



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

Monday, April 13, 2020, 3:00 PM – 4:00 PM
 Santa Clara Family Health Plan
 6201 San Ignacio Ave, San Jose, CA 95119

Minutes - Approved

Member Present

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

Staff Present

Christine Tomcala, Chief Executive Officer
 Neal Jarecki, Chief Financial Officer
 Laurie Nakahira, D.O., Chief Medical Officer
 Chris Turner, Chief Operating Officer
 Ngoc Bui-Tong, VP, Strategies & Analytics
 Laura Watkins, VP, Marketing & Enrollment
 Tyler Haskell, Director, Government Relations
 Jayne Giangreco, Manager, Administrative Services
 Rita Zambrano, Executive Assistant

1. Roll Call

Dolores Alvarado, Chair, called the meeting to order at 3:00 pm. Roll call was taken and a quorum was established.

2. Public Comment

There were no public comments.

3. Process for Consideration of COVID-19 Funding Requests

Christine Tomcala, CEO, reviewed the objectives of the meeting, which were to: (1) understand the Plan's reserves and the need for those reserves, (2) determine a process for consideration of COVID-19 funding requests from Plan reserves, and (3) consider the request received from FIRST 5 for emergency funding of infant formula.

Ms. Tomcala reported on the Plan's reserves, noting that Tangible Net Equity (TNE) was \$204 million. She noted the reserves represent the accumulated net surplus since Plan inception, and are needed to maintain the long-term health and stability of the Plan. She further noted that reserves include the value of the Plan's fixed assets (largely the building) and the two Board-designated funds. With these items removed, and less the recent Board-approved COVID-19 funding to the community clinics of \$2 million, the Plan's unrestricted net reserves are \$156 million, or less than sixty days of total expenses of \$185 million.

Ms. Tomcala noted that the Board-Designated Innovation Fund and the Special Project Fund for Community-Based Organizations (CBO) have remaining balances of \$15.3 million and \$3.7 million, respectively. She noted that COVID-related funding requests may not meet the existing criteria of these Board-designated funds.



Ms. Tomcala summarized potential budgetary challenges which threaten the Plan's reserves, including: issues with the Federal government, the State budget and Med-Cal funding process, increasing State program expectations, increasing acuity of an aging membership, the potential for additional Medi-Cal membership growth, support for providers, and direct COVID-related costs to the Plan.

Ms. Tomcala summarized several criteria proposed by Mr. Brownstein for consideration of COVID-related funding requests, as follows;

1. Demonstrate the need is directly related to the COVID-19 pandemic.
2. Demonstrate the project targets those in the most acute need.
3. Indicate if a one-time need; if longer-term program, how will the need be sustained with resources other than SCFHP.
4. Demonstrate the applicant is making maximum use of own resources, including reserves.
5. Indicate if funding is being sought from other potential sources.
6. Indicate if a loan/advance could meet the need.
7. Indicate if the request is health care-related (e.g., provider network stabilization).

Mr. Brownstein spoke about the many devastating effects of the current COVID-19 crisis that are overwhelming Federal and State resources. The Committee members discussed balancing their duty to protect the ability of the plan to fulfill its mission, with the tremendous needs in the community as a result of the COVID-19 pandemic.

Mr. Brownstein suggested establishing the above-criteria for consideration of COVID-19-related funding requests. He further suggested a small group be designated to consider emergency COVID-19 requests that cannot wait for consideration at a Board or Executive/Finance Committee meeting.

It was moved, seconded and the proposed criteria were **unanimously approved** with amendments to include "reserves and emergency funds" in number (4), and to add two additional criteria: (8) Funds are not to be used for other expenses and may not supplant normal recurring funding, and (9) Funds are to be used exclusively for direct service provision and not for indirect overhead.

Motion: Mr. Brownstein

Second: Ms. Murphy

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

It was moved, seconded and unanimously approved that for the period of the COVID-19 pandemic, the criteria for the Innovation Fund should be amended to include the COVID-19 criteria just approved, as an alternate means of eligibility for funding.

Motion: Ms. Williams

Second: Ms. Murphy

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

It was moved, seconded and unanimously approved to form a small group, composed of the Board Chair, the Executive/Finance Committee Chair, and the Chief Executive Officer, to consider emergency COVID-19-related funding requests between meetings of the Governing Board and/or the Executive/Finance Committee. The group can make funding decisions up to a maximum of \$2 million between meetings.

Motion: Mr. Brownstein

Second: Ms. Kniss

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



4. COVID-19 Funding Request

Ms. Tomcala presented a funding request from FIRST 5 for \$300,000 to provide infant formula to 7,500 families in the month of April 2020. The Committee raised several questions and requested that Ms. Tomcala follow-up with FIRST 5.

5. Adjournment

The meeting was adjourned at 4:08 pm.

DocuSigned by:

A handwritten signature in black ink, appearing to read "Susan G. Murphy".

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Susan G. Murphy, Secretary