

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

Thursday, May 27, 2021, 11:30 AM – 1:30 PM
Santa Clara Family Health Plan
6201 San Ignacio Ave, San Jose, CA 95119

Via Teleconference
(408) 638-0968
Meeting ID: 987 9967 7951
Passcode: ExecFin21
<https://zoom.us/j/98799677951>

AGENDA

- | | | | |
|---|--------------|-------|-------|
| 1. Roll Call | Ms. Alvarado | 11:30 | 5 min |
| 2. Public Comment
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. | Ms. Alvarado | 11:35 | 5 min |
| 3. Approve Consent Calendar and Changes to the Agenda
Items removed from the Consent Calendar will be considered as regular agenda items.
Possible Action: Approve Consent Calendar | Ms. Alvarado | 11:40 | 5 min |
| <ul style="list-style-type: none"> a. Approve minutes of the April 22, 2021 Executive/Finance Committee Meeting b. Approve Claims Policies <ul style="list-style-type: none"> • CL.06 Inpatient Admission • CL.10 Provider Dispute Resolution • CL.12 Coordination of Benefits and Medicare-Medi-Cal Crossover Claims • CL.19 Processing of Rehabilitation Therapies Claims • CL.20 Processing of Inpatient Psychiatric Facility and Outpatient Behavioral Mental Health Claims • CL.23 Overpayment Recovery • CL.24 Timely Processing of Non-Clean Claims • CL.25 Direct Member Reimbursement • CL.26 Claim Development of Non-Clean Non-Contracted Medicare Claims • CL.27 Non-Medical Transportation Services c. Approve Finance Policies <ul style="list-style-type: none"> • FA.01 Finance-General • FA.02 Cash & Cash Receipts • FA.03 Cash Disbursements • FA.04 Accounts Receivable & Revenue | | | |

- FA.05 Payroll & Employee Expenses
- FA.06 Fixed Assets & Depreciation Expense
- FA.07 Investments
- FA.08 Treasury & Debt
- FA.09 Financial Close & Reporting
- FA.10 Medical Expense & Incurred-But-Not Paid (IBNR)
- FA.12 Healthcare Economics

d. Approve Quarterly Investment Compliance Report

- | | | |
|---|---------------------|---------------------|
| <p>4. CEO Update
Discuss status of current topics and initiatives.</p> | <p>Ms. Tomcala</p> | <p>11:45 15 min</p> |
| <p>5. Government Relations Update
Discuss local, state, and federal legislative and policy issues impacting the Plan and its members.</p> | <p>Mr. Haskell</p> | <p>12:00 15 min</p> |
| <p>6. March 2021 Financial Statements
Review March 2021 Financial Statements.
Possible Action: Approve the March 2021 Financial Statements</p> | <p>Mr. Jarecki</p> | <p>12:15 15 min</p> |
| <p>7. COVID-19 Funding Request
Review and discuss proposal to support the YMCA Expanded Summer Nutrition Program for Children and Families.
Possible Action: Approve YMCA funding request for the Expanded Summer Nutrition Program</p> | <p>Ms. Tomcala</p> | <p>12:30 15 min</p> |
| <p><u>Announcement Prior to Recessing into Closed Session</u>
Announcement that the Executive/Finance Committee will recess into closed session to discuss Item No. 9 below.</p> | | |
| <p>8. Adjourn to Closed Session
a. <u>Contract Rates</u> (Welfare and Institutions Code Section 14087.38(n)):
It is the intention of the Executive/Finance Committee to meet in Closed Session to discuss plan partner rates.</p> | | <p>12:45</p> |
| <p>9. Report from Closed Session</p> | <p>Ms. Alvarado</p> | <p>1:25 5 min</p> |
| <p>10. Adjournment</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.

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

Thursday, April 22, 2021, 11:30 AM – 1:30 PM
Santa Clara Family Health Plan - Teleconference
6201 San Ignacio Ave, San Jose, CA 95119

Minutes

Members Present

Dolores Alvarado
Bob Brownstein
Dave Cameron
Liz Kniss
Sue Murphy

Staff Present

Christine Tomcala, Chief Executive Officer
Neal Jarecki, Chief Financial Officer
Laurie Nakahira, DO, 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
Khanh Pham, Director, Financial Reporting & Budgeting
Rita Zambrano, Executive Assistant

Others Present

Carlyn Obringer, Government & Community Engagement
Manager, Blue Shield of California

1. Roll Call

Dolores Alvarado, Chair, called the meeting to order at 11:31 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.

- a. Approve minutes of the February 25, 2021 **Executive/Finance Committee** Meeting
- b. Approve **Claims Policies**
 - CL.04 Skilled Nursing Facility
 - CL.05 Long Term Care
 - CL.08 General Physician/Professional Services
 - CL.11 Ambulatory Surgery Center
 - CL.14 Processing of Radiology Claims
 - CL.15 Processing of Anesthesia Claims
 - CL.16 Processing of Drugs & Biologicals Claims

- CL.17 Processing of Durable Medical Equipment, Orthotics, and Prosthetics Claims
- CL.18 Processing of Home Health Claims
- CL.28 Other Health Coverage Cost Avoidance and Post-Payment Recovery

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

Motion: Ms. Kniss

Second: Ms. Murphy

Ayes: Ms. Alvarado, Mr. Brownstein, Mr. Cameron, Ms. Kniss, Ms. Murphy

4. CEO Update

Christine Tomcala, Chief Executive Officer, presented the updated SCFHP COVID-19 Summary, noting SCFHP is holding vaccine clinics for the community at our Blanca Alvarado Community Resource Center in collaboration with the County. She presented data on the percentage of SCFHP members by age band who received at least one COVAX dose compared to the County, as well as a breakdown of the percentage of members who received a vaccine by ethnicity. She noted the groups with lower than average vaccine uptake include the Hispanic, African Ancestry, and American Indian communities. Ms. Tomcala further noted we inquire about vaccine hesitancy concerns when making outreach calls to members to assist with scheduling vaccine appointments. Discussion ensued regarding potential opportunities to assist members in overcoming vaccine hesitancy.

5. Government Relations Update

Tyler Haskell, Director, Government Relations, provided an update on relevant state, federal and local government activity. He first gave an overview of the recently-enacted American Rescue Plan, specifically mentioning the inclusion of local government budget relief. He then gave an overview of the status of the state budget and state legislation that would impact the Plan. Mr. Haskell also discussed the President's new infrastructure plan and health care provisions it may contain, including sweeping reforms to prescription drug laws.

6. Provider Payment Solution Vendor Selection

Chris Turner, Chief Operating Officer, provided an overview of the selection process for a Provider Payment Solution vendor. The highest scoring vendor responding to the RFP was PaySpan, and their pricing was comparable to the current vendor.

It was moved, seconded and unanimously approved to authorize the Chief Executive Officer to negotiate, execute, amend, and terminate a contract with Payspan based on RFP pricing.

Motion: Ms. Kniss

Second: Mr. Cameron

Ayes: Ms. Alvarado, Mr. Brownstein, Mr. Cameron, Ms. Kniss, Ms. Murphy

7. Trizetto NetworX Pricer and Modeler

Jonathan Tamayo, Chief Information Officer, presented a proposal for the Cognizant NetworX claims pricing and modeling tool, designed to allow payers to compare and implement complex contract terms.

It was moved, seconded and unanimously approved to authorize the Chief Executive Officer to negotiate, execute, amend, and terminate a contract amendment with Cognizant at a cost of \$377,000 for the perpetual license fee and implementation, plus \$50,000 for annual maintenance.

Motion: Ms. Murphy

Second: Ms. Kniss

Ayes: Ms. Alvarado, Mr. Brownstein, Mr. Cameron, Ms. Kniss, Ms. Murphy

8. February 2021 Financial Statements

Neal Jarecki, Chief Financial Officer, presented the February 2021 financial statements, which reflected a current month net surplus of \$4.8 million (\$6.6 million favorable to budget) and a fiscal year-to-date net surplus of \$11.9 million (\$14.7 million favorable to budget). Enrollment increased by 2,088 members from the prior month to 274,988 members (2,720 members favorable to budget). The year-to-date membership growth due to COVID-19 has exceeded budget due to the extended duration of the pandemic versus budgeted enrollment and will be sustained for a longer period of time due to the continued public health emergency. Revenue reflected a favorable current month variance of \$19.5 million (17.5%) largely due to (1) additional capitation received due to the delayed carve-out of Medi-Cal pharmacy from managed care, and (2) unanticipated DHCS capitation payments for fiscal years 2014-2017. Medical Expense reflected an unfavorable current month variance of \$12.6 million (14.4%) largely due to (1) additional expenses due to the delayed carve-out of Medi-Cal pharmacy from managed care (offsetting the associated Pharmacy revenue), and (2) certain fee-for-service expenses in excess of budget, some of which are related to COVID. Administrative Expense reflected an unfavorable current month variance of \$417 thousand (7.8%) due largely to the timing of certain non-personnel expenses. The balance sheet reflected a Current Ratio of 1.23:1, versus the minimum required by DMHC of 1.00:1. Tangible Net Equity of \$220.6 million, which represented approximately two months of the Plan's total expenses, included unrestricted net assets of \$175 million. Year-to-date capital investments of \$3.7 million were made, predominately construction expenses of the Blanca Alvarado Community Resource Center.

It was moved, seconded, and the February 2021 Financial Statements were **unanimously approved.**

Motion: Mr. Cameron

Second: Mr. Brownstein

Ayes: Ms. Alvarado, Mr. Brownstein, Mr. Cameron, Ms. Kniss, Ms. Murphy

9. Annual Investment Policy Review

Mr. Jarecki presented updates to the Investment Policy, as recommended following an annual review by Sperry Capital.

It was moved, seconded, and the updated Investment Policy FA.07 v3 was **unanimously approved.**

Motion: Mr. Cameron

Second: Ms. Murphy

Ayes: Ms. Alvarado, Mr. Brownstein, Mr. Cameron, Ms. Kniss, Ms. Murphy

Dave Cameron and Liz Kniss left the meeting at 12:57 pm.

10. Donations and Sponsorships Policy

Laura Watkins, VP, Marketing & Enrollment, presented the Donations and Sponsorships Policy, noting a change in the annual limit from \$150,000 to \$200,000.

It was moved, seconded and the updated Donations & Sponsorships Policy GO.04 v2 was **unanimously approved.**

Motion: Ms. Murphy

Second: Mr. Brownstein

Ayes: Ms. Alvarado, Mr. Brownstein, Ms. Murphy

Absent: Mr. Cameron, Ms. Kniss

11. Adjournment

The meeting was adjourned at 1:00 pm.

Susan G. Murphy, Secretary

DRAFT

POLICY

Policy Title:	Inpatient Admission	Policy No.:	CL.06 v4
Replaces Policy Title (if applicable):	Inpatient Admission	Replaces Policy No. (if applicable):	CL.06 v3
Issuing Department:	Claims	Policy Review Frequency:	Annual
Lines of Business (check all that apply):	<input checked="" type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> CMC	

I. Purpose

To accurately process claims regarding inpatient admission in accordance with State and Federal regulatory requirements.

II. Policy

A. Timeframes

1. Contracted Providers

- a. Medi-Cal: For Medi-Cal inpatient admission claims, from contracted providers, Santa Clara Family Health Plan (SCFHP) shall pay:
 - At least ninety-five percent (95%) of all clean claims within forty-five (45) working days of the date of receipt.
- b. Cal Medi-Connect: For Cal Medi-Connect (CMC) inpatient admission claims from contracted providers, SCFHP shall pay all claims within sixty (60) calendar days of the date of receipt.

2. Non-Contracted Providers

- a. Medi-Cal: For Medi-Cal inpatient admission claims from non-contracted providers, SCFHP shall pay:
 - At least ninety-five percent (95%) of all clean claims within forty-five (45) working days of the date of receipt.
- b. Cal Medi-Connect: For CMC inpatient admission claims from non-contracted providers, SCFHP shall pay all clean claims within thirty (30) calendar days of the date of receipt.

POLICY

B. Availability and Accessibility

SCFHP shall ensure the availability of, and accessibility to, emergency health care services including ambulance services, twenty-four hours-a-day and seven days-a-week.

SCFHP or its delegated groups are financially responsible for emergency services and urgently needed services:

- Regardless of whether services are obtained within or outside the plan's authorized service area and/or network (if applicable);
- Regardless of whether there is prior authorization for the services;
- If the emergency situation is in accordance with a prudent layperson's definition of "emergency medical condition," regardless of the final medical diagnosis.

C. Date of Receipt

The date of receipt shall be the working day when a claim, by physical or electronic means, is first delivered to either the Plan's specified claims payment office, post office box, or designated claims processor, or to the Plan's capitated provider for that claim.

D. Date of Payment

The date of payment shall be the date of the check or other form of payment.

E. Clean Claim

A claim is considered to be clean when it is complete and accurate with a claim form that includes all provider and member information, as well as medical records, additional information, or documents needed from the member or provider to enable SCFHP to process the claim.

F. Reimbursement Rates

1. Contracted Providers

Contracted Providers shall be paid in accordance with their applicable contract.

2. Non-Contracted Providers

- a. Medi-Cal: Non-contracted providers will be reimbursed in accordance with the All Patient Refined – Diagnosis Related Groups (APR-DRG) schedule.
- b. CMC: Non-contracted providers will be reimbursed at rates in accordance with the Medicare Severity – Diagnosis Related Group (MS-DRG) schedule.

POLICY

III. Responsibilities

- A. Utilization Management (UM) is responsible for determining the medical necessity of services. In the event of services that require prior authorization, UM is to enter authorizations within the appropriate system for Medi-Cal and CMC members.
- B. The Claims Department is responsible for ensuring applicable inpatient rates and interest payments are calculated accurately, applied correctly, and processed timely.
- C. The Claims Department is responsible for running daily claims pend reports to monitor and track timely processing compliance for all claims.
- D. In accordance with SCFHP Confidentiality Policy, and all applicable State and Federal laws, any and all information that is required to be kept confidential, shall be kept confidential.
- E. In accordance with SCFHP Confidentiality Policy, and all applicable State and Federal laws, any and all information that is required to be kept confidential, shall be kept confidential.

IV. References

Title 28, California Code of Regulations, Section and 1300.67.2(c) and 1300.71, 1300.71.4(b)(d)
California W&I Code, Section 14105.28 and 14166 (b)(1)(A)(ii) – APR DRG Payment Methodology
CA Health and Safety Code section 1371.4(a)(b)
Medicare Claims Processing Manual, Chapter 3, Inpatient Hospital
Medicare Managed Care Manual, Chapter 4 section 20.3
Acute Inpatient PPS
<http://www.cms.gov/AcuteInpatientPPS/>

POLICY

V. Approval/Revision History

First Level Approval		Second Level Approval		
Arlene Bell Director, Claims		Neal Jarecki Chief Financial Officer		
Date		Date		
Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
1	Original – 8/26/2016	N/A		N/A
2	Revised – 11/16/2018	N/A		N/A
3	Revised - 2/19/2020	N/A		N/A
4	Revised	Executive/Finance	Recommend 05/27/2021	N/A

POLICY

Policy Title:	Provider Dispute Resolution	Policy No.:	CL.10 v3
Replaces Policy Title (if applicable):	Provider Dispute Resolution	Replaces Policy No. (if applicable):	CL.10 v2
Issuing Department:	Claims	Policy Review Frequency:	Annually
Lines of Business (check all that apply):	<input checked="" type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> CMC	

I. Purpose

To establish a Provider Dispute Resolution (PDR) process for providers to dispute claim determinations which ensures timely acknowledgement and processing of PDRs in accordance with State and Federal regulatory requirements, and contractual obligations.

II. Policy

- A. All PDRs shall be processed in accordance with State and Federal regulatory requirements, as well as Department of Health Care Services (DHCS) contractual requirements.
- B. Medi-Cal – In order for a provider dispute to be counted as timely and compliant, provider disputes from both contracted and non-contracted providers must be processed within:
 1. Medi-Cal – forty-five (45) working days or sixty-two (62) calendar days after receipt date.
- C. Cal Medi-Connect (CMC) – In order for a provider dispute to be counted as timely and compliant, provider disputes must be processed within:
 1. Contracted Providers –sixty (60) calendar after receipt date.
- D. Each provider dispute must be acknowledged within two (2) working days of the date of receipt if received electronically and within fifteen (15) working days if received via paper.
- E. Capitated subcontractors will be required to adhere to the same statutory, regulatory and contractual requirements governing the timely processing of first level PDRs as the Santa Clara Family Health Plan (SCFHP). SCFHP’s annual audit of its capitated subcontractors will ensure that these requirements are being followed.
- F. SCFHP will receive and process second level PDRs when a provider is not satisfied with the first level determination related to provider disputes from subcontractors.

POLICY

III. Responsibilities

- A. SCFHP designates the Chief Financial Officer as the principal officer to be responsible for the maintenance of the provider dispute resolution mechanism, for the review of its operations, and for noting any emerging patterns of provider disputes to improve administrative capacity, plan-provider relations, claim payment procedures and patient care.
- B. The PDR staff is responsible for ensuring that the inventory of PDRs is in compliance with timelines for acknowledgement, resolution, and payment in accordance with State and Federal regulatory requirements, and contractual obligations.
- C. In accordance with SCFHP Confidentiality Policy, and all applicable State and Federal laws, any and all information that is required to be kept confidential, shall be kept confidential.
- D. The Claims Department will retain copies of all interest and penalty payments in accordance with SCFHP's Records Retention Policy.

IV. References

California Health and Safety Code Section 1371

Industry Collaboration Effort Time Limits and Measurements - Assembly Bill - AB 1455

Title 22, California Code of Regulations, Section 53622

Title 28, California Code of Regulations

Section 1300.71.38

Section 1300.71.38 (a) (10-11)

Section 1300.71.38 (d) (1-3)

Section 1300.71.38 (g)

Section 1300.85.1

Medicare Claims Processing Manual, Chapter 1 – General Billing Requirements, Section 80.2.2

CFR 422. 422.100 - General requirements

U.S. Public Laws 111 – 148 Section 6506 (d)

POLICY

V. Approval/Revision/History

First Level Approval		Second Level Approval		
Arlene Bell Director, Claims		Neal Jarecki Chief Financial Officer		
Date		Date		
Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
1	Original – 8/26/2016	N/A	N/A	N/A
2	Revised – 9/6/2019	N/A	N/A	N/A
3	Revised	Executive/Finance	Recommend 5/27/2021	N/A

POLICY

Policy Title:	Coordination of Benefits and Medicare_Medi-Cal Crossover Claims	Policy No.:	CL.12 v2
Replaces Policy Title (if applicable):	Coordination of Benefits and Medicare_Medi-Cal Crossover Claims	Replaces Policy No. (if applicable):	CL.12 v1
Issuing Department:	Claims	Procedure Review Frequency:	Annual
Lines of Business (check all that apply):	<input checked="" type="checkbox"/> Medi-Cal	<input type="checkbox"/> CMC	

I. Purpose

To determine coordination of benefits and ensure proper adjudication of claims for members with multiple forms of healthcare insurance coverage.

II. Policy

A. Timeframes

1. Contracted and Non-Contracted Providers

- a. Medi-Cal: For Medi-Cal claims related to Coordination of Benefits (COB) and Medicare Medi-Cal Crossover claims, Santa Clara Family Health Plan (SCFHP) will pay ninety-five percent (95%) of all clean claims within forty-five (45) working days of the date of receipt.

B. Coordination of benefits (COB) will apply when a member has multiple forms of healthcare insurance coverage.

C. SCFHP will first identify who is the primary payer for services and process the coordination of benefits accordingly.

D. Date of Receipt

The date of receipt shall be the working day when a claim, by physical or electronic means, is first delivered to either the Plan's specified claims payment office, post office box, or designated claims processor, or to the Plan's capitated provider for that claim.

E. Date of Payment

The date of payment shall be the date of the check.

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F. Clean Claim

A claim is considered to be clean when it is complete and accurate with a claim form that includes all provider and member information, as well as medical records, additional information, or documents needed from the member or provider to enable SCFHP to process the claim.

III. Responsibilities

- A. It is the responsibility of all departments to be aware of potential “other payer” status when processing authorization requests, claims, member inquiries, and enrollment.
- B. The Eligibility Department is responsible for conducting review of all eligibility files to determine any known COB possibilities.
- C. The Finance Department is responsible for reviewing the Medicare Monthly Membership Report to identify those members with MSP designation.
- D. Claims and Finance Recovery staff are responsible for identifying potential COB situations.
- E. In accordance with SCFHP Confidentiality Policy, and all applicable State and Federal laws, any and all information that is required to be kept confidential, shall be kept confidential.
- F. The Claims Department will retain copies of all interest and penalty payments in accordance with SCFHP’s Records Retention Policy.

IV. References

Medi-Cal – Other Health Coverage (OHC) and Medicare/Medi-Cal Claims – www.medi-cal.ca.gov

Medicare Managed Care Manual - Chapter 4 - Benefits and Beneficiary Protections

<https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/mc86c04.pdf>

<https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS019326>

POLICY

V. Approval/Revision History

First Level Approval		Second Level Approval		
Arlene Bell Director, Claims		Neal Jarecki Chief Financial Officer		
Date		Date		
Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
1	Original – 08/26/2016	N/A	N/A	N/A
2	Revised	Executive/Finance	Recommend 5/27/2021	N/A

POLICY

Policy Title:	Processing of Rehabilitation Therapies Claims	Policy No.:	CL.19 v2
Replaces Policy Title (if applicable):	Processing of Rehabilitation Therapies Claims	Replaces Policy No. (if applicable):	CL.19 v1
Issuing Department:	Claims	Procedure Review Frequency:	Annual
Lines of Business (check all that apply):	<input checked="" type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> CMC	

I. Purpose

To accurately process claims regarding outpatient rehabilitation therapy, such as physical therapy (PT), occupational therapy (OT), and speech therapy (ST) in accordance with State and Federal regulatory requirements and contractual obligations.

II. Policy

A. Timeframes

1. Contracted Providers

- a. **Medi-Cal:** For Medi-Cal claims regarding rehabilitation therapy services from contracted providers, Santa Clara Family Health Plan (SCFHP) shall pay ninety-five percent (95%) of all clean claims within forty-five (45) working days of the date of receipt.
- b. **Cal Medi-Connect:** For Cal Medi-Connect (CMC) claims regarding rehabilitation therapy services from contracted providers, SCFHP shall pay all clean claims within sixty (60) calendar days of the date of receipt.

2. Non-Contracted Providers

- a. **Medi-Cal:** For Medi-Cal claims regarding rehabilitation therapy services from non-contracted providers, SCFHP shall pay ninety-five percent (95%) of all clean claims within forty-five (45) working days of the date of receipt.
- b. **Cal Medi-Connect:** For CMC claims regarding rehabilitation therapy services from non-contracted providers, SCFHP shall pay all clean cleans within thirty (30) calendar days of the date of receipt.

B. Date of Receipt

The date of receipt shall be the working day when a claim, by physical or electronic means, is first

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delivered to either the Plan's specified claims payment office, post office box, or designated claims processor, or to the Plan's capitated provider for that claim.

C. Date of Payment

The date of payment shall be the date of the check.

D. Clean Claim

A claim is considered to be a clean claim when a claim is complete and accurate with a claim form that includes all provider and member information, as well as medical records, additional information, or documents needed from the member or provider to enable SCFHP to process the claim.

E. Reimbursement Rates

1. Contracted Providers

Contracted Providers shall be paid in accordance with their applicable contract.

2. Non-Contracted Providers

- a. Medi-Cal: Non-contracted providers will be paid for covered services at not less than 100% of the Medi-Cal FFS rates.
- b. CMC: Non-contracted providers will be paid for covered services at not less than 100% of the applicable Medicare FFS rates.

III. Responsibilities

- A. Utilization Management (UM) is responsible for determining the medical necessity of services. In the event of services that require prior authorization, UM is to enter authorizations within the appropriate system for Medi-Cal and CMC members.
- B. The Claims Department is responsible for ensuring applicable PT, OT, ST rates and interest payments are calculated accurately, applied correctly, and processed timely.
- C. The Claims Department is responsible for running daily claims pend reports to monitor and track timely processing compliance for all claims.
- D. In accordance with SCFHP Confidentiality Policy, and all applicable State and Federal laws, any and all information that is required to be kept confidential, shall be kept confidential.
- E. The Claims Department will retain copies of all interest and penalty payments in accordance with SCFHP's Records Retention Policy.

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IV. References

Title 28, California Code of Regulations, Section 1300.71

www.Medi-Cal.ca.gov – Rehabilitation Therapy PT, OT, ST Services and any related provider manual policies.

Medicare Claims Processing Manual Chapter 5 – Part B Outpatient Rehabilitation and CORF/OPT Services –
<https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c05.pdf>

V. Approval/Revision History

First Level Approval		Second Level Approval		
Arlene Bell Director, Claims		Neal Jarecki Chief Financial Officer		
Date		Date		
Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
1	Original	Original 8/26/2016	N/A	N/A
2	Revised	Executive/Finance	Recommend / 5-27-2021	N/A

POLICY

Policy Title:	Processing of Inpatient Psychiatric Facility and Outpatient Behavioral Mental Health Claims	Policy No.:	CL.20 v4
Replaces Policy Title (if applicable):	Processing of Inpatient Psychiatric Facility and Outpatient Behavioral Mental Health Claims	Replaces Policy No. (if applicable):	CL.20 v3
Issuing Department:	Claims	Procedure Review Frequency:	Annual
Lines of Business (check all that apply):	<input checked="" type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> CMC	

I. Purpose

To accurately process claims regarding behavioral health in accordance with State and Federal regulatory requirements, as well as contractual obligations.

II. Policy

A. Timeframes

1. Contracted Providers

- a. **Medi-Cal:** For Medi-Cal claims related to inpatient psychiatric facility admissions, claims are carved out to Santa Clara County Behavioral Health Department. Outpatient claims from contracted providers, Santa Clara Family Health Plan (SCFHP) shall pay ninety-five percent (95%) of all clean claims within forty-five (45) working days of the date of receipt.
- b. **Cal Medi-Connect:** For Cal Medi-Connect (CMC) inpatient psychiatric facility admission claims and outpatient claims from contracted providers, SCFHP shall pay all claims within sixty (60) calendar days of the date of receipt.

2. Non-Contracted Providers

- a. **Medi-Cal:** For Medi-Cal claims related to inpatient psychiatric facility admissions, claims are carved out to Santa Clara County Behavioral Health Department. Outpatient claims from non-contracted providers, SCFHP shall pay ninety-five percent (95%) of all clean claims within forty-five (45) working days of the date of receipt.

POLICY

- b. Cal Medi-Connect: For Cal Medi-Connect (CMC) inpatient psychiatric facility admission claims and outpatient claims from non-contracted providers, SCFHP shall pay all claims within thirty (30) calendar days of the date of receipt.

B. Availability and Accessibility

SCFHP shall ensure the availability of, and accessibility to, emergency health care services including ambulance services, twenty-four hours-a-day and seven days-a-week.

SCFHP or its delegated groups are financially responsible for emergency services and urgently needed services:

- Regardless of whether services are obtained within or outside the plan's authorized service area and/or network (if applicable);
- Regardless of whether there is prior authorization for the services;
- If the emergency situation is in accordance with a prudent layperson's definition of "emergency medical condition," regardless of the final medical diagnosis.

C. Date of Receipt

The date of receipt shall be the working day when a claim, by physical or electronic means, is first delivered to either the Plan's specified claims payment office, post office box, or designated claims processor, or to the Plan's capitated provider for that claim.

D. Date of Payment

The date of payment shall be the date of the check.

E. Clean Claim

A claim is considered to be clean when it is complete and accurate with a claim form that includes all provider and member information, as well as medical records, additional information, or documents needed from the member or provider to enable SCFHP to process the claim.

F. Reimbursement Rates

1. Contracted Providers

Contracted Providers shall be paid in accordance with their applicable contract.

2. Non-Contracted Providers

- a. Medi-Cal: Non-contracted providers will be paid for covered services at not less than 100% of the Medi-Cal FFS rates.

POLICY

- b. CMC: Non-contracted providers will be paid for covered services at not less than 100% of the applicable Medicare FFS rates.

III. Responsibilities

- A. Utilization Management (UM) is responsible for determining the medical necessity of services. In the event of services that require prior authorization, UM is to enter authorizations within the appropriate system for Medi-Cal and CMC members.
- B. The Claims Department is responsible for ensuring applicable rates and interest payments are calculated accurately, applied correctly, and processed timely.
- C. The Claims Department is responsible for running daily claims pend reports to monitor and track timely processing compliance for all claims.
- D. In accordance with SCFHP Confidentiality Policy, and all applicable State and Federal laws, any and all information that is required to be kept confidential, shall be kept confidential.
- E. The Claims Department will retain copies of all interest and penalty payments in accordance with SCFHP's Records Retention Policy.

IV. References

Title 28, California Code of Regulations, Sections, 1300.67.2(c), 1300.71 and 1300.71.4(b)(d)

California W&I Code, Section 14105.28 and 14166 (b)(1)(A)(ii) – APR DRG Payment Methodology

CA Health and Safety Code section 1371.4(a)(b) and 1374.72(g)(2),

California W&I Code, Section 5150

Inpatient and Outpatient Mental Health Services provider manual policies - www.Medi-Cal.ca.gov
Medi-Cal Psychological and Psychiatry Services Provider Manual Policy

Medicare Chapter 1 – General Billing Requirement
<https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c17.pdf>

Medicare Chapter 3 – Inpatient Hospital Billing
<https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c03.pdf>

POLICY

Inpatient Psychiatric Facility PPS
<https://www.cms.gov/InpatientPsychFacilPPS>

V. Approval/Revision History

First Level Approval			Second Level Approval	
Arlene Bell Director, Claims			Neal Jarecki Chief Financial Officer	
Date			Date	
Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
1	Original – 8/26/2016	N/A	N/A	N/A
2	Revised – 11/16/2018	N/A	N/A	N/A
3	Revised – 2/19/2020	N/A	N/A	N/A
4	Revised	Executive/Finance	Recommend 5/27/2021	N/A

POLICY

Policy Title:	Overpayment Recovery	Policy No.:	CL.23 v2
Replaces Policy Title (if applicable):	Overpayment Recovery	Replaces Policy No. (if applicable):	CL.23 v1
Issuing Department:	Claims	Policy Review Frequency:	Annual
Lines of Business (check all that apply):	<input checked="" type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> CMC	

I. Purpose

To establish the policy for requesting provider refunds and receiving voluntary refunds from a provider related to overpayment of claims and to outline the plan's recovery process of overpaid claims through the refund request letter.

II. Policy

It is the policy of the Santa Clara Family Health Plan (SCFHP) to recover overpayments on claims paid to contracted and non-contracted providers.

A. Cal Medi-Connect (CMC):

As required by Medicare, SCFHP complies with the requirements pertaining to accurate and timely overpayment recovery. Overpayments are Medicare payments a provider or beneficiary has received in excess of amounts due and payable under the statute and regulations. Once a determination of overpayment has been made, the amount owed is a debt owed to the U.S. government.

1. Timeframe: SCFHP will send a written request for reimbursement to provider within 4 years of the Date of Payment on the overpaid claim. The 4 year time limit will not apply if the overpayment was caused in whole or in part by fraud or misrepresentation on the part of the provider.

B. Medi-Cal

It is the policy of SCFHP to adhere to requirements specified in Sections 1300.71 and 1300.71.38, California Code of Regulations Title 28, Claims Settlement Practices and Dispute Resolution Mechanism, when processing overpayments.

1. Timeframe: SCFHP will send a written request for reimbursement to provider within 365 days of the Date of Payment on the overpaid claim. The 365-day time limit shall not apply if the overpayment was caused in whole or in part by fraud or misrepresentation on the part of the provider.

POLICY

In the event that SCFHP is not permitted to retain some or all of the recoveries of overpayments, then SCFHP will pay recoveries of overpayments to DHCS as appropriate.

- C. SCFHP claims in conjunction with compliance promptly reports all overpayments identified or recovered that are deemed to be potential fraud, waste or abuse.
- D. SCFHP Claims and Finance Management annually report to DHCS their recoveries of overpayments.

III. Responsibilities

- A. The Claims Refund Recovery Specialist is responsible to generate refund requests to providers as identified by the various areas within SCFHP, along with research and resolve voluntary refunds received by a provider.
- B. The Claims Department is responsible to ensure all overpayment recoveries are calculated accurately, applied correctly, and processed timely.
- C. The Finance Department is responsible for reconciling transactions that impact SCFHP's financial statements.
- D. In accordance with SCFHP Confidentiality Policy, and all applicable State and Federal laws, any and all information that is required to be kept confidential, shall be kept confidential.
- E. The Claims Department will retain copies of all overpayment and recovery cases in accordance with SCFHP's Records Retention Policy.

IV. References

CMC:

- Medicare Financial Management Manual, Chapter 3 – Overpayments
- Medicare Financial Management, Chapter 4 – Debt Collection Manual
- Medicare Claims Processing Manual, Chapter 1 – General Billing Requirements
- Medicare Claims Processing Manual, Chapter 28 – Coordination with Medigap, Medicaid and other Commentary Insurers

Medi-Cal:

- 1300.71, California Code of Regulations Title 28, AB1455 - Claims Settlement Practices and Dispute Resolution Mechanism
- Title 28 CCR section 1300.71(d)(3)(4)(5)(6)
- 42 CFR 438.608(d)(2)(3).

POLICY

V. Approval/Revision History

First Level Approval		Second Level Approval		
Arlene Bell Director, Claims		Neal Jarecki Chief Financial Officer		
Date		Date		
Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
1	Original – 5/12/2017	N/A	N/A	N/A
2	Revised	Executive/Finance	Recommend 5/27/2021	N/A

POLICY

Policy Title:	Timely Processing of Non-Clean Claims	Policy No.:	CL.24 v1
Replaces Policy Title (if applicable):	Timely Processing of Non-Clean Claims	Replaces Policy No. (if applicable):	CL.24 v2
Issuing Department:	Claims	Procedure Review Frequency:	Annual
Lines of Business (check all that apply):	<input type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> CMC	

I. Purpose

To accurately and timely process non-clean claims in accordance with State and Federal regulatory requirements, as well as contractual obligations.

II. Policy

SCFHP shall conduct required outreach to providers to obtain information necessary to make appropriate claim decisions.

A. Timeframes

1. Contracted Providers

- a. Cal Medi-Connect: For Cal Medi-Connect (CMC) non-clean claims from contracted providers will pay or deny within sixty (60) calendar days of the date of receipt.

2. Non-Contracted Providers

- b. Cal Medi-Connect: For CMC non-clean claims from non-contracted providers, SCFHP will pay or deny all non-clean cleans within sixty (60) calendar days of the date of receipt.

B. Date of Receipt

The date of receipt shall be the working day when a claim, by physical or electronic means, is first delivered to either the Plan's specified claims payment office, post office box, or designated claims processor.

C. Date of Payment

The date of payment shall be the date of the check.

POLICY

D. Clean Claim

A claim is considered a clean claim when a claim is complete and accurate with a claim form that includes all provider and member information, as well as medical records, additional information, or documents needed from the member or provider to enable SCFHP to process the claim.

E. Non-Clean Claim

A claim missing key data, such as procedure, diagnosis, or provider information that prohibits the claim from being processed.

III. Responsibilities

- A. Utilization Management (UM) is responsible for determining the medical necessity of services. In the event of services that require prior authorization, UM is to enter authorizations within the appropriate system for CMC members.
- B. The Claims Department is responsible to adhere to Medicare non-clean claims guidelines on an on-going basis.
- C. The Claims Department is responsible for running daily claims pend reports to monitor and track timely processing compliance for all claims.
- D. The Claims Department is responsible for ensuring applicable Medicare reimbursement rates and interest payments are calculated accurately, applied correctly, and processed timely.
- E. In accordance with SCFHP Confidentiality Policy, and all applicable State and Federal laws, all information that is required to be kept confidential, shall be kept confidential.
- F. The Claims Department will retain copies of all interest and penalty payments in accordance with SCFHP's Records Retention Policy.

IV. References

42 C.F.R. § 422.520(a)(3); Medicare Managed Care Manual Chapter 11 – Section 100.2 & Chapter 13 – Section 40.1

42 C.F.R. § 422.566; and IOM Pub. 100-16,

Medicare Managed Care Manual, Chapter 4, Section 110.4



POLICY

Medicare Managed Care Chapter 13, Section 40.1

[Chapter 13 - Medicare Managed Care Beneficiary Grievances, Organization Determinations, and Appeals Applicable to Medicare Advantage Plans, Cost Plans, and Health Care Prepayment Plans \(HCPPs\), \(collectively referred to as Medicare Health Plans\) \(PDF\)](#)

Medicare Managed Care Manual, Chapter 13, Sections 70.7.1 and 70.7.2

Policy CL.26 Claim Development of Non Clean Non Contracted Medicare Claims

V. Approval/Revision History

First Level Approval		Second Level Approval		
Arlene Bell Director, Claims		Neal Jarecki Chief Financial Officer		
Date		Date		
Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
1	Original – 3/22/2019	N/A	N/A	N/A
2	Revised	Executive/Finance	Recommend 5/27/2021	N/A

POLICY

Policy Title:	Direct Member Reimbursement	Policy No.:	CL.25 v3
Replaces Policy Title (if applicable):	Direct Member Reimbursement	Replaces Policy No. (if applicable):	CL.25 v2
Issuing Department:	Claims	Procedure Review Frequency:	Annual
Lines of Business (check all that apply):	<input checked="" type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> CMC	

I. Purpose

To identify the process of handling requests for direct member reimbursement (DMR) to reimburse members for out-of-pocket charges paid for covered services rendered.

Policy

DMRs are defined as a request for payment to a beneficiary, including approvals, denials, partial approvals, reconsiderations and non-contract provider claim reconsiderations submitted by beneficiaries.

Santa Clara Family Health Plan (SCFHP) will pay or deny DMRs within 60 calendar days from the date all of the required information is received.

SCFHP members may be reimbursed for out-of-pocket charges that are approved and authorized, if required, and if the acceptable documentation is received for all lines of business.

SCFHP members have within 90 days from date of service for Medi-Cal LOB and within 180 days from date of service for CMC to submit request for reimbursement.

II. Responsibilities

Customer Service Department initiates the call log and provides Claims the pertinent information and receipts for proof of payment from the member.

Utilization Management (UM) is responsible for determining the medical necessity of services. In the event that services require prior authorization, UM will enter authorizations within the appropriate system for Medi-Cal and CMC members.

The Claims Department is responsible for determining if services are covered benefits and appropriate documentation has been provided.



POLICY

The Claims Department is responsible for ensuring applicable program reimbursement rates are calculated accurately and that claims are processed timely.

The Claims Department is responsible for running daily claims pend reports to monitor and track timely processing compliance for all claims.

In accordance with SCFHP Confidentiality Policy, and all applicable State and Federal laws, all information that is required to be kept confidential, shall be kept confidential.

The Claims Department will retain copies of all interest and penalty payments in accordance with SCFHP’s Records Retention Policy.

III. References

42 C.F.R. § 422.520(a)(3); Manual Ch. 11 – Section 100.2 & Ch. 13 – Section 40.1
 SCFHP Member Handbook – Evidence of Coverage (EOC)

IV. Approval/Revision History

First Level Approval	Second Level Approval
Arlene Bell Director, Claims	Neal Jarecki Chief Financial Officer
Date	Date

Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
1	Original – 3/21/2018	N/A	N/A	N/A
2	Revised – 3/22/2019	N/A	N/A	N/A
3	Revised	Executive/Finance	Recommend 5/27/2021	N/A

POLICY

Policy Title:	Claim Development of Non-Clean Non-Contracted Medicare Claims	Policy No.:	CL.26 v2
Replaces Policy Title (if applicable):	Claim Development of Non-Clean Non-Contracted Medicare Claims	Replaces Policy No. (if applicable):	CL.26 v1
Issuing Department:	Claims	Procedure Review Frequency:	Annual
Lines of Business (check all that apply):	<input type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> CMC	

I. Purpose

To define the manner in which Santa Clara Family Health Plan (SCFHP) will handle development of Non-Clean Non-Contracted Cal Medi-Connect (CMC) Claims and to accurately process claims in accordance with State and Federal regulatory requirements, as well as contractual obligations.

II. Policy

SCFHP will develop non-clean claims and process within 60 calendar days of receipt.

SCFHP will conduct required outreach to providers to obtain information necessary to make appropriate decisions for claims processing.

SCFHP will obtain any necessary clinical decisions or retro-authorizations for unauthorized claims from non-contracted CMC providers in order to determine the medical necessity and appropriateness of claims.

A. Timeframes

1. Non-Contracted Providers

- a. Cal Medi-Connect: For CMC non-clean claims from non-contracted providers, SCFHP will pay or deny them within sixty (60) calendar days of the date of receipt.

B. Date of Receipt

The date of receipt shall be the working day when a claim, by physical or electronic means, is first delivered to either the Plan's specified claims payment office, post office box, or designated claims processor, or to the Plan's capitated provider for that claim.

C. Date of Payment

The date of payment shall be the date of the check.

POLICY

D. Clean Claim

A claim is considered to be clean when it is complete and accurate with a claim form that includes all provider and member information, as well as medical records, additional information, or documents needed from the member or provider to enable SCFHP to process the claim.

E. Non-Clean Claim

A claim missing key data, such as procedure, diagnosis, or provider information that prohibits the claim from being processed.

F. Claim Development

Requesting the claims information from the non-contracted providers.

III. Responsibilities

- A. Utilization Management (UM) is responsible for determining the medical necessity of services. In the event of services that require prior authorization, UM is to enter authorizations within the appropriate system for CMC members.
- B. The Claims Department is responsible to adhere to Medicare non-clean claims guidelines on an on-going basis.
- C. The Claims Department is responsible for ensuring applicable Medicare reimbursement rates and interest payments are calculated accurately, applied correctly, and processed timely.
- D. The Claims Department is responsible for running daily claims pend reports to monitor and track timely processing compliance for all claims.
- E. In accordance with SCFHP Confidentiality Policy, and all applicable State and Federal laws, all information that is required to be kept confidential, shall be kept confidential.
- F. The Claims Department will retain copies of all interest and penalty payments in accordance with SCFHP's Records Retention Policy.

IV. References

42 C.F.R. § 422.520(a)(3); Medicare Managed Care Manual Chapter 11 – Section 100.2

42 C.F.R. § 422.566; and IOM Pub. 100-16

Medicare Managed Care Manual, Chapter 4, Section 110.4

Medicare Managed Care Chapter 13 – Beneficiary, Grievances, Organization Determinations and Appeals, Section 40.1 and 50.1

POLICY

V. Approval/Revision History

First Level Approval		Second Level Approval		
Arlene Bell Director, Claims		Neal Jarecki Chief Financial Officer		
Date		Date		
Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
1	Original – 05/11/2018	N/A	N/A	N/A
2	Revised	Executive/Finance	Recommend 5/27/2021	N/A

POLICY

Policy Title:	Non-Medical Transportation Services	Policy No.:	CL.27 v2
Replaces Policy Title (if applicable):	Non-Medical Transportation Services	Replaces Policy No. (if applicable):	CL.27 v1
Issuing Department:	Claims	Policy Review Frequency:	Annual
Lines of Business (check all that apply):	<input checked="" type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> CMC	

I. Purpose

To establish the policy for payment of Non-Medical Transportation services in accordance with State and Federal regulatory requirements.

II. Policy

A. Non-Medical Transportation (NMT) is payable at contracted rates or not less than the Medi-Cal FFS rate for non-contracted providers. No authorization is required for this service.

1. Indian Health Care Providers (IHCP) that provide NMT services follow the same requirements as other contracted or non-contracted providers, as applicable.
 - a. An Indian Health Care Provider (IHCP) is a health care program operated by the Indian Health Services (IHS), an Indian Tribe, a Tribal Organization, or an Urban Indian Organization as those terms are defined in Section 4 of the Indian Health Care Improvement Act (25 U.S.C. § 1603).
 - b. IHCPs are not required to be contracted with MCPs in order to be reimbursed for services provided to American Indians.

B. Timeframes

1. Contracted Providers

- a. **Medi-Cal:** For Medi-Cal claims regarding Non-Medical Transportation services from contracted providers, Santa Clara Family Health Plan (SCFHP) shall pay ninety-five percent (95%) of all clean claims within forty-five (45) working days of the date of receipt.
- b. **Cal Medi-Connect:** For Cal Medi-Connect (CMC) claims regarding Non-Medical Transportation services from contracted providers, SCFHP shall pay all clean claims within sixty (60) calendar days of the date of receipt.

POLICY

2. Non-Contracted Providers

- a. **Medi-Cal:** For Medi-Cal claims regarding Non-Medical Transportation services from non-contracted providers, SCFHP shall pay ninety-five percent (95%) of all clean claims within forty-five (45) working days of the date of receipt.
- b. **Cal Medi-Connect:** For Cal Medi-Connect (CMC) claims regarding Non-Medical Transportation services from non-contracted providers, SCFHP shall pay all clean claims within thirty (30) calendar days of the date of receipt.

C. Date of Receipt

The date of receipt shall be the working day when a claim, by physical or electronic means, is first delivered to either the Plan's specified claims payment office, post office box, or designated claims processor, or to the Plan's capitated provider for that claim.

D. Date of Payment

The date of payment shall be the date of the check.

E. Clean Claim

A claim is considered to be clean when it is complete and accurate with a claim form that includes all provider and member information, as well as medical records, additional information, or documents needed from the member or provider to enable SCFHP to process the claim.

III. Responsibilities

- A. The Claims department is responsible for timely processing NMT claims, ensuring that all applicable rates and interest payments are calculated accurately and applied correctly.
- B. The Claims Department is responsible for running daily claims pend reports to monitor and track timely processing compliance for all claims.
- C. Customer Service will coordinate NMT services.
- D. Provider Network Management will coordinate contracting, as applicable, provide education regarding requirements and benefits for NMT providers.
- E. In accordance with SCFHP Confidentiality Policy, and all applicable State and Federal laws, any and all information that is required to be kept confidential, shall be kept confidential.
- F. The Claims Department will retain copies of all interest and penalty payments in accordance with SCFHP's Records Retention Policy.

POLICY

IV. References

APL 17-010
 W&I Code, Section 14132(ad)(1); Section 14132(ad)(2)(A)(i)
 PPL No. 18-019
 PPL No. 20-005
 25 U.S. Code § 1603
 42 CFR 438.14(b)(2)

V. Approval/Revision History

First Level Approval		Second Level Approval		
Arlene Bell Director, Claims		Neal Jarecki Chief Financial Officer		
Date 7/22/2020		Date		
Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
1	Original – 7/22/2020	N/A	N/A	N/A
2	Revised	Executive/Finance	Recommend 5/27/2021	N/A

POLICY

Policy Title:	Finance - General	Policy No.:	FA.01 v2
Replaces Policy Title (if applicable):	N/A	Replaces Policy No. (if applicable):	N/A
Issuing Department:	Finance	Policy Review Frequency:	Annual
Lines of Business (check all that apply):	<input checked="" type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> CMC	

I. Purpose

This policy governs the general financial policies and procedures used by SCFHP.

II. Policy

SCFHP's Governing Board, Executive Management Team, and generally-accepted accounting principles (GAAP) require that the Finance department implement and maintain proper controls and procedures to ensure that the Plan's assets are protected, properly recorded, and periodically reconciled.

This policy will ensure that the Finance department has sufficient procedures governing the general Finance areas not otherwise addressed through specific procedures for a specific area (e.g., Cash Receipts).

This policy will be supported by specific detailed procedures on:

- a. Finance definitions,
- b. Asset access controls
- c. Budgeting & forecasting
- d. Member months
- e. Audit preparation
- f. Financial systems access,
- g. Accounting calendar development
- h. Commercial insurance
- i. Administrative expense allocations
- j. Any future procedures of a general financial nature as needed.

III. Responsibilities

The Chief Financial Officer has overall responsibility for this policy. The Controller has responsibility for implementation, periodic updates, and oversight of the Finance's staff adherence to this policy and all related procedures.

POLICY

IV. References

None

V. Approval/Revision History

First Level Approval		Second Level Approval		
Barbara Granieri, Controller		Neal Jarecki, CFO		
5/3/21		Date		
Date		Date		
Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
V1	Original	Executive/Finance Committee	Approved 05/01/19	Approved 06/27/19

POLICY

Policy Title:	Cash & Cash Receipts	Policy No.:	FA.02 v2
Replaces Policy Title (if applicable):	N/A	Replaces Policy No. (if applicable):	N/A
Issuing Department:	Finance	Policy Review Frequency:	Periodically As Warranted
Lines of Business (check all that apply):	<input checked="" type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> CMC	

I. Purpose

This policy governs all Cash and Cash Receipts received by SCFHP.

II. Policy

SCFHP's Governing Board, Executive Management Team, and generally-accepted accounting principles (GAAP) require that the Finance department implement and maintain proper controls and procedures governing cash and cash receipts to ensure that the Plan's assets are protected, properly recorded, and periodically reconciled.

This policy will be supported by specific detailed procedures on:

- Cash receipts
- Incoming wire transfers
- Bank accounts
- Bank statement reconciliations
- Incoming Finance mail
- Petty cash
- Any future cash receipts procedures as needed.

III. Responsibilities

The Chief Financial Officer has overall responsibility for this policy. The Controller has responsibility for implementation, periodic updates, and oversight of the Finance's staff adherence to this policy and all related procedures.

IV. References

None.

POLICY

V. Approval/Revision History

First Level Approval		Third Level Approval		
Barbara Granieri, Controller		Neal Jarecki, CFO		
5/3/21				
Date		Date		
Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
V1	Original	Executive/Finance Committee	Approved 05/01/19	Approved 06/27/19

POLICY

Policy Title:	Cash Disbursements	Policy No.:	FA.03 v2
Replaces Policy Title (if applicable):	N/A	Replaces Policy No. (if applicable):	N/A
Issuing Department:	Finance	Policy Review Frequency:	Annually
Lines of Business (check all that apply):	<input checked="" type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> CMC	

I. Purpose

SCFHP's Governing Board, Executive Management Team, and generally-accepted accounting principles (GAAP) require that the Finance department implement and maintain proper controls, policies and procedures governing all disbursement of funds, and ensure that the Plan's assets are protected, properly recorded, and routinely reconciled.

II. Policy

The Chief Executive Officer (CEO) and Executive Management Team are charged with the authority and responsibility for maximizing the purchasing value of the Plan's funds as follows:

- a. Acquiring services, supplies and equipment for all department in an economical, consistent, expeditious, and reasonable manner.
- b. Analyzing bids, awarding contracts, and assuring vendor performance through effective contract administration.
- c. Identifying qualified vendors and maintaining good vendor relationships.
- d. Educating and training employees and vendors on this policy and associated procedures.

Unless specifically exempted, no expenditure of funds should occur without a contract, statement of work (SOW), or check request approved by the CEO (or, for urgent purchases and/or in the CEO's absence, an Executive Management designee). Exceptions include:

- a. Contracts with healthcare providers involved in the delivery of healthcare services (which are governed by specific procedures of the Provider Network Management department).
- b. Personnel (which are governed by specific procedures of the Human Resources department).
- c. Items under \$1,000, which are subject to approval after purchase.
- d. Urgent purchases, as designated by the CEO or CFO. Emergency purchases require CEO or CFO advance approval. Should an emergency occur in the absence of the CEO and CFO, another Executive may approve the purchase and subsequently the purchase will be approved by the CFO.

POLICY

- e. Telephone and utilities expenses, which are recurring in nature and require initial approval by the Facilities department and CFO.
- f. Brokered insurance and reinsurance, following a competitive bidding process, which require CFO review and approval.
- g. Postage, delivery and shipping charges, which require approval after purchase.
- h. Janitorial or facilities services, which require approval after purchase.
- i. Purchases made via credit card or purchasing card, which require subsequent approval.

All contracts in excess of \$250,000 require the review and approval of the Governing Board or the Executive/Finance Committee.

This policy is supported by detailed procedures on such topics as:

- a. Procurement
- b. Contracting
- c. Payment processing
- d. Authorization of administrative and capital expenditures
- e. Company credit & purchasing cards
- f. Accounts payable vendor maintenance
- g. Company accounts with outside vendors
- h. Prepaid expense
- i. Stale checks & escheatment
- j. Provider refunds
- k. Any future cash disbursement procedures as needed.

III. Responsibilities

The Chief Financial Officer has overall responsibility for this policy. The Controller has responsibility for implementation, periodic updates, and oversight of the Finance's staff adherence to this policy and all related procedures.

IV. References

None.

POLICY

V. Approval/Revision History

First Level Approval	Third Level Approval
Barbara Granieri, Controller	Neal Jarecki, CFO
5/3/21	
Date	Date

Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
V1	Original	NA	NA	Approved 12/13/18

POLICY

Policy Title:	Accounts Receivable and Revenue	Policy No.:	FA.04 v2
Replaces Policy Title (if applicable):	N/A	Replaces Policy No. (if applicable):	N/A
Issuing Department:	Finance	Policy Review Frequency:	Annual
Lines of Business (check all that apply):	<input checked="" type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> CMC	

I. Purpose

This policy governs all accounts receivables and revenue recorded by SCFHP.

II. Policy

SCFHP's Governing Board, Executive Management Team, and generally-accepted accounting principles (GAAP) require that the Finance department implement and maintain proper controls and procedures governing accounts receivables and revenues to ensure that the Plan's assets are protected, properly recorded and periodically reconciled.

This policy will be supported by specific detailed procedures:

- Capitation
- Premiums accounts receivable/revenue
- Supplemental (kick) accounts receivable/revenue
- Healthy Kids' member accounts receivable/revenue
- Pass-through accounts receivable/revenue
- Any future accounts receivable/revenue procedures as needed.

III. Responsibilities

The Chief Financial Officer has overall responsibility for this policy. The Controller has responsibility for implementation, periodic updates, and oversight of the Finance's staff adherence to this policy and all related procedures.

IV. References

None.

POLICY

V. Approval/Revision History

First Level Approval	Third Level Approval
Barbara Granieri, Controller	Neal Jarecki, CFO
5/3/21	
Date	Date

Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
V1	Original	Executive/Finance Committee	Approved 05/01/19	Approved 06/27/19

POLICY

Policy Title:	Payroll & Employee Expenses	Policy No.:	FA.05 v2
Replaces Policy Title (if applicable):	N/A	Replaces Policy No. (if applicable):	N/A
Issuing Department:	Finance	Policy Review Frequency:	Annual
Lines of Business (check all that apply):	<input checked="" type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> CMC	

I. Purpose

This policy governs all payroll and employee expenses recorded by SCFHP.

II. Policy

SCFHP's Governing Board, Executive Management Team, and generally-accepted accounting principles (GAAP) require that the Finance department implement and maintain proper controls and procedures governing payroll and employee expenses to ensure that the Plan's assets are protected, properly recorded and periodically reconciled.

This policy will be supported by specific detailed procedures on:

- Payroll & employee benefits processing
- Reimbursed business expenses
- Employee gift cards
- Any future payroll and/or employee expense procedures as needed.

III. Responsibilities

The Chief Financial Officer has overall responsibility for this policy. The Controller has responsibility for implementation, periodic updates, and oversight of the Finance's staff adherence to this policy and all related procedures.

IV. References

None.

POLICY

V. Approval/Revision History

First Level Approval	Third Level Approval
Barbara Granieri, Controller	Neal Jarecki, CFO
Date	Date

Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
V1	Original	Executive/Finance Committee	Approved 05/01/19	Approved 06/27/19

POLICY

Policy Title:	Fixed Assets & Depreciation Expense	Policy No.:	FA.06 v2
Replaces Policy Title (if applicable):	N/A	Replaces Policy No. (if applicable):	N/A
Issuing Department:	Finance	Policy Review Frequency:	Annual
Lines of Business (check all that apply):	<input checked="" type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> CMC	

I. Purpose

This policy governs all fixed asset and depreciation transactions recorded by SCFHP.

II. Policy

SCFHP's Governing Board, Executive Management Team, and generally-accepted accounting principles (GAAP) require that the Finance department implement and maintain proper controls and procedures governing fixed asset transactions to ensure that the Plan's assets are protected, properly recorded and periodically reconciled.

This policy will be supported by specific detailed procedures on:

- Capital asset acquisitions
- Depreciation & amortization expense
- Disposition of fixed asset
- Any future fixed asset procedures as needed.

III. Responsibilities

The Chief Financial Officer has overall responsibility for this policy. The Controller has responsibility for implementation, periodic updates, and oversight of the Finance's staff adherence to this policy and all related procedures.

IV. References

None.

POLICY

V. Approval/Revision History

First Level Approval	Third Level Approval
Barbara Granieri, Controller	Neal Jarecki, CFO
5/3/21	
Date	Date

Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
V1	Original	Executive/Finance Committee	Approved 05/01/19	Approved 06/27/19

POLICY

Procedure Title:	Investments	Procedure No.:	FA.07 v3
Replaces Procedure Title (if applicable):		Replaces Procedure No. (if applicable):	
Issuing Department:	Finance	Procedure Review Frequency:	Annual
Lines of Business (check all that apply):	<input checked="" type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> CMC	

I. PURPOSE

This investment policy sets for the investment guidelines and structure for the investment of short- term operating funds not required for the immediate needs on and after April 22, 2021 of the Santa Clara Family Health Plan (SCFHP or the Plan) which was established by the Santa Clara County Board of Supervisors under Ordinance 300.576 and licensed by the State of California under the Knox-Keene Act of 1975 in 1996.

Investments may only be made as authorized by this Annual Investment Policy. SCFHP is required to invest its funds in accordance with the California Government Code Sections 27130 et seq., Sections 53635 and/or 53601 et seq., Section 1346 of the Knox- Keene Act of 1975 as well as the prudent investment standard:

The Prudent Investor Standard: When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of SCFHP, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency (California Government Code Section 53600.3).

II. OBJECTIVES

- i. **Safety:** the primary objective of this policy is the preservation of principal; avoiding capital losses by minimizing credit risk and interest rate or market risk.
- ii. **Liquidity:** maintain sufficient liquidity to meet the operating requirements for six months.
- iii. **Yield:** achieve a market-average rate of return (yield) through budgetary and economic cycles, considering SCFHP’s regulatory constraints and cash flow characteristics. Investments will be limited to low risk securities in anticipation of earning a fair return relative to the risk being assumed.
- iv. **Diversification:** provide diversification of the portfolio securities to avoid incurring unreasonable market and credit risks.

POLICY

III. INVESTMENT STRATEGY

The Plan will adhere to the investment goal of holding investments to maturity. From time to time, the portfolio may go out of alignment. The Chief Financial Officer may choose to rebalance the portfolio earlier to bring it back into compliance if the portfolio will not suffer any losses for selling the investment prior to maturity.

IV. ETHICS AND CONFLICTS OF INTEREST

SCFHP's officers, employees and Governing Board members involved in the investment process shall refrain from personal and professional business activities that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. SCFHP's officers and employees involved in the investment process are not permitted to have any material financial interests in financial interests in financial institutions, including state or federal credit unions, that conduct business with SCFHP, and they are not permitted to have any personal financial or investment holdings that could be materially related to the performance of SCFHP's investments.

V. DELEGATION OF AUTHORITY

A. County of Santa Clara Commingled Investment Pool

The Governing Board is responsible for the management and oversight of SCFHP's investment program. The Board has directed that available excess funds not required for immediate operational cash flow purposes be deposited with the County Treasurer into the County of Santa Clara Commingled Investment Pool which will be invested by the County Treasurer in accordance with the policies contained in the County of Santa Clara Treasury Investment Policy, now in effect, and which may be revised from time to time. As per the deposit requirements for county health plans under California Health and Safety Code Section 1346 and 1376.1, depositing SCFHP's excess funds with the County of Santa Clara is permitted if:

- (1) All of the evidence of indebtedness of the County, has been rated "A" or better by Moody's Investors Service, Inc. or Standard & Poor's Corporation, based on a rating conducted during the immediately preceding 12 months.
- (2) The County has cash or cash equivalents in an amount equal to fifty million dollars or more, based on its audited financial statements for the immediately preceding fiscal year.
- (3) The day-to-day managing, reporting, and oversight of the investment contractual obligations between the County and SCFHP shall be the responsibility of SCFHP's Chief Financial Officer.

POLICY

B. Depository (Financial) Institutions

All SCFHP money shall be deposited in financial institutions that meet the requirements as set forth in Section 53635.2 and authorized by the Board. The financial institution shall have received an overall rating of not less than “satisfactory” in its most recent evaluation by its appropriate federal financial supervisory agency. In addition, the depository financial institution shall maintain a rating of its senior long-term debt obligations, deposit rating or claims-paying ability rating, or is guaranteed by an entity whose obligations are rated not lower than “AA- by S&P, AA- by Fitch or “Aa3” by Moody’s or its equivalent from another nationally recognized rating agency.

(1) All depository institutions shall provide SCFHP with notification of any downgrades in long-term ratings or any unsatisfactory rating by their appropriate federal financial supervisory agency within 10 days of such downgrade.

(2) Any downgrade in ratings of a financial institution holding SCFHP funds, shall be provided to the Board by the Chief Financial Officer.

(3) The day-to-day managing, reporting, and oversight of the depository and investment contractual obligations for SCFHP shall be the responsibility of SCFHP’s Chief Financial Officer.

(4) The Board of Directors may renew the delegation of authority to enter into depository and investment relationships annually.

(5) Funds not required to compensate for transaction costs shall be invested in and earn a market rate of return in the depository institution’s highest rated money market mutual fund as permitted by the California Government Code, Section 53600 et seq.

C. Portfolio Investment Manager

The Governing Board may grant authority to a qualified investment manager to direct investments of excess funds in accordance with the AIP and be subject to periodic review for compliance to the AIP. The qualified investment manager must meet all requirements established by federal and California law. Any Board-approved changes in Permitted Investments and the AIP shall be communicated to the investment manager upon approval.

D. Exceptions to this Policy

The Governing Board may grant express written authority to make a one-time investment not permitted by this Policy however, the investment must be permitted by the CA Government code. The Board of Directors may also make amendments to the AIP at any quarterly meeting as needed.

VI. AUTHORIZED INVESTMENTS

POLICY

- A. Authorized Investment Types: SCFHP shall invest only in instruments as permitted by the CA Government Code, subject to the limitations of this AIP.
1. Permitted investments in the managed portfolio shall be considered short-term operating funds and are subject to a maximum stated term of four hundred fifty (450) days.
 2. The Governing Board may designate a reserve fund for excess funds not required for operational cash flow for which permitted investments are subject to a maximum term of five years pursuant to the Code.

INVESTMENT TYPE	MAXIMUM REMAINING MATURITY	MAXIMUM SPECIFIED % OF PORTFOLIO	MINIMUM QUALITY REQUIREMENTS
U.S. Treasury Obligations	5 years	None	None. May invest in securities that could result in zero or negative interest accrual if held to maturity, in the event of a period of negative market interest rates.
U.S. Agency Obligations	5 years	None	None
State Obligations: CA and Others	5 years	None	None for CA; AA or better for other States
CA Local Agency Obligations	5 years	None	AA rated
Commercial Paper: Non-Pooled Funds (minimum \$100,000,000 of investments)	270 days or less	40% of Plan's investible funds	Highest letter and number rating by an NRSRO ^{1,5}
Placement Service Certificates of Deposit	2 years	\$250,000 per deposit per institution	FDIC insured at all times
Repurchase Agreements	1 year	None	U.S. Treasury and Agency Obligations
Medium-term Notes	5 years or less	30% (with not more than 10 % in any one institution)	"A" rating category or better
Mutual Funds and Money Market Mutual Funds	N/A	20% (no more than 10% invested in any one mutual fund; limitation does not apply to	Multiple ²

POLICY

		money market mutual funds)	
Collateralized Bank Deposits	5 years	None	If investments require collateral, collateral must be placed in institution not affiliated with the issuer of the obligation.
Mortgage Pass-through and Asset Backed Securities	5 years or less	20%	“AA” rating category or its equivalent or better ⁴
County Pooled Investment Funds- Santa Clara County Pool	N/A	None	A or better
Joint Powers Authority Pool (CAMP, CalTrust)	N/A	None	Multiple ³
Local Agency Investment Fund (LAIF)	N/A	None	None
Supranational Obligations	5 years or less	30%	“AA” rating or better
<u>Public Bank Obligations</u>	<u>5 years</u>	<u>None</u>	<u>Section 57600 (b) ⁶</u>

1 Issuing corporation must be organized and operating within the U.S., have assets in excess of \$500 million, and debt other than commercial paper must be in a rating category of “A” or its equivalent or higher by a nationally recognized statistical rating organization, or the issuing corporation must be organized within the U.S. as a special purpose corporation, trust, or LLC, have program wide credit enhancements, and have commercial paper that is rated “A-1” or higher, or the equivalent, by a nationally recognized statistical rating agency (NSRO).

2 A money market mutual fund must receive the highest ranking by not less than two nationally recognized rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years’ experience investment in money market instruments with assets under management in excess of \$500 million.

3 A joint powers authority pool must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years’ experience investment in instruments authorized by Section 53601, subdivisions (a) to (o).

4 Any investments in asset-backed securities (mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment lease-backed certificates, consumer receivable pass-through certificates, or consumer receivable-backed bonds) are required to have a maximum remaining maturity of five years or less. While the Legislature removed the requirement that the securities’ issuer be rated “A” or its equivalent or better for the issuer’s debts in accordance with a nationally recognized statistical rating organization (NRSRO), the Plan retains this requirement.

5 In 2021, Section 53601 (h) amended to allow local agencies that have one hundred million dollars or more of investment assets under management to invest no more than 40% of their moneys in eligible commercial paper. Further amendment to Section 53601 limits local agencies to invest no more than 10% of their total investment assets in commercial paper and medium- term notes of any single issuer.

POLICY

⁶ Public Bank means a corporation organized under the Nonprofit Mutual benefit corporation Law for the purpose of engaging in the commercial banking business or industrial banking business that is wholly owned by a local agency, local agencies or a joint powers authority that is composed only of local agencies. A local agency may invest in commercial paper, debt securities, or other obligations of a public bank.

- B. Prohibited Investment Types: CA Government Code Section 53601.6 prohibits local agencies from investing in inverse floaters, range notes, or mortgage-derived, interest-only strips, and any security which could result in zero interest accrual if held to maturity. In addition, the Plan does not authorize investment in the following:
- i. Bankers' Acceptances
 - ii. Commercial Paper: Pooled Funds (pertains only to Managed Portfolio)
 - iii. Negotiable Certificates of Deposit
 - iv. Non-negotiable Certificates of Deposit
 - v. Reverse Repurchase Agreements and Securities Lending Agreements
 - vi. Voluntary Investment Program Fund

VII. REPORTING REQUIREMENTS

The following documents and reports will be periodically provided to support the investment procedures, oversight and reporting requirements:

- A. County of Santa Clara Investment Pool Disclosure and Agreement for Voluntary Deposits
- B. County of Santa Clara Treasury Investment Policy
- C. County of Santa Clara Treasury Quarterly Report
- D. SAP Balance and Interest Earnings Report of SCFHP Invested Funds
- E. Depository Institution – daily transaction and monthly activity report
- F. Managed Portfolio - Month-end and quarter-end portfolio performance summary, income, ending balance sheet, trading activity, transaction detail and portfolio diversification report. The listing must include issuer names, dates of maturity, par amounts, dollar amount, market values as of month-end and comparable published index as to diversification and duration that most closely tracks the performance of the portfolio.
- G. Investment Oversight Quarterly Report – provides independent review of all invested funds for tracking of AIP, diversification requirements and performance review. Minimum reporting requirements includes a listing of the types of investment, issuer names, dates of maturity, par amounts, dollar amount, market values, descriptions of the programs under the management of contracted parties, a statement of compliance with the investment policy, and a statement of the ability to meet cash flow needs for six months. Any irregularities shall be noted and included in the report.

POLICY

VIII. REVIEW OF INVESTMENT POLICY

At least annually and more frequently as needed, the Governing Board will review this investment policy at a regular meeting of the Board. Any recommended changes to the Policy, including modifications to current investment strategy, oversight procedures including internal controls will be first be brought to the Executive/Finance Committee by the CFO for review and approval prior to presentation to the Board. The Executive Committee and Board of Directors will be supported in this work by the CFO, investment advisors and legal counsel for financial and legal issues, respectively.

Any modifications to this Investment Policy, including withdrawal from the County of Santa Clara Commingled Investment Pool, will be made in accordance with California Government Code Sections 27130 et seq., Sections 53635 and/or 53601 et seq., Section 1346 of the Knox Keene Act of 1975 as well as the prudent investment standard.

IX. Approval/Revision History

First Level Approval		Third Level Approval		
Barbara Granieri, Controller 5/3/21		Neal Jarecki, CFO		
Date		Date		
Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
V1	Original	Executive/Finance Committee	Approved 04/26/18	Approved 06/28/18
V2	Reviewed	Executive/Finance Committee	Reviewed (no changes) 05/01/19	Approved 6/27/19

POLICY

Policy Title:	Treasury & Debt	Policy No.:	FA.08 v2
Replaces Policy Title (if applicable):	N/A	Replaces Policy No. (if applicable):	N/A
Issuing Department:	Finance	Policy Review Frequency:	Annual
Lines of Business (check all that apply):	<input checked="" type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> CMC	

I. Purpose

This policy governs all treasury and debt transactions recorded by SCFHP.

II. Policy

SCFHP's Governing Board, Executive Management Team, and generally-accepted accounting principles (GAAP) require that the Finance department implement and maintain proper controls and procedures governing treasury and debt to ensure that the Plan's assets are protected, properly recorded and periodically reconciled.

This policy will be supported by specific detailed procedures on:

- Treasury management
- Debt
- Any future treasury or debt procedures as needed.

III. Responsibilities

The Chief Financial Officer has overall responsibility for this policy. The Controller has responsibility for implementation, periodic updates, and oversight of the Finance's staff adherence to this policy and all related procedures.

IV. References

None.

POLICY

V. Approval/Revision History

First Level Approval	Third Level Approval
Barbara Granieri, Controller	Neal Jarecki, CFO
5/3/21	
Date	Date

Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
V1	Original	Executive/Finance Committee	Approved 05/01/19	Approved 06/27/19

POLICY

Policy Title:	Financial Close & Reporting	Policy No.:	FA.09 v2
Replaces Policy Title (if applicable):	N/A	Replaces Policy No. (if applicable):	N/A
Issuing Department:	Finance	Policy Review Frequency:	Annual
Lines of Business (check all that apply):	<input checked="" type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> CMC	

I. Purpose

This policy governs the financial closing and reporting processes used by SCFHP.

II. Policy

SCFHP's Governing Board, Executive Management Team, and generally-accepted accounting principles (GAAP) require that the Finance department implement and maintain proper controls and procedures governing financial close and reporting to ensure that the Plan's assets are protected, properly recorded, and periodically reconciled.

This policy will be supported by specific detailed procedures on:

- Month-end close & reconciliation process
- Journal entries
- Internal financial reporting
- External & regulatory financial reporting
- Monitoring of capitated providers' financial solvency
- Tangible net equity (TNE)
- Managed care organization (MCO) taxes
- Month-end close analysis
- Any future financial close and reporting procedures as needed.

III. Responsibilities

The Chief Financial Officer has overall responsibility for this policy. The Controller has responsibility for implementation, periodic updates, and oversight of the Finance's staff adherence to this policy and all related procedures.

IV. References

POLICY

None.

V. Approval/Revision History

First Level Approval	Third Level Approval
<hr/> Barbara Granieri, Controller 5/3/21 <hr/> Date	<hr/> Neal Jarecki, CFO <hr/> Date

Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
V1	Original	Executive/Finance Committee	Approved 05/01/19	Approved 06/27/19

POLICY

Policy Title:	Medical Expense & Incurred-But-Not Paid (IBNP)	Policy No.:	FA.10 v2
Replaces Policy Title (if applicable):	N/A	Replaces Policy No. (if applicable):	N/A
Issuing Department:	Finance	Policy Review Frequency:	Annual
Lines of Business (check all that apply):	<input checked="" type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> CMC	

I. Purpose

This policy governs all medical expense and IBNP transactions recorded by SCFHP.

II. Policy

SCFHP's Governing Board, Executive Management Team and generally-accepted accounting principles (GAAP) require that the Finance department implement and maintain proper controls and procedures governing medical expense recordation and IBNP to ensure that the Plan's assets are protected, properly recorded, and periodically reconciled.

This policy will be supported by specific detailed procedures on:

- Fee-for-service (FFS) provider payments
- Pharmacy expense
- Pharmacy rebates
- IBNP calculations (claims incurred-but-not-paid)
- Reinsurance expense
- Reinsurance recoveries
- Any future medical expense and IBNP procedures as needed.

III. Responsibilities

The Chief Financial Officer has overall responsibility for this policy. The Controller has responsibility for implementation, periodic updates, and oversight of the Finance's staff adherence to this policy and all related procedures.

IV. References

None.

POLICY

V. Approval/Revision History

First Level Approval	Third Level Approval
Barbara Granieri, Controller 5/3/21	Neal Jarecki, CFO
Date	Date

Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
V1	Original	Executive/Finance Committee	Approved 05/01/19	Approved 06/27/19

POLICY

Policy Title:	Healthcare Economics	Policy No.:	FA.11 v2
Replaces Policy Title (if applicable):	N/A	Replaces Policy No. (if applicable):	N/A
Issuing Department:	Finance	Policy Review Frequency:	Annual
Lines of Business (check all that apply):	<input checked="" type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> CMC	

I. Purpose

This policy governs all key functions performed by the Healthcare Economics team.

II. Policy

SCFHP's Governing Board and Executive Management Team require that the Healthcare Economics team implement and maintain proper controls and procedures governing certain key tasks to ensure that the Plan's assets are protected, transactions are properly recorded, and records are periodically reconciled.

This policy will be supported by specific detailed procedures on:

- Target claims audits
- Monthly calculation and payment of capitation to delegates
- Medicare prescription drug event (PDE) reporting
- Any future Healthcare Economics procedures as needed.

III. Responsibilities

The Chief Financial Officer has overall responsibility for this policy. The Director of Healthcare Economics has responsibility for implementation, periodic updates, and oversight of the staff's adherence to this policy and all related procedures.

IV. References

None.

POLICY

V. Approval/Revision History

First Level Approval	Third Level Approval
Ngoc Bui-Tong, VP, Strategies and Analytics	Neal Jarecki, CFO
Date	Date

Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
V1	Original	Executive/Finance Committee	Approved 05/01/19	Approved 06/27/19

**Santa Clara Family Health Plan
Quarterly Investment Compliance Report
for the Quarter Ended March 31, 2021**

1. OVERVIEW

The California Government Code (the Code), Section 53646, which governs Santa Clara Family Health Plan's (the Plan's) investments, states that the Chief Financial Officer may render a quarterly report on the status of investment portfolio and excess cash to its Governing Board.

This quarterly report contains a listing of investments, fund balances, activity, and return on investments made by the Plan. Quarterly reports also reflect the current positions and past performance of a portfolio of investments for the period of time under consideration.

This quarterly report also includes 1) a statement of compliance with the investment policy or an explanation for non-compliance; and 2) a statement of SCFHP's ability to meet its expenditure requirements for the next six months (and an explanation of why sufficient money would not be available, if that were the case).

The Plan's investments and excess cash accounts currently include:

1. County of Santa Clara Comingled Investment Pool (County Pool)
2. Wells Fargo Investment Management Portfolio (Portfolio)
3. Wells Fargo Stagecoach Money Market Fund (Sweep)

2. COMPLIANCE WITH ANNUAL INVESTMENT POLICY

Based upon our independent compliance review of the quarterly investment reports prepared for the County Pool, and Portfolio investments and the Sweep account, all investments were in compliance with the Santa Clara Family Health Plan's 2021 Annual Investment Policy adopted April 22, 2021. Investments made by Wells Fargo Asset Management are made in keeping with the Annual Investment Policy and the California Government Code.

As required by the Code, the quarter end listing of the portfolio holdings is attached to this report.

3. PORTFOLIO SUMMARY

As of March 31, 2021, the market values of the investments of the SCFHP in the County Pool, the Wells' managed portfolio and the Wells' Stagecoach Money Market Fund (Sweep Account) are as follows:

County Commingled Investment Pool (County Pool)	Wells Fargo Asset Management Portfolio (Portfolio)	Wells Fargo Stagecoach Money Market Fund (Sweep Account)	Total
\$157,013,467	\$331,005,299	\$39,058,250	\$527,077,016

4. SIX MONTH CASH SUFFICIENCY

The Plan's CFO confirmed to Sperry Capital that as of the quarter ending March 31, 2021, the Plan has sufficient cash on-hand plus projected revenues to meet its operating expenditure requirements for at least the next six months.

5. DIVERSIFICATION COMPLIANCE

As of March 31, 2021, the investment composition of the Wells Portfolio and Sweep accounts is compliant with the SCFHP Annual Investment Policy 2021.

The published Quarterly Investment Report as of March 31, 2021 for the Commingled Investment Pool indicates compliance with the County Treasurer's Investment Policy and Diversification parameters. There is no maximum percentage requirement for investment in the Commingled Investment Pool.

6. ACTUAL VS. DIVERSIFICATION REQUIREMENTS

Investment Type	Maximum Maturity	Maximum Specified % of Portfolio	Minimum Quality Requirements	Portfolio As of 12-31-2020	Compliance
Wells Stagecoach MMF	N/A	20%	**	39,058,250	Yes
Wells Govt MMF	N/A	20%	**	2,804,298	Yes
Commingled Investment Pool	N/A	None	None	157,013,467	Yes
U.S. Treasury Obligations	450 days	None	None	95,760,613	Yes
U.S. Agency Obligations	450 days	None	None	142,962,422	Yes
Commercial Paper (Non-Pooled Funds)	270 days	40% of the Plan's investible funds	Highest letter & number rating by a national rating agency	39,450,001	Yes
CA Local Agency Obligations	450 days	None	None	7,978,808	Yes
Medium-Term Notes	450 days	30% (with not more than 20% in any 1 institution)	"A" rating or better	35,680,542	Yes
Supranationals	450 days	30%	"AA" rating or better	11,005,166	Yes
Cash		None		-4,636,551	Yes

***A money market mutual fund must receive the highest ranking by not less than two nationally recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years' experience investing in money market instruments with assets under management in excess of \$500 million.*

7. PERFORMANCE

For the quarter ended March 31, 2021.

Wells Fargo Asset Managed Portfolio

Annualized Yield = 0.00%* (0.00% = quarter-end; net of fees)

Primary Benchmark: ICE BofA Merrill Lynch 3-Month T-Bill: 0.03%

Average Duration: 0.178 years*

Average Effective Maturity: 0.199 years*

**provided by Wells Fargo Asset Management*

Santa Clara County Commingled Investment Pool

Annualized Yield = .88%

Weighted average life = 1.64 years (597 days)

Benchmark: LAIF = 0.41%; weighted average life = 0.55 years (202 days)

Benchmark: 2-year T-Note = 0.13% (730 days)

Stagecoach Sweep Account (Wells Money Market Mutual Fund)

Annualized Yield = 0.01%

Benchmark: Fidelity Class 1 (FIGXX) MMF = 0.03%



ATTACHMENT

Portfolio listing of the Wells Fargo Asset Managed Portfolio as of March 31, 2021

Sperry Capital Inc. Disclaimer: *Sperry Capital provides this Investment Summary Report for the sole use by the Santa Clara Family Health Plan and is not intended for distribution other than to members of the Board and Financial Committees of the Santa Clara Family Health Plan. This report is based on information prepared and distributed by and market valuations provided by Wells Fargo Asset Management and the Santa Clara County Treasurer's Pool, for those funds held by those entities respectively. Sperry Capital does not provide investment advice or profess an opinion as to asset allocation, appropriateness of investment or recommend alternative investment strategies. Sources for the material contained herein are deemed reliable but cannot be guaranteed.*



Portfolio Holdings

US Dollar
As of 31 March 2021

WC-Santa Clara Family HealthPI
Account: XXXX5000
Investment Strategy: Short Duration Fixed Income
Primary Benchmark: ICE BofA 3-Month US Treasury Bill Index

WELLS
FARGO
Asset
Management

Identifier, Description	Base Original Units, Base Current Units	Coupon, Rating	Final Maturity, Effective Maturity	Base Book Value	Market Price, Yield	Base Accrued Balance, Base Net Total Unrealized Gain/Loss	Base Market Value, Base Market Value + Accrued
Cash							
CCYUSD Cash	0.05 0.05	0.00 AAA	03/31/2021 03/31/2021	0.05	1.0000 0.00	0.00 0.00	0.05 0.05
CCYUSD Payable	-4,636,565.14 -4,636,565.14	0.00 AAA	03/31/2021 03/31/2021	-4,636,565.14	1.0000 0.00	0.00 0.00	-4,636,565.14 -4,636,565.14
CCYUSD Receivable	13.62 13.62	0.00 AAA	03/31/2021 03/31/2021	13.62	1.0000 0.00	0.00 0.00	13.62 13.62
CCYUSD	-4,636,551.47	0.00	03/31/2021	-4,636,551.47	1.0000	0.00	-4,636,551.47
---	-4,636,551.47	AAA	03/31/2021		0.00	0.00	-4,636,551.47
MMFund							
Identifier, Description	Base Original Units, Base Current Units	Coupon, Rating	Final Maturity, Effective Maturity	Base Book Value	Market Price, Yield	Base Accrued Balance, Base Net Total Unrealized Gain/Loss	Base Market Value, Base Market Value + Accrued
94975P405 WELLSFARGO:GOVT MMI	2,804,298.48 2,804,298.48	0.01 AAA	03/31/2021 03/31/2021	2,804,298.48	1.0000 0.01	0.00 0.00	2,804,298.48 2,804,298.48
94975P405 WELLSFARGO:GOVT MMI	2,804,298.48	0.01	03/31/2021	2,804,298.48	1.0000	0.00	2,804,298.48
	2,804,298.48	AAA	03/31/2021		0.01	0.00	2,804,298.48
Fixed Income							
Identifier, Description	Base Original Units, Base Current Units	Coupon, Rating	Final Maturity, Effective Maturity	Base Book Value	Market Price, Yield	Base Accrued Balance, Base Net Total Unrealized Gain/Loss	Base Market Value, Base Market Value + Accrued
06051GEM7 BANK OF AMERICA CORP	2,715,000.00 2,715,000.00	5.70 A	01/24/2022 01/24/2022	2,834,980.22	104.3471 0.34	28,801.63 -1,956.46	2,833,023.77 2,861,825.39
06406FAB9 BANK OF NEW YORK MELLON CORP	1,500,000.00 1,500,000.00	2.05 A+	05/03/2021 05/03/2021	1,500,155.32	100.0000 0.81	12,641.67 -155.32	1,500,000.00 1,512,641.67
06406RAA5 BANK OF NEW YORK MELLON CORP	1,550,000.00 1,550,000.00	2.60 A+	02/07/2022 01/07/2022	1,578,210.00	101.7949 0.25	6,492.78 -389.05	1,577,820.95 1,584,313.73
14913Q2W8 CATERPILLAR FINANCIAL SERVICES CORP	1,102,000.00 1,102,000.00	2.65 A	05/17/2021 05/17/2021	1,105,382.24	100.2917 0.35	10,870.01 -167.70	1,105,214.53 1,116,084.54
14913Q3D9 CATERPILLAR FINANCIAL SERVICES CORP	2,000,000.00 2,000,000.00	0.40 A	11/12/2021 11/12/2021	2,002,626.53	100.0998 0.42	1,069.01 -630.53	2,001,996.00 2,003,065.01
808513AW5 CHARLES SCHWAB CORP	2,000,000.00 2,000,000.00	3.25 A	05/21/2021 04/21/2021	2,003,305.88	100.2068 1.70	23,472.22 830.12	2,004,136.00 2,027,608.22
22550L2A8 CREDIT SUISSE AG (NEW YORK BRANCH)	2,100,000.00 2,100,000.00	2.10 A+	11/12/2021 11/12/2021	2,123,403.33	101.0421 0.40	17,027.50 -1,519.23	2,121,884.10 2,138,911.60
30231GAJ1 EXXON MOBIL CORP	2,500,000.00 2,500,000.00	2.40 AA-	03/06/2022 01/06/2022	2,541,761.79	101.6509 0.23	4,161.46 -489.29	2,541,272.50 2,545,433.96
30229AU23 Exxon Mobil Corporation	600,000.00 600,000.00	0.00 A-1+	07/02/2021 07/02/2021	599,846.66	99.9788 0.08	0.00 26.24	599,872.90 599,872.90

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Portfolio Holdings

US Dollar

As of 31 March 2021

WC-Santa Clara Family HealthPI

Account: XXXX5000

Investment Strategy: Short Duration Fixed Income

Primary Benchmark: ICE BofA 3-Month US Treasury Bill Index

WELLS
FARGO

Asset
Management

Identifier, Description	Base Original Units, Base Current Units	Coupon, Rating	Final Maturity, Effective Maturity	Base Book Value	Market Price, Yield	Base Accrued Balance, Base Net Total Unrealized Gain/Loss	Base Market Value, Base Market Value + Accrued
30229AW13 Exxon Mobil Corporation	250,000.00 250,000.00	0.00 A-1+	09/01/2021 09/01/2021	249,840.62	99.9517 0.11	0.00 38.53	249,879.15 249,879.15
313313DU9 FEDERAL FARM CREDIT BANKS FUNDING CORP	1,000,000.00 1,000,000.00	0.00 A-1+	04/01/2021 04/01/2021	1,000,000.00	100.0000 0.00	0.00 0.00	1,000,000.00 1,000,000.00
313313NF1 FEDERAL FARM CREDIT BANKS FUNDING CORP	2,000,000.00 2,000,000.00	0.00 A-1+	10/21/2021 10/21/2021	1,998,533.48	99.9774 0.04	0.00 1,014.52	1,999,548.00 1,999,548.00
313313NP9 FEDERAL FARM CREDIT BANKS FUNDING CORP	2,000,000.00 2,000,000.00	0.00 A-1+	10/29/2021 10/29/2021	1,998,827.64	99.9766 0.07	0.00 704.36	1,999,532.00 1,999,532.00
313313KW7 FEDERAL FARM CREDIT BANKS FUNDING CORP	2,000,000.00 2,000,000.00	0.00 A-1+	08/25/2021 08/25/2021	1,999,269.93	99.9878 0.03	0.00 486.07	1,999,756.00 1,999,756.00
313313LK2 FEDERAL FARM CREDIT BANKS FUNDING CORP	7,000,000.00 7,000,000.00	0.00 A-1+	09/07/2021 09/07/2021	6,998,233.25	99.9823 0.04	0.00 527.75	6,998,761.00 6,998,761.00
313313JU3 FEDERAL FARM CREDIT BANKS FUNDING CORP	1,250,000.00 1,250,000.00	0.00 A-1+	07/30/2021 07/30/2021	1,249,791.66	99.9900 0.03	0.00 83.34	1,249,875.00 1,249,875.00
313313RK6 FEDERAL FARM CREDIT BANKS FUNDING CORP	3,000,000.00 3,000,000.00	0.00 A-1+	01/05/2022 01/05/2022	2,998,605.00	99.9612 0.05	0.00 231.00	2,998,836.00 2,998,836.00
313378CR0 FEDERAL HOME LOAN BANKS	2,000,000.00 2,000,000.00	2.25 AAA	03/11/2022 03/11/2022	2,040,652.73	102.0257 0.10	2,500.00 -138.73	2,040,514.00 2,043,014.00
3130AF5B9 FEDERAL HOME LOAN BANKS	5,000,000.00 5,000,000.00	3.00 AAA	10/12/2021 10/12/2021	5,075,749.05	101.5616 0.06	70,416.67 2,330.95	5,078,080.00 5,148,496.67
313385EA0 FEDERAL HOME LOAN BANKS	40,000,000.00 40,000,000.00	0.00 A-1+	04/07/2021 04/07/2021	39,999,933.33	100.0000 0.00	0.00 66.67	40,000,000.00 40,000,000.00
313385DZ6 FEDERAL HOME LOAN BANKS	9,400,000.00 9,400,000.00	0.00 A-1+	04/06/2021 04/06/2021	9,399,889.02	100.0000 0.00	0.00 110.98	9,400,000.00 9,400,000.00
313385DY9 FEDERAL HOME LOAN BANKS	3,210,000.00 3,210,000.00	0.00 A-1+	04/05/2021 04/05/2021	3,209,998.22	100.0000 0.00	0.00 1.78	3,210,000.00 3,210,000.00
313385FM3 FEDERAL HOME LOAN BANKS	30,000,000.00 30,000,000.00	0.00 A-1+	05/12/2021 05/12/2021	29,998,974.98	99.9989 0.01	0.00 695.02	29,999,670.00 29,999,670.00
313385EH5 FEDERAL HOME LOAN BANKS	10,935,000.00 10,935,000.00	0.00 A-1+	04/14/2021 04/14/2021	10,934,987.48	100.0000 0.00	0.00 12.52	10,935,000.00 10,935,000.00
313385EG7 FEDERAL HOME LOAN BANKS	10,731,000.00 10,731,000.00	0.00 A-1+	04/13/2021 04/13/2021	10,730,953.46	100.0000 0.00	0.00 46.54	10,731,000.00 10,731,000.00
313385FG6 FEDERAL HOME LOAN BANKS	7,000,000.00 7,000,000.00	0.00 A-1+	05/07/2021 05/07/2021	6,999,790.00	99.9990 0.01	0.00 140.00	6,999,930.00 6,999,930.00
313385FS0 FEDERAL HOME LOAN BANKS	1,250,000.00 1,250,000.00	0.00 A-1+	05/17/2021 05/17/2021	1,249,936.11	99.9987 0.01	0.00 47.64	1,249,983.75 1,249,983.75
313385MC7 FEDERAL HOME LOAN BANKS	5,000,000.00 5,000,000.00	0.00 A-1+	09/24/2021 09/24/2021	4,998,973.34	99.9804 0.04	0.00 46.66	4,999,020.00 4,999,020.00
38346LS72 Gotham Funding Corporation	1,500,000.00 1,500,000.00	0.00 A-1	05/07/2021 05/07/2021	1,499,850.00	99.9862 0.13	0.00 -56.58	1,499,793.42 1,499,793.42
38346LS31 Gotham Funding Corporation	2,500,000.00 2,500,000.00	0.00 A-1	05/03/2021 05/03/2021	2,499,711.11	99.9885 0.13	0.00 0.14	2,499,711.25 2,499,711.25
38346LTP1 Gotham Funding Corporation	2,000,000.00 2,000,000.00	0.00 A-1	06/23/2021 06/23/2021	1,999,354.44	99.9627 0.16	0.00 -101.10	1,999,253.34 1,999,253.34

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Portfolio Holdings

US Dollar

As of 31 March 2021

WC-Santa Clara Family HealthPI

Account: XXXX5000

Investment Strategy: Short Duration Fixed Income

Primary Benchmark: ICE BofA 3-Month US Treasury Bill Index

WELLS
FARGO

Asset
Management

Identifier, Description	Base Original Units, Base Current Units	Coupon, Rating	Final Maturity, Effective Maturity	Base Book Value	Market Price, Yield	Base Accrued Balance, Base Net Total Unrealized Gain/Loss	Base Market Value, Base Market Value + Accrued
45950VNE2 INTERNATIONAL FINANCE CORP	11,000,000.00 11,000,000.00	0.24 AAA	08/23/2021 08/23/2021	11,006,571.99	100.0410 1.13	655.54 -2,061.99	11,004,510.00 11,005,165.54
24422EUK3 JOHN DEERE CAPITAL CORP	1,000,000.00 1,000,000.00	3.13 A	09/10/2021 09/10/2021	1,013,070.00	101.2583 0.27	1,822.92 -487.00	1,012,583.00 1,014,405.92
24422EUV9 JOHN DEERE CAPITAL CORP	2,500,000.00 2,500,000.00	2.30 A	06/07/2021 06/07/2021	2,509,421.82	100.3830 0.21	18,208.33 153.18	2,509,575.00 2,527,783.33
46625HJD3 JPMORGAN CHASE & CO	2,000,000.00 2,000,000.00	4.50 A	01/24/2022 01/24/2022	2,069,598.77	103.4191 0.29	16,750.00 -1,216.77	2,068,382.00 2,085,132.00
4820P2SK2 Jupiter Securitization Company LLC	3,000,000.00 3,000,000.00	0.00 A-1+	05/19/2021 05/19/2021	2,999,280.00	99.9805 0.14	0.00 136.08	2,999,416.08 2,999,416.08
4820P2U78 Jupiter Securitization Company LLC	3,000,000.00 3,000,000.00	0.00 A-1+	07/07/2021 07/07/2021	2,998,706.66	99.9562 0.16	0.00 -21.50	2,998,685.16 2,998,685.16
4820P2SLO Jupiter Securitization Company LLC	300,000.00 300,000.00	0.00 A-1+	05/20/2021 05/20/2021	299,959.17	99.9801 0.14	0.00 -18.75	299,940.42 299,940.42
50000DSA5 Koch Industries, Inc.	3,000,000.00 3,000,000.00	0.00 A-1+	05/10/2021 05/10/2021	2,999,707.50	99.9873 0.11	0.00 -87.51	2,999,619.99 2,999,619.99
542424WH5 LONG BEACH CALIF HBR REV	1,500,000.00 1,500,000.00	4.00 AA	07/15/2021 07/15/2021	1,513,196.32	101.0830 0.14	12,666.67 3,048.68	1,516,245.00 1,528,911.67
5445872P2 LOS ANGELES CALIF MUN IMPT CORP LEASE REV	1,385,000.00 1,385,000.00	0.27 AA-	11/01/2021 11/01/2021	1,385,000.00	100.0060 0.26	279.42 83.10	1,385,083.10 1,385,362.52
67983TRD0 Old Line Funding, LLC	5,000,000.00 5,000,000.00	0.00 A-1+	04/13/2021 04/13/2021	4,999,716.67	99.9966 0.09	0.00 111.78	4,999,828.45 4,999,828.45
69371RN44 PACCAR FINANCIAL CORP	1,100,000.00 1,100,000.00	1.65 A+	08/11/2021 08/11/2021	1,105,887.74	100.4631 0.36	2,520.83 -793.64	1,105,094.10 1,107,614.93
69371RP26 PACCAR FINANCIAL CORP	125,000.00 125,000.00	3.10 A+	05/10/2021 05/10/2021	125,404.01	100.2730 0.56	1,517.71 -62.76	125,341.25 126,858.96
69371RP75 PACCAR FINANCIAL CORP	900,000.00 900,000.00	2.85 A+	03/01/2022 03/01/2022	922,133.83	102.4405 0.18	2,137.50 -169.33	921,964.50 924,102.00
713448BY3 PEPSICO INC	1,000,000.00 1,000,000.00	2.75 A+	03/05/2022 03/05/2022	1,023,780.00	102.3393 0.22	1,986.11 -387.00	1,023,393.00 1,025,379.11
69353RFB9 PNC BANK NA	2,000,000.00 2,000,000.00	2.63 A	02/17/2022 01/17/2022	2,038,816.39	101.8641 0.27	6,416.67 -1,534.39	2,037,282.00 2,043,698.67
752147HE1 RANCHO SANTIAGO CALIF CMNTY COLLEGE DIST	550,000.00 550,000.00	0.23 AA	09/01/2021 09/01/2021	550,000.00	100.0230 0.18	107.71 126.50	550,126.50 550,234.21
797356CB6 SAN DIEGO CALIF UNI SCH DIST	1,000,000.00 1,000,000.00	0.10 AA	07/01/2021 07/01/2021	1,000,000.00	100.0030 0.09	75.00 30.00	1,000,030.00 1,000,105.00
82707BDH9 SILICON VY CLEAN WTR CALIF WASTEWTR REV	2,000,000.00 2,000,000.00	0.18 AA	08/01/2021 08/01/2021	2,000,000.00	100.0050 0.16	147.50 100.00	2,000,100.00 2,000,247.50
857477AV5 STATE STREET CORP	2,000,000.00 2,000,000.00	1.95 A+	05/19/2021 05/19/2021	2,004,384.81	100.2096 0.37	14,300.00 -192.81	2,004,192.00 2,018,492.00
88602TSL8 Thunder Bay Funding, LLC	5,000,000.00 5,000,000.00	0.00 A-1+	05/20/2021 05/20/2021	4,998,775.00	99.9829 0.12	0.00 370.85	4,999,145.85 4,999,145.85

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Portfolio Holdings

US Dollar

As of 31 March 2021

WC-Santa Clara Family HealthPI

Account: XXXX5000

Investment Strategy: Short Duration Fixed Income

Primary Benchmark: ICE BofA 3-Month US Treasury Bill Index

WELLS
FARGO

Asset
Management

Identifier, Description	Base Original Units, Base Current Units	Coupon, Rating	Final Maturity, Effective Maturity	Base Book Value	Market Price, Yield	Base Accrued Balance, Base Net Total Unrealized Gain/Loss	Base Market Value, Base Market Value + Accrued
88602TVG5 Thunder Bay Funding, LLC	3,810,000.00 3,810,000.00	0.00 A-1+	08/16/2021 08/16/2021	3,807,825.13	99.9356 0.17	0.00 -278.77	3,807,546.36 3,807,546.36
89236TFX8 TOYOTA MOTOR CREDIT CORP	1,000,000.00 1,000,000.00	2.65 A+	04/12/2022 04/12/2022	1,025,037.39	102.4128 0.30	12,440.28 -909.39	1,024,128.00 1,036,568.28
89236TGS8 TOYOTA MOTOR CREDIT CORP	2,250,000.00 2,250,000.00	0.32 A+	08/13/2021 08/13/2021	2,250,834.57	100.0388 0.20	876.56 38.43	2,250,873.00 2,251,749.56
89233GTP1 Toyota Motor Credit Corporation	3,000,000.00 3,000,000.00	0.00 A-1+	06/23/2021 06/23/2021	2,999,239.17	99.9655 0.15	0.00 -275.16	2,998,964.01 2,998,964.01
86787EBE6 TRUIST BANK	1,665,000.00 1,665,000.00	2.80 A	05/17/2022 04/17/2022	1,708,103.40	102.5945 0.31	17,353.00 95.03	1,708,198.43 1,725,551.43
9128286V7 UNITED STATES TREASURY	5,900,000.00 5,900,000.00	2.13 AAA	05/31/2021 05/31/2021	5,916,673.07	100.3386 0.10	42,021.29 3,304.33	5,919,977.40 5,961,998.69
912796D71 UNITED STATES TREASURY	34,300,000.00 34,300,000.00	0.00 A-1+	04/06/2021 04/06/2021	34,299,952.36	99.9999 0.01	0.00 13.34	34,299,965.70 34,299,965.70
9127965A3 UNITED STATES TREASURY	8,000,000.00 8,000,000.00	0.00 A-1+	05/06/2021 05/06/2021	7,999,822.67	99.9988 0.01	0.00 81.33	7,999,904.00 7,999,904.00
912796A25 UNITED STATES TREASURY	18,000,000.00 18,000,000.00	0.00 A-1+	05/13/2021 05/13/2021	17,999,496.00	99.9977 0.02	0.00 90.00	17,999,586.00 17,999,586.00
912796F79 UNITED STATES TREASURY	9,000,000.00 9,000,000.00	0.00 A-1+	05/04/2021 05/04/2021	8,999,943.85	99.9984 0.02	0.00 -87.85	8,999,856.00 8,999,856.00
912796F95 UNITED STATES TREASURY	20,500,000.00 20,500,000.00	0.00 A-1+	05/18/2021 05/18/2021	20,499,478.11	99.9966 0.03	0.00 -175.11	20,499,303.00 20,499,303.00
91412HJH7 UNIVERSITY CALIF REVS	1,515,000.00 1,515,000.00	0.16 AA	05/15/2022 05/15/2022	1,515,000.00	99.9210 0.25	144.05 -1,196.85	1,513,803.15 1,513,947.20
90331HPK3 US BANK NA	2,000,000.00 2,000,000.00	0.40 AA-	01/21/2022 12/21/2021	2,002,389.04	100.0876 0.26	1,569.67 -637.04	2,001,752.00 2,003,321.67
92646KS45 Victory Receivables Corporation	3,000,000.00 3,000,000.00	0.00 A-1	05/04/2021 05/04/2021	2,999,670.00	99.9882 0.13	0.00 -24.18	2,999,645.82 2,999,645.82
92646KU83 Victory Receivables Corporation	1,500,000.00 1,500,000.00	0.00 A-1	07/08/2021 07/08/2021	1,499,346.67	99.9609 0.14	0.00 67.58	1,499,414.25 1,499,414.25
92646KU18 Victory Receivables Corporation	2,000,000.00 2,000,000.00	0.00 A-1	07/01/2021 07/01/2021	1,999,241.66	99.9642 0.14	0.00 42.78	1,999,284.44 1,999,284.44
---	331,893,000.00	0.40	06/13/2021	332,506,990.58	100.1901	331,449.70	332,506,102.62
---	330,060,747.01	AA+	06/11/2021		0.11	-887.97	332,837,552.32
Summary							
Identifier, Description	Base Original Units, Base Current Units	Coupon, Rating	Final Maturity, Effective Maturity	Base Book Value	Market Price, Yield	Base Accrued Balance, Base Net Total Unrealized Gain/Loss	Base Market Value, Base Market Value + Accrued
---	330,060,747.01	0.40	06/13/2021	330,674,737.59	100.7392	331,449.70	330,673,849.63
---	330,060,747.01	AA+	06/12/2021		0.11	-887.97	331,005,299.33

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Portfolio Holdings

US Dollar

As of 31 March 2021

WC-Santa Clara Family HealthPI

Account: XXXX5000

Investment Strategy: Short Duration Fixed Income

Primary Benchmark: ICE BofA 3-Month US Treasury Bill Index

WELLS
FARGO

Asset
Management

* Grouped by: Asset Class. * Groups Sorted by: Asset Class. * Weighted by: Base Market Value + Accrued. * Holdings Displayed by: Position.

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**Santa Clara Family
Health Plan™**

**Unaudited Financial Statements
For The Nine Months Ended March 31, 2021**

Agenda

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Financial Highlights



	<u>MTD</u>		<u>YTD</u>	
Revenue	\$108 M		\$944 M	
Medical Expense (MLR)	\$99 M	91.8%	\$878 M	93.1%
Administrative Expense (% Rev)	\$4.6 M	4.3%	\$49.0 M	5.2%
Other Income/(Expense)	\$238K		(\$149K)	
Net Surplus (Net Loss)	\$4.5 M		\$16.4 M	
Cash and Investments			\$520 M	
Receivables			\$507 M	
Total Current Assets			\$1,037 M	
Current Liabilities			\$845 M	
Current Ratio			1.23	
Tangible Net Equity			\$225 M	
% of DMHC Requirement			655.6%	

Financial Highlights

Net Surplus (Net Loss)	<ul style="list-style-type: none"> ▶ Month: Surplus of \$4.5M is \$7.0M or 278.8% favorable to budget of \$2.5M loss. ▶ YTD: Surplus of \$16.4M is \$21.6M or 414.7% favorable to budget of \$5.2M loss.
Enrollment	<ul style="list-style-type: none"> ▶ Month: Membership was 276,842 (4,683 or 1.7% higher than budget of 272,159). ▶ YTD: Member Months YTD was 2,410,764 (18,593 or 0.8% lower than budget of 2,429,357).
Revenue	<ul style="list-style-type: none"> ▶ Month: \$107.8M (\$16.9M or 18.6% favorable to budget of \$90.9M). ▶ YTD: \$943.9M (\$70.3M or 8.0% favorable to budget of \$873.6M).
Medical Expenses	<ul style="list-style-type: none"> ▶ Month: \$99.0M (\$11.0M or 12.5% unfavorable to budget of \$88.0M). ▶ YTD: \$878.4M (\$47.7M or 5.7% unfavorable to budget of \$830.7M).
Administrative Expenses	<ul style="list-style-type: none"> ▶ Month: \$4.6M (\$1.1K or 19.3% favorable to budget of \$5.7M). ▶ YTD: \$49.0M (\$1.4K or 2.7% favorable to budget of \$50.4M).
Tangible Net Equity	<ul style="list-style-type: none"> ▶ TNE was \$225.1M (represents approximately two months of total expenses).
Capital Expenditures	<ul style="list-style-type: none"> ▶ YTD Capital Investments of \$3.8M vs. \$6.9M annual budget, primarily Community Resource Center.



Santa Clara Family
Health Plan™

Detail Analyses

Enrollment



- Total enrollment of 276,842 members is 4,683 or 1.7% higher than budget. Since the beginning of the fiscal year, total enrollment has increased by 22,967 members or 9.0%.
- Medi-Cal enrollment has been increasing since January 2020, largely COVID enrollment (beginning in March 2020 annual eligibility redeterminations were suspended).
- Since the beginning of the fiscal year, Medi-Cal Non-Dual enrollment has increased 9.6%, Medi-Cal Dual enrollment has increased 4.1%, and CMC enrollment has grown 9.9% also due largely to the suspension of disenrollments.

	For the Month March 2021				For Nine Months Ending March 31, 2021				Prior Year Actuals	Δ FY21 vs. FY20
	Actual	Budget	Variance	Variance (%)	Actual	Budget	Variance	Variance (%)		
Medi-Cal	266,962	262,795	4,167	1.6%	2,324,392	2,346,661	(22,269)	(0.9%)	2,119,625	9.7%
Cal Medi-Connect	9,880	9,364	516	5.5%	86,372	82,696	3,676	4.4%	74,842	15.4%
Total	276,842	272,159	4,683	1.7%	2,410,764	2,429,357	(18,593)	(0.8%)	2,194,467	9.9%

Santa Clara Family Health Plan Enrollment By Network March 2021

Network	Medi-Cal		CMC		Total	
	Enrollment	% of Total	Enrollment	% of Total	Enrollment	% of Total
Direct Contract Physicians	33,351	12%	9,880	100%	43,231	16%
SCVHHS ¹ , Safety Net Clinics, FQHC ² Clinics	133,883	50%	-	0%	133,883	48%
Palo Alto Medical Foundation	7,221	3%	-	0%	7,221	3%
Physicians Medical Group	45,631	17%	-	0%	45,631	16%
Premier Care	15,852	6%	-	0%	15,852	6%
Kaiser	31,024	12%	-	0%	31,024	11%
Total	266,962	100%	9,880	100%	276,842	100%
Enrollment at June 30, 2020	244,888		8,987		253,875	
Net Δ from Beginning of FY21	9.0%		9.9%		9.0%	

¹ SCVHHS = Santa Clara Valley Health & Hospital System

² FQHC = Federally Qualified Health Center

Enrollment By Aid Category

SCFHP TRENDED ENROLLMENT BY COA YTD MARCH-2021

		2020-03	2020-04	2020-05	2020-06	2020-07	2020-08	2020-09	2020-10	2020-11	2020-12	2021-01	2021-02	2021-03	FYTD var	%	
NON DUAL	Adult (over 19)	23,873	24,051	25,253	26,299	27,066	27,877	28,269	29,181	29,835	30,327	30,750	31,307	31,711	5,412	20.6%	
	Child (under 19)	92,843	93,374	95,145	96,173	96,605	97,359	97,629	98,409	98,930	99,012	99,172	99,377	99,557	3,384	3.5%	
	Aged - Medi-Cal Only	10,753	10,801	11,044	11,207	11,227	11,178	11,229	11,263	11,328	11,385	11,463	11,451	11,459	252	2.2%	
	Disabled - Medi-Cal Only	10,882	10,851	10,902	10,922	10,944	10,910	10,839	10,875	10,830	10,849	10,877	10,847	10,811	-111	(1.0%)	
	Adult Expansion	69,272	70,458	72,546	74,553	76,262	77,701	79,263	80,654	82,060	83,250	84,477	85,477	86,677	12,124	16.3%	
	BCCTP	11	11	11	11	11	11	11	11	11	11	11	10	10	11	0	0.0%
	Long Term Care	367	380	398	405	402	406	407	409	389	393	388	380	373	-32	(7.9%)	
	Total Non-Duals	208,001	209,926	215,299	219,570	222,517	225,442	227,647	230,802	233,383	235,227	237,137	238,849	240,599	21,029	9.6%	

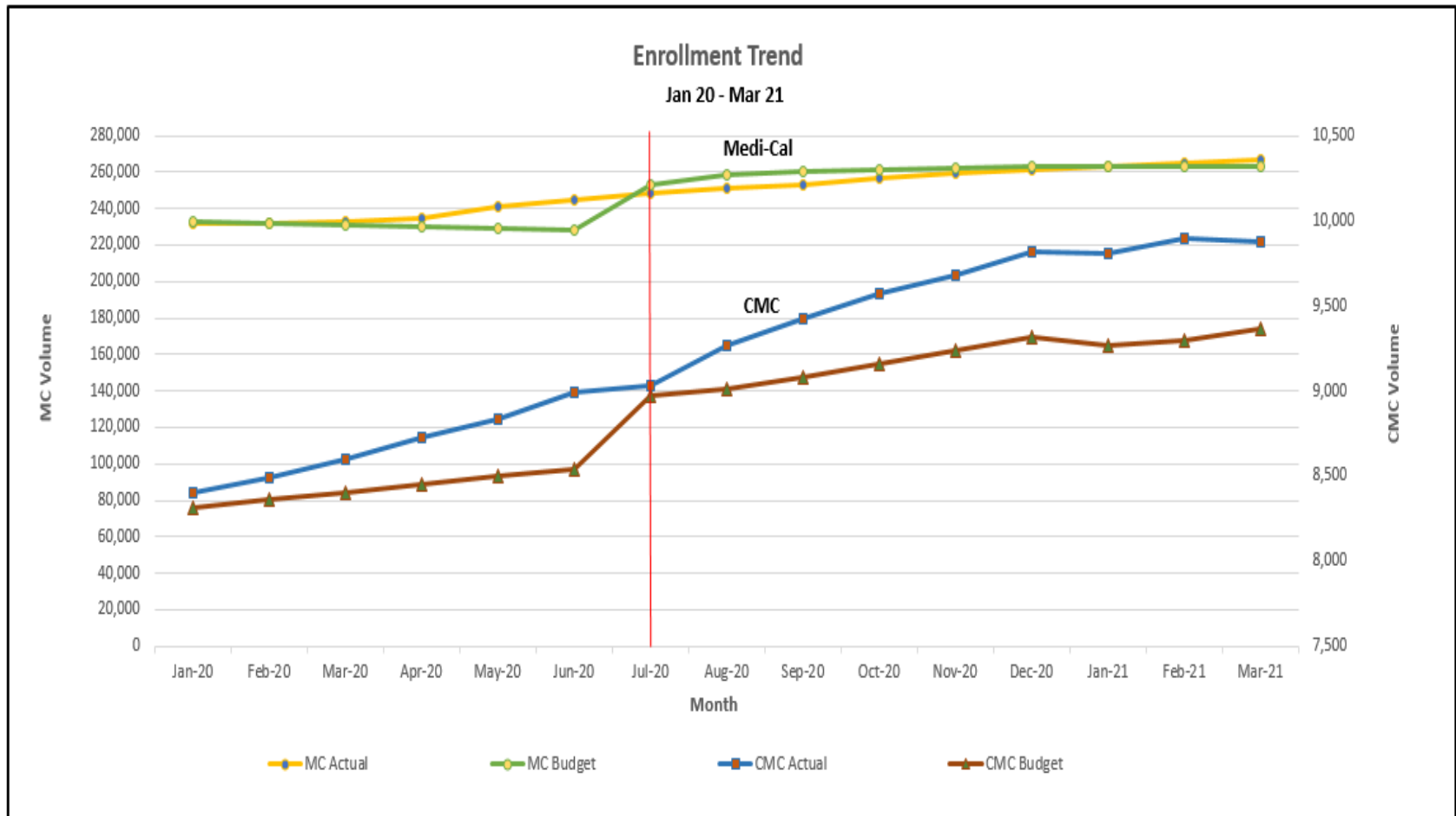
DUAL	Adult (21 Over)	320	311	320	321	327	320	337	354	353	353	352	355	361	40	12.5%
	SPD (21 Over)	23,541	23,443	23,595	23,508	23,641	23,686	23,654	23,687	23,760	23,988	23,899	24,155	24,206	698	3.0%
	Adult Expansion	136	134	190	241	261	289	358	410	498	537	590	662	742	501	207.9%
	Long Term Care	1,231	1,235	1,252	1,248	1,261	1,267	1,256	1,237	1,208	1,182	1,115	1,074	1,054	-194	(15.5%)
	Total Duals	25,228	25,123	25,357	25,318	25,490	25,562	25,605	25,688	25,819	26,060	25,956	26,246	26,363	1,045	4.1%

Total Medi-Cal	233,229	235,049	240,656	244,888	248,007	251,004	253,252	256,490	259,202	261,287	263,093	265,095	266,962	22,074	9.0%
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CMC	CMC Non-Long Term Care	8,388	8,511	8,625	8,775	8,814	9,055	9,212	9,360	9,470	9,613	9,614	9,706	9,696	921	10.5%
	CMC - Long Term Care	213	214	212	212	215	211	216	210	209	207	193	187	184	-28	(13.2%)
	Total CMC	8,601	8,725	8,837	8,987	9,029	9,266	9,428	9,570	9,679	9,820	9,807	9,893	9,880	893	9.9%

Total Enrollment	241,830	243,774	249,493	253,875	257,036	260,270	262,680	266,060	268,881	271,107	272,900	274,988	276,842	22,967	9.0%
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Enrollment Trend

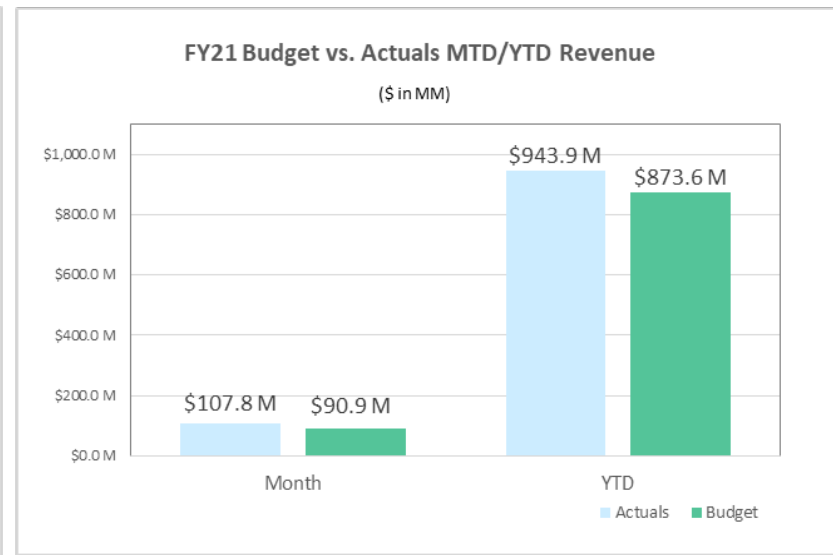
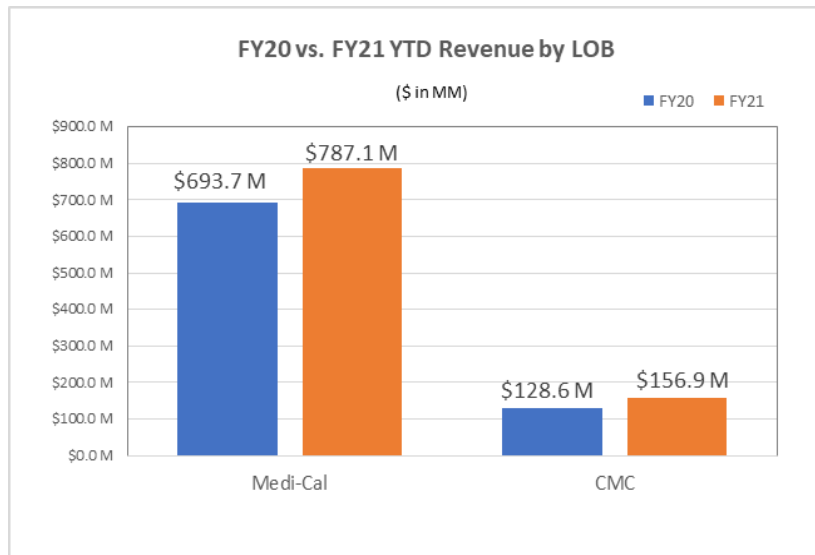


- Budgeted enrollment, represented by the green & red lines, anticipated steep COVID enrollment growth early in the fiscal year followed by a general flattening.
- Actual enrollment, represented by the gold & blue lines, has grown steadily.

Revenue

Current month revenue of \$107.8M is \$16.9M or 18.6% favorable to budget of \$90.9M. The current month variance was primarily due to the following:

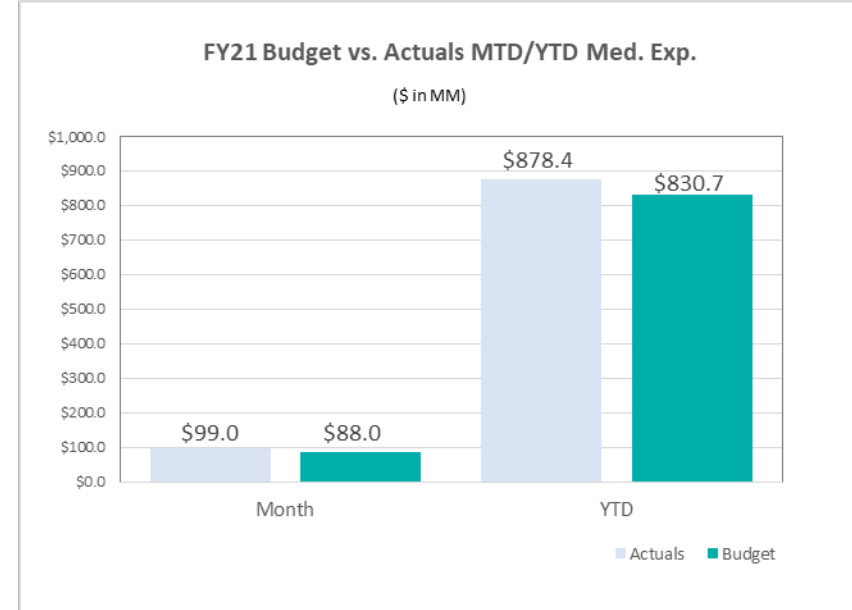
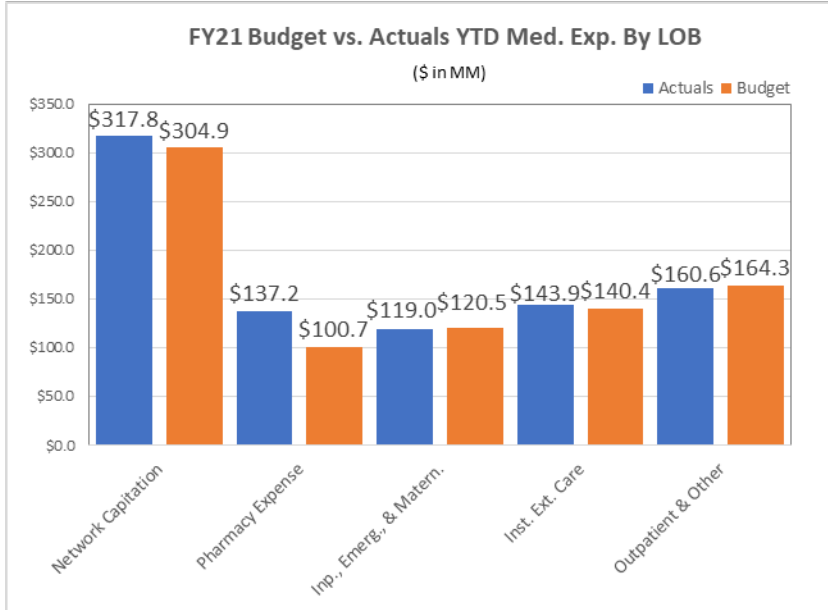
- MCAL Non-Dual revenue is \$14.9M net favorable to budget primarily due to the pharmacy carve-out suspension (with associated medical expense offset) coupled with favorable enrollment & rate variances in certain categories of aid.
- MCAL Dual MLTSS revenue is \$1.1M favorable to budget due to a favorable enrollment to budget and higher CY20 rates.
- CMC revenue is \$913K favorable to budget due to a favorable enrollment to budget and higher CY20 rates.
- MCAL Supplemental Kick revenue is \$38K net favorable to budget due to increase utilization in Health Homes and BHT services, offset with lower maternity utilization.



Medical Expense

Current month medical expense of \$99.0M is \$11.0M or 12.5% unfavorable to budget of \$88.0M. The current month variance was due largely to:

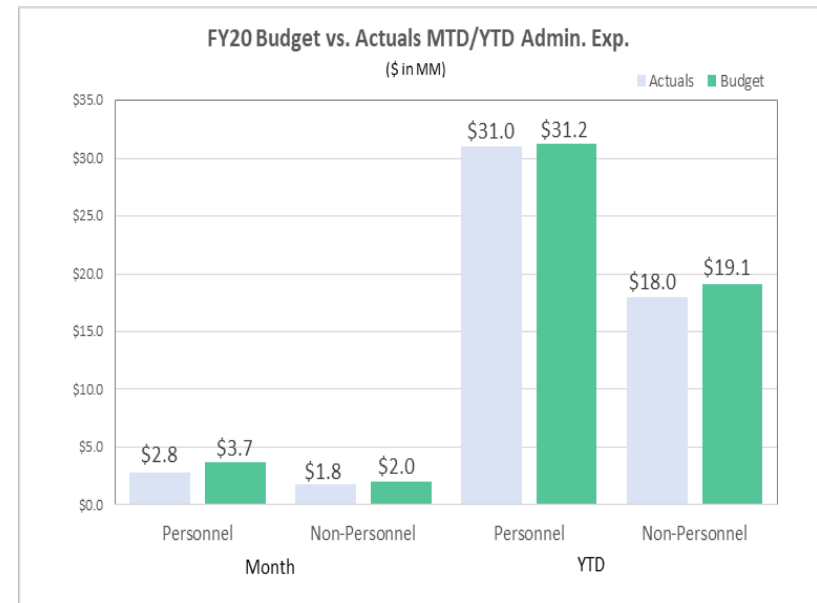
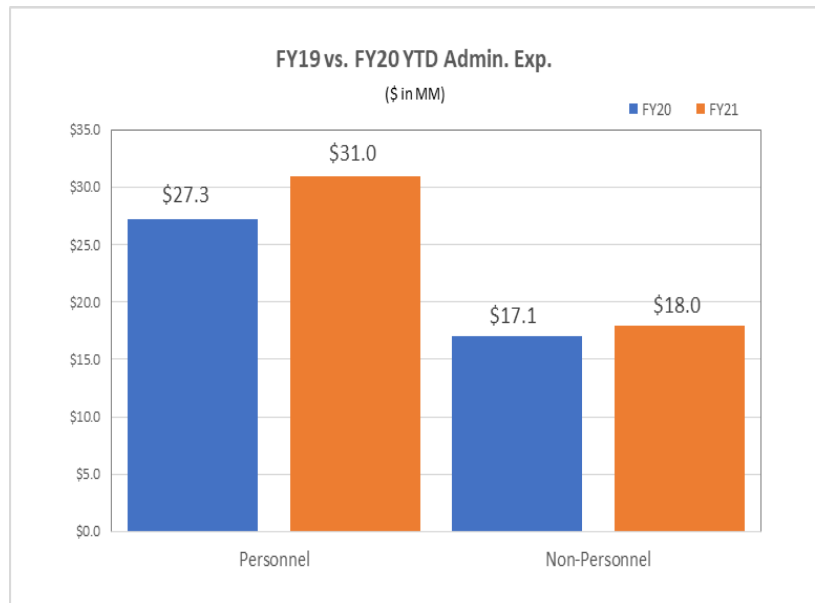
- Pharmacy expenses were \$12.6M or 345% unfavorable to budget due to postponement of the pharmacy carve-out from managed care (offset with favorable revenue variance).
- Fee-For-Service expenses reflects a \$3.6M or 7.8% favorable variance due to a general downward trend of utilization and lower LTC enrollment and resulting utilization.
- Capitation expense is \$2.1M or 6.0% unfavorable to budget due to retroactive capitation rate expense true-up and additional accruals.



Administrative Expense

Current month expense of \$4.6M is \$1.1M or 19.3% favorable to budget of \$5.7M. The current month variances were primarily due to the following:

- Personnel expenses were \$899K or 24.1% favorable to budget due to lower headcount than budget, partly offset by increased retirement expense accruals vs. budget.
- Non-Personnel expenses were \$210K or 10.4% favorable to budget due to timing of budget spending in certain large categories of outside services expenses.



Balance Sheet

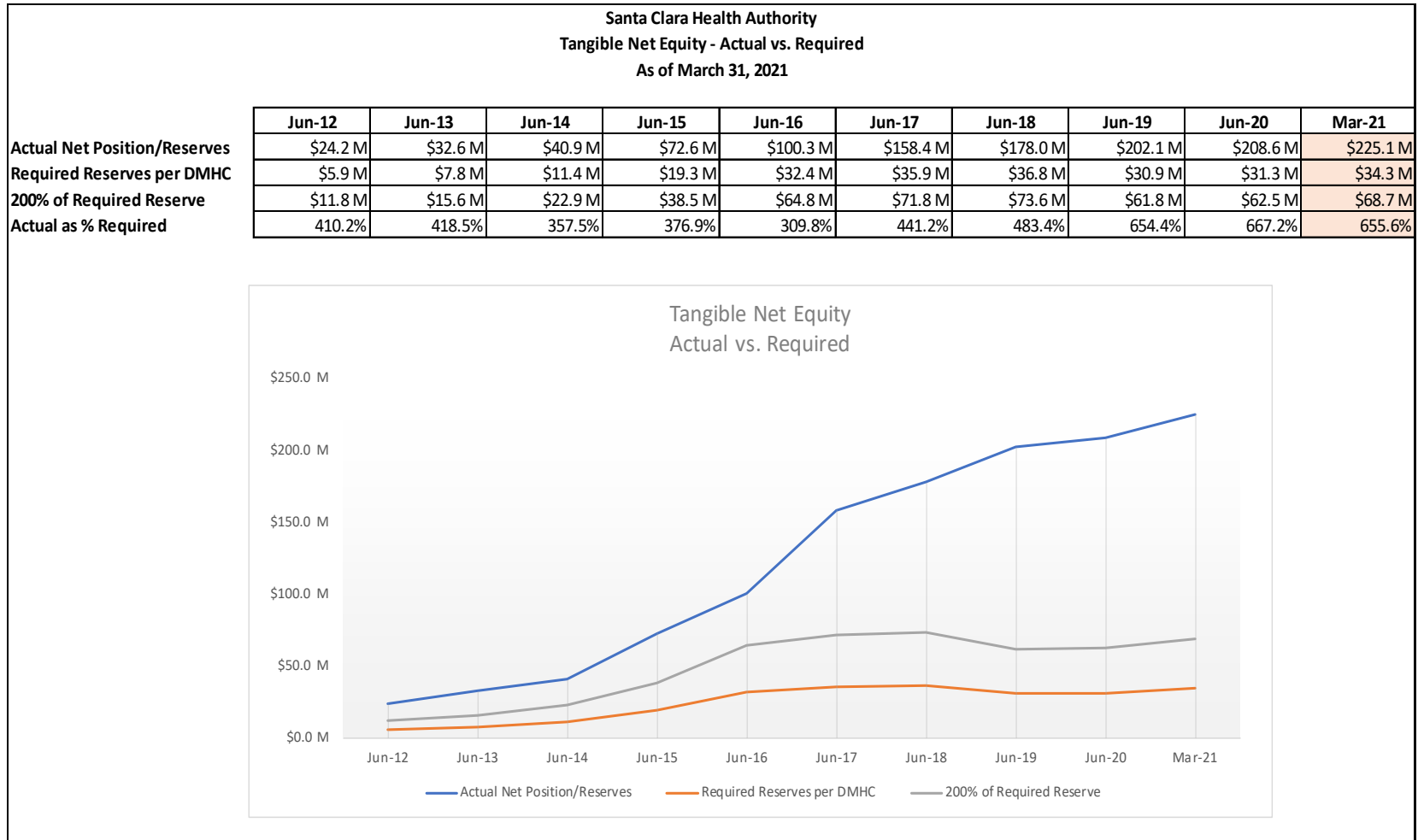
- Current assets totaled \$1.04B compared to current liabilities of \$844.6M, yielding a current ratio (Current Assets/Current Liabilities) of 1.23:1 vs. the DMHC minimum requirement of 1.0:1.
- On a YTD basis, the overall cash balance increased by \$186.1M compared to the cash balance as of year-end June 30, 2020 due to the timing of inflows and outflows. \$129M was disbursed from Wells Fargo account in mid April to Hospitals for Directed Payments.
- Current Cash & Equivalents components and yields were as follows:

Description	Cash & Investments	Current Yield %	Interest Income	
			Month	YTD
Short-Term Investments				
County of Santa Clara Comingled Pool	\$157,013,467	0.92%	\$100,000	\$1,121,175
Wells Fargo Investments	<u>\$331,005,299</u>	0.08%	<u>\$10,891</u>	<u>\$228,467</u>
	\$488,018,766		\$110,891	\$1,349,642
Cash & Equivalents				
Bank of the West Money Market	\$94,384	0.10%	\$697	\$13,123
Wells Fargo Bank Accounts	<u>\$31,486,127</u>	0.01%	<u>\$360</u>	<u>\$4,935</u>
	\$31,580,511		\$1,058	\$18,058
Assets Pledged to DMHC				
Restricted Cash	\$425,000	0.42%	\$0	\$1,105
Petty Cash				
	\$500	0.00%	\$0	\$0
Month-End Balance	<u>\$520,024,777</u>		<u>\$111,948</u>	<u>\$1,368,805</u>

- County of Santa Clara Comingled Pool funds have longer-term investments currently with a higher yield than WFB investments.
- Overall cash and investment yield is lower than budget (0.33% actual vs. 1.4% budgeted).

Tangible Net Equity

- TNE was \$225.1M - representing approximately two months of the Plan's total expenses.



Reserves Analysis

SCFHP RESERVES ANALYSIS MARCH 2021			
Financial Reserve Target #1: Tangible Net Equity			
	Approved	Expended	Balance
Unrestricted Net Assets			\$179,789,178 *
Board Designated Funds (Note 1):			
Special Project Funding for CBOs	\$4,000,000	\$662,727	\$3,337,274
Innovation & COVID-19 Fund	\$16,000,000	\$2,169,999	\$13,830,001
Subtotal	\$20,000,000	\$2,832,726	\$17,167,275
Net Book Value of Fixed Assets			\$27,678,940
Restricted Under Knox-Keene Agreement			\$425,000
Total Tangible Net Equity (TNE)			\$225,060,393
Current Required TNE			\$34,328,616
TNE %			655.6%
SCFHP Target TNE Range:			
350% of Required TNE (Low)			\$120,150,158
500% of Required TNE (High)			\$171,643,082
Total TNE Above/(Below) SCFHP Low Target			\$104,910,235
Total TNE Above/(Below) High Target			\$53,417,310
Financial Reserve Target #2: Liquidity			
Cash & Investments			\$520,024,777
Less Pass-Through Liabilities:			
Hospital Directed Payments			(125,040,228)
MCO Tax Payable to State of CA			(27,447,737)
Whole Person Care / Prop 56			(49,776,444)
Other Pass-Through Liabilities (Note 2)			(53,961,133)
Total Pass-Through Liabilities			(256,225,543)
Net Cash Available to SCFHP			263,799,234
SCFHP Target Liquidity (Note 3)			
45 Days of Total Operating Expense			(140,546,992)
60 Days of Total Operating Expense			(187,395,990)
Liquidity Above/(Below) SCFHP Low Target			123,252,241
Liquidity Above/(Below) High Target			\$76,403,244

- **Unrestricted Net Assets represents less than two months of total expenses.**

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, Rate Range IGT, and DHCS overpayments.

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

Capital Expenditures

- Majority of the capital variances are Community Resource Center, hardware, software, and building improvements due to timing of certain projects.

Expenditure	YTD Actual	Annual Budget
Community Resource Center	\$2,841,628	\$3,507,100
Hardware	\$263,035	\$1,282,500
Software	\$181,703	\$1,194,374
Building Improvements	\$470,620	\$866,500
Furniture & Equipment	\$0	\$28,000
TOTAL	\$3,756,986	\$6,878,474



**Santa Clara Family
Health Plan™**

Financial Statements

Income Statement



Santa Clara County Health Authority INCOME STATEMENT For Nine Months Ending March 31, 2021

	Mar-2021	% of	Mar-2021	% of	Current Month Variance		YTD Mar-2021	% of	YTD Mar-2021	% of	YTD Variance		
	Actuals	Rev	Budget	Rev	\$	%	Actuals	Rev	Budget	Rev	\$	%	
REVENUES													
MEDI-CAL	\$ 90,352,176	83.8%	\$ 74,365,495	81.8%	\$ 15,986,681	21.5%	\$ 787,055,364	83.4%	\$ 728,002,086	83.3%	\$ 59,053,278	8.1%	
CMC MEDI-CAL	3,963,664	3.7%	2,908,171	3.2%	1,055,493	36.3%	34,495,345	3.7%	26,353,014	3.0%	8,142,330	30.9%	
CMC MEDICARE	13,533,327	12.5%	13,675,935	15.0%	(142,608)	-1.0%	122,394,392	13.0%	119,290,931	13.7%	3,103,461	2.6%	
TOTAL CMC	17,496,991	16.2%	16,584,106	18.2%	912,885	5.5%	156,889,737	16.6%	145,643,945	16.7%	11,245,791	7.7%	
TOTAL REVENUE	\$ 107,849,167	100.0%	\$ 90,949,601	100.0%	\$ 16,899,566	18.6%	\$ 943,945,101	100.0%	\$ 873,646,031	100.0%	\$ 70,299,070	8.0%	
MEDICAL EXPENSES													
MEDI-CAL	\$ 83,449,081	77.4%	\$ 72,411,580	79.6%	\$ (11,037,500)	-15.2%	\$ 737,778,350	78.2%	\$ 693,147,409	79.3%	\$ (44,630,941)	-6.4%	
CMC MEDI-CAL	2,295,807	2.1%	3,027,527	3.3%	731,720	24.2%	26,571,409	2.8%	27,140,377	3.1%	568,968	2.1%	
CMC MEDICARE	13,233,192	12.3%	12,511,319	13.8%	(721,874)	-5.8%	114,033,734	12.1%	110,443,522	12.6%	(3,590,212)	-3.3%	
TOTAL CMC	15,528,999	14.4%	15,538,845	17.1%	9,847	0.1%	140,605,143	14.9%	137,583,899	15.7%	(3,021,244)	-2.2%	
HEALTHY KIDS	0	0.0%	0	0.0%	0	0.0%	7,303	0.0%	0	0.0%	(7,303)	0.0%	
TOTAL MEDICAL EXPENSES	\$ 98,978,079	91.8%	\$ 87,950,426	96.7%	\$ (11,027,654)	-12.5%	\$ 878,390,796	93.1%	\$ 830,731,308	95.1%	\$ (47,659,489)	-5.7%	
MEDICAL OPERATING MARGIN	\$ 8,871,087	8.2%	\$ 2,999,175	3.3%	\$ 5,871,912	195.8%	\$ 65,554,305	6.9%	\$ 42,914,723	4.9%	\$ 22,639,581	52.8%	
ADMINISTRATIVE EXPENSE													
SALARIES AND BENEFITS	\$ 2,827,713	2.6%	\$ 3,726,488	4.1%	\$ 898,776	24.1%	\$ 31,007,996	3.3%	\$ 31,239,484	3.6%	\$ 231,488	0.7%	
RENTS AND UTILITIES	36,262	0.0%	43,275	0.0%	7,013	16.2%	358,376	0.0%	336,560	0.0%	(21,816)	-6.5%	
PRINTING AND ADVERTISING	12,798	0.0%	77,429	0.1%	64,632	83.5%	178,319	0.0%	668,088	0.1%	489,769	73.3%	
INFORMATION SYSTEMS	359,761	0.3%	351,656	0.4%	(8,105)	-2.3%	2,486,425	0.3%	3,068,900	0.4%	582,475	19.0%	
PROF FEES/CONSULTING/TEMP STAFFING	754,381	0.7%	918,417	1.0%	164,036	17.9%	8,541,139	0.9%	8,610,724	1.0%	69,585	0.8%	
DEPRECIATION/INSURANCE/EQUIPMENT	380,384	0.4%	376,741	0.4%	(3,643)	-1.0%	3,214,916	0.3%	3,246,804	0.4%	31,888	1.0%	
OFFICE SUPPLIES/POSTAGE/TELEPHONE	47,699	0.0%	66,006	0.1%	18,307	27.7%	621,278	0.1%	585,692	0.1%	(35,586)	-6.1%	
MEETINGS/TRAVEL/DUES	108,248	0.1%	106,514	0.1%	(1,734)	-1.6%	738,790	0.1%	988,742	0.1%	249,952	25.3%	
OTHER	111,692	0.1%	81,042	0.1%	(30,650)	-37.8%	1,838,494	0.2%	1,622,228	0.2%	(216,266)	-13.3%	
TOTAL ADMINISTRATIVE EXPENSES	\$ 4,638,938	4.3%	\$ 5,747,569	6.3%	\$ 1,108,631	19.3%	\$ 48,985,731	5.2%	\$ 50,367,221	5.8%	\$ 1,381,489	2.7%	
OPERATING SURPLUS (LOSS)	\$ 4,232,149	3.9%	\$ (2,748,394)	-3.0%	\$ 6,980,543	254.0%	\$ 16,568,573	1.8%	\$ (7,452,498)	-0.9%	\$ 24,021,071	322.3%	
GASB 75 - POST EMPLOYMENT BENEFITS EXPENSE	\$ 65,750	0.1%	\$ 60,000	0.1%	\$ (5,750)	-9.6%	\$ 719,971	0.1%	\$ 540,000	0.1%	\$ (179,971)	-33.3%	
GASB 68 - UNFUNDED PENSION LIABILITY	(156,500)	-0.1%	75,000	0.1%	231,500	308.7%	1,758,958	0.2%	675,000	0.1%	(1,083,958)	-160.6%	
NON-OPERATING EXPENSES	\$ (90,750)	-0.1%	\$ 135,000	0.1%	\$ 225,750	167.2%	\$ 2,478,929	0.3%	\$ 1,215,000	0.1%	\$ (1,263,929)	-104.0%	
INTEREST & INVESTMENT INCOME	\$ 111,948	0.1%	\$ 350,000	0.4%	\$ (238,052)	-68.0%	\$ 1,368,805	0.1%	\$ 3,150,000	0.4%	\$ (1,781,195)	-56.5%	
OTHER INCOME	35,248	0.0%	33,668	0.0%	1,580	4.7%	961,157	0.1%	299,923	0.0%	661,233	220.5%	
NON-OPERATING INCOME	\$ 147,197	0.1%	\$ 383,668	0.4%	\$ (236,472)	-61.6%	\$ 2,329,962	0.2%	\$ 3,449,923	0.4%	\$ (1,119,962)	-32.5%	
NET NON-OPERATING ACTIVITIES	\$ 237,947	0.2%	\$ 248,668	0.3%	\$ (10,722)	-4.3%	\$ (148,968)	0.0%	\$ 2,234,923	0.3%	\$ (2,383,891)	-106.7%	
NET SURPLUS (LOSS)	\$ 4,470,096	4.1%	\$ (2,499,725)	-2.7%	\$ 6,969,822	278.8%	\$ 16,419,606	1.7%	\$ (5,217,574)	-0.6%	\$ 21,637,180	414.7%	

Balance Sheet



SANTA CLARA COUNTY HEALTH AUTHORITY
As of March 31, 2021

	<u>Mar-2021</u>	<u>Feb-2021</u>	<u>Jan-2021</u>	<u>Mar-2020</u>
Assets				
Current Assets				
Cash and Investments	520,024,777	362,000,143	384,167,611	300,653,651
Receivables	507,477,386	650,794,128	502,763,948	583,619,915
Prepaid Expenses and Other Current Assets	9,506,927	8,901,299	10,789,770	11,735,059
Total Current Assets	1,037,009,089	1,021,695,570	897,721,329	896,008,625
Long Term Assets				
Property and Equipment	51,142,872	51,070,144	50,645,446	46,531,020
Accumulated Depreciation	(23,463,932)	(23,133,032)	(22,794,622)	(19,978,087)
Total Long Term Assets	27,678,940	27,937,112	27,850,825	26,552,933
Total Assets	1,064,688,028	1,049,632,682	925,572,153	922,561,558
Deferred Outflow of Resources	8,402,260	8,402,260	8,402,260	9,237,609
Total Assets & Deferred Outflows	1,073,090,288	1,058,034,942	933,974,413	931,799,167
Liabilities and Net Assets:				
Current Liabilities				
Trade Payables	6,086,219	8,087,827	6,472,762	10,498,821
Deferred Rent	48,757	48,585	48,414	0
Employee Benefits	3,097,436	3,002,306	2,948,693	1,952,566
Retirement Obligation per GASB 75	2,833,868	2,768,118	2,702,368	3,228,453
Deferred Revenue - Medicare	0	0	0	500,000
Whole Person Care / Prop 56	49,776,444	49,144,350	47,108,193	32,701,914
Payable to Hospitals (SB90)	104,014	20,688	37,715,808	0
Payable to Hospitals (SB208)	124,936,215	124,936,215	203,428	0
Pass-Throughs Payable	330,470	330,470	26,787	54,383,626
Due to Santa Clara County Valley Health Plan and Kaiser	29,732,966	29,466,215	22,286,701	29,553,631
MCO Tax Payable - State Board of Equalization	27,447,737	18,230,783	9,115,391	24,307,710
Due to DHCS	53,630,663	52,760,437	45,976,921	37,964,537
Liability for In Home Support Services (IHSS)	419,268,582	419,268,582	419,268,582	416,092,527
Current Premium Deficiency Reserve (PDR)	8,294,025	8,294,025	8,294,025	8,294,025
Medical Cost Reserves	119,021,715	117,508,759	112,316,256	101,899,745
Total Current Liabilities	844,609,111	833,867,361	714,484,332	721,377,554
Non-Current Liabilities				
Net Pension Liability GASB 68	1,758,958	1,915,457.68	2,071,958	638,923
Total Non-Current Liabilities	1,758,958	1,915,457.68	2,071,958	638,923
Total Liabilities	846,368,069	835,782,819	716,556,289	722,016,477
Deferred Inflow of Resources	1,661,827	1,661,827	1,661,827	2,994,548
Net Assets				
Board Designated Fund: Special Project Funding for CBOs	3,337,274	3,337,274	3,377,274	3,820,000
Board Designated Fund: Innovation & COVID-19 Fund	13,830,001	13,830,001	13,830,001	16,000,000
Invested in Capital Assets (NBV)	27,678,940	27,937,112	27,850,825	26,552,933
Restricted under Knox-Keene agreement	425,000	425,000	530,350	305,350
Unrestricted Net Equity	163,369,573	163,111,401	163,052,338	155,447,470
Current YTD Income (Loss)	16,419,606	11,949,509	7,115,510	4,662,389
Total Net Assets / Reserves	225,060,393	220,590,296	215,756,297	206,788,142
Total Liabilities, Deferred Inflows and Net Assets	1,073,090,288	1,058,034,942	933,974,413	931,799,167

Cash Flow Statement



	<u>Mar-2021</u>	<u>Year-to-date</u>
Cash Flows from Operating Activities		
Premiums Received	261,253,090	1,223,492,896
Medical Expenses Paid	(97,198,373)	(851,686,341)
Administrative Expenses Paid	(6,104,552)	(184,314,224)
Net Cash from Operating Activities	157,950,165	187,492,332
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	(72,728)	(3,756,986)
Cash Flows from Investing Activities		
Interest Income and Other Income (Net)	147,197	2,329,962
Net Increase/(Decrease) in Cash & Cash Equivalents	158,024,633	186,065,307
Cash & Investments (Beginning)	362,000,143	333,959,470
Cash & Investments (Ending)	520,024,777	520,024,777
Reconciliation of Operating Income to Net Cash from Operating Activities		
Operating Income/(Loss)	4,322,899	14,089,644
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities		
Depreciation	330,900	2,727,134
Changes in Operating Assets/Liabilities		
Premiums Receivable	143,316,742	303,529,330
Prepays & Other Assets	(605,627)	356,772
Accounts Payable & Accrued Liabilities	(1,125,137)	(137,692,427)
State Payable	10,087,181	(23,981,535)
IGT, HQAF & Other Provider Payables	266,751	(5,212,109)
Net Pension Liability	(156,500)	1,758,958
Medical Cost Reserves & PDR	1,512,956	31,916,564
Total Adjustments	153,627,266	173,402,688
Net Cash from Operating Activities	157,950,165	187,492,332

Statement of Operations by Line of Business - YTD



Santa Clara County Health Authority
Statement of Operations
By Line of Business (Including Allocated Expenses)
For Nine Months Ending March 31, 2021

	Medi-Cal	CMC Medi-Cal	CMC Medicare	Total CMC	Grand Total
P&L (ALLOCATED BASIS)					
REVENUE	\$787,055,364	\$34,495,345	\$122,394,392	\$156,889,737	\$943,945,101
MEDICAL EXPENSE	\$737,778,350	\$26,571,409	\$114,033,734	\$140,605,143	\$878,390,796
(MLR)	93.7%	77.0%	93.2%	89.6%	93.1%
GROSS MARGIN	\$49,277,014	\$7,923,936	\$8,360,658	\$16,284,594	\$65,554,305
ADMINISTRATIVE EXPENSE	\$40,843,988	\$1,790,125	\$6,351,618	\$8,141,743	\$48,985,731
(% of Revenue Allocation)					
OPERATING INCOME/(LOSS)	\$8,433,025	\$6,133,811	\$2,009,040	\$8,142,851	\$16,568,573
(% of Revenue Allocation)					
OTHER INCOME/(EXPENSE)	(\$124,208)	(\$5,444)	(\$19,316)	(\$24,759)	(\$148,968)
(% of Revenue Allocation)					
NET INCOME/(LOSS)	\$8,308,817	\$6,128,367	\$1,989,725	\$8,118,092	\$16,419,606
PMPM (ALLOCATED BASIS)					
REVENUE	\$338.61	\$399.38	\$1,417.06	\$1,816.44	\$391.55
MEDICAL EXPENSES	\$317.41	\$307.64	\$1,320.26	\$1,627.90	\$364.36
GROSS MARGIN	\$21.20	\$91.74	\$96.80	\$188.54	\$27.19
ADMINISTRATIVE EXPENSES	\$17.57	\$20.73	\$73.54	\$94.26	\$20.32
OPERATING INCOME/(LOSS)	\$3.63	\$71.02	\$23.26	\$94.28	\$6.87
OTHER INCOME/(EXPENSE)	(\$0.05)	(\$0.06)	(\$0.22)	(\$0.29)	(\$0.06)
NET INCOME/(LOSS)	\$3.57	\$70.95	\$23.04	\$93.99	\$6.81
ALLOCATION BASIS:					
MEMBER MONTHS - YTD	2,324,392	86,372	86,372	86,372	2,410,764
REVENUE BY LOB	83.4%	3.7%	13.0%	16.6%	100.0%



Santa Clara Family
Health Plan™

Appendix

Enrollment By Aid Category

SCFHP TRENDED ENROLLMENT BY COA YTD APRIL-2021

		2020-04	2020-05	2020-06	2020-07	2020-08	2020-09	2020-10	2020-11	2020-12	2021-01	2021-02	2021-03	2021-04	FYTD var	%
NON DUAL	Adult (over 19)	24,051	25,253	26,299	27,066	27,877	28,269	29,181	29,835	30,327	30,750	31,307	31,711	32,106	5,807	22.1%
	Child (under 19)	93,374	95,145	96,173	96,605	97,359	97,629	98,409	98,930	99,012	99,172	99,377	99,557	99,872	3,699	3.8%
	Aged - Medi-Cal Only	10,801	11,044	11,207	11,227	11,178	11,229	11,263	11,328	11,385	11,463	11,451	11,459	11,509	302	2.7%
	Disabled - Medi-Cal Only	10,851	10,902	10,922	10,944	10,910	10,839	10,875	10,830	10,849	10,877	10,847	10,811	10,772	-150	(1.4%)
	Adult Expansion	70,458	72,546	74,553	76,262	77,701	79,263	80,654	82,060	83,250	84,477	85,477	86,677	88,035	13,482	18.1%
	BCCTP	11	11	11	11	11	11	11	11	11	10	10	11	9	-2	(18.2%)
	Long Term Care	380	398	405	402	406	407	409	389	393	388	380	373	375	-30	(7.4%)
	Total Non-Duals	209,926	215,299	219,570	222,517	225,442	227,647	230,802	233,383	235,227	237,137	238,849	240,599	242,678	23,108	10.5%

0

DUAL	Adult (21 Over)	311	320	321	327	320	337	354	353	353	352	355	361	357	36	11.2%
	SPD (21 Over)	23,443	23,595	23,508	23,641	23,686	23,654	23,687	23,760	23,988	23,899	24,155	24,206	24,167	659	2.8%
	Adult Expansion	134	190	241	261	289	358	410	498	537	590	662	742	802	561	232.8%
	Long Term Care	1,235	1,252	1,248	1,261	1,267	1,256	1,237	1,208	1,182	1,115	1,074	1,054	1,038	-210	(16.8%)
	Total Duals	25,123	25,357	25,318	25,490	25,562	25,605	25,688	25,819	26,060	25,956	26,246	26,363	26,365	1,047	4.1%

Total Medi-Cal	235,049	240,656	244,888	248,007	251,004	253,252	256,490	259,202	261,287	263,093	265,095	266,962	269,043	24,155	9.9%
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CMC	CMC Non-Long Term Care	8,511	8,625	8,775	8,814	9,055	9,212	9,360	9,470	9,613	9,614	9,706	9,696	9,745	970	11.1%
	CMC - Long Term Care	214	212	212	215	211	216	210	209	207	193	187	184	179	-33	(15.6%)
	Total CMC	8,725	8,837	8,987	9,029	9,266	9,428	9,570	9,679	9,820	9,807	9,893	9,880	9,924	937	10.4%

Total Enrollment	243,774	249,493	253,875	257,036	260,270	262,680	266,060	268,881	271,107	272,900	274,988	276,842	278,967	25,092	9.9%
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FOR YOUTH DEVELOPMENT®
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

**YMCA of Silicon Valley COVID-19
Expanded Summer Nutrition Program for Children and Families
Proposal for Santa Clara Family Health Plan**

This proposal is submitted to ask for the Santa Clara Family Health Plan Board's financial support for the Y's **Expanded Summer Nutrition Program** for the summer 2021. We deeply appreciated your support for our **Emergency Hunger Relief** efforts in 2020. The funding you provided in 2020 enabled the YMCA to expand the network of feeding sites and partnerships significantly reaching more children and families who are food insecure and disproportionality impacted by the pandemic, serving more than 101,000 meals and snacks over the summer.

We ask you to join the YMCA of Silicon Valley again this summer to support that expanded nutrition delivery system and underwrite the leadership required to coordinate volunteers and partners to reach the children and families facing food insecurity along with the challenges of stress and instability created by this pandemic.

The impact of COVID-19 on the YMCA of Silicon Valley's delivery system has been significant. A 75% reduction in revenue from membership and program registrations caused us to reduce our staff head count by 75%. Despite the elongated shut downs and required protocols, our Y has continued to serve our community. We have partnered with healthcare providers, school districts and local government in response to the COVID-19 pandemic. Adjusting to meet urgent needs, the Y transformed several of our Y facilities, along with local elementary school sites, to be Community Response Centers. These Y centers have been providing essential services that are part of the YMCA of Silicon Valley's COVID-19 Response Efforts including:

- **Critical Care Camps for Essential Workers' children** with capacity to care for up to 220 children daily
- **Learning Labs** for 1,500 children whose parents need to work outside their residence while supporting student learning while providing healthy nutrition and activities between virtual lessons
- **Food Distribution** for youth in partnership with school districts, libraries and for older adults at Senior Centers in Gilroy and Morgan Hill
- **Blood Drives** in partnership with American Red Cross
- **Support for teachers and students** working via distance learning
- **Virtual YMCA Diabetes Prevention Programs** among the many health, wellness, educational and family programs offered virtually and free to the community
- **Early Learning Readiness** for preschool children and their caregivers to keep children learning and building their literacy readiness
- **Youth and Government** engaged middle and high school youth in a civic education program to learn the political process and the important of their participation

We are pleased to share that, with the vaccine adoption increasing, our communities are starting to open and people are feeling safer to engage and participate in person. We also know that the challenges of food insecurity are increasing as families are facing new dimensions of health concerns and instability.

Food banks and meal service providers have always been needed to fill the gaps in food assistance created by federal safety net programs that have eligibility limitations. With this dramatic increase in demand, food banks and meal service providers must fill a much larger gap than before the



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pandemic. For example, Second Harvest Food Bank of Silicon Valley has reported that they are now helping an average of 500 households apply for CalFresh (California's version of SNAP or the food stamp program) each month— a 150% increase from the normal monthly average.

YMCA of Silicon Valley is a long-time and well-regarded United States Department of Agriculture (USDA) food program sponsor and meal service provider. While schools have been closed for in-person learning, the Y partnered with schools to offer in-person Learning Labs on campus, providing free meals alongside distance learning support and enrichment. Some schools were also able to provide access to meals for students in need through drive-up and take-away food distribution. A number of these school-based options will end when school is out in early June. Research shows, six out of seven low-income youth who receive free or reduced price school meals during the school year lose access to this resource during a typical summer, and the need will be even greater this summer.

As the school year distribution comes to an end and our community faces a reduced availability of summer programs where food is often served, the Y will be able to provide food distribution at Summer Food Service Program (SFSP) meal sites to meet the high demand for food assistance during summer 2021 in Santa Clara County by coordinating the distribution of approximately 4,516 meals and snacks daily at 38 sites located in low-income neighborhoods, including YMCA facilities, school partner sites and community-based partner locations (libraries, shelters for homeless families with children, churches, and community-based agencies).

The pandemic has exacerbated issues that contribute to both hunger and learning loss for youth. The Y is addressing these challenges by providing hunger relief to families in need in conjunction with educational enrichment for children. Alongside open meal site food distribution at our Y facilities, the Y will offer Summer Enrichment Day Camp at six (6) YMCA locations in Santa Clara County this summer. In these Special Camps, youth will receive a rich mix of academic support, enrichment, art, STEM and physical activity. Free healthy meals will be served in these programs as part of the SFSP, serving up to 366 campers of working families each week for eight weeks this summer. In addition to our day camps at our Y facilities, our Y is partnering with 15 Title I schools to provide free meals alongside learning and enrichment for 1,158 kids participating in the 6-week, in-person YMCA Summer Learning Program, designed to combat learning loss due to pandemic related restrictions on in-person learning and the typical summer slide.

Over the course of the summer, the Y will coordinate the distribution of an estimated total of 155,880 meals and snacks at a total of 38 locations to children in the lowest-income neighborhoods. In addition, we will again partner with Second Harvest Food Bank to provide meals for the adults in the family.

We are diligently following CA Department of Education food distribution guidance, as well as federal, state and county COVID-19 food service safety modification orders critical to reducing the spread of the virus. Meal service for children not enrolled in the Special Camps will continue to be drive-up and take-away. We are in ongoing communication with our partners, staff and volunteers to maintain safe practices to ensure children and families receive nutritious meals during this time of increased need for food assistance.

The Y respectfully requests **\$100,000 from Santa Clara Family Health Plan** to support the delivery of this **Expanded Summer Nutrition Program**. It is essential that we raise the funds needed to subsidize staff who are coordinating the expanded food operations and who will, in turn, deliver these services to those who need it the most.



Specifically, these funds would support a portion of the direct staff costs for:

- **SFSP Nutrition Manager**, who is responsible for ordering, compliance and training of all staff and volunteers and the direct administration of the YMCA Summer Feeding Program at all 26 sites.
- **SFSP Nutrition Administrative Assistant**, who is responsible for all administrative paperwork including meal tracking and billing.
- **Y Food Distribution Program Site Directors** for six Y sites. These Program Site Directors oversee compliance with regulations along with accepting daily food deliveries, and recruiting and leading volunteers and staff during daily food distribution.

Though the responsibilities of these staff positions are required as a USDA SFSP sponsor and meal service provider, federal funding provided to food program sponsors does not provide full support to cover the costs to run these food service programs, only reimbursement for the cost of food and a small allowable percentage for administrative and meal service products. The financial impact of this pandemic continues to effect the Y's financial position and ability to subsidize the meal program.

Your support is critical for the Y to expand this **Summer Nutrition Program**. Ten months into our current FY21 fiscal year, the Y is projecting an annual reduction in revenue of \$52 million and a June 30 year-end operating loss of \$4.2 million which has depleted our \$5.4 million in cash reserves prior to the pandemic. We have well-developed business plans to recover this impact but it will take time and has required the plan to liquidate our association offices to sustain our delivery system. We continue to hold \$10 million in endowment funds and successfully obtained a Payroll Protection Program loan in March 2021. This will provide the cash to support our recovery plans.

We continue to raise money to support critical services and are close to achieving our summer program support fundraising goal of \$2 million. With the Y system's reduction due to the pandemic, we do not have the ability to subsidize the **Expanded Summer Nutrition Program** and also provide the critical financial assistance needed for children to attend summer camp and learning recovery programs.

Together the Y and SCFHP can increase food access and distribution to children and families who need it most. The California Department of Education provides pass through funding from the USDA as reimbursement for the cost of meals and limited non-food costs for the SFSP. Funds from Santa Clara Family Health Plan would supplement, and not supplant, any other funding for the YMCA Summer Feeding Program. A grant from the SCFHP would be a meaningful portion of the \$230,000 we need to raise to administer and coordinate the SFSP. The Y is also raising funds to provide financial assistance for Summer Day Camps across the region for up to 500 children daily throughout the summer ahead.

This pandemic has affected organizations, communities and individuals from all walks of life, locally and across the globe. The YMCA **Expanded Summer Nutrition Program** is a critical component for family stability and can be a stop gap to homelessness. If food is covered, unemployment benefits can go to cover rent or housing. With the Santa Clara Family Health Plan Board's support, the Y can ensure more kids and their families will have access to nutrition this summer.

Sources:

- National Summer Learning Association
- Second Harvest Food Bank
- Food Research and Action Center
- Insight Center for Community Economic Development
- Bureau of Labor and Statistics