



Regular Meeting of the  
**Santa Clara County Health Authority**  
**Executive/Finance Committee**

Thursday, July 23, 2020, 11:30 PM – 1:30 PM  
 Santa Clara Family Health Plan - Teleconference  
 6201 San Ignacio Ave, San Jose, CA 95119

**Via Teleconference**  
 (408) 638-0968  
 Meeting ID: 991 3409 6632  
<https://zoom.us/j/99134096632>

## AGENDA

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<p><b>1. Roll Call</b>          Swear in Bob Brownstein, Board member reappointment, and Dave Cameron, new Board member.</p>	<p>Ms. Alvarado          Mr. Brownstein</p>	<p>11:30</p>	<p>5 min</p>
<p><b>2. Public Comment</b>          Members of the public may speak to any item not 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.</p>	<p>Ms. Alvarado</p>	<p>11:35</p>	<p>5 min</p>
<p><b>3. Meeting Minutes</b>          Review meeting minutes of the May 28, 2020 Executive/Finance Committee.  <b>Possible Action:</b> Approve May 28, 2020 Executive/Finance Committee Minutes</p>	<p>Ms. Alvarado</p>	<p>11:40</p>	<p>5 min</p>
<p><b>4. Compliance Update</b>          Discuss audit activity and corrective action plan progress.</p>	<p>Ms. Yamashita</p>	<p>11:45</p>	<p>10 min</p>
<p><b>5. CEO Update</b>          Discuss status of current topics and initiatives.</p>	<p>Ms. Tomcala</p>	<p>11:55</p>	<p>15 min</p>
<p><b>6. Government Relations Update</b>          Discuss local, state, and federal legislative and policy issues impacting the plan and its members.</p>	<p>Mr. Haskell</p>	<p>12:10</p>	<p>15 min</p>
<p><b>7. May 2020 Financial Statements</b>          Review May 2020 Financial Statements.  <b>Possible Action:</b> Approve May 2020 Financial Statements</p>	<p>Mr. Jarecki</p>	<p>12:25</p>	<p>15 min</p>
<p><b>8. Quality Update</b>          Discuss analysis of CY'19 HEDIS measures below MPL.</p>	<p>Dr. Nakahira</p>	<p>12:40</p>	<p>30 min</p>
<p><b>9. Fiscal Year 2020-2021 Plan Objectives</b>          Discuss potential revisions to the draft FY'21 Plan Objectives.  <b>Possible Action:</b> Approve FY'21 Plan Objectives</p>	<p>Ms. Tomcala</p>	<p>1:10</p>	<p>20 min</p>
<p><b>10. Adjournment</b></p>		<p>1:30</p>	

**Notice to the Public—Meeting Procedures**

- Persons wishing to address the Executive/Finance 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](http://www.scfhp.com).

Regular Meeting of the

## Santa Clara County Health Authority Executive/Finance Committee

Thursday, May 28, 2020, 11:30 PM – 1:30 PM  
Santa Clara Family Health Plan, Teleconference  
6201 San Ignacio Ave, San Jose, CA 95119

# MINUTES

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### Members Present

Dolores Alvarado, Chair  
Bob Brownstein  
Sue Murphy  
Liz Kniss  
Linda Williams

### Staff Present

Christine Tomcala, Chief Executive Officer  
Neal Jarecki, Chief Financial Officer  
Laurie Nakahira, D.O., Chief Medical Officer  
Jonathan Tamayo, Chief Information Officer  
Chris Turner, Chief Operating Officer  
Ngoc Bui-Tong, VP, Strategies & Analytics  
Teresa Chapman, VP, Human Resources  
Laura Watkins, VP, Marketing & Enrollment  
Barbara Granieri, Controller  
Tyler Haskell, Director, Government Relations  
Johanna Liu, Director, Quality and Process  
Improvement  
Jordan Yamashita, Director, Compliance  
Jayne Giangreco, Manager, Administrative Services  
Rita Zambrano, Executive Assistant

### 1. Roll Call

Dolores Alvarado, Chair, called the meeting to order at 11:34 am. Roll Call was taken and a quorum was established.

### 2. Public Comment

There were no public comments.

### 3. Approve Consent Calendar and Changes to the Agenda

Ms. Alvarado presented the Consent Calendar and indicated all agenda items would be approved in one motion. It was noted there would be no Closed Session.

- a. Approve minutes of the April 23, 2020 **Regular Executive/Finance Committee** meeting
- b. Accept the **Compliance Update**
- c. Accept the **Network Detection and Prevention Update**

**It was moved, seconded, and the Consent Calendar was unanimously approved.**

**Motion:** Ms. Williams

**Second:** Mr. Brownstein

**Ayes:** Ms. Alvarado, Mr. Brownstein, Ms. Murphy, Ms. Kniss, Ms. Williams

#### 4. CEO Update

Christine Tomcala, Chief Executive Officer, reported that construction on the Community Resource Center has resumed. The current occupancy date is September 15, 2020. The Plan looks forward to welcoming Dolores Alvarado and the Community Health Partnership team as tenants.

Ms. Tomcala discussed the Plan's Long-Term Strategic Planning efforts. She resumed conversations with Pacific Health Consulting Group, led by Bobbie Wunsch and Tim Reilly, to again assist with the planning process. Due to environmental disruptions resulting from the pandemic, planning activities will be scheduled later in the year.

Ms. Tomcala reported Foothill Community Health Center is merging with Tri-City Health Center effective June 1, 2020. Their new name will be Bay Area Community Health (BACH).

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

**Motion:** Ms. Kniss

**Second:** Mr. Brownstein

**Ayes:** Ms. Alvarado, Ms. Brownstein, Ms. Murphy, Ms. Kniss, Ms. Williams

#### 5. Quality Update

Laurie Nakahira, D.O., Chief Medical Officer, provided a presentation on Medi-Cal HEDIS CY'19 performance and CY'20 opportunities.

Ms. Alvarado discussed opportunities for further root cause analysis on Cervical Cancer Screening, Diabetes HbA1c Testing, and Adolescent Well-Care Visits. SCFHP staff will work with Ms. Alvarado and provide a follow-up report at the next Executive/Finance meeting.

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

**Motion:** Ms. Murphy

**Second:** Mr. Brownstein

**Ayes:** Ms. Alvarado, Mr. Brownstein, Ms. Murphy, Ms. Kniss, Ms. Williams

#### 6. Government Relations Update

Tyler Haskell, Director, Government Relations, noted the volume of legislation moving through Sacramento will be at a lower volume since the legislature was on hiatus for eight weeks. Only a handful of Medi-Cal bills may survive the process. Most of the significant proposals have been pulled for this year due to the reduced bandwidth of the legislature and the changes to the budget.

Mr. Haskell reviewed highlights to the Governor's May Revise budget proposal, noting the estimated deficit is \$54 billion. Unemployment is expected to peak at 18%, which is significantly higher than the 12% peak of the last recession. The Medi-Cal caseload is anticipated to increase by two million and peak at 14.5 million in July 2020.

Mr. Haskell highlighted the changes to the Medi-Cal budget, the delay of CalAIM, the elimination and reduction of Prop 56 payment increases, managed care rate reductions, and optional adult benefits. He noted that the Managed Care rate reductions would directly impact our capitation rates for the period from July 2019 through the end of calendar 2020 by 1.5%, with further reductions in 2021. Mr. Haskell presented a list of proposed exclusions that are part of trigger cuts, which may be reinstated if the Federal Government comes through with additional funding.

Mr. Haskell spoke to next steps. It is a constitutional requirement that the budget be delivered to the Governor's desk by June 15. He noted that SCFHP, along with other local plans, are working through our statewide associations to advocate on our behalf.

*Dolores Alvarado left the meeting at 12:39 pm.*

With respect to federal issues, two weeks ago the House passed the Hero's Act, the largest relief package, for \$3 trillion. However, the bill will be dead on arrival in the Senate, which is evaluating the economic impact of the Cares

Act before making decisions about a new package.

Mr. Haskell noted SCFHP is also working with our federal health plan association, and will hopefully be speaking to our local delegation of House members and Senate in June. We plan to discuss our concerns for our members.

**It was moved, seconded, and unanimously approved** to accept the Government Relations Update.

**Motion:** Ms. Williams

**Second:** Ms. Murphy

**Ayes:** Ms. Brownstein, Ms. Murphy, Ms. Kniss, Ms. Williams

**Absent:** Ms. Alvarado

## 7. March 2020 Financial Statements

Mr. Jarecki presented the March 2020 financial statements, which reflected a current month net surplus of \$773 thousand (\$128 thousand favorable to budget) and a fiscal year-to-date net surplus of \$4.7 million (\$1.3 million unfavorable to budget).

Enrollment increased by 1,796 members from the prior month to 241,830 members (2,246 favorable to budget). While Medi-Cal enrollment has generally declined since October 2016, the Plan began to receive new undocumented Adult members in beginning in February. CMC enrollment increased due to continued outreach efforts. COVID did not have a material impact on March 2020 enrollment.

Revenue reflected a favorable current month variance of \$3.3 million (3.7%) largely due to higher enrollment, fiscal year 2020 rates in excess of budget, and higher supplemental Medi-Cal revenues. COVID did not have a material impact on March 2020 revenue.

Medical expense reflected an unfavorable current month variance of \$3.5 million (4.3%) due to certain higher fee-for-service expenses versus budget and increased Prop 56 expense. COVID did not have a material impact on March 2020 medical expense.

Administrative expense reflected a favorable current month variance of \$29 thousand (0.5%) due largely to the timing of certain non-personnel expenses. COVID did not have a material impact on March 2020 administrative expense.

The balance sheet reflected a Current Ratio of 1.24:1, versus the minimum required by DMHC of 1.0:1. Tangible Net Equity was \$207 million, which represented approximately two months of the Plan's total monthly expenses. Year-to-date capital investments of \$1.8 million were made, largely comprised of building improvements and I.T. hardware.

**It was moved, seconded, and the March 2020 Financial Statements were unanimously approved.**

**Motion:** Ms. Murphy

**Second:** Ms. Williams

**Ayes:** Mr. Brownstein, Ms. Murphy, Ms. Kniss, Ms. Williams

**Absent:** Ms. Alvarado

## 8. Financial Forecast Presentation

Mr. Jarecki reviewed the financial forecast presentation, noting that COVID will have an unfavorable effect on the Plan's future financial results. He advised that, based on proposals contained in the Governor's revised budget, Medi-Cal rates will decrease by approximately 1.5% for the period of July 2019 through December 2020, and by an estimated 3.0% for the period of January 2021 through June 2021. The Plan may report a FY21 deficit budget and may report potential future annual losses. He advised that, while the prospect of future potential losses is concerning, the Plan has sufficient accumulated reserves.

**It was moved, seconded, and unanimously approved** to accept the Financial Forecast Presentation.

**Motion:** Ms. Kniss

**Second:** Ms. Murphy

**Ayes:** Mr. Brownstein, Ms. Murphy, Ms. Kniss, Ms. Williams  
**Absent:** Ms. Alvarado

## 9. COVID-19 Funding Requests

Ms. Tomcala presented two COVID-19 related funding requests. The first request was from YMCA of Silicon Valley for their Emergency Summer Food Distribution Program, which would coordinate daily distribution of approximately 2,240 snacks and meals to children in the lowest-income neighborhoods. The second request was from Valley Verde for their Home Gardening program, which serves low-income families in San Jose and Gilroy by teaching them how to grow organic vegetables, providing preventive health and reducing food insecurity.

**It was moved, seconded, and unanimously approved** to provide the YMCA with \$50,000 for Emergency Summer Food Distribution, provided they can secure an additional \$50,000 from another source.

**Motion:** Mr. Brownstein  
**Second:** Ms. Williams  
**Ayes:** Mr. Brownstein, Ms. Murphy, Ms. Kniss, Linda Williams  
**Absent:** Ms. Alvarado

**It was moved, seconded, and unanimously approved** to provide Valley Verde with \$20,000 for their Home Gardening Program.

**Motion:** Mr. Brownstein  
**Second:** Ms. Kniss  
**Ayes:** Mr. Brownstein, Ms. Murphy, Ms. Kniss, Linda Williams  
**Absent:** Ms. Alvarado

*Mr. Brownstein left the meeting at 1:35 pm.*

## 10. Donations and Sponsorships Policy

Ms. Tomcala presented the Donations and Sponsorships Policy, noting a change in the annual limit from \$120,000 to \$150,000.

**It was moved, seconded, and Policy GO.04: Donations and Sponsorships was unanimously approved.**

**Motion:** Ms. Kniss  
**Second:** Ms. Murphy  
**Ayes:** Ms. Murphy, Ms. Kniss, Ms. Williams  
**Absent:** Ms. Alvarado, Mr. Brownstein

## 14. Adjournment

The meeting was adjourned at 1:40 pm.

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Susan G. Murphy, Secretary

## Compliance Report

July 23, 2020

### AUDIT UPDATE

- **Centers for Medicare & Medicaid Services (CMS) Program Audit**

The Plan is underway with activities related to our CMS Program Audit Revalidation (Revalidation Audit). The Revalidation Audit was broken out into two parts. The first part evaluated the Plan's deficiencies related to Coverage Determinations, Appeals and Grievances (CDAG) and Compliance Program Effectiveness (CPE). ATTAC, the consulting firm directing the audit activities on behalf of CMS, completed all fieldwork and provided a final audit report to the Plan on 6/16/2020. The report noted that the CPE audit resulted in no findings. The CDAG portion of the audit resulted in 2 new findings and 1 repeat finding. ATTAC's final audit report was submitted to the lead CMS auditor and a call was held on 6/29/2020 to discuss the findings in ATTAC's final audit report. At the request of the lead CMS auditor, supplemental documentation related to the CDAG findings was submitted on 7/17/20

The second part of the Revalidation Audit is related to the Care Coordination and Quality Improvement Program Effectiveness (CCQIPE) Conditions. The Plan has been working to sustain full compliance with respect to the relevant tasks. We are currently nearing the end of the third month of our 3-month audit "clean period", which runs from 5/1/2020, through 7/31/2020. Monitoring reports indicate that the organization is well-situated to have a successful Revalidation Audit of these conditions. The Revalidation Audit field work for the CCQIPE Conditions will begin in August 2020, with ATTAC's Final Report for the CCQIPE Conditions due to CMS on or before 9/25/2020.

- **Medicare Data Validation (MDV) Audit**

The Plan's 2020 MDV Audit for the Cal MediConnect (CMC) line of business just concluded. The purpose of the MDV Audit is to validate the accuracy and completeness of Part C (inpatient and outpatient medical care) and Part D (prescription drug) data reported to CMS. The validation provides CMS with assurance that the data submitted to them is credible and consistently collected. The audit is conducted annually by a data validation contractor selected to perform and review data submitted, based on the previous calendar year's reporting requirements. CMS issued a memo reducing the scope of the 2020 MDV audit activities as a result of the COVID-19 pandemic. This reduction in scope is consistent with CMS' reprioritization of certain activities to allow organizations to focus on health and safety threats posed by the COVID-19 pandemic. Based on the new guidance, the auditors focused solely on Medicare Part D (prescription drug) Medication Therapy Management

(MTM). On 6/18/2020, Advent, the organization conducting the audit on behalf of CMS, notified SCFHP that the Plan successfully passed the data validation audit.

- **Department of Health Care Services (DHCS) Medi-Cal Managed Care Audit**

The Plan has completed all initial activities related to our 2020 annual DHCS audit for the Medi-Cal line of business. DHCS held an exit conference to review the final report on 7/21/20. The final report detailed 7 findings, which is a 50% reduction from the 14 findings in the 2019 audit. The Plan will continue to work with the DHCS to implement corrective actions to address the 7 deficiencies.

- **Department of Managed Health Care (DMHC) Medi-Cal Managed Care Audit**

The DMHC has indicated that the Plan is scheduled for a follow-up audit in March 2021.



## SCFHP's COVID-19 Responses

Group	Focus Area	Activities and Metrics
Members	Statistics	<p>Data as of 7/7; note that SCFHP does <u>not</u> have complete information about members tested, diagnosed, hospitalized, deceased</p> <ul style="list-style-type: none"> <li>Cumulatively 247 members hospitalized</li> <li>26 deceased (17 SNF and 9 non-SNF), representing 15% of County-reported total (total membership equals about 12% of the County population)</li> </ul>
	Call Center	<ul style="list-style-type: none"> <li>Call volume down 17% week of 6/29 vs prior year average</li> <li>Average wait time of 45 seconds</li> </ul>
	Nurse Advice Line	<ul style="list-style-type: none"> <li>165 calls regarding coronavirus as of 7/6</li> <li>Implemented telehealth application that integrates with nurse advice line on 4/10</li> <li>334 members transferred for a physician consult as of 7/6</li> <li>MDLive visits 274 as of 7/6</li> </ul>
	Grievance and Appeals	<ul style="list-style-type: none"> <li>33 COVID-19 related grievances (Rx access due to provider office closed; transportation safety concerns, employment concerns) as of 7/7.</li> </ul>
	Outreach to Vulnerable Populations	<ul style="list-style-type: none"> <li>Mailed flyer telling members we are here for them, to visit our website for information on resources and support, reiterate CDC's guidelines to stay safe, to call the nurse advice line for health questions, and call Customer Service for all other help.</li> <li>Robo-calls to high risk members telling them they may be more vulnerable to COVID-19, reiterate CDC's guidelines to stay safe, call doctor for health questions or call nurse advice line, visit our website for more information on resources and support, and call Customer Service for questions.</li> <li>Outbound calls: <ul style="list-style-type: none"> <li>To pregnant &amp; post-partum population, asking how they are doing and if they need any help.</li> <li>To members age 65+ with multiple chronic conditions, asking how they are doing and if they need any help.</li> </ul> </li> </ul>

Group	Focus Area	Activities and Metrics
		<ul style="list-style-type: none"> <li>○ To Health Homes Program (HHP) members <ul style="list-style-type: none"> <li>▪ HHP Community-Based Care Management Entities (CB-CMEs) outreached 2,009 members</li> </ul> </li> <li>○ To newly enrolled members: <ul style="list-style-type: none"> <li>▪ Case Management (CM) outreached and informed 921 members about COVID resources</li> </ul> </li> <li>○ To annual re-assessed members: <ul style="list-style-type: none"> <li>▪ CM outreached and informed 1,644 members about COVID resources</li> </ul> </li> <li>○ To members recently discharged after COVID hospitalizations: <ul style="list-style-type: none"> <li>▪ CM outreached 12 members recently discharged after COVID hospitalizations</li> </ul> </li> <li>○ To Behavioral Health/SMI members: <ul style="list-style-type: none"> <li>▪ Behavioral Health outreached 192 members</li> </ul> </li> </ul>
	Pharmacy	<ul style="list-style-type: none"> <li>● Refills available via mail-order for 90 day fills; pharmacy overrides to allow early refills</li> <li>● Formulary expanded to include disinfectant and gloves</li> </ul>
	Transportation	<ul style="list-style-type: none"> <li>● Lifted requirement to provide Customer Service notice 3-5 business days before medical appointment to arrange transportation (NMT and NEMT). Reinstated in early July for non-COVID-related appointments.</li> <li>● Amended agreements with two vendors to make special accommodations and cleaning relating to transporting suspected or confirmed COVID members</li> </ul>
	Communications to Members	<ul style="list-style-type: none"> <li>● Developed new webpage; published 20 member news updates</li> <li>● April newsletter includes infographics on do's and don'ts of coronavirus and five steps to clean hands</li> <li>● Facebook posts in April through May to include more information on coronavirus precautions</li> <li>● Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey for Cal MediConnect has been discontinued for 2020. Surveys have already been mailed out but no additional phone outreach will be conducted by the vendor.</li> </ul>
	Eligibility Redetermination	<ul style="list-style-type: none"> <li>● State and counties have paused redeterminations from mid-March until the end of the declared Public Health Emergency for beneficiaries with a change in status (affects approximately 3-5k SCFHP members each month who otherwise would have lost their eligibility), so these members will not lose eligibility</li> <li>● SCFHP enrollment will be temporarily elevated April – August, and will fall as the pause is lifted</li> </ul>

Group	Focus Area	Activities and Metrics																													
<b>Providers</b>	Prior Authorizations	<ul style="list-style-type: none"> <li>• Suspended SCFHP requirement for all prior authorizations for network providers to decrease burden on providers; resumed authorizations on 5/1</li> <li>• Delegates are following their own prior authorization guidelines</li> </ul>																													
	Telehealth	<ul style="list-style-type: none"> <li>• Regulations during state of emergency allow provider reimbursement, with specific coding and documentation requirements</li> <li>• Added capability for Nurse Advice Line to offer members telephonic physician consultation</li> <li>• Communication sent to BHT providers with guidelines</li> </ul>																													
	CBAS centers	<ul style="list-style-type: none"> <li>• All five contracted CBAS centers have submitted operations plans to the State outlining Temporary Alternative Services (TAS) they have been providing.</li> <li>• Since 4/30 CDA has been providing health plans with approved versions of the operational plans. All of the CBAS centers has had their operational plans approved by CDA. Internal monitoring of these TAS indicate successful implementation of the plans.</li> </ul>																													
	Skilled Nursing Facilities	<ul style="list-style-type: none"> <li>• Continued outreach to SNFs regarding diagnosed residents; 37 facilities are reporting no COVID cases; four SNFs reporting positive COVID cases; total of 10 members residing at SNFs have tested positive.</li> <li>• SCFHP has requested that hospitals divert non-LTC and non-COVID-positive members away from facilities with three or more COVID positives.</li> </ul> <table border="1" data-bbox="1008 987 1713 1403"> <thead> <tr> <th>LTC</th> <th># Positive</th> <th>Expired</th> <th>Total Beds</th> <th>STAR Rating</th> </tr> </thead> <tbody> <tr> <td>Canyon Springs</td> <td>3</td> <td>8</td> <td>185</td> <td>3</td> </tr> <tr> <td>Grant Cuesta</td> <td>1</td> <td>0</td> <td>102</td> <td>5</td> </tr> <tr> <td>Valley House</td> <td>2</td> <td>0</td> <td>201</td> <td>1</td> </tr> <tr> <td>Mount Pleasant</td> <td>4</td> <td>1</td> <td>54</td> <td>5</td> </tr> <tr> <td>The Villas</td> <td>0</td> <td>1</td> <td>85</td> <td>3</td> </tr> </tbody> </table>	LTC	# Positive	Expired	Total Beds	STAR Rating	Canyon Springs	3	8	185	3	Grant Cuesta	1	0	102	5	Valley House	2	0	201	1	Mount Pleasant	4	1	54	5	The Villas	0	1	85
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The Villas	0	1	85	3																											

Group	Focus Area	Activities and Metrics
		<ul style="list-style-type: none"> <li>• SCFHP identified and reached out to three of the contracted SNFs hart-hit by COVID patients asking what staff support would be helpful. In response, a meal was delivered for all staff at two SNFs.</li> <li>• Produced “Healthcare Heroes” flyers for contracted SNFs to thank them for caring for our members</li> </ul>
	Clinics/Providers	<ul style="list-style-type: none"> <li>• By measure of outreach completed to community clinics, direct contracts, and IPA practice locations: <ul style="list-style-type: none"> <li>○ PCPs: <ul style="list-style-type: none"> <li>▪ 124 locations are open to in-person visits, member walk-ins included.</li> <li>▪ 20 are open to in-person visits, appointments only.</li> <li>▪ 19 locations are telehealth only.</li> <li>▪ 0 locations anticipate any future change in their operations.</li> </ul> </li> <li>○ Specialists: <ul style="list-style-type: none"> <li>▪ 129 are open to in-person visits, member walk-ins included.</li> <li>▪ 3 are closed; no in-person nor telehealth.</li> <li>▪ 9 locations are telehealth only.</li> <li>▪ 15 locations have deferred routine services/procedures.</li> <li>▪ 5 locations plan on opening back up without restrictions.</li> </ul> </li> </ul> </li> <li>• HEDIS Medical Record Review outreach has stopped for the Cal MediConnect line of business. The vendor will no longer call/fax/email/visit providers to obtain medical records. For Medi-Cal line of business, vendor is only reviewing records they can access electronically.</li> </ul>
Staff	Working from home	<ul style="list-style-type: none"> <li>• 97% of staff working remotely (10 regularly on site)</li> <li>• Planning has begun for certain staff to return to the office following shelter-in-place</li> <li>• Implemented relaxed telecommuting agreement</li> <li>• Staff onsite only for work that cannot be performed remotely</li> <li>• PTO/leave emergency policies implemented consistent with federal legislation</li> </ul>
Community	Communications	<ul style="list-style-type: none"> <li>• Informed CBOs and general community of SCFHP operational status via email and social media posts: still working and providing services for members and providers, most staff remote, lobby closed to visitors, how to contact us</li> <li>• Prepared a press release to announce telehealth integration with nurse advice line</li> </ul>
	Partnerships with CBOs	<ul style="list-style-type: none"> <li>• SCFHP staff donated \$10,250 in cash to Second Harvest of Silicon Valley</li> </ul>

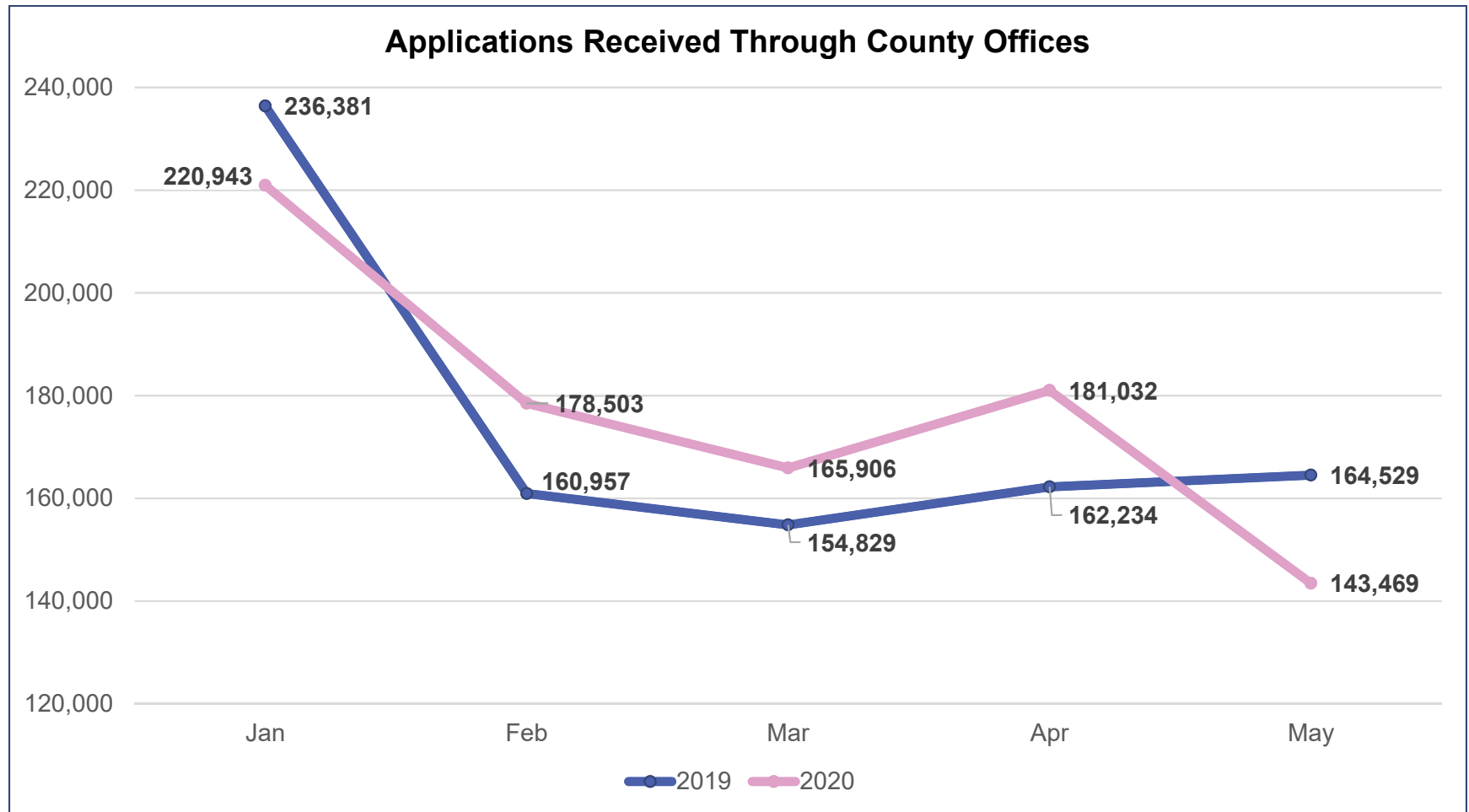
Group	Focus Area	Activities and Metrics
		<ul style="list-style-type: none"> <li>• Supported meal distribution programs by providing SCFHP’s reusable bags to Veggielution, Santa Clara County’s Senior Nutrition Program and Gilroy Compassion Center</li> <li>• Provided financial support for Community Heath Partnership Diaper Drive, FIRST 5 certified infant formula distribution, and meal distribution to providers working in hospital settings</li> <li>• Provided individual hand sanitizers to Community Clinics for distribution to patients and to the Gilroy Compassion Center for distribution to the homeless population in South County</li> <li>• Donated reusable bags and toothbrushes to Next Door Solutions’ pantry for individuals experiencing domestic violence during pandemic</li> <li>• Participated in County assessment of food access needs for seniors to inform use of federal dollars</li> <li>• Continued documentation and sharing of community resources available to support members during COVID</li> </ul>



# Medi-Cal Enrollment Update



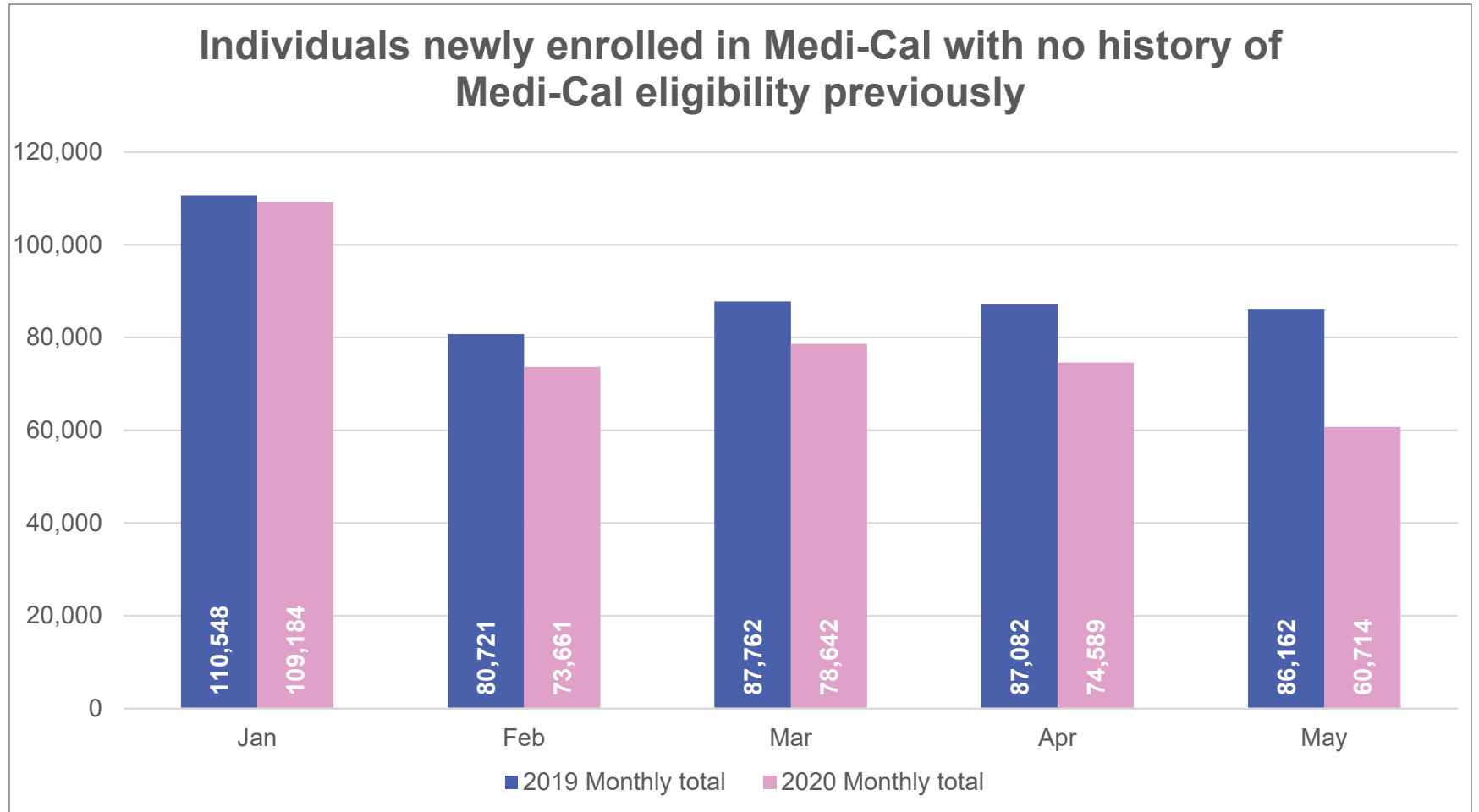
# Medi-Cal Applications



Data Source: Statewide Automated Welfare Systems (SAWS)



# Medi-Cal NEW Enrollments

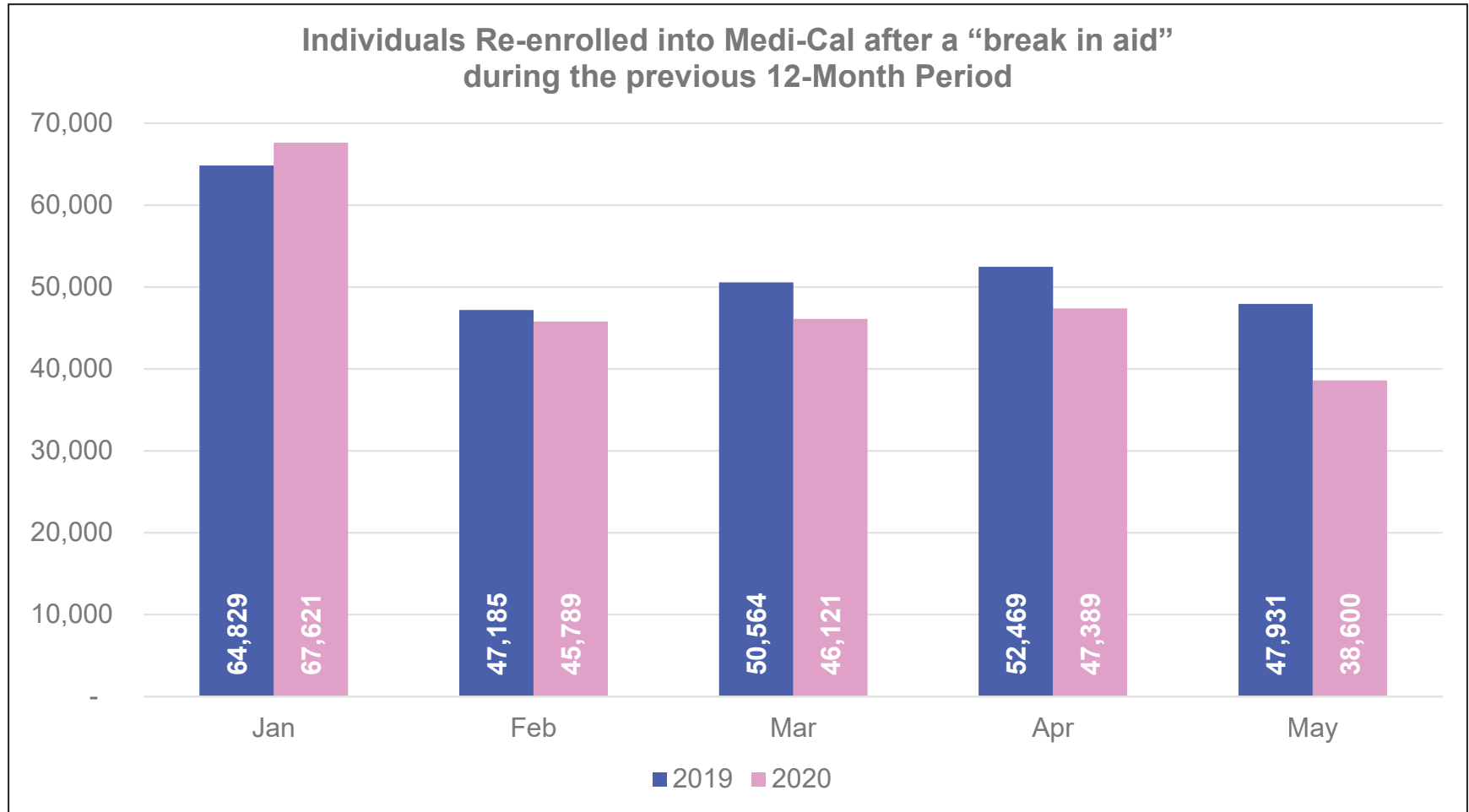


Data Source: MIS/DSS





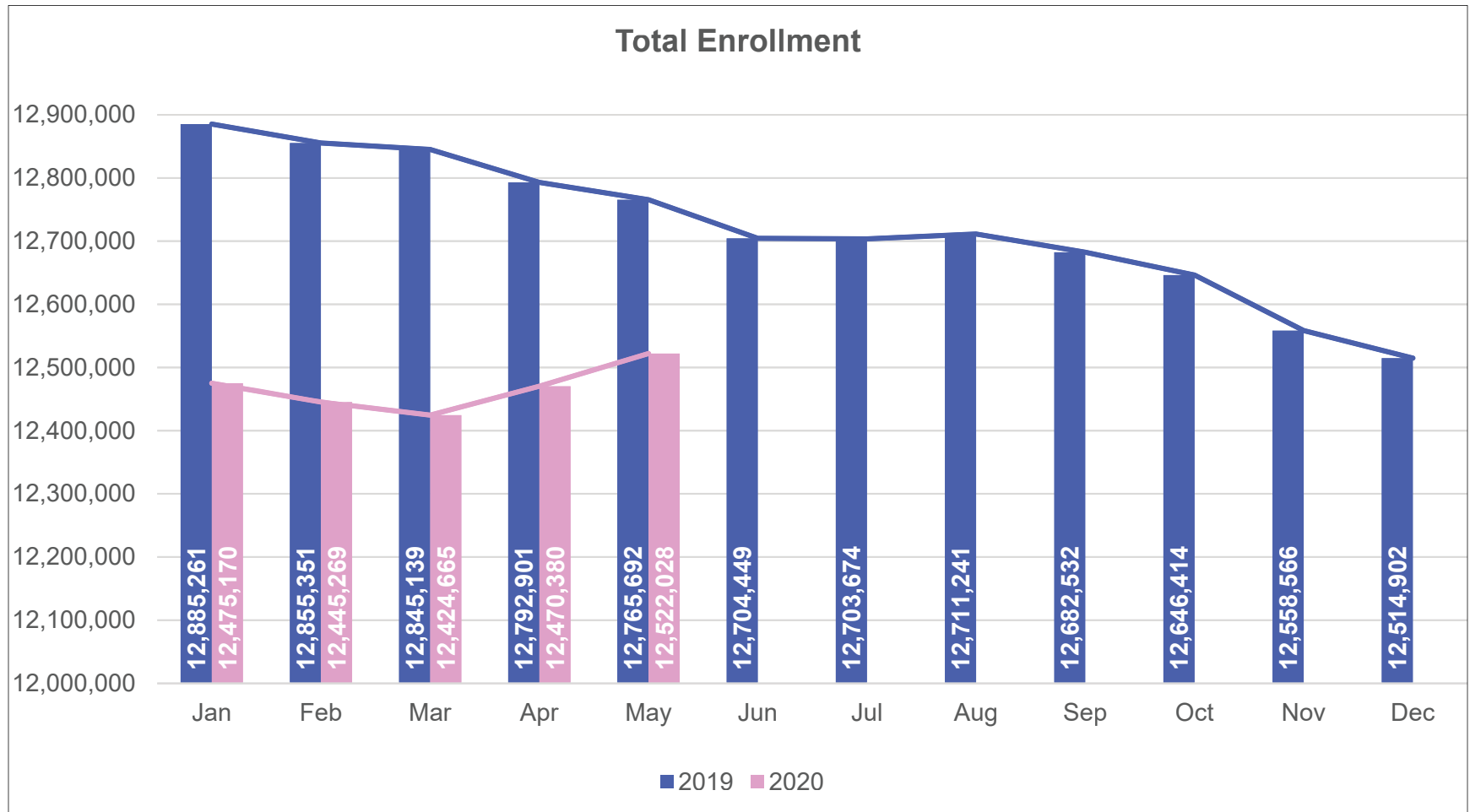
# Medi-Cal Re-Enrollments



Data Source: MIS/DSS



# Medi-Cal TOTAL Enrollment



Data Source: MIS/DSS



**Santa Clara Family  
Health Plan™**

Unaudited Financial Statements  
For Eleven Months Ended May 31, 2020

# Agenda

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# Financial Highlights



	MTD		YTD	
Revenue	\$94 M		\$1,012 M	
Medical Expense (MLR)	\$90 M	95.0%	\$959 M	94.8%
Administrative Expense (% Rev)	\$5.0 M	5.3%	\$54.8 M	5.4%
Other Income/Expense	\$105K		\$4.4 M	
<b>Net Surplus (Loss)</b>	<b>(\$174K)</b>		<b>\$2.1 M</b>	
Cash and Investments			\$332 M	
Receivables			\$515 M	
Total Current Assets			\$856 M	
Current Liabilities			\$684 M	
Current Ratio			1.25	
Tangible Net Equity			\$204 M	
% of DMHC Requirement			<b>657.2%</b>	

# Financial Highlights

<b>Net Surplus (Loss)</b>	<ul style="list-style-type: none"> <li>▶ Month: Loss of \$174K is \$806K or 127.5% unfavorable to budget of \$632K.</li> <li>▶ YTD: Surplus of \$2.1M is \$5.1M or 70.9% unfavorable to budget of \$7.2M.</li> </ul>
<b>Enrollment</b>	<ul style="list-style-type: none"> <li>▶ Month: Membership was 249,493 (11,740 or 4.9% favorable budget of 237,753).</li> <li>▶ YTD: Membership was 2,687,734 (21,381 or 0.8% favorable budget of 2,666,353).</li> </ul>
<b>Revenue</b>	<ul style="list-style-type: none"> <li>▶ Month: \$94.5M (\$6.0M or 6.8% favorable to budget of \$88.4M).</li> <li>▶ YTD: \$1,011.9M (\$34.1M or 3.5% favorable to budget of \$977.8M).</li> </ul>
<b>Medical Expenses</b>	<ul style="list-style-type: none"> <li>▶ Month: \$89.7M (\$7.1M or 8.6% unfavorable to budget of \$82.6M).</li> <li>▶ YTD: \$959.4M (\$44.3M or 4.8% unfavorable to budget of \$915.1M).</li> </ul>
<b>Administrative Expenses</b>	<ul style="list-style-type: none"> <li>▶ Month: \$5.0M (\$392K or 7.2% favorable to budget of \$5.4M).</li> <li>▶ YTD: \$54.8M (\$3.5M or 5.9% favorable to budget of \$58.2M).</li> </ul>
<b>Tangible Net Equity</b>	<ul style="list-style-type: none"> <li>▶ TNE was \$204.2M (657.2% of minimum DMHC requirement of \$31.1M).</li> </ul>
<b>Capital Expenditures</b>	<ul style="list-style-type: none"> <li>▶ YTD Capital Investments of \$2.3M vs. \$4.8M annual budget, primarily building improvements and hardware.</li> </ul>



**Santa Clara Family  
Health Plan™**

Detail Analyses

# Enrollment



- Total enrollment of 249,493 members is higher than budget by 11,740 or 4.9%. Since June 30, 2019, total enrollment has slightly increased by 288 members or 0.1%.
- Medi-Cal enrollment has been increasing since January, reflecting newly-eligible and COVID enrollments (beginning in March annual redeterminations of eligibility was suspended). In October 2019, approximately 3,500 Healthy Kids members transitioned to Medi-Cal.
- Since the beginning of the fiscal year, Medi-Cal Non-Dual enrollment has increased 1.1%, Dual enrollment has increased 2.2%, and CMC enrollment has grown 10.2%.

	For the Month May 2020				For Eleven Months Ending May 31, 2020				Prior Year Actuals	Δ FY19 vs. FY20
	Actual	Budget	Variance	Variance (%)	Actual	Budget	Variance	Variance (%)		
Medi-Cal	240,656	229,256	11,400	5.0%	2,584,802	2,565,312	19,490	0.8%	2,667,123	(3.1%)
Cal Medi-Connect	8,837	8,497	340	4.0%	92,404	90,997	1,407	1.5%	84,816	8.9%
Healthy Kids	0	0	0	0.0%	10,528	10,044	484	4.8%	36,597	(71.2%)
<b>Total</b>	<b>249,493</b>	<b>237,753</b>	<b>11,740</b>	<b>4.9%</b>	<b>2,687,734</b>	<b>2,666,353</b>	<b>21,381</b>	<b>0.8%</b>	<b>2,788,536</b>	<b>(3.6%)</b>

Santa Clara Family Health Plan Enrollment By Network May 2020								
Network	Medi-Cal		CMC		Healthy Kids		Total	
	Enrollment	% of Total	Enrollment	% of Total	Enrollment	% of Total	Enrollment	% of Total
Direct Contract Physicians	30,865	13%	8,837	100%	-	0%	39,702	16%
SCVHHS <sup>1</sup> , Safety Net Clinics, FQHC <sup>2</sup> Clinics	120,381	50%	-	0%	-	0%	120,381	48%
Palo Alto Medical Foundation	6,583	3%	-	0%	-	0%	6,583	3%
Physicians Medical Group	42,040	17%	-	0%	-	0%	42,040	17%
Premier Care	14,802	6%	-	0%	-	0%	14,802	6%
Kaiser	25,985	11%	-	0%	-	0%	25,985	10%
<b>Total</b>	<b>240,656</b>	<b>100%</b>	<b>8,837</b>	<b>100%</b>	<b>-</b>	<b>0%</b>	<b>249,493</b>	<b>100%</b>
Enrollment at June 30, 2019	237,697		8,022		3,486		249,205	
Net Δ from Beginning of FY20	1.2%		10.2%		(100.0%)		0.1%	

<sup>1</sup> SCVHHS = Santa Clara Valley Health & Hospital System

<sup>2</sup> FQHC = Federally Qualified Health Center



# Enrollment By Aid Category

SCFHP TRENDED ENROLLMENT BY COA YTD MAY-2020

		2019-05	2019-06	2019-07	2019-08	2019-09	2019-10	2019-11	2019-12	2020-01	2020-02	2020-03	2020-04	2020-05	FYTD var	%
<b>NON DUAL</b>	Adult (over 19)	25,198	25,204	24,989	24,888	24,689	24,492	24,207	23,999	23,620	23,604	23,873	24,051	25,253	49	0.2%
	Child (under 19)	94,255	94,026	93,536	92,668	92,092	95,000	93,829	93,477	92,339	92,248	92,843	93,374	95,145	1,119	1.2%
	Aged - Medi-Cal Only	10,871	10,995	10,948	10,958	10,855	10,850	10,897	10,903	10,904	10,831	10,753	10,801	11,044	50	0.5%
	Disabled - Medi-Cal Only	10,780	10,819	10,774	10,833	10,814	10,836	10,865	10,839	10,845	10,854	10,882	10,851	10,902	84	0.8%
	Adult Expansion	71,364	71,465	71,082	70,635	70,418	70,285	69,889	69,069	68,130	68,372	69,272	70,458	72,546	1,081	1.5%
	BCCTP	11	11	10	10	10	10	12	11	11	11	11	11	11	0	0.0%
	Long Term Care	370	372	372	364	366	372	371	373	379	373	367	380	398	26	7.0%
	<b>Total Non-Duals</b>	<b>212,848</b>	<b>212,891</b>	<b>211,711</b>	<b>210,356</b>	<b>209,244</b>	<b>211,845</b>	<b>210,070</b>	<b>208,671</b>	<b>206,228</b>	<b>206,293</b>	<b>208,001</b>	<b>209,926</b>	<b>215,299</b>	<b>2,408</b>	<b>1.1%</b>

<b>DUAL</b>	Adult (21 Over)	354	352	351	345	351	341	350	341	330	328	320	311	320	(32)	(9.1%)
	SPD (21 Over)	23,009	22,988	23,087	23,230	23,445	23,531	23,577	23,498	23,472	23,540	23,541	23,443	23,595	607	2.6%
	Adult Expansion	252	253	209	226	201	122	82	177	139	130	136	134	190	(63)	(24.9%)
	BCCTP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
	Long Term Care	1,192	1,213	1,220	1,232	1,237	1,256	1,271	1,308	1,266	1,257	1,231	1,235	1,252	39	3.2%
	<b>Total Duals</b>	<b>24,807</b>	<b>24,806</b>	<b>24,867</b>	<b>25,033</b>	<b>25,234</b>	<b>25,250</b>	<b>25,280</b>	<b>25,324</b>	<b>25,207</b>	<b>25,255</b>	<b>25,228</b>	<b>25,123</b>	<b>25,357</b>	<b>551</b>	<b>2.2%</b>

<b>Total Medi-Cal</b>	<b>237,655</b>	<b>237,697</b>	<b>236,578</b>	<b>235,389</b>	<b>234,478</b>	<b>237,095</b>	<b>235,350</b>	<b>233,995</b>	<b>231,435</b>	<b>231,548</b>	<b>233,229</b>	<b>235,049</b>	<b>240,656</b>	<b>2,959</b>	<b>1.2%</b>
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<b>Healthy Kids</b>	<b>3,507</b>	<b>3,486</b>	<b>3,501</b>	<b>3,509</b>	<b>3,512</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-3,486</b>	<b>(100.0%)</b>
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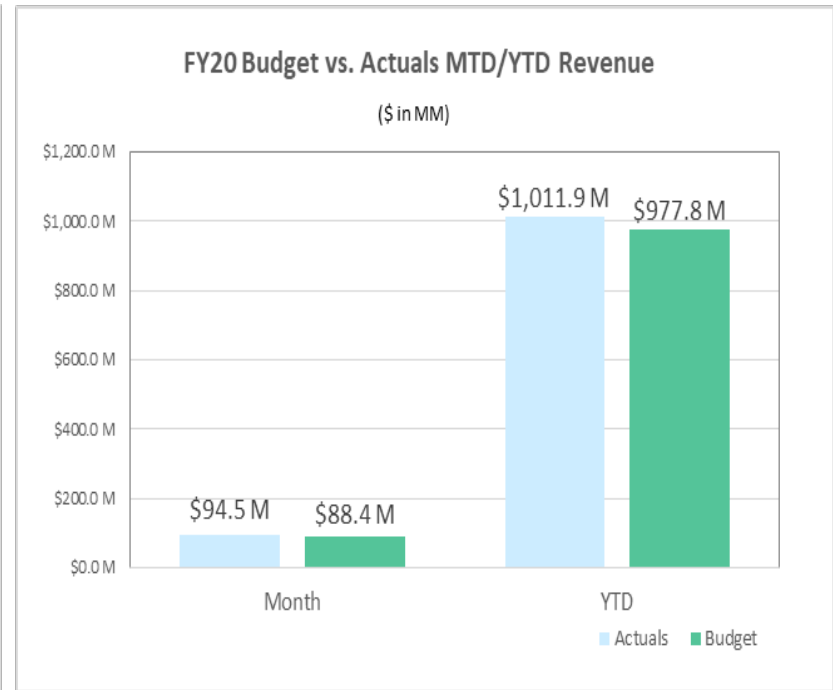
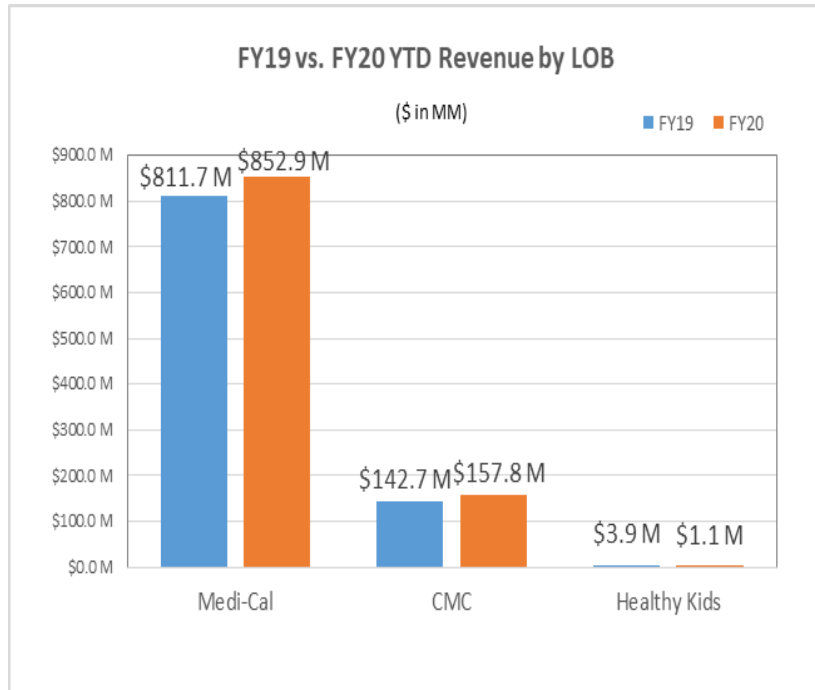
<b>CMC</b>	CMC Non-Long Term Care	7,706	7,815	7,869	7,921	7,982	8,016	8,069	8,206	8,177	8,261	8,388	8,511	8,625	810	10.4%
	CMC - Long Term Care	209	207	207	213	212	217	220	222	224	225	213	214	212	5	2.4%
	<b>Total CMC</b>	<b>7,915</b>	<b>8,022</b>	<b>8,076</b>	<b>8,134</b>	<b>8,194</b>	<b>8,233</b>	<b>8,289</b>	<b>8,428</b>	<b>8,401</b>	<b>8,486</b>	<b>8,601</b>	<b>8,725</b>	<b>8,837</b>	<b>815</b>	<b>10.2%</b>

<b>Total Enrollment</b>	<b>249,077</b>	<b>249,205</b>	<b>248,155</b>	<b>247,032</b>	<b>246,184</b>	<b>245,330</b>	<b>243,641</b>	<b>242,425</b>	<b>239,836</b>	<b>240,034</b>	<b>241,830</b>	<b>243,774</b>	<b>249,493</b>	<b>288</b>	<b>0.1%</b>
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# Revenue

Current month revenue of \$94.5M is \$6.0M or 6.8% favorable to budget of \$88.4M. The current month variance was primarily due to the following:

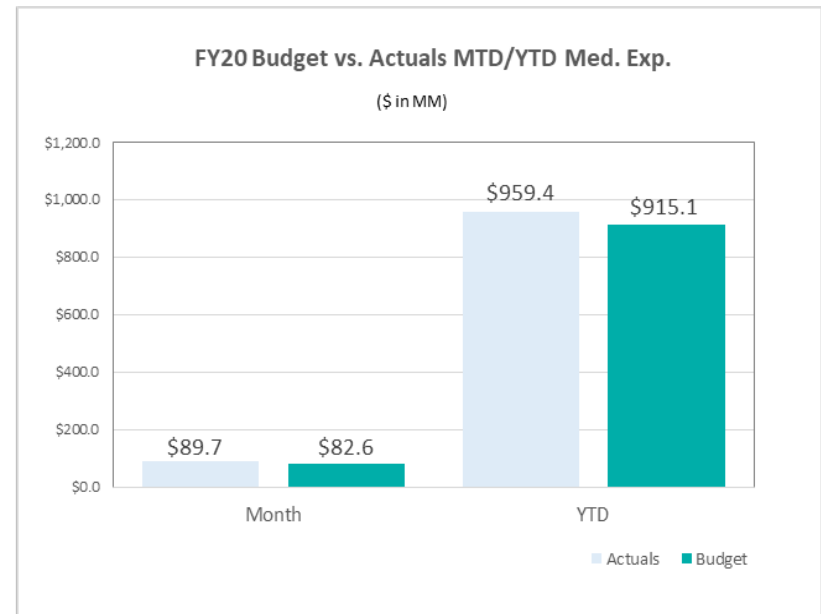
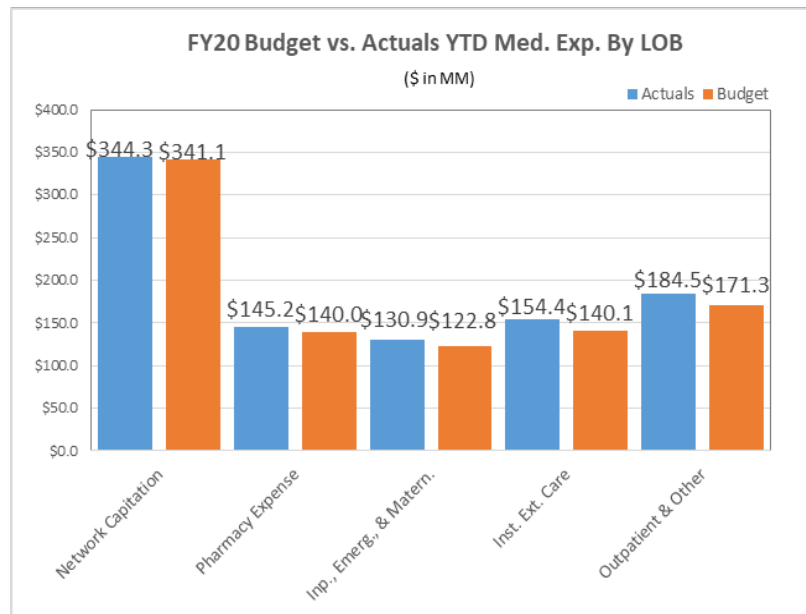
- Higher FY20 base rates in the Medi-Cal Non-Dual categories of aid and higher enrollment than budget, net favorable of \$3.8M.
- Higher FY20 Medi-Cal Dual base rate and higher enrollment than budget, net favorable of \$1.2M.
- Increased Prop 56 revenue accrual of \$1.0M due to rate increase (with an offsetting increase to medical expense).



# Medical Expense

Current month medical expense of \$89.7M is \$7.1M or 8.6% unfavorable to budget of \$82.6M. The current month variance was due largely to:

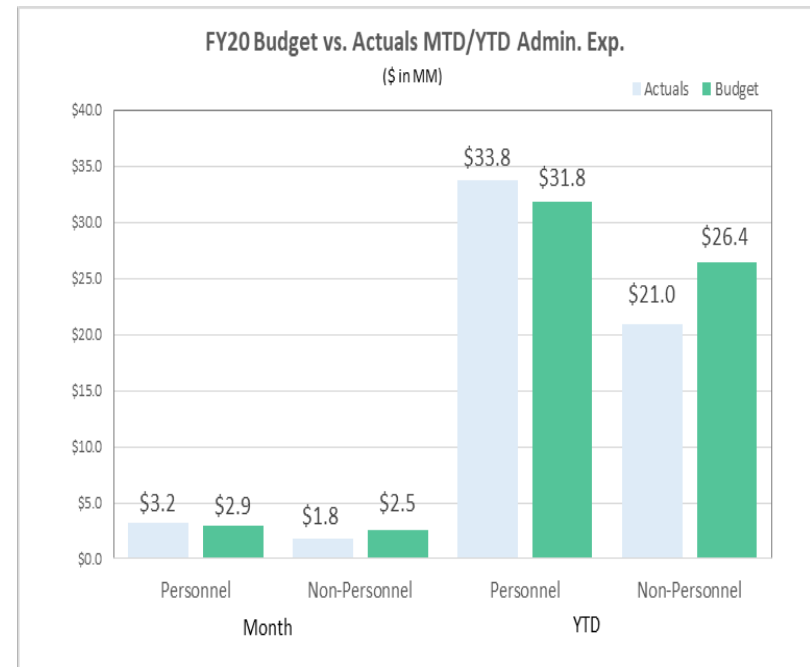
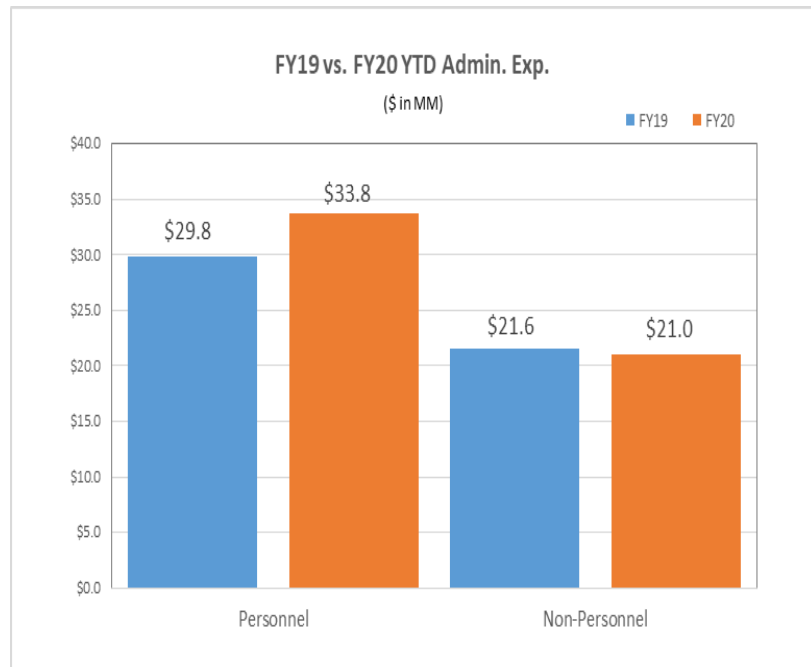
- Certain higher fee-for-service expenses, including Inpatient, LTC and Other MLTSS, were \$4.9M unfavorable to budget.
- Increased BHT utilization of \$551K is unfavorable to budget (with offsetting increase to revenue).
- Increased FY20 Prop 56 expense accrual of \$1.0M (with offsetting increase to revenue).
- An unbudgeted initiative for other health coverage (OHC) claim recoveries, which reduces net medical expense, yielded \$159K during May.



# Administrative Expense

Current month admin expense of \$5.0M is \$392K or 7.2% favorable to budget of \$5.4M. The current month variances were primarily due to the following:

- Personnel expenses were \$307K or 10.6% unfavorable to budget due to slightly higher average salaries partially offset by a lower head count.
- Non-Personnel expenses were \$700K or 27.9% favorable to budget due to reduced contract services and lower pharmacy administrative fees than budgeted (dispensing fees are now an allowable medical expense).



# Balance Sheet

- Current assets totaled \$856.3M compared to current liabilities of \$684.1M, yielding a current ratio (Current Assets/Current Liabilities) of 1.25:1 vs. the DMHC minimum requirement of 1.0:1.
- Cash balance increased by \$32.9M compared to the cash balance as of year-end June 30, 2019 due to timing of payments received and paid.
- Current Cash & Equivalents components and yields were as follows:

Description	Cash & Investments	Current Yield %	Interest Income	
			Month	YTD
<b>Short-Term Investments</b>				
County of Santa Clara Comingled Pool	\$105,514,853	1.80%	\$100,000	\$1,364,268
Wells Fargo Investments	<u>\$199,327,807</u>	0.88%	<u>\$115,441</u>	<u>\$2,626,719</u>
	\$304,842,660		\$215,441	\$3,990,986
<b>Cash &amp; Equivalents</b>				
Bank of the West Money Market	\$790,037	0.07%	\$195	\$66,048
Wells Fargo Bank Accounts	<u>\$26,371,222</u>	0.06%	<u>\$2,628</u>	<u>\$1,337,912</u>
	\$27,161,260		\$2,823	\$1,403,960
<b>Assets Pledged to DMHC</b>				
Restricted Cash	\$305,350	0.42%	\$107	\$1,473
<b>Petty Cash</b>				
	\$500	0.00%	\$0	\$0
<b>Month-End Balance</b>	<u><b>\$332,309,770</b></u>		<u><b>\$218,371</b></u>	<u><b>\$5,396,420</b></u>

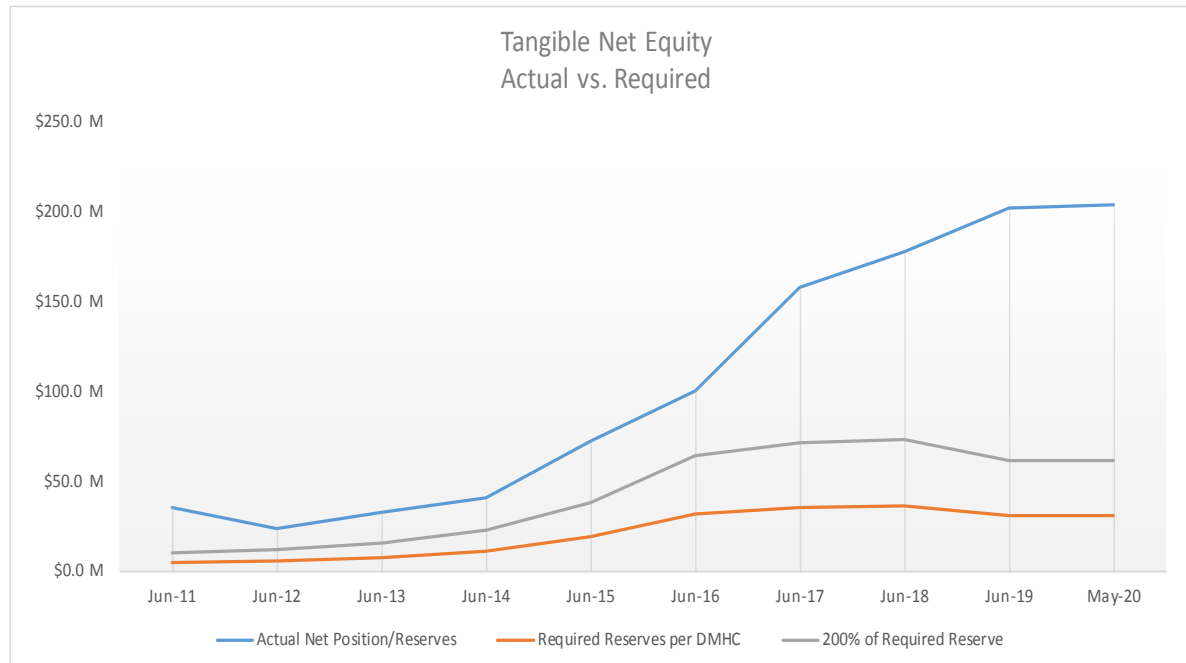
- County of Santa Clara Comingled Pool funds have longer term investments which are still yielding a higher rate than current yield rates.
- Overall cash and investment yield is slightly lower than budget (1.10% actual vs. 1.4% budgeted).

# Tangible Net Equity

- TNE was \$204.2M - representing approximately two months of the Plan's total expenses.

Santa Clara Health Authority  
Tangible Net Equity - Actual vs. Required  
As of May 31, 2020

	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16	Jun-17	Jun-18	Jun-19	May-20
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	\$202.1 M	\$204.2 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	\$30.9 M	\$31.1 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	\$61.8 M	\$62.1 M
Actual as % Required	722.5%	410.2%	418.5%	357.5%	376.9%	309.8%	441.2%	483.4%	654.4%	657.2%



# Reserves Analysis

SCFHP RESERVES ANALYSIS MAY 2020		
<b>Financial Reserve Target #1: Tangible Net Equity</b>		
	<b>Approved</b>	<b>Balance</b>
Board Designated Special Project Funding for CBOs	\$4,000,000	\$3,459,274
Board Designated Innovation & COVID-19 Fund	16,000,000	13,950,001
Invested in Capital Assets (Net Book Value)		26,569,725
Restricted under Knox-Keene agreement		305,350
Unrestricted Net Equity		<u>159,930,100</u>
Total TNE		204,214,449
Current Required TNE		31,073,179
TNE %		657.2%
<b>SCFHP Target TNE Range:</b>		
350% of Required TNE (Low)		108,756,125
500% of Required TNE (High)		155,365,893
<b>Total TNE Above/(Below) SCFHP Low Target</b>		<u><b>95,458,324</b></u>
<b>Total TNE Above/(Below) High Target</b>		<u><b>\$48,848,556</b></u>
<b>Financial Reserve Target #2: Liquidity</b>		
Cash & Investments		\$332,309,770
Less Pass-Through Liabilities		
MCO Tax Payable to State of CA		(40,512,850)
Whole Person Care / Prop 56		(36,230,332)
Other Pass-Through Liabilities (Note 2)		<u>(2,779,005)</u>
<b>Total Pass-Through Liabilities</b>		<b>(79,522,187)</b>
Net Cash Available to SCFHP		<u><u>252,787,583</u></u>
SCFHP Target Liquidity (Note 3)		
45 Days of Total Operating Expense		(132,091,681)
60 Days of Total Operating Expense		(176,122,242)
Liquidity Above/(Below) SCFHP Low Target		<u><u><b>120,695,901</b></u></u>
Liquidity Above/(Below) High Target		<u><u><b>\$76,665,341</b></u></u>

Note 1: In December 2018, the Governing Board established a Board Discretionary Fund for Special Projects of \$2.2M. In December 2019, the Governing Board also approved additional \$1.8M for Special Project fund (\$4M total) and \$16M for Innovation Fund.

Note 2: Other Pass-Through Liabilities include HQAF and Rate Range payables.

Note 3: SCFHP Target Liquidity is based on total monthly budgeted expenses.

# Capital Expenditures

- Majority of the capital variances are building improvements and software due to timing of certain projects having been postponed.

<b>Expenditure</b>	<b>YTD Actual</b>	<b>Annual Budget</b>
Hardware	\$479,907	\$620,000
Software	\$241,172	\$1,029,000
Building Improvements	\$1,577,994	\$3,149,500
<b>TOTAL</b>	<b>\$2,299,072</b>	<b>\$4,798,500</b>





Santa Clara Family  
Health Plan™

Financial Statements

# Income Statement



## Santa Clara County Health Authority INCOME STATEMENT For Eleven Months Ending May 31, 2020

	May-2020	% of	May-2020	% of	Current Month Variance		YTD May-2020	% of	YTD May-2020	% of	YTD Variance	
	Actuals	Rev	Budget	Rev	\$	%	Actuals	Rev	Budget	Rev	\$	%
<b>REVENUES</b>												
MEDI-CAL	\$ 79,564,005	84.2%	\$ 73,742,293	83.4%	\$ 5,821,712	7.9%	\$ 852,949,147	84.3%	\$ 821,510,451	84.0%	\$ 31,438,696	3.8%
CMC MEDI-CAL	3,147,395	3.3%	2,962,496	3.3%	184,899	6.2%	32,895,001	3.3%	31,726,286	3.2%	1,168,715	3.7%
CMC MEDICARE	11,777,164	12.5%	11,744,383	13.3%	32,781	0.3%	124,917,571	12.3%	123,522,639	12.6%	1,394,932	1.1%
TOTAL CMC	14,924,559	15.8%	14,706,880	16.6%	217,680	1.5%	157,812,572	15.6%	155,248,925	15.9%	2,563,647	1.7%
HEALTHY KIDS	0	0.0%	0	0.0%	0	0.0%	1,123,789	0.1%	1,043,572	0.1%	80,218	7.7%
<b>TOTAL REVENUE</b>	<b>\$ 94,488,564</b>	<b>100.0%</b>	<b>\$ 88,449,173</b>	<b>100.0%</b>	<b>\$ 6,039,391</b>	<b>6.8%</b>	<b>\$ 1,011,885,508</b>	<b>100.0%</b>	<b>\$ 977,802,947</b>	<b>100.0%</b>	<b>\$ 34,082,561</b>	<b>3.5%</b>
<b>MEDICAL EXPENSES</b>												
MEDI-CAL	\$ 74,640,940	79.0%	\$ 69,034,200	78.0%	\$ (5,606,739)	-8.1%	\$ 809,009,171	80.0%	\$ 768,309,743	78.6%	\$ (40,699,428)	-5.3%
CMC MEDI-CAL	2,713,004	2.9%	3,121,482	3.5%	408,478	13.1%	30,791,212	3.0%	33,444,907	3.4%	2,653,696	7.9%
CMC MEDICARE	12,388,073	13.1%	10,487,810	11.9%	(1,900,263)	-18.1%	118,721,445	11.7%	112,202,538	11.5%	(6,518,907)	-5.8%
TOTAL CMC	15,101,077	16.0%	13,609,292	15.4%	(1,491,785)	-11.0%	149,512,656	14.8%	145,647,445	14.9%	(3,865,211)	-2.7%
HEALTHY KIDS	(354)	0.0%	0	0.0%	354	0.0%	872,202	0.1%	1,123,405	0.1%	251,203	22.4%
<b>TOTAL MEDICAL EXPENSES</b>	<b>\$ 89,741,663</b>	<b>95.0%</b>	<b>\$ 82,643,493</b>	<b>93.4%</b>	<b>\$ (7,098,170)</b>	<b>-8.6%</b>	<b>\$ 959,394,029</b>	<b>94.8%</b>	<b>\$ 915,080,593</b>	<b>93.6%</b>	<b>\$ (44,313,436)</b>	<b>-4.8%</b>
<b>MEDICAL OPERATING MARGIN</b>	<b>\$ 4,746,902</b>	<b>5.0%</b>	<b>\$ 5,805,680</b>	<b>6.6%</b>	<b>\$ (1,058,779)</b>	<b>-18.2%</b>	<b>\$ 52,491,479</b>	<b>5.2%</b>	<b>\$ 62,722,354</b>	<b>6.4%</b>	<b>\$ (10,230,876)</b>	<b>-16.3%</b>
<b>ADMINISTRATIVE EXPENSE</b>												
SALARIES AND BENEFITS	\$ 3,213,604	3.4%	\$ 2,906,109	3.3%	\$ (307,495)	-10.6%	\$ 33,792,539	3.3%	\$ 31,839,300	3.3%	\$ (1,953,239)	-6.1%
RENTS AND UTILITIES	41,342	0.0%	12,683	0.0%	(28,659)	-226.0%	229,447	0.0%	130,617	0.0%	(98,830)	-75.7%
PRINTING AND ADVERTISING	4,975	0.0%	71,613	0.1%	66,638	93.1%	96,305	0.0%	815,243	0.1%	718,938	88.2%
INFORMATION SYSTEMS	254,011	0.3%	299,410	0.3%	45,399	15.2%	2,750,292	0.3%	3,350,510	0.3%	600,218	17.9%
PROF FEES/CONSULTING/TEMP STAFFING	924,456	1.0%	1,364,734	1.5%	440,278	32.3%	11,209,350	1.1%	13,821,976	1.4%	2,612,626	18.9%
DEPRECIATION/INSURANCE/EQUIPMENT	267,951	0.3%	347,168	0.4%	79,218	22.8%	3,594,189	0.4%	4,096,804	0.4%	502,614	12.3%
OFFICE SUPPLIES/POSTAGE/TELEPHONE	52,618	0.1%	84,740	0.1%	32,122	37.9%	648,775	0.1%	1,002,550	0.1%	353,775	35.3%
MEETINGS/TRAVEL/DUES	84,863	0.1%	132,171	0.1%	47,309	35.8%	997,901	0.1%	1,381,970	0.1%	384,069	27.8%
OTHER	181,374	0.2%	199,000	0.2%	17,626	8.9%	1,457,139	0.1%	1,794,251	0.2%	337,112	18.8%
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>\$ 5,025,193</b>	<b>5.3%</b>	<b>\$ 5,417,628</b>	<b>6.1%</b>	<b>\$ 392,435</b>	<b>7.2%</b>	<b>\$ 54,775,937</b>	<b>5.4%</b>	<b>\$ 58,233,220</b>	<b>6.0%</b>	<b>\$ 3,457,283</b>	<b>5.9%</b>
<b>OPERATING SURPLUS (LOSS)</b>	<b>\$ (278,292)</b>	<b>-0.3%</b>	<b>\$ 388,052</b>	<b>0.4%</b>	<b>\$ (666,344)</b>	<b>-171.7%</b>	<b>\$ (2,284,459)</b>	<b>-0.2%</b>	<b>\$ 4,489,134</b>	<b>0.5%</b>	<b>\$ (6,773,593)</b>	<b>-150.9%</b>
ALLOWANCE FOR UNCOLLECTED PREMIUM	0	0.0%	0	0.0%	0	0.0%	42330	0.0%	0	0.0%	(42,330)	0.0%
GASB 75 - POST EMPLOYMENT BENEFITS EXPENSE	59,780	0.1%	60,000	0.1%	220	0.4%	672,797	0.1%	660,000	0.1%	(12,797)	-1.9%
GASB 68 - UNFUNDED PENSION LIABILITY	75,000	0.1%	75,000	0.1%	0	0.0%	809,780	0.1%	825,000	0.1%	15,220	1.8%
<b>NON-OPERATING EXPENSES</b>	<b>\$ 134,780</b>	<b>0.1%</b>	<b>\$ 135,000</b>	<b>0.2%</b>	<b>\$ 220</b>	<b>0.2%</b>	<b>\$ 1,524,906</b>	<b>0.2%</b>	<b>\$ 1,485,000</b>	<b>0.2%</b>	<b>\$ (39,906)</b>	<b>-2.7%</b>
INTEREST & OTHER INCOME	239,473	0.3%	379,225	0.4%	(139,753)	-36.9%	5,898,061	0.6%	4,171,476	0.4%	1,726,585	41.4%
<b>NET NON-OPERATING ACTIVITIES</b>	<b>\$ 104,693</b>	<b>0.1%</b>	<b>\$ 244,225</b>	<b>0.3%</b>	<b>\$ (139,532)</b>	<b>-57.1%</b>	<b>\$ 4,373,155</b>	<b>0.4%</b>	<b>\$ 2,686,476</b>	<b>0.3%</b>	<b>\$ 1,686,679</b>	<b>62.8%</b>
<b>NET SURPLUS (LOSS)</b>	<b>\$ (173,599)</b>	<b>-0.2%</b>	<b>\$ 632,277</b>	<b>0.7%</b>	<b>\$ (805,876)</b>	<b>-127.5%</b>	<b>\$ 2,088,696</b>	<b>0.2%</b>	<b>\$ 7,175,610</b>	<b>0.7%</b>	<b>\$ (5,086,914)</b>	<b>-70.9%</b>

# Balance Sheet



**SANTA CLARA COUNTY HEALTH AUTHORITY**  
For Eleven Months Ending May 31, 2020

	May-2020	Apr-2020	Mar-2020	May-2019
<b>Assets</b>				
<b>Current Assets</b>				
Cash and Investments	332,309,770	373,998,823	300,653,651	305,353,492
Receivables	514,792,547	512,264,590	583,619,915	468,953,769
Prepaid Expenses and Other Current Assets	9,197,248	10,805,210	11,735,059	8,196,534
<b>Total Current Assets</b>	<b>856,299,565</b>	<b>897,068,624</b>	<b>896,008,625</b>	<b>782,503,795</b>
<b>Long Term Assets</b>				
Property and Equipment	47,057,842	46,874,600	46,531,020	43,624,427
Accumulated Depreciation	(20,488,117)	(20,234,109)	(19,978,087)	(17,053,735)
Total Long Term Assets	26,569,725	26,640,491	26,552,933	26,570,692
<b>Total Assets</b>	<b>882,869,290</b>	<b>923,709,114</b>	<b>922,561,558</b>	<b>809,074,487</b>
<b>Deferred Outflow of Resources</b>				
	<b>9,237,609</b>	<b>9,237,609</b>	<b>9,237,609</b>	<b>14,535,240</b>
<b>Total Assets &amp; Deferred Outflows</b>	<b>892,106,899</b>	<b>932,946,723</b>	<b>931,799,167</b>	<b>823,609,727</b>
<b>Liabilities and Net Assets:</b>				
<b>Current Liabilities</b>				
Trade Payables	8,754,864	11,118,630	10,498,821	4,450,765
Employee Benefits	2,236,330	2,013,844	1,952,566	1,713,820
Retirement Obligation per GASB 75	3,348,012	3,288,233	3,228,453	4,208,371
Advance Premium - Healthy Kids	0	0	0	97,693
Deferred Revenue - Medicare	262,932	262,932	500,000	8,950,629
Whole Person Care / Prop 56	36,230,332	35,440,767	32,701,914	15,893,653
Pass-Throughs Payable	2,779,005	39,857,332	54,383,626	2,053,949
Due to Santa Clara County Valley Health Plan and Kaiser	35,214,782	32,843,615	29,553,631	16,286,633
MCO Tax Payable - State Board of Equalization	40,512,850	32,410,280	24,307,710	17,569,259
Due to DHCS	31,650,545	38,041,327	37,964,537	36,800,474
Liability for In Home Support Services (IHSS)	416,092,527	416,092,527	416,092,527	416,092,527
Current Premium Deficiency Reserve (PDR)	8,294,025	8,294,025	8,294,025	8,294,025
Medical Cost Reserves	98,732,818	105,190,703	101,899,745	89,581,155
<b>Total Current Liabilities</b>	<b>684,116,996</b>	<b>724,854,213</b>	<b>721,377,554</b>	<b>621,992,953</b>
<b>Non-Current Liabilities</b>				
Net Pension Liability GASB 68	780,905	709,913.90	638,923	2,649,796
<b>Total Non-Current Liabilities</b>	<b>780,905</b>	<b>709,914</b>	<b>638,923</b>	<b>2,649,796</b>
<b>Total Liabilities</b>	<b>684,897,902</b>	<b>725,564,127</b>	<b>722,016,477</b>	<b>624,642,749</b>
<b>Deferred Inflow of Resources</b>				
	<b>2,994,548</b>	<b>2,994,548</b>	<b>2,994,548</b>	<b>4,034,640</b>
<b>Net Assets</b>				
Board Designated Fund: Special Project Funding for CBOs	3,459,274	3,459,274	3,820,000	0
Board Designated Fund: Innovation & COVID-19 Fund	13,950,001	13,950,001	16,000,000	0
Invested in Capital Assets (NBV)	26,569,725	26,640,491	26,552,933	26,570,692
Restricted under Knox-Keene agreement	305,350	305,350	305,350	305,350
Unrestricted Net Equity	157,841,404	157,770,638	155,447,470	151,139,821
Current YTD Income (Loss)	2,088,696	2,262,295	4,662,389	16,916,475
<b>Total Net Assets / Reserves</b>	<b>204,214,449</b>	<b>204,388,048</b>	<b>206,788,142</b>	<b>194,932,338</b>
<b>Total Liabilities, Deferred Inflows and Net Assets</b>	<b>892,106,899</b>	<b>932,946,723</b>	<b>931,799,167</b>	<b>823,609,727</b>

# Cash Flow Statement



	<u>May-2020</u>	<u>Year-to-date</u>
Cash Flows from Operating Activities		
Premiums Received	\$93,672,396	\$1,267,179,394
Medical Expenses Paid	(93,828,381)	(932,515,623)
Administrative Expenses Paid	(41,589,299)	(305,375,494)
<b>Net Cash from Operating Activities</b>	<b>(\$41,745,284)</b>	<b>\$29,288,277</b>
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	(183,242)	(2,299,072)
Cash Flows from Investing Activities		
Interest Income and Other Income (Net)	239,473	5,898,061
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(41,689,054)</b>	<b>32,887,266</b>
Cash & Investments (Beginning)	373,998,823	299,422,504
Cash & Investments (Ending)	<b>\$332,309,770</b>	<b>\$332,309,770</b>
Reconciliation of Operating Income to Net Cash from Operating Activities		
Operating Income/(Loss)	(\$413,071)	(\$3,809,365)
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities		
Depreciation	254,007	3,121,586
Changes in Operating Assets/Liabilities		
Premiums Receivable	(2,527,957)	236,273,578
Prepays & Other Assets	1,607,963	2,942,839
Accounts Payable & Accrued Liabilities	(38,362,288)	(255,919,982)
State Payable	1,711,789	19,020,308
IGT, HQAF & Other Provider Payables	2,371,167	16,000,605
Net Pension Liability	70,991	780,905
Medical Cost Reserves & PDR	(6,457,885)	10,877,801
<b>Total Adjustments</b>	<b>(41,332,213)</b>	<b>33,097,642</b>
<b>Net Cash from Operating Activities</b>	<b>(\$41,745,284)</b>	<b>\$29,288,277</b>

# Statement of Operations by Line of Business - YTD



**Santa Clara County Health Authority**  
**Statement of Operations**  
**By Line of Business (Including Allocated Expenses)**  
**For Eleven Months Ending May 31, 2020**

	Medi-Cal	CMC Medi-Cal	CMC Medicare	Total CMC	Healthy Kids	Grand Total
<b>P&amp;L (ALLOCATED BASIS)</b>						
REVENUE	\$852,949,147	\$32,895,001	\$124,917,571	\$157,812,572	\$1,123,789	<b>\$1,011,885,508</b>
<b>MEDICAL EXPENSE</b> (MLR)	\$809,009,171 94.8%	\$30,791,212 93.6%	\$118,721,445 95.0%	\$149,512,656 94.7%	\$872,202 77.6%	<b>\$959,394,029</b> 94.8%
<b>GROSS MARGIN</b>	\$43,939,976	\$2,103,789	\$6,196,126	\$8,299,915	\$251,587	<b>\$52,491,479</b>
<b>ADMINISTRATIVE EXPENSE</b> (% of Revenue Allocation)	\$46,172,307	\$1,780,690	\$6,762,106	\$8,542,796	\$60,834	<b>\$54,775,937</b>
<b>OPERATING INCOME/(LOSS)</b> (% of Revenue Allocation)	(\$2,232,332)	\$323,099	(\$565,980)	(\$242,881)	\$190,754	<b>(\$2,284,459)</b>
<b>OTHER INCOME/(EXPENSE)</b> (% of Revenue Allocation)	\$3,686,265	\$142,165	\$539,867	\$682,032	\$4,857	<b>\$4,373,155</b>
<b>NET INCOME/(LOSS)</b>	\$1,453,934	\$465,265	(\$26,113)	\$439,152	\$195,611	<b>\$2,088,696</b>
<b>PMPM (ALLOCATED BASIS)</b>						
REVENUE	\$329.99	\$355.99	\$1,351.86	\$1,707.85	\$106.74	<b>\$376.48</b>
MEDICAL EXPENSES	\$312.99	\$333.22	\$1,284.81	\$1,618.03	\$82.85	<b>\$356.95</b>
GROSS MARGIN	\$17.00	\$22.77	\$67.05	\$89.82	\$23.90	<b>\$19.53</b>
ADMINISTRATIVE EXPENSES	\$17.86	\$19.27	\$73.18	\$92.45	\$5.78	<b>\$20.38</b>
OPERATING INCOME/(LOSS)	(\$0.86)	\$3.50	(\$6.13)	(\$2.63)	\$18.12	<b>(\$0.85)</b>
OTHER INCOME/(EXPENSE)	\$1.43	\$1.54	\$5.84	\$7.38	\$0.46	<b>\$1.63</b>
NET INCOME/(LOSS)	\$0.56	\$5.04	(\$0.28)	\$4.75	\$18.58	<b>\$0.78</b>
<b>ALLOCATION BASIS:</b>						
MEMBER MONTHS - YTD	2,584,802	92,404	92,404	92,404	10,528	2,687,734
REVENUE BY LOB	84.3%	3.3%	12.3%	15.6%	0.1%	100.0%



**Santa Clara Family  
Health Plan™**

## CY19 HEDIS Measures Below MPL Analysis

Laurie Nakahira DO, Chief Medical Officer

# Introduction

## Four HEDIS measures performed below MPL in CY 2019

1. Asthma Medication Ratio (AMR)
2. Adolescent Well Care Visit (AWC)
3. Cervical Cancer Screening (CCS)
4. Comprehensive Diabetes Care – HbA1c Testing (CDC-HT)

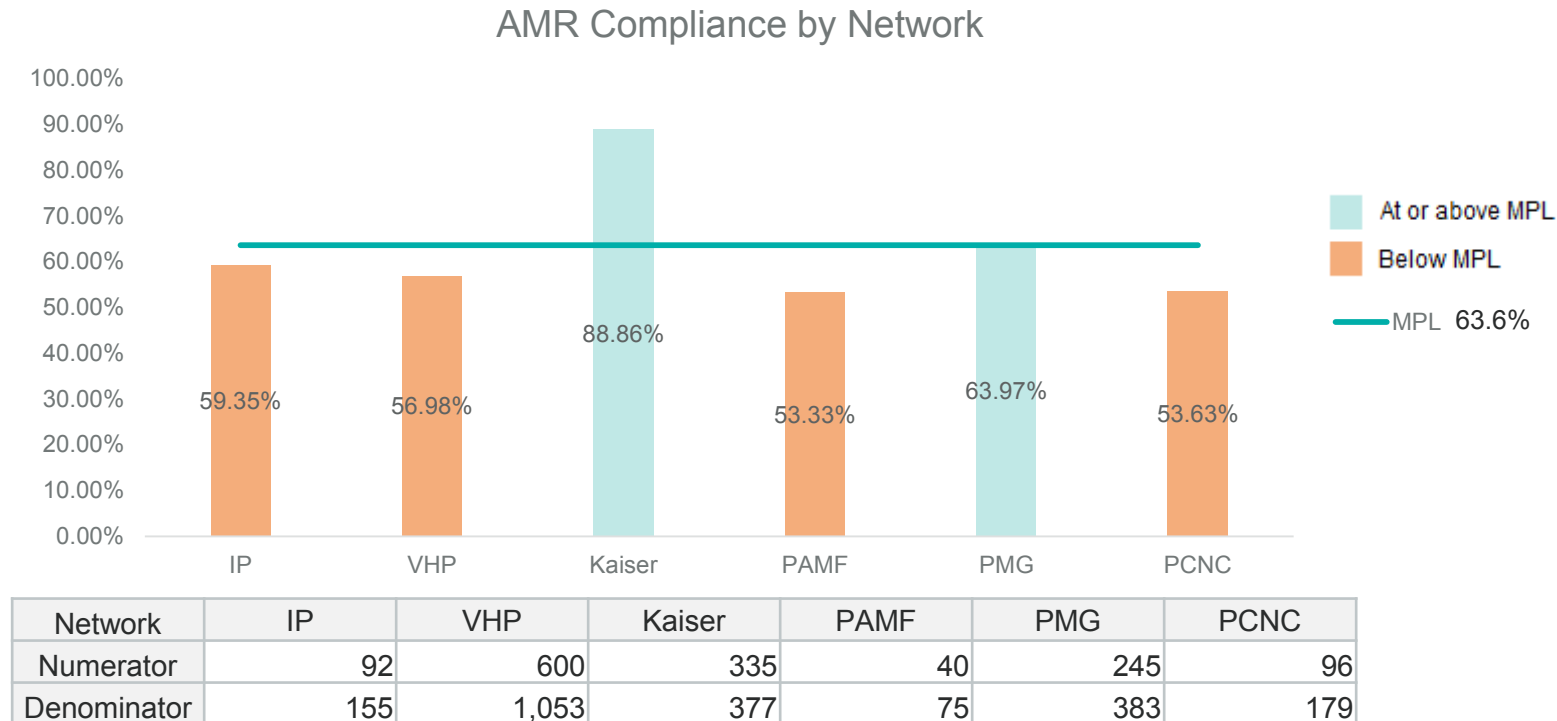
## Is there a health disparity?

The data was analyzed by the following to look for a root cause:

- Network, Ethnicity, Language Spoken, Age Group, and Zip Code

# Asthma Medication Ratio (AMR)

Kaiser and PMG performed above MPL

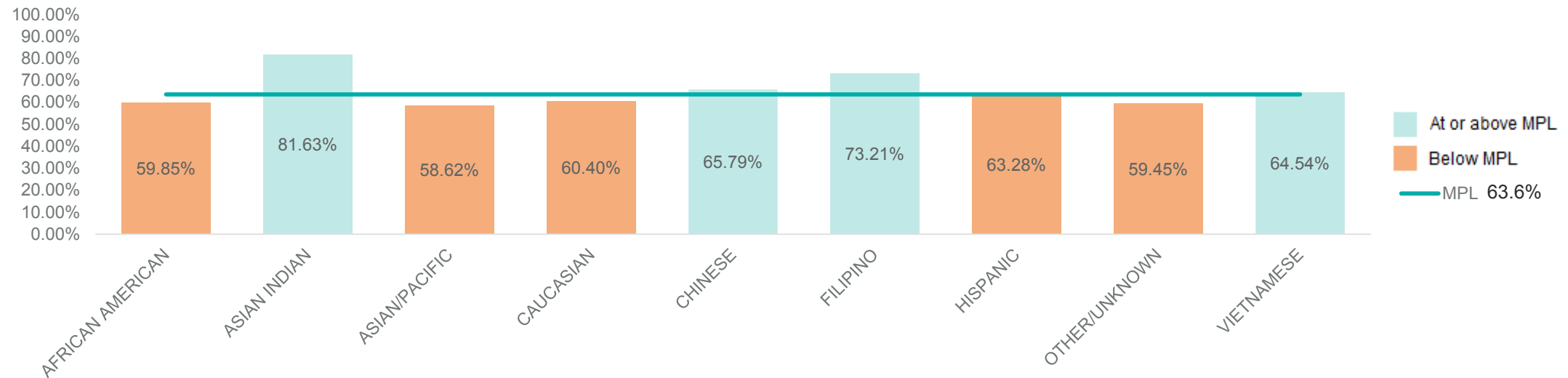




# Asthma Medication Ratio (AMR)

Asian Indian, Chinese, Filipino, and Vietnamese groups performed above MPL

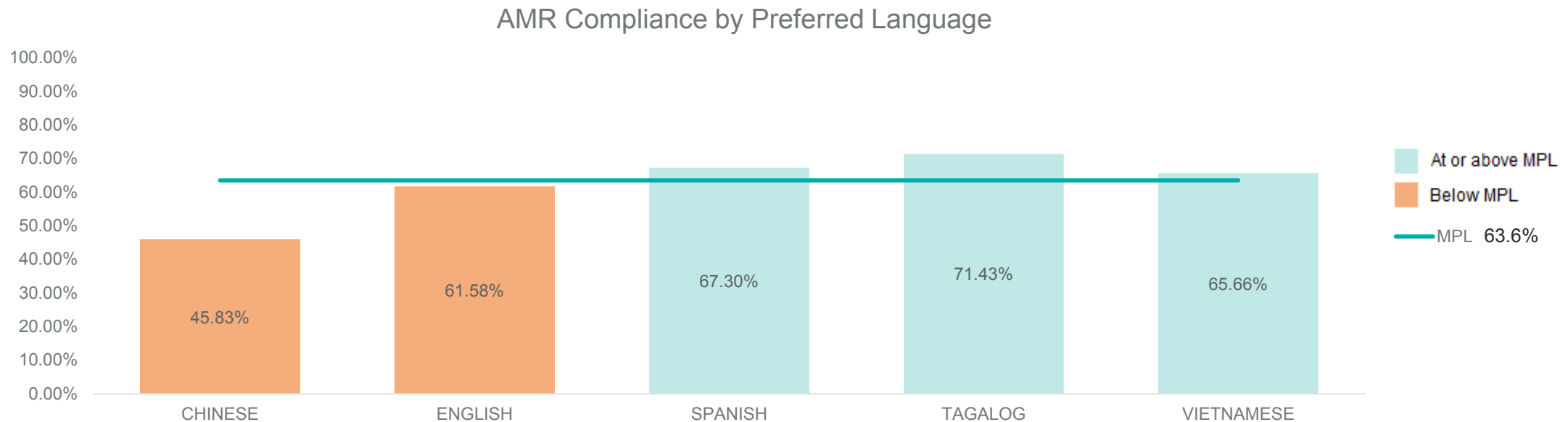
AMR Compliance by Ethnicity



Ethnicity	AFRICAN AMERICAN	ASIAN INDIAN	ASIAN/PACIFIC	CAUCASIAN	CHINESE	FILIPINO	HISPANIC	OTHER/UNKN OWN	VIETNAMESE
Numerator	79	40	17	209	25	41	610	129	233
Denominator	132	49	29	346	38	56	964	217	361

# Asthma Medication Ratio (AMR)

Spanish, Tagalog, and Vietnamese speaking groups performed above MPL

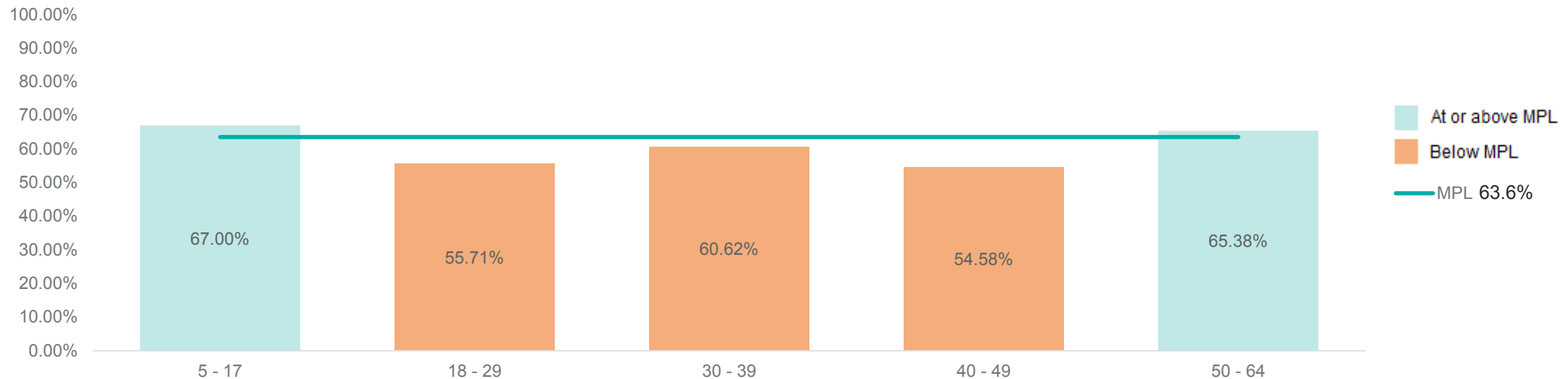


Language	CHINESE	ENGLISH	SPANISH	TAGALOG	VIETNAMESE
Numerator	11	840	321	10	195
Denominator	24	1364	477	14	297

# Asthma Medication Ratio (AMR)

Members ages 5-17 and 50-64 performed above MPL

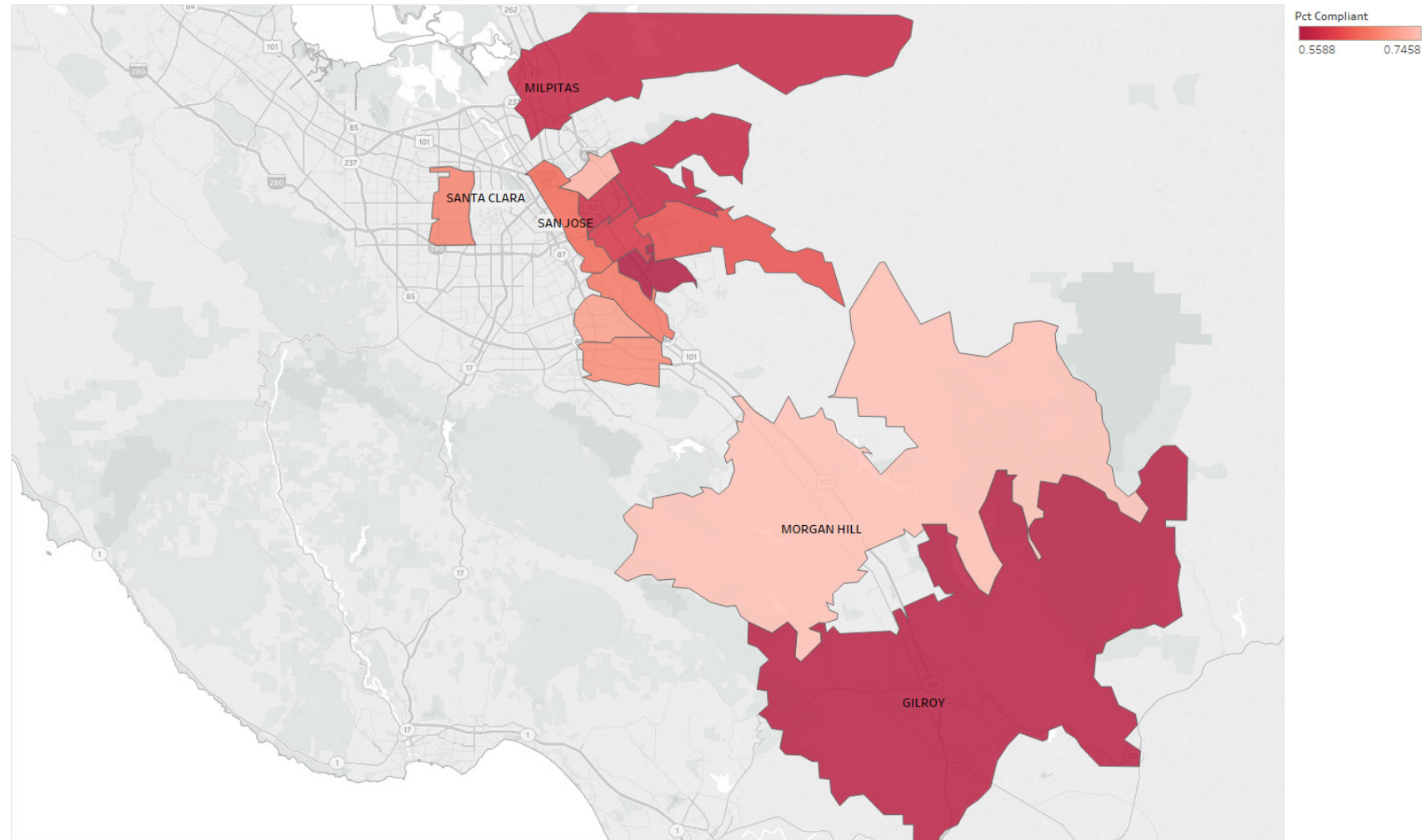
AMR Compliance by Age Group



Age Group	5 - 17	18 - 29	30 - 39	40 - 49	50 - 64
Numerator	603	117	137	143	408
Denominator	900	210	226	262	624

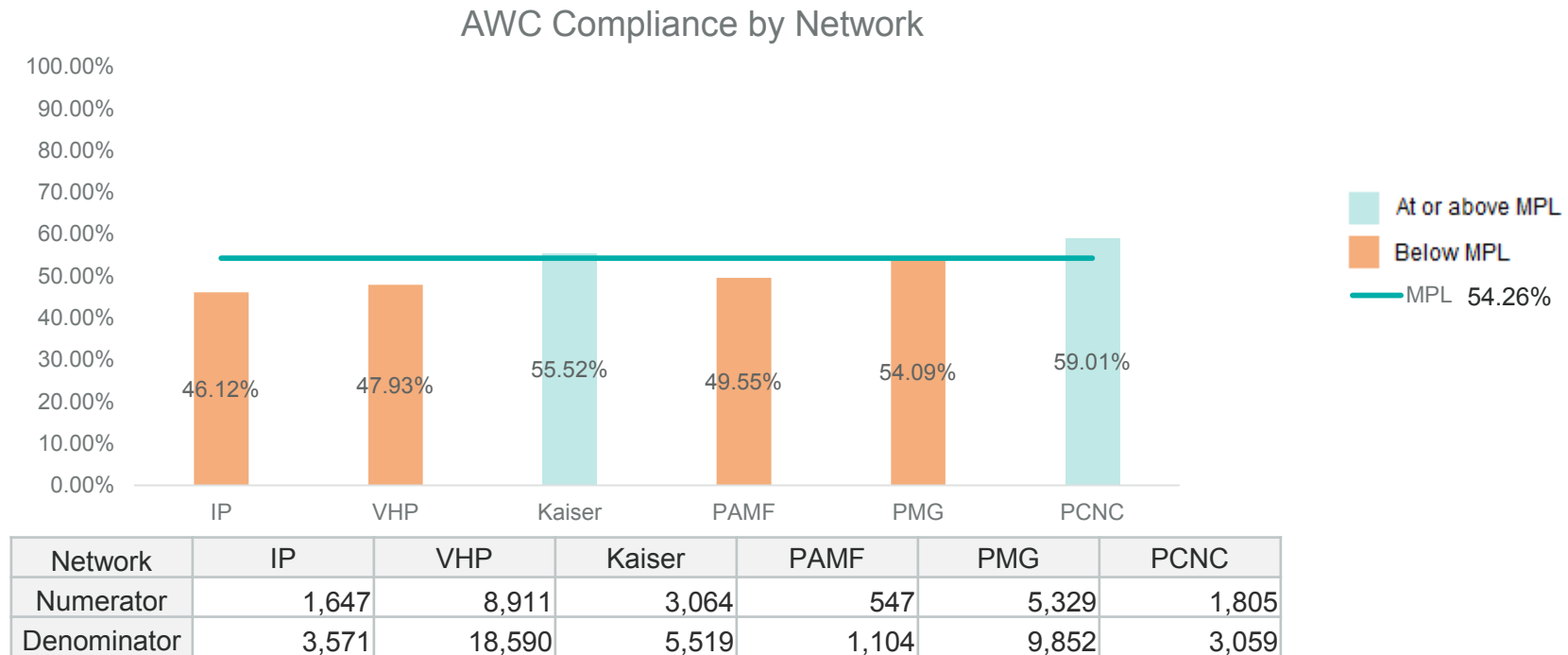
# Asthma Medication Ratio (AMR)

Heat Map (Limited to zip codes with > 50 members)



# Adolescent Well-Care Visits (AWC)

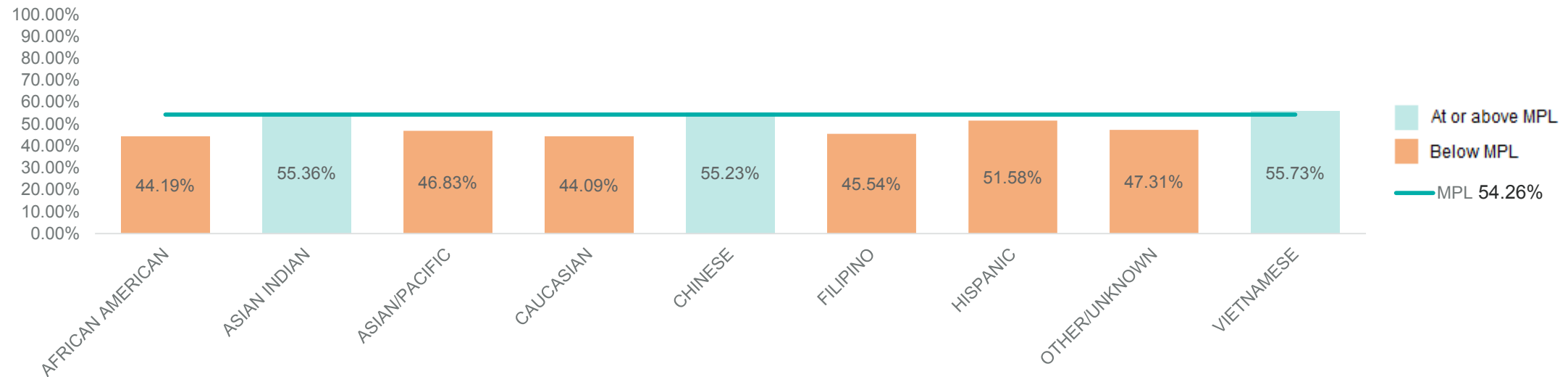
Kaiser and PCNC performed above MPL



# Adolescent Well-Care Visits (AWC)

Asian Indian, Caucasian, and Vietnamese groups performed above MPL

AWC Compliance by Ethnicity

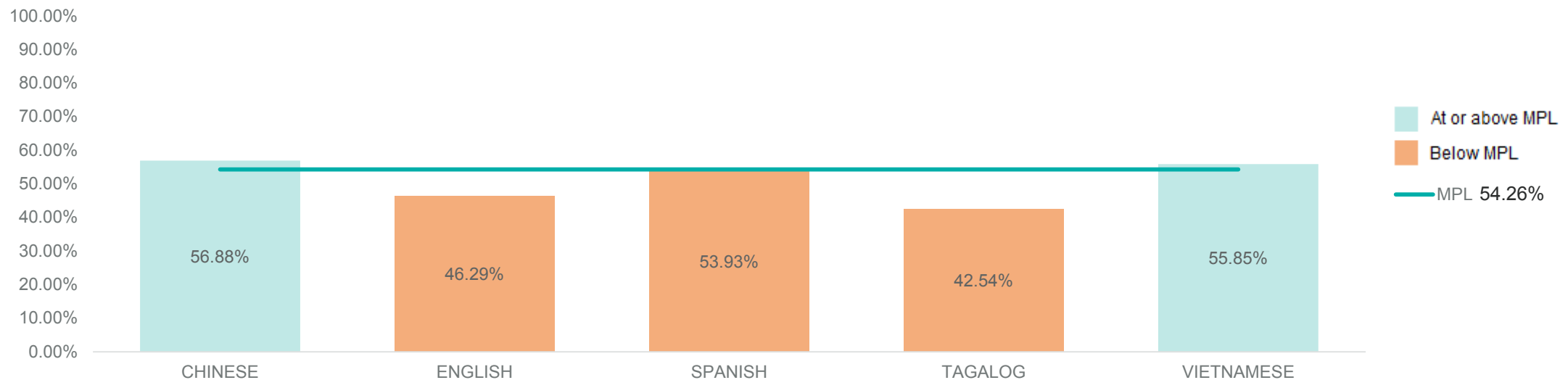


Ethnicity	AFRICAN AMERICAN	ASIAN INDIAN	ASIAN/PACIFIC	CAUCASIAN	CHINESE	FILIPINO	HISPANIC	OTHER/UNKNOWN	VIETNAMESE
Numerator	559	382	133	1,183	634	510	13,136	1,195	3,267
Denominator	1,265	690	284	2,683	1,148	1,120	25,468	2,526	5,862

# Adolescent Well-Care Visits (AWC)

Chinese and Vietnamese speaking groups performed above MPL

AWC Compliance by Preferred Language

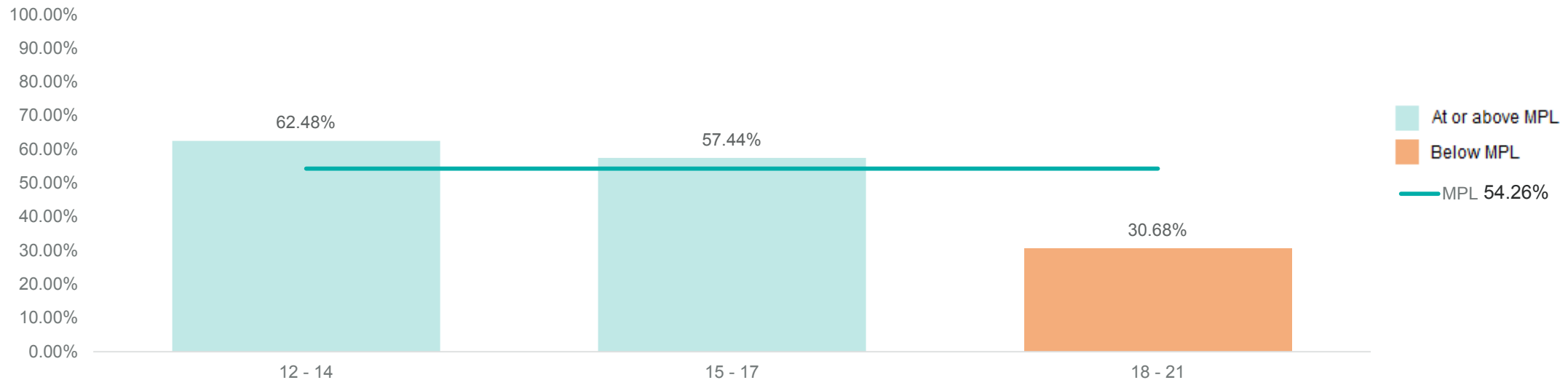


Language	CHINESE	ENGLISH	SPANISH	TAGALOG	VIETNAMESE
Numerator	405	7,404	10,062	174	2,837
Denominator	712	15,994	18,657	409	5,080

# Adolescent Well-Care Visits (AWC)

Members ages 12-17 performed above MPL

AWC Compliance by Age Group

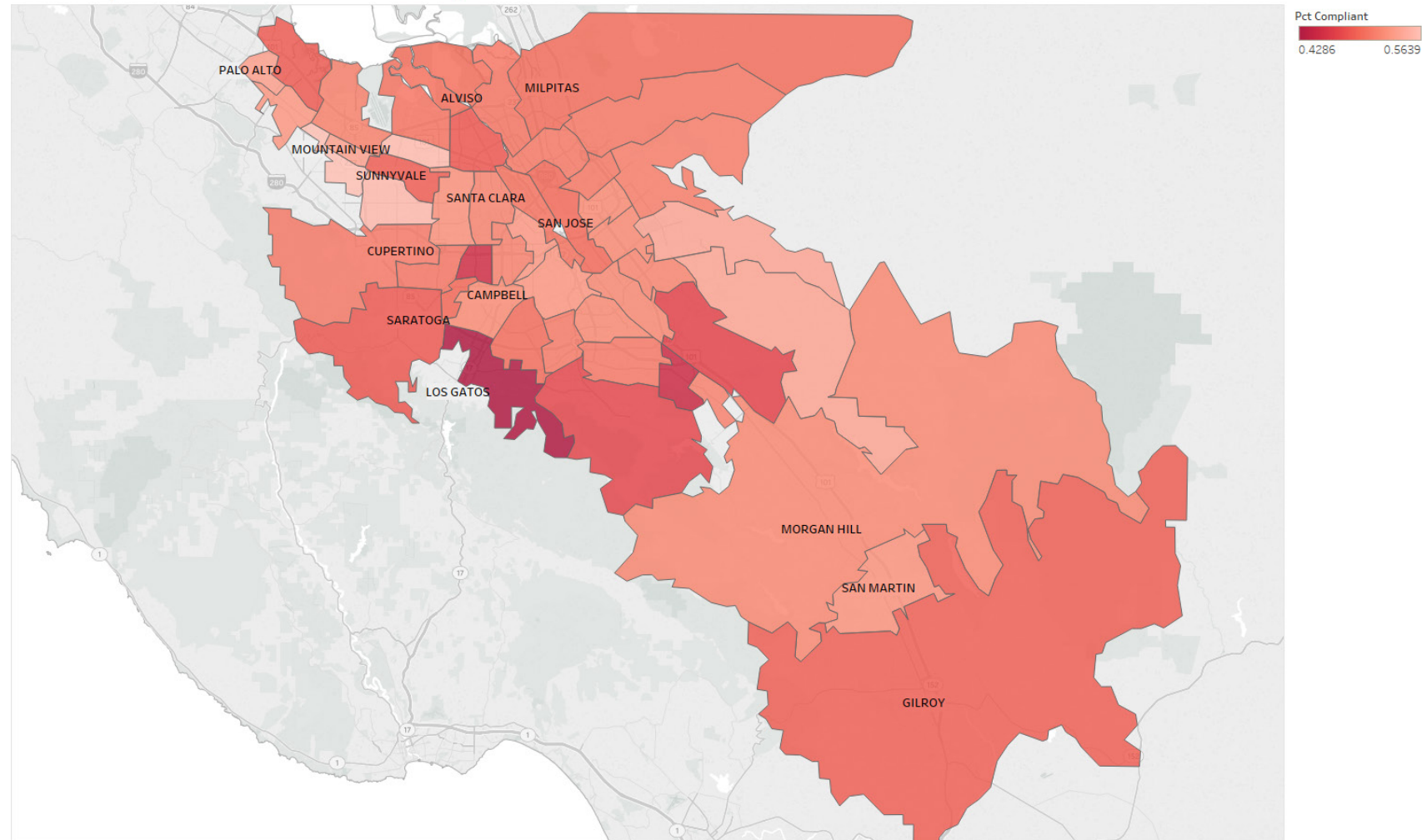


Age Group	12 - 14	15 - 17	18 - 21
Numerator	9,235	8,180	3,888
Denominator	14,780	14,240	12,674



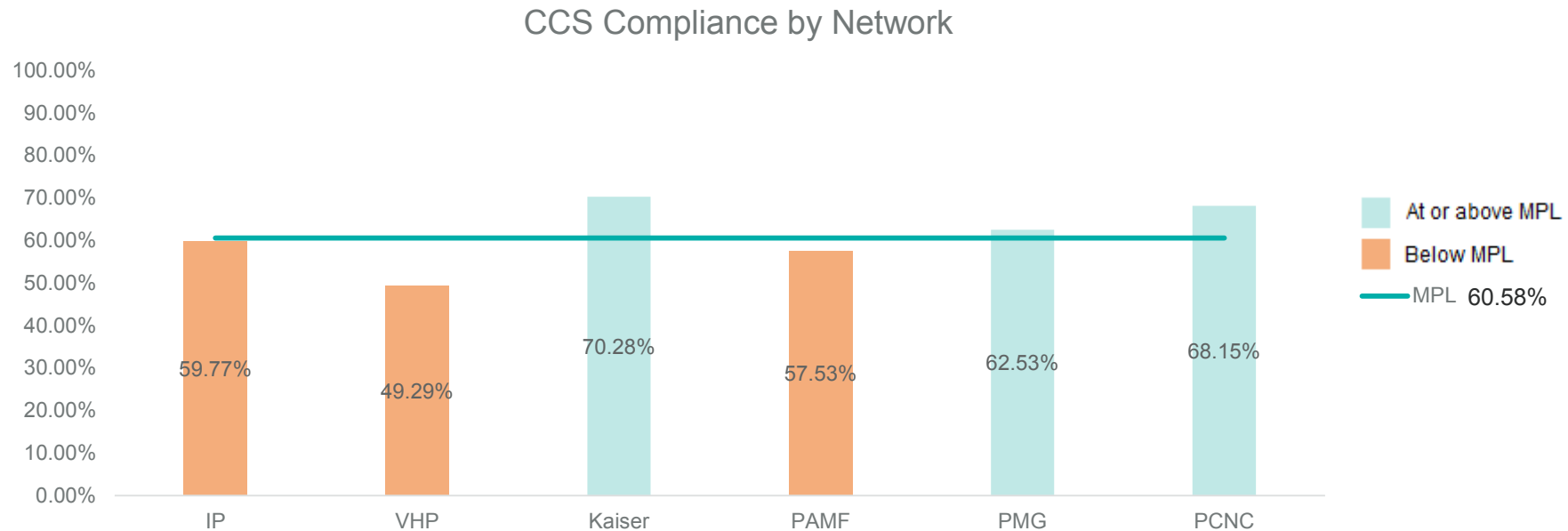
# Adolescent Well-Care Visits (AWC)

Heat Map (Limited to zip codes with > 50 members)



# Cervical Cancer Screening (CCS)

Kaiser, PMG and PCNC performed above MPL

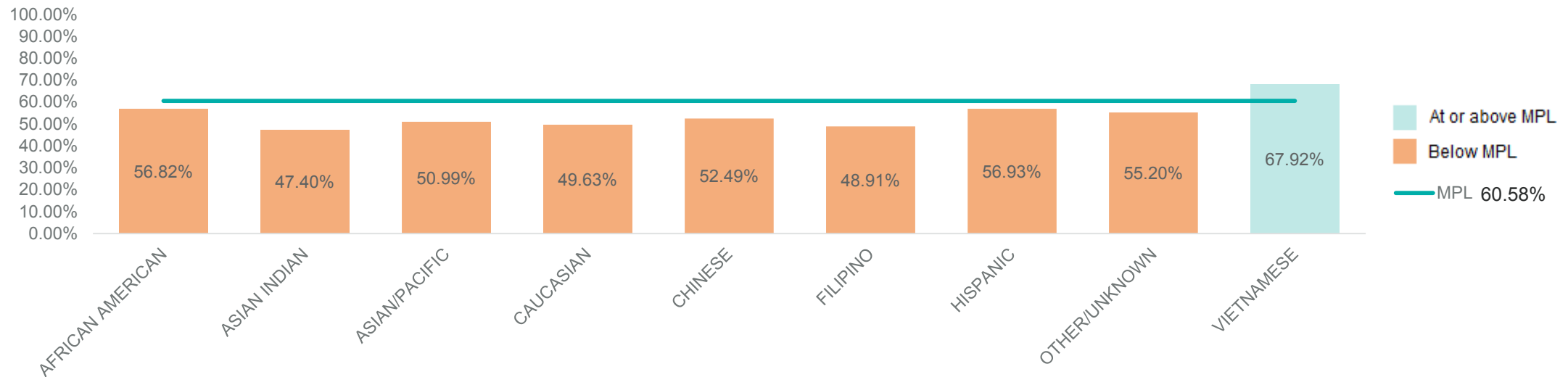


Network	IP	VHP	Kaiser	PAMF	PMG	PCNC
Numerator	2,053	10,055	3,226	653	4,695	2,535
Denominator	3,435	20,399	4,590	1,135	7,508	3,720

# Cervical Cancer Screening (CCS)

Vietnamese group performed above MPL

CCS Compliance by Ethnicity

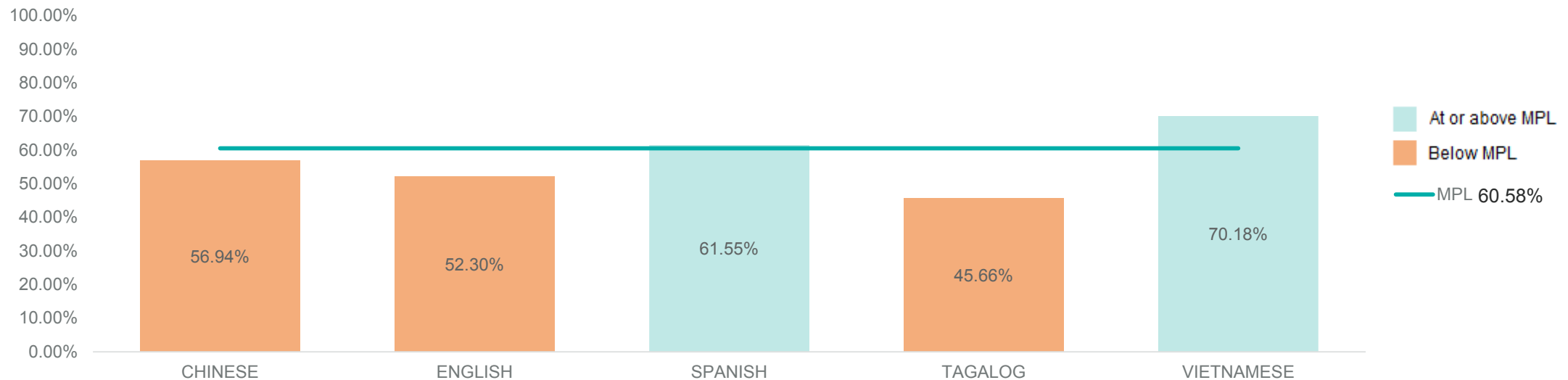


Ethnicity	AFRICAN AMERICAN	ASIAN INDIAN	ASIAN/PACIFIC	CAUCASIAN	CHINESE	FILIPINO	HISPANIC	OTHER/UNKN OWN	VIETNAMESE
Numerator	892	557	386	3,024	1,098	695	6,600	3,359	6,071
Denominator	1,570	1,175	757	6,093	2,092	1,421	11,593	6,085	8,939

# Cervical Cancer Screening (CCS)

Spanish and Vietnamese speaking groups performed above MPL

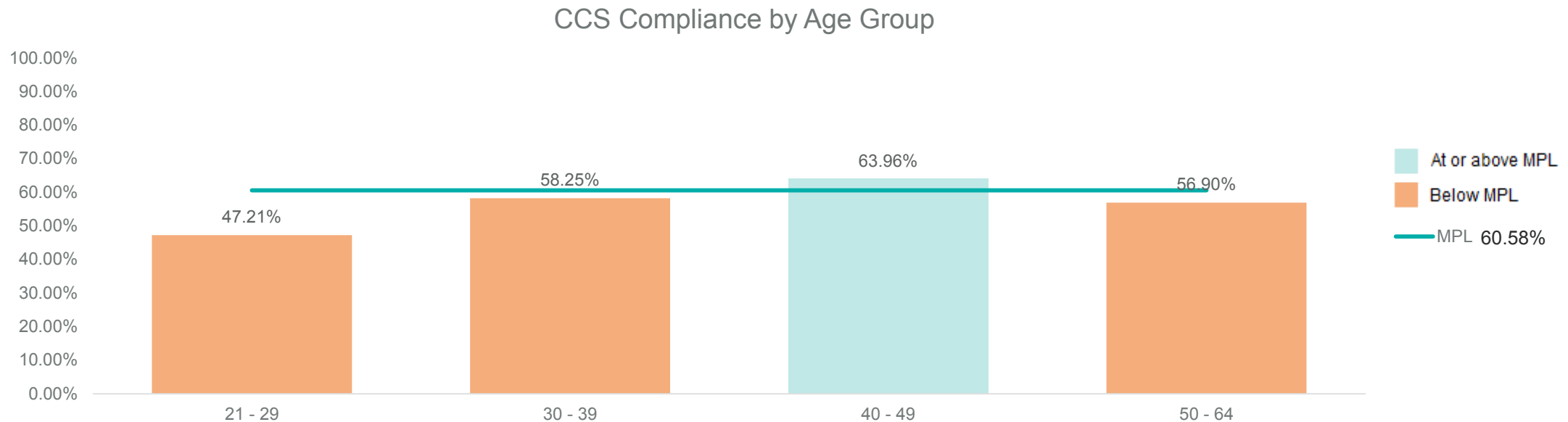
CCS Compliance by Preferred Language



Language	CHINESE	ENGLISH	SPANISH	TAGALOG	VIETNAMESE
Numerator	784	13,051	2,805	179	5,463
Denominator	1,377	24,955	4,557	392	7,784

# Cervical Cancer Screening (CCS)

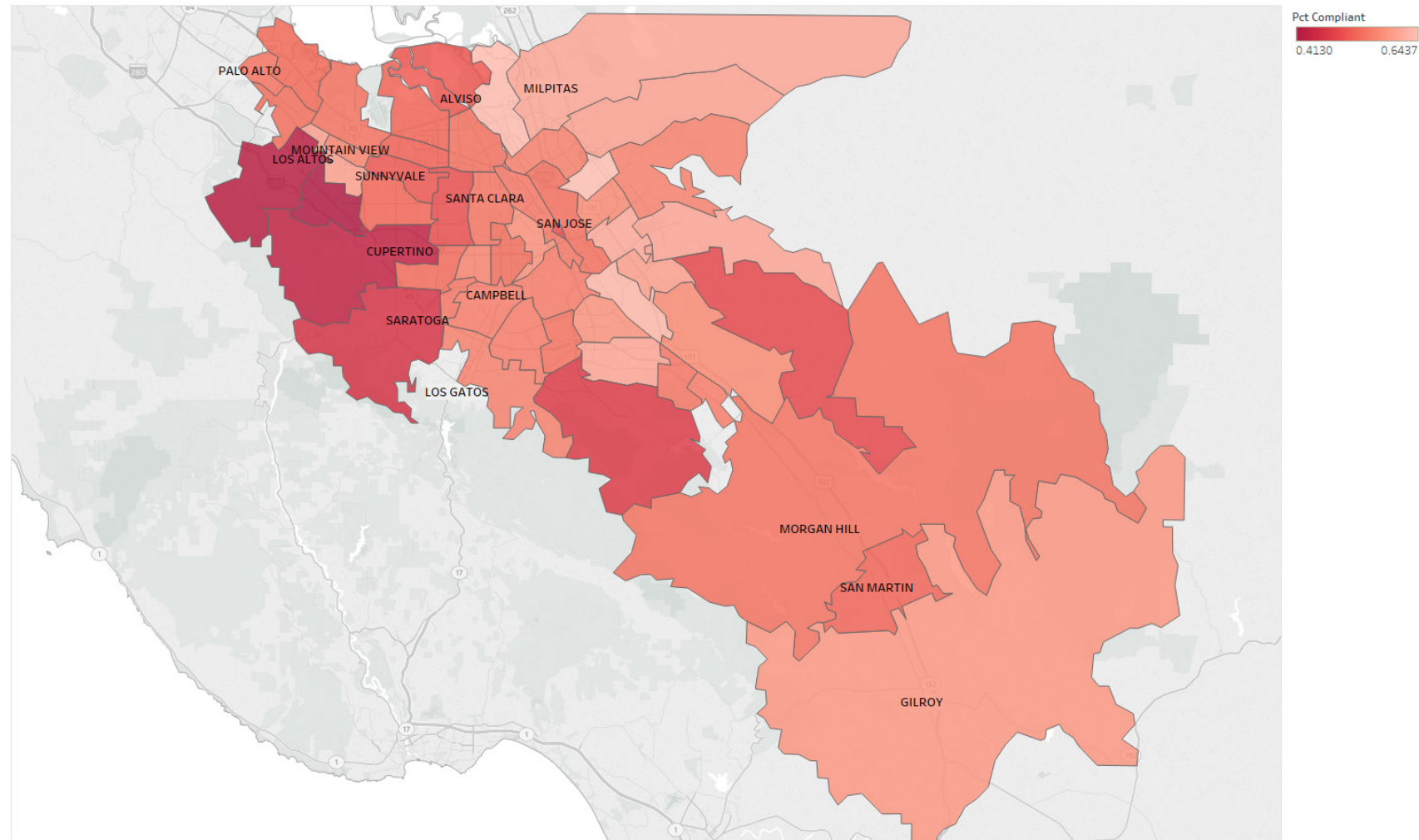
Members ages 40-49 group performed above MPL



Age Group	21 - 29	30 - 39	40 - 49	50 - 64
Numerator	3,466	5,545	5,357	8,849
Denominator	7,341	9,520	8,375	15,551

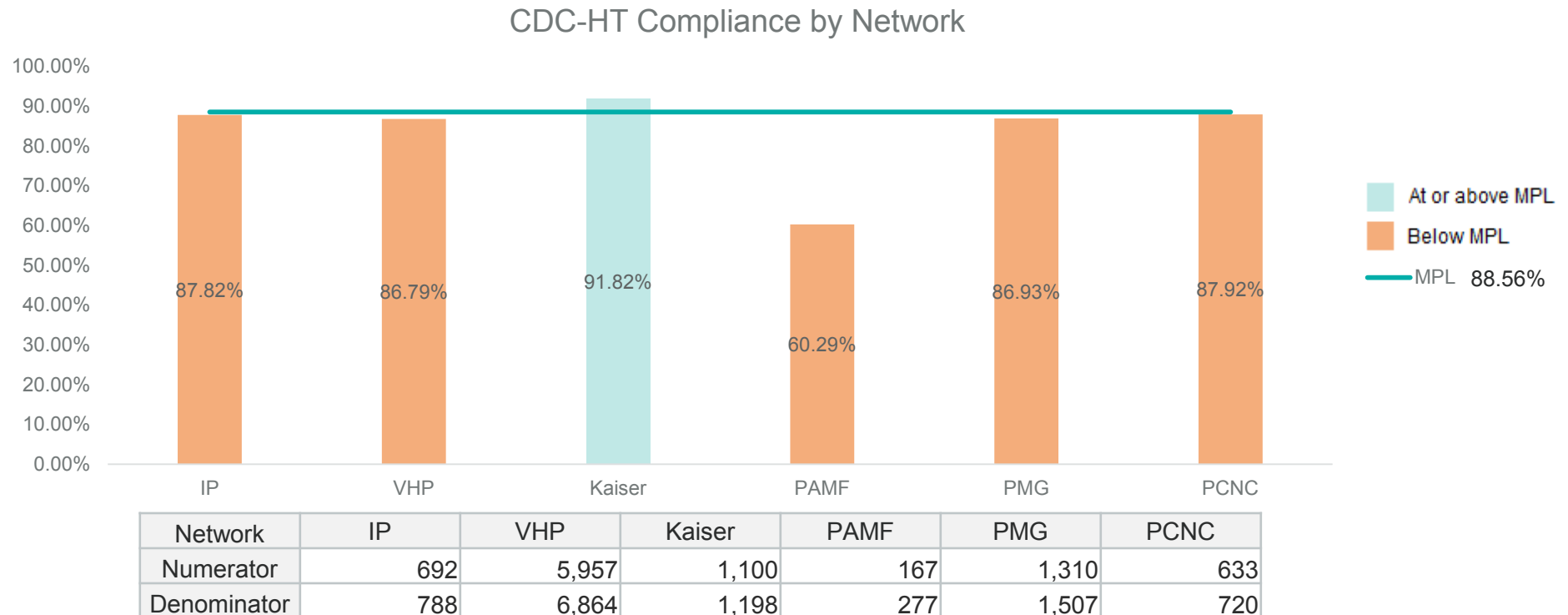
# Cervical Cancer Screening (CCS)

Heat Map (Limited to zip codes with > 50 members)



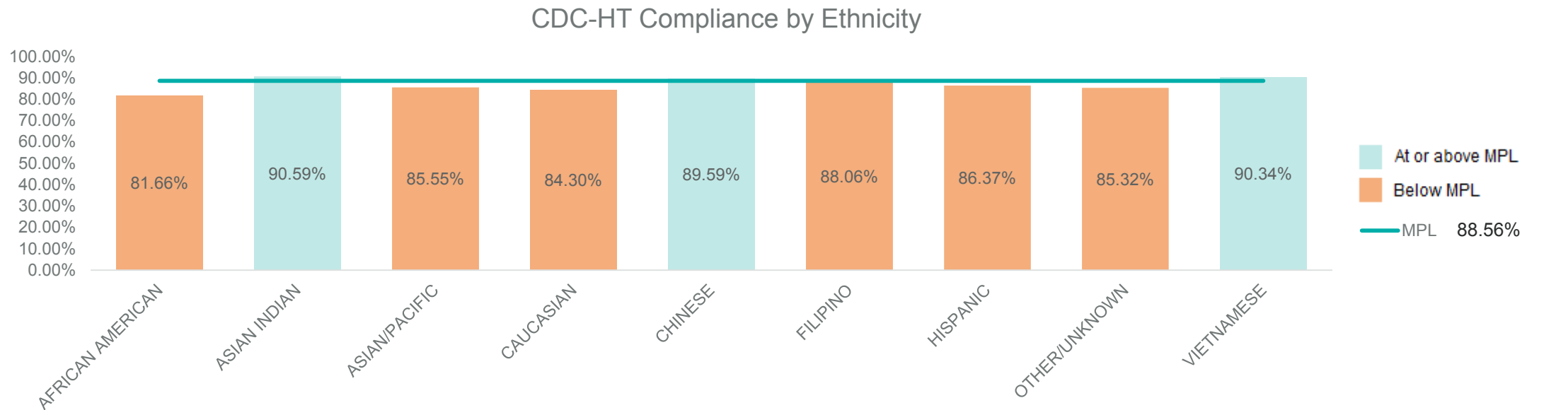
# Comprehensive Diabetes Care - Hemoglobin A1c Testing (CDC-HT)

Kaiser performed above MPL



# Comprehensive Diabetes Care - Hemoglobin A1c Testing (CDC-HT)

Asian Indian, Chinese, and Vietnamese groups performed above MPL



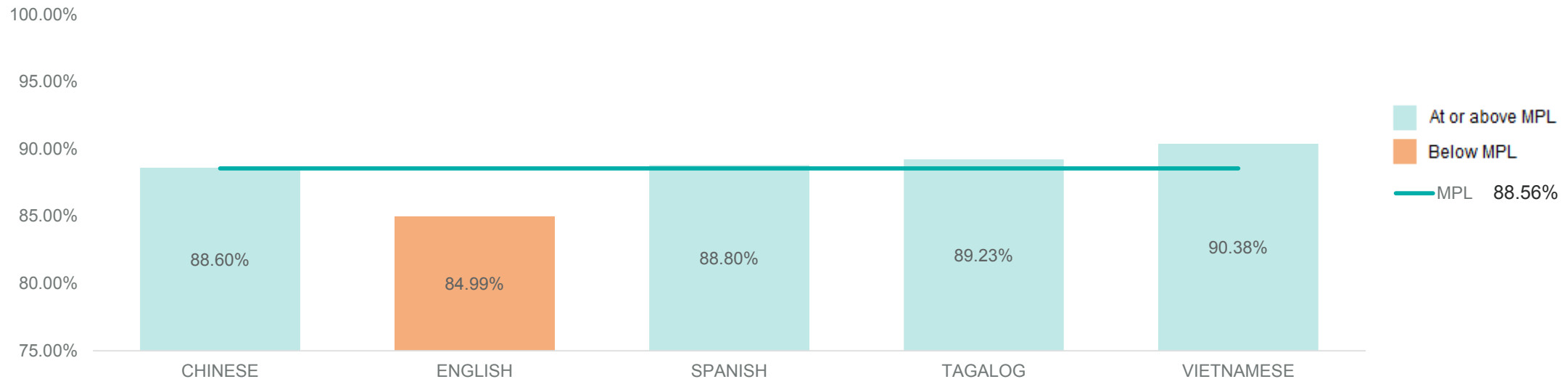
Ethnicity	AFRICAN AMERICAN	ASIAN INDIAN	ASIAN/PACIFIC	CAUCASIAN	CHINESE	FILIPINO	HISPANIC	OTHER/UNKNOWN	VIETNAMESE
Numerator	423	741	296	1,299	456	546	2,921	1,255	1,674
Denominator	518	818	346	1,541	509	620	3,382	1,471	1,853



# Comprehensive Diabetes Care - Hemoglobin A1c Testing (CDC-HT)

Chinese, Spanish, Tagalog, and Vietnamese speaking groups performed above MPL

CDC-HT Compliance by Preferred Language

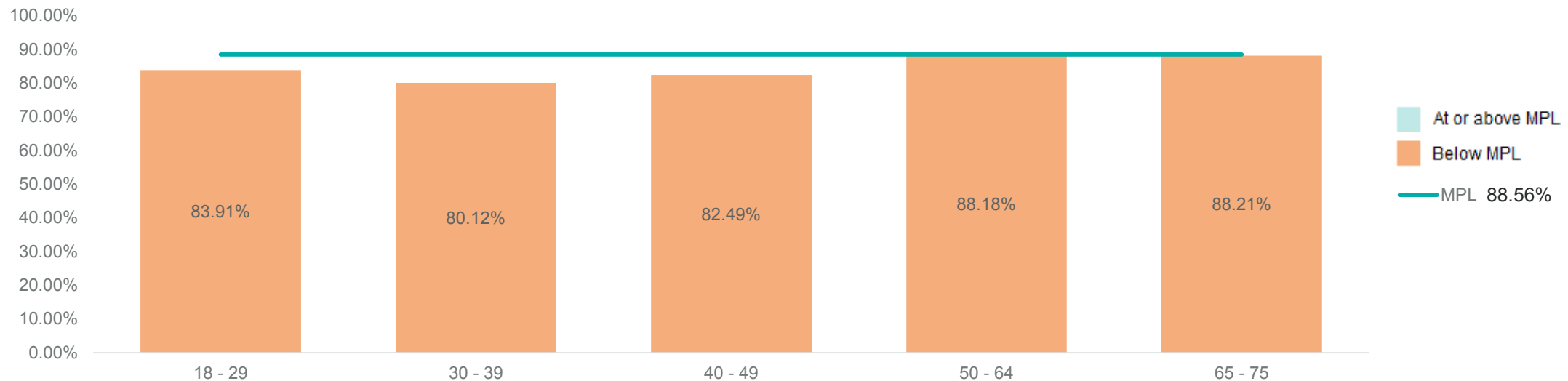


Language	CHINESE	ENGLISH	SPANISH	TAGALOG	VIETNAMESE
Numerator	381	5,248	1,585	265	1,588
Denominator	430	6,175	1,785	297	1,757

# Comprehensive Diabetes Care - Hemoglobin A1c Testing (CDC-HT)

Members ages 50-75 perform better than members ages 18-49

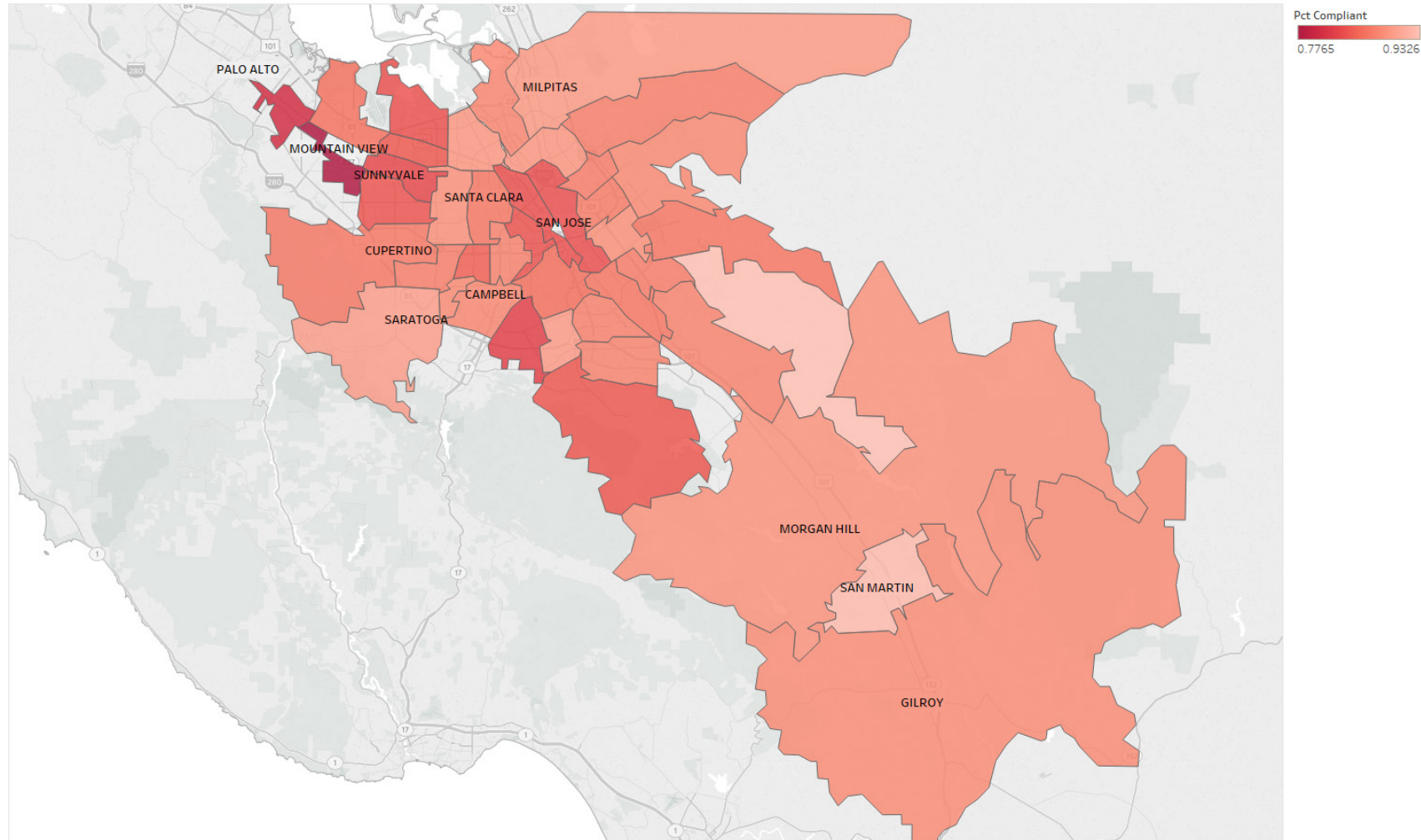
CDC-HT Compliance by Age Group



Age Group	18 - 29	30 - 39	40 - 49	50 - 64	65 - 75
Numerator	266	548	1,168	5,522	2,311
Denominator	317	684	1,416	6,262	2,620

# Comprehensive Diabetes Care - Hemoglobin A1c Testing (CDC-HT)

Heat Map (Limited to zip codes with > 50 members)



# Recommendations

## Present Interventions

### Member

- Newsletter Article
- Incentive Mailing
- Gaps in Care Inbound Reminder
- On-hold Messaging

### Provider

- Fax memo
- Provider E-News
- Provider Performance Program
  - Gaps in Care Lists in the Provider Portal
  - Report Cards in the Provider Portal

# Recommendations

## Additional Interventions for groups with greater gaps

### Network

- Targeted Provider Education (coding best practice, supplemental data submission, member health education, member and provider incentives available) to all networks that did not perform above MPL, request clinic days from providers that did not perform above MPL (AWC, CCS, CDC-HT)

### Ethnicity, Language Spoken & Age

- Targeted Member Phone Outreach in preferred language to groups that did not perform above MPL to offer health education classes and materials and increase awareness of member incentives
- AWC Disparity Performance Improvement Project targeting VHP network 18-21 year olds

### Zip Code

- Explore opportunities to expand health education program in those zip codes and identify additional barriers



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Questions?