequacies in P&P's and oversight related to new provider training

Santa Clara Family Health Plan

Cal Medi-Connect

- 1.2.1 Inconsistent written Notification to prescribing providers
- 1.2.2 Noncompliance with requirement to use only California-licensed Pharmacists to approve, defer, modify, or deny Pharmacy prior authorization requests
- 2.4.1 Inadequate oversight of NMT/NEMT
- 2.5.1 Plan's desktop resource related to Continuity of Care with out of network providers was not updated to the criteria as stated in the DPL
- 4.1.1 Some Grievance resolution letters cited the availability of a State Fair Hearing, which is not available for Grievances
- 5.2.1 Inadequate P&P's and Oversight related to provider training

Picture Of Health

nultimedia/)

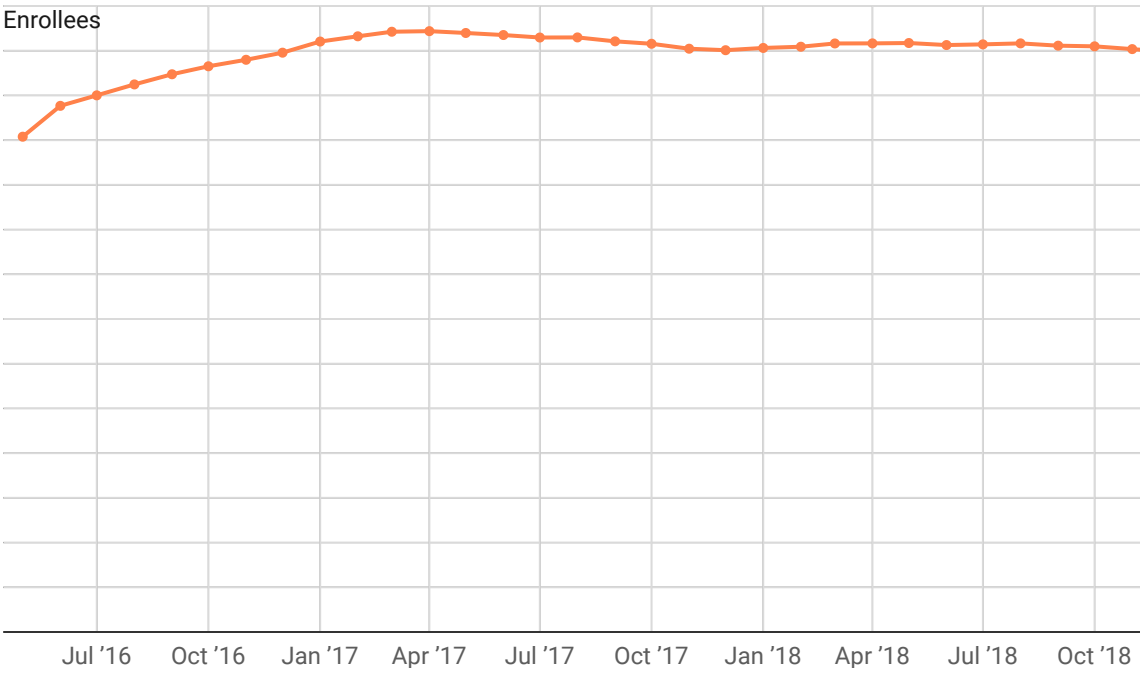
Medi-Cal Enrollment Among Immigrant Kids Stalls, Then Falls. Is Fear To Blame?

By Ana B. Ibarra (https://californiahealthline.org/news/author/ana-b-ibarra/)

July 8, 2019

Health Care For Youngest Undocumented Immigrants

The number of undocumented immigrant children in California's Medicaid program rose for about a year after the program debuted, then enrollment stagnated and started to decline. In February 2019, 127,845 children were enrolled, down 5% from peak enrollment in April 2017.



Credit: Harriet Blair Rowan/California Healthline

As California prepares to expand Medicaid coverage to young adults here illegally, the number of undocumented immigrant children in the program is slowly declining, new state data show.

Unauthorized immigrant children have been eligible for Medi-Cal, the state's Medicaid program for low-income residents, since May 2016, and their enrollment peaked nearly a year later at 134,374, according to the data from the state Department of Health Care Services.

Since then, enrollment has stayed mostly flat or fallen. Last February, the latest month for which data are available, 127,845 undocumented immigrant children through age 18 were enrolled in Medi-Cal, down about 5% from the April 2017 peak.

This drop mirrors statewide and national trends for all children enrolled in Medicaid and the Children's Health Insurance Program, a separate public program that some states use to cover low-income children.

From December 2017 to December 2018, overall child enrollment in both programs dropped 2.2% nationally and 3% in California, according to a recent report (https://ccf.georgetown.edu/2019/05/28/medicaid-and-chip-enrollment-decline/) from Georgetown University's Health Policy Institute.

Some experts attribute the enrollment drop among all children to a strong economy because more people have jobs — and access to employer-sponsored health insurance. But Medicaid researchers say there are likely other factors at play for immigrant children.

The decline in their enrollment is more likely due to a shift in migration patterns and rising fear among their families in response to anti-immigrant rhetoric and federal crackdowns on unauthorized immigrants, said Edwin Park, a health policy research professor at Georgetown University.

"It's likely the overall hostile environment for immigrant families is playing a critical role in enrollment," Park said. "You should have seen a continued ramp-up" in sign-ups because the program is still relatively new. California is among six states, plus the District of Columbia, that provide public health coverage for undocumented immigrant children.

Last year, California allocated $365.2 million to cover these children. Even though Medicaid is a joint state-federal program, California must pay for the expanded benefits for unauthorized immigrants itself.

Starting next year (https://californiahealthline.org/news/california-budget-health-care-coverage-low-income-safety-net-medicaid-benefits/), as part of the 2019-20 state budget signed on June 27 by Gov. Gavin Newsom, the state will expand Medi-Cal coverage to young adult unauthorized immigrants ages 19 through 25. Officials estimate 90,000 young adults will join in the first year.

President Donald Trump criticized California's move and threatened to "stop it."

"The Democrats want to treat the illegals with health care and with other things, better than they treat the citizens of our country," Trump said (https://www.whitehouse.gov/briefings-statements/remarks-president-trump-signing-h-r-3401/) on July 1.

The state Department of Health Care Services, which administers Medi-Cal, said undocumented immigrant children might be leaving the program because they age out of eligibility when they turn 19 or move out of state.

Randy Capps, director of research at the Washington, D.C.-based Migration Policy Institute, said a shift in immigration patterns into and out of California could also affect their enrollment.

The number of people coming into the country illegally is down, especially from Mexico, according to a Pew Research Center report (https://www.pewresearch.org/fact-tank/2019/06/12/us-unauthorized-immigrant-population-2017/) released in June. That is notable in California, where Mexican nationals make up the majority of the state's undocumented immigrant population.

The report estimates there were 4.9 million unauthorized immigrants from Mexico in the U.S. in 2017, down from 6.9 million in 2007.

“All data suggest a downward trend on illegal immigration, especially of Mexican origin,” Capps said.

In California, “with the recent economic boom, that may be accelerating because the cost of living is escalating astronomically,” he said. “Housing is becoming prohibitively expensive for undocumented immigrants in large parts of the state.”

Although there have been an increasing number of Central American migrants trying to enter the U.S. at the southern border this year, most are claiming asylum and are not considered undocumented immigrants.

As a result, most of those children wouldn’t qualify for Medi-Cal under this program, explained Gabrielle Lessard, a staff attorney with the National Immigration Law Center.

But the rhetoric surrounding the Central American refugees has been heated, and Trump has made tough talk on immigration a centerpiece of his presidency.

Last month, Trump warned of “massive” deportation raids (https://www.vox.com/policy-and-politics/2019/6/21/18701408/ice-deportation-raids-10-cities) that would have targeted about 2,000 families — but they were postponed (https://www.npr.org/2019/06/22/735083190/trump-delays-immigration-raids-giving-democrats-two-weeks-to-reform-asylum-laws) after he gave members of Congress time to make changes to asylum laws. He said the raids would begin after the (https://www.bloomberg.com/news/articles/2019-07-01/trump-says-delayed-immigration-raids-will-start-after-july-4) Fourth of July.

His administration also has pursued policies targeting immigrants. For instance, last fall, the federal government introduced its "public charge (https://www.vox.com/2018/9/24/17892350/public-charge-immigration-food-stamps-medicaid-trump-comments)" proposal, which would consider immigrants' use of public benefit programs including Medi-Cal, CalFresh and Section 8 housing vouchers as a reason to deny lawful permanent residency — or green card status.

That proposed rule has not taken effect, and it's not clear whether it will. If implemented, the policy would mostly affect legal immigrants, but it could also affect undocumented immigrants should they become eligible to seek legal status in the future.

In response, unauthorized immigrant families have been forgoing care, missing doctors' appointments and asking whether they should disenroll from Medicaid coverage, health centers across California and the country have reported (https://khn.org/news/providers-walk-fine-line-between-informing-and-scaring-immigrant-patients/).

Lessard suspects that unauthorized immigrants could be pulling their children out of Medi-Cal or simply not renewing their coverage.

"This community has been so terrorized by the administration that people are afraid to show up to their appointments at health centers," she said. "So the prospect of giving your information to the government, even though it's the state government, is really terrifying to a lot of people."

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Modern Healthcare

As judges weigh Obamacare's fate, panic hasn't set in—yet

By Shelby Livingston
July 13, 2019

A coalition of Republican state officials fighting to topple Obamacare had a good day in court last week, when a panel of federal appellate judges appeared open to nixing the Affordable Care Act's now-toothless requirement that most people buy health insurance, and potentially other provisions of the law that Americans have come to rely on.

But while health insurers and hospitals—whose businesses after 10 years of operating under the ACA would be profoundly impacted by its undoing—are keeping a close eye on developments in the lawsuit, there's little they can do to prepare for an outcome impossible to predict.

"We are proceeding as if we are going to still be in business," said John Baackes, CEO of L.A. Care Health Plan, which covers more than 600,000 Californians through Medicaid expansion and nearly 90,000 on the ACA exchange. "We are not letting the potential of a negative outcome influence our thinking, but we're also trying not to bury our head in the sand."

In particular, L.A. Care is looking for ways to become more efficient to save costs, such as by cutting out third parties from its contracts with providers. That will help the publicly operated plan weather any crises that arise, be it a recession or the ACA's demise, which would undoubtedly slash the insurer's revenue and lead it to downsize, Baackes said.

Dr. Michael Cropp, CEO of Buffalo, N.Y.-based insurer Independent Health, similarly said the uncertain future of the healthcare law should have insurers focusing on efforts to take waste out of the system and bring premiums down. Should Medicaid expansion be rolled back, states may end up scrambling to fill the gaps where federal funding once was, he added.

But beyond crossing their fingers that the ACA will stay in place, insurers and providers aren't yet doing much contingency planning. That's largely because they believe the challenge, known as Texas v. United States, will ultimately end up in the Supreme Court and they are optimistic the high court will once again uphold the law.

"This case is still so much in process with the possibility of such a long pathway, we're not at a point where hospitals would take any action related to it," said Chip Kahn, CEO of the Federation of American Hospitals, which represents investor-owned health systems.

Paul Keckley, a healthcare consultant who has discussed potential outcomes of the case at hospital and insurer board meetings, said he hasn't sensed any panic from the industry. Healthcare companies are monitoring the case and developing scenarios that assume states will be the stopgap. They might also

be deploying capital more conservatively, but "no one is paralyzed by what's going on in that case," he said.

Operating in a state of regulatory limbo is not something that insurers and hospitals like to do, but it's a reality they've learned to live with after a Republican-controlled Congress and White House repeatedly tried to repeal the ACA or chip away at it through executive action over the past two years.

Moreover, healthcare companies have weathered previous legal challenges to the landmark healthcare law. Baackes described being even more worried about the future of the ACA back in 2012 when the Supreme Court first mulled a challenge to the law and upheld it, though the decision allowed states to opt out of Medicaid expansion.

The stakes are different now. Back then, the law was fairly new and few provisions had been fully implemented. While legal experts have said the plaintiffs' arguments in the current case don't hold much weight, the group of 18 state attorneys general were able to convince a lower court to strike down the ACA. There's a chance the same argument—that zeroing out the individual mandate penalty made it unconstitutional, and by extension, invalidated the entire ACA—will convince the 5th U.S. Circuit Court of Appeals to do the same.

Although a coalition of Democratic state attorneys general and the U.S. House of Representatives are defending Obamacare on appeal, two Republican-appointed judges on the three-judge panel seemed likely to invalidate the individual mandate. It was unclear, though, if they were open to striking the ACA in its entirety.

Abbe Gluck, a Yale University health law profcssor who is supportive of the ACA, said the judges on July 9 didn't tip their cards on that so-called severability issue. However, she said the 5th Circuit did show it was reluctant to come up with a remedy in the case.

The court spent time during oral arguments asking why Congress couldn't pass another healthcare law keeping only the attractive pieces of the ACA. It also grappled with sending the case back to the District Court to figure out what to do.

"I think what that points to is they realize the enormity of the consequences here and (the court) doesn't really want to have its fingerprints on it," Gluck said.

There are several ways the court could rule. Throwing out the ACA would be the most disruptive iteration, and if such a decision ultimately sticks, it could cause millions of Americans to lose their insurance while unwinding popular consumer protections enjoyed by even those who get health coverage through their jobs. The newly uninsured may resort to getting care at costly emergency rooms; healthcare providers could see uncompensated care soar.

There's only so much insurers and healthcare companies could do to prepare for that situation.

"It'd be tough for us, but if you roll (the ACA) back, it'd be more devastating to the community," Baackes said. "I'm not sure there's anything a particular insurer can do to head that off."

Health Plan Weekly

Calif. Lawmakers Add Mandate, Cover Undocumented Adults

By Jane Anderson
June 17, 2019

California created its own state-based individual mandate, added help for middle-income consumers purchasing coverage on the individual market, and agreed to pay for Medi-Cal coverage for undocumented young adults in a $213 billion legislative budget deal that left two other top issues for health insurers — a tax on managed care organizations and a new statewide drug purchasing plan — unresolved.

L.A. Care Health Plan CEO John Baackes tells AIS Health that health insurers in California support the budget measures: "We're very happy about all of this." The California Association of Health Plans came out in favor of the increased subsidies and coverage of undocumented adults.

In the budget pact, approved June 13, California joined Massachusetts, New Jersey and the District of Columbia in mandating that all residents carry qualifying health insurance. But it became the first state in the nation to offer subsidies for health coverage for those between 400% and 600% of the federal poverty level.

Although details were still being worked out, the average subsidy for middle income families — individuals making up to $75,000 and families of four making up to $155,000 — was expected to be more than $100 per month.

The penalties paid by those who fail to purchase qualifying health insurance will help pay for those subsidies, according to the state. Beginning in 2020, adults will be charged $695 or 2% of their household income, whichever is more, for failing to purchase health insurance.

The legislation also expands Medi-Cal coverage to undocumented young adults ages 19 through 25 at the state's expense, which will add approximately 90,000 young adults to the Medicaid program at a cost of around $98 million per year.

Previously, in 2016, state lawmakers had agreed to cover all undocumented immigrants up to age 18 at the state's expense, adding some 140,000 children to Medicaid rolls. State legislators also had considered expanding Medicaid to cover all undocumented adults, but Gov. Gavin Newsom (D) and conservative Democrats decided that the cost for that expansion — more than $3 billion per year — was too steep. California has around 2.2 million undocumented immigrants, the largest population of undocumented people in the U.S.

Baackes says the individual mandate plus the increased subsidies will help to ensure the stability of the individual market in California. "We think for the long-term health of the exchange, having a mandate will help to get lower-risk people into the exchange," Baackes says. "It also gets the younger cohort used to participating and getting access to care whenever they need it."

More than 90% of Californians purchasing coverage on Covered California, the state's individual exchange,already receive a subsidy. The budget deal also restored some Medi-Cal benefits that had been cut for budgetary reasons during the 2008-09 recession, Baackes says, including medical benefits for audiology, adultoptical care, incontinence supplies, podiatry and speech therapy.

Two major issues for insurers were not addressed by the legislature in this session, although Baackes says he expects action on both eventually.

The budget deal does not include renewal of a $2.14 billion tax on managed care organizations that provides funding for Medi-Cal benefits. Major health insurance groups in the state, including Local Health Plans of California, supported the tax, which is set to expire on June 30.

However, California requires approval from the Trump administration to renew the tax, which allows the state to draw additional federal Medicaid funding, and Newsom was concerned that approval might not be granted, so he elected not to include the tax in his overall budget proposal.

Baackes says the tax was shelved, but only temporarily. "We would have preferred that it was settled," Baackes says. "But they're going to get around to it later, and when they do get around to it, it will be retroactive."

Bulk Rx Purchasing Program Is Delayed

Another initiative — a statewide bulk purchasing program for prescription drugs — also wound up on the back burner during the legislative session, Baackes says.

Newsom unveiled plans earlier this year to create a bulk purchasing system for drugs as a way to gain leverage over high drug prices. The plan would transition pharmacy services for Medi-Cal from managed care to fee-for-service (FFS) by January 2021.

An April report from the state Legislative Analyst's Office (LAO) says the state's Medicaid pharmacy carve-out plan likely would generate net savings to the state. But the report notes that many details have yet to be released concerning how the plan would be implemented, and how it would affect Medi-Cal spending and stakeholders.

The LAO recommended that the legislature hold off on approving resources for such a plan until Newsom's administration provides more information, and CAHP had expressed concern about some of the details.

"We applaud the idea of doing something about prescription drug prices" but it's important to move carefully, Baackes says. "We in the industry are posing a series of questions about how it would work."

Such a program might generate more savings for the state in the form of rebates for prescriptions within Medi-Cal, Baackes says, but he adds that "the state already gets a big chunk of the benefit of rebates" in the Medi-Cal program. "We pass along 100% of the rebates from our own PBM," he says.

Santa Clara Family Health Plan™

At a Glance

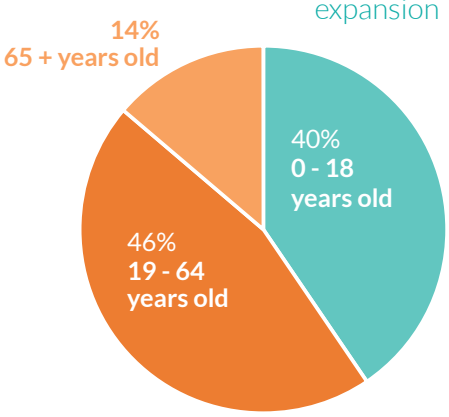
SCFHP is a local, community-based health plan dedicated to improving the health and well-being of the residents of Santa Clara County. Working in partnership with providers and community organizations, we serve our neighbors through our Medi-Cal, Cal MediConnect (Medicare-Medicaid Plan) and Healthy Kids HMO health insurance plans.

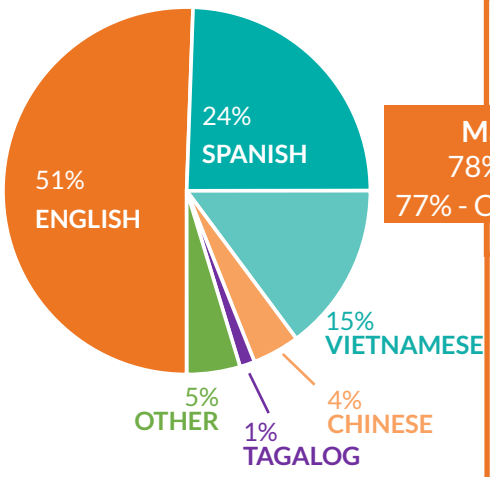
MEMBER DEMOGRAPHICS

236,900
Medi-Cal Members

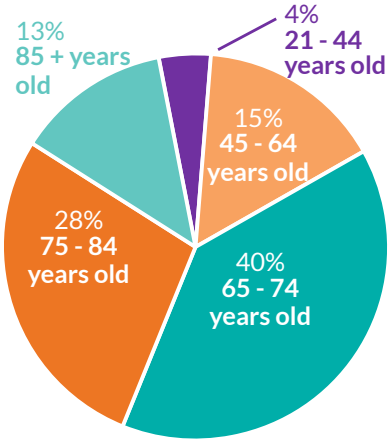
30%
of our Medi-Cal members are covered through ACA expansion

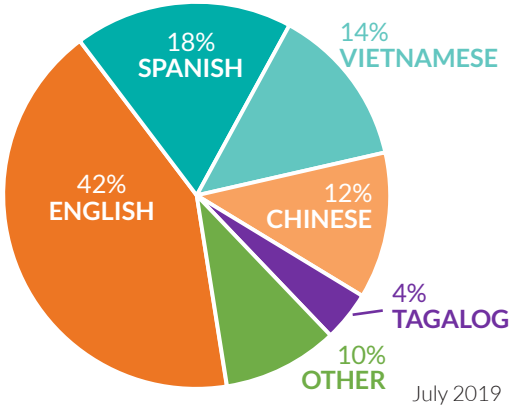
1.74
average # of kids in a Medi-Cal Family





8,200
Cal MediConnect (Medicare-Medicaid Plan) Members





July 2019

Marketshare
78% - Medi-Cal
77% - Cal MediConnect

CONTRACTED PROVIDERS

Primary Care Physicians	730 Medi-Cal 510 Cal MediConnect
Specialists	3,400 Medi-Cal 2,530 Cal MediConnect
Ancillaries	540 Medi-Cal 160 Cal MediConnect

SCFHP is contracted with **all hospitals** in Santa Clara County, giving our members access to care that is convenient for them.

June 2019

94 ¢
of every $1 is spent on benefits and services

6 ¢
of every $1 is spent on administration

<1 ¢
of every $1 is saved in reserves

>$ 1 B
invested in local economy each year

Budget FY 2020

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Santa Clara Family Health Plan

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07/19