



Regular Meeting of the
**Santa Clara County Health Authority
Governing Board**

Thursday, September 22, 2022, 12:00 PM – 2:30 PM
Santa Clara Family Health Plan - Teleconference
6201 San Ignacio Ave, San Jose, CA 95119

MINUTES

Members Present

Michele Lew, Chair
Dave Cameron
Sara Jeevanjee, M.D.
Kathleen King
Liz Kniss
Sarita Kohli
Sue Murphy
Ria Paul, M.D.
Sherri Sager

Members Absent

Alma Burrell
Eva Terrazas

Staff Present

Christine Tomcala, Chief Executive Officer
Neal Jarecki, Chief Financial Officer
Laurie Nakahira, D.O., Chief Medical Officer
Jonathan Tamayo, Chief Information Officer
Chris Turner, Chief Operations Officer
Ngoc Bui-Tong, VP, Strategies and Analytics
Chelsea Byom, VP, Marketing, Communications & Outreach
Teresa Chapman, VP, Human Resources
Tyler Haskell, Interim Compliance Officer
Barbara Granieri, Controller
Mike Gonzalez, Director, Community Engagement
Khanh Pham, Director, Financial Reporting & Budgeting
Ashley Kerner, Manager, Administrative Services
Kris Cameron, Strategic Planning Project Manager
Lloyd Alaban, Copy Writer & Content Strategist
Robyn Esparza, Administrative Assistant

Others Present

Jennifer Cloyd, FIRST 5
Darcy Muilenberg, DSR Health Law
Tiffany Washington, Valley Health Plan

1. Roll Call

Michele Lew, Chair, called the meeting to order at 12:00 pm. Roll call was taken and a quorum was established.

Christine Tomcala, Chief Executive Officer, acknowledged newly appointed board members Jennifer Cloyd and Sara Jeevanjee, M.D..

2. Public Comment

There were no public comments.

3. Approve Consent Calendar and Changes to the Agenda

Ms. Lew presented the Consent Calendar and indicated all agenda items would be approved in one motion.

- a. Approve minutes of the June 23, 2022 **Governing Board Meeting**
- b. Accept minutes of the July 28, 2022 **Executive/Finance Committee Meeting**
 - Ratify approval of Claims Policies
 - CL.01 v5 Interest on the Late Payment of Claims
 - CL.02 v4 Misdirected Claims
 - CL.03 v5 Notice of Denial of Payment
 - CL.04 v3 Skilled Nursing Facility
 - CL.05 v3 Long Term Care
 - CL.06 v5 Inpatient Admission
 - CL.07 v6 Emergency Room Services
 - CL.08 v4 General Physician Professional Services
 - CL.09 v4 Claims Timeframes Turn-Around-Time
 - CL.10 v4 Provider Dispute Resolution
 - CL.11 v3 Ambulatory Surgery Center (ASC)
 - CL.13 v5 Processing of Family Planning Claims
 - CL.12 v3 Coordination of Benefits and Medicare_Medi-Cal Crossover Claims
 - CL.14 v3 Processing of Radiology Claims
 - CL.15 v3 Processing of Anesthesia Claims
 - CL.16 v3 Processing of Drugs and Biologicals Claims
 - CL.17 v3 Processing of Durable Medical Equipment, Orthotics, and Prosthetics Claims
 - CL.18 v3 Processing of Home Health Claims
 - CL.19 v3 Processing of Rehabilitation Therapies Claims
 - CL.20 v5 Processing of Inpatient Psychiatric Facility and Outpatient Behavioral Mental Health Claims
 - CL.21 v5 Claims Processing & Adjudication
 - CL.22 v5 Processing of Abortion Claims
 - CL.23 v3 Overpayment Recovery
 - CL.24 v3 Timely Processing of Non-Clean Claims
 - CL.25 v4 Direct Member Reimbursement
 - CL.26 v3 Claim Development of Non-Clean Non-Contracted Medicare Claims
 - CL.27 v3 Non-Medical Transportation
 - CL.28 v2 Other Health Coverage Cost Avoidance and Post Payment Recovery
 - CL.29 v2 Third Party Tort Liability Reporting Requirements
 - Ratify approval of the May 2022 Financial Statements
 - Ratify approval of funding for the YMCA Diabetes Prevention Program from the Board Designated Innovation Fund
 - Ratify approval of funding for the South County Compassion Center Rental Assistance Program from the Special Project Fund for CBOs
- c. Accept minutes of the August 25, 2022 **Executive/Finance Committee Meeting**
 - Ratify approval of the Network Detection and Prevention Update
 - Ratify approval of Governance Policy GO.01 v2 Organizational Policies
 - Ratify approval of Claims Policies
 - CL.02 v4 Misdirected Claims
 - CL.04 v3 Skilled Nursing Facility
 - CL.07 v6 Emergency Room Services
 - CL.10 v4 Provider Dispute Resolution
 - CL.28 v2 Other Health Coverage Cost Avoidance and Post Payment Recovery
 - Ratify approval of the County of Santa Clara Reentry Resource Center sponsorship
 - Ratify approval of the June 2022 Financial Statements
 - Ratify approval of an adjustment to the use and terms of funding for the FIRST 5 Integrated Behavioral Health Pilot Project from the Board Designated Innovation Fund
- d. Accept minutes of the August 31, 2022 **Compliance Committee Meeting**
 - Accept Compliance Dashboard

- Ratify approval of HIPAA Policies
 - HI.01 v2 Privacy Officer Assignment and Responsibilities
 - HI.02 v2 Privacy Training Requirements
 - HI.03 v2 Minimum Necessary Standards
 - HI.06 v3 Request for Access
 - HI.07 v3 Amendments to Protected Health Information
 - HI.08 v2 Accounting of Disclosures
 - HI.10 v3 Uses by and Disclosures to Business Associates and Third Parties
 - HI.11 v3 De-Identification of Health Information
 - HI.12 v3 Uses and Disclosures of Limited Data Sets
 - HI.13 v2 Requests for Restrictions on Uses and Disclosures
 - HI.14 v2 Request for Confidential Communications
 - HI.16 v2 Reporting and Responding to Privacy Complaints
 - HI.18 v2 Safeguards
 - HI.19 v3 Notice of Privacy Practices
 - HI.20 v3 Personal Representatives
 - HI.22 v2 Individual Caller Identification
 - HI.24 v2 Communications with Minors
 - HI.25 v2 Leaving Message with PHI
 - HI.26 v2 Uses and Disclosures of Protected Health Information
 - HI.46 v2 Photographing, Video Recording, Audio Recording and Other Imaging
 - HI.51 v2 Breach Notification Requirements
- e. Accept minutes of the August 9, 2022 **Quality Improvement Committee** Meeting
 - Ratify approval of the Cal MediConnect Availability of Practitioners Evaluation
 - Ratify approval of the Annual E-Mail Quality and Analysis Report
 - Ratify approval of the Santa Clara Family Health Plan Member Experience, including Behavioral Health: 2021 Analysis
 - Ratify approval of QI Policies
 - QI.17 Behavioral Health Care Coordination
 - QI.18 Sensitive Services, Confidentiality, Rights of Adults and Minors
 - QI.21 Information Exchange Between SCFHP & SCCBHSD
 - QI.25 Palliative Care
 - QI.34 Housing and Homelessness Incentive Program
 - Ratify approval of Committee Reports
 - Credentialing Committee - June 1, 2022
- f. Accept minutes of the August 10, 2022 **Provider Advisory Council** Meeting
- g. Accept minutes of the September 6, 2022 **Consumer Advisory Committee** Meeting
- h. Approve **Publicly Available Salary Schedule**
- i. Approve **D-SNP Encounter Submission Services Vendor Contract**
- j. Approve **D-SNP Customer Service Support Vendor Contract**
- k. Approve **2023 Board & Committee Meeting Calendar**
- l. Approve **continued use of teleconferencing** without providing public access to each teleconference location pursuant to Government Code Section 54953

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

Motion: Ms. Kniss

Second: Ms. King

Ayes: Mr. Cameron, Ms. Jeevanjee, Ms. King, Ms. Kniss, Ms. Kohli, Ms. Lew, Ms. Murphy,
Ms. Sager

Absent: Ms. Burrell, Dr. Paul, Ms. Terrazas

Dr. Ria Paul joined the meeting at 12:10 pm.

4. July 2022 Financial Statements

Mr. Jarecki presented the unaudited financial statements for July 2022, the first month of the fiscal year, which reflected a current month net surplus of \$4.3 million (a favorable variance of \$3.5 million to budget).

Enrollment increased by 7,347 members from the prior month to 313,729 members (8,054 members or 2.6% higher than budget) predominately due to the newly-eligible Medi-Cal undocumented Adult population. Enrollment has been rising since March 2020 due to the suspension of annual eligibility redeterminations during the public health emergency (PHE).

Revenue reflected a net favorable current month budget variance of \$2.2 million (2.0%) due to several factors. Favorable variances resulted from (1) higher enrollment and (2) higher supplemental utilization. Unfavorable variances resulted from (1) the timing of several DHCS incentive programs (offset by related favorable medical expense variances), and (2) updated Long Term Care (LTC) membership counts.

Medical Expense reflected a net unfavorable current month budget variance of \$157 thousand (0.2%) due to several factors. Unfavorable variances included higher fee-for-service enrollment and higher unit costs in certain categories of service versus budget, higher supplemental services than budget, and higher capitation expense due to higher capitated enrollment vs. budget.

Administrative Expense was \$946 thousand (13.5%) favorable to budget for the month largely due to (1) lower headcount than budgeted, and (2) favorable variances in several non-personnel categories due to the timing of certain expenses vs. budget.

Non-Operating Income was \$460 thousand favorable to budget due to higher investment yield compared to budget.

The **Balance Sheet** reflected a Current Ratio, a key measure of liquidity, of 1.33:1 versus the DMHC minimum current ratio requirement of 1.00:1.

Tangible Net Equity of \$289.4 million, which represented approximately three months of the Plan's total expenses, included unrestricted net assets of \$249.7 million.

Capital Investments of \$108 thousand were have been made year-to-date, predominately computer hardware, versus the annual capital budget of \$6.2 million.

It was moved, seconded, and the July 2022 unaudited Financial Statements were unanimously approved.

Motion: Mr. Cameron

Second: Ms. Kniss

Ayes: Mr. Cameron, Ms. Jeevanjee, Ms. King, Ms. Kniss, Ms. Kohli, Ms. Lew, Ms. Murphy, Dr. Paul, Ms. Sager

Absent: Ms. Burrell, Ms. Terrazas

5. Fiscal Year 2021-2022 Team Incentive Compensation

Christine Tomcala, Chief Executive Officer, presented the performance on metrics for the FY 2021-2022 Team Incentive Compensation Program. Ms. Tomcala shared information on the process for calculating the incentive award, as well as the eligibility requirements employees must meet to receive a payout.

It was moved, seconded, and the Fiscal Year 2021-2022 Team Incentive Payout was unanimously approved.

Motion: Ms. Kohli

Second: Ms. Sager

Ayes: Mr. Cameron, Ms. Jeevanjee, Ms. King, Ms. Kniss, Ms. Kohli, Ms. Lew, Ms. Murphy, Dr. Paul, Ms. Sager

Absent: Ms. Burrell, Ms. Terrazas



6. Fiscal Year 2022-2023 Team Incentive Compensation

Ms. Tomcala presented the proposed FY 2022-2023 Team Incentive Compensation Program. She highlighted the metric for reducing health disparities in the percentage of African American/Black members receiving post-partum care. Discussion ensued regarding the achievability of the metric.

It was moved, seconded, and the Fiscal Year 2022-2023 Team Incentive Compensation Program was unanimously approved.

Motion: Ms. Murphy

Second: Ms. Sager

Ayes: Mr. Cameron, Ms. Jeevanjee, Ms. King, Ms. Kniss, Ms. Kohli, Ms. Lew, Ms. Murphy, Dr. Paul, Ms. Sager

Absent: Ms. Burrell, Ms. Terrazas

7. Innovation Fund Expenditure Request

Chelsea Byom, VP, Marketing, Communications & Outreach, presented the Governing Board with a request to designate funding for a health care scholarship program in honor of SCFHP's 25th Anniversary. Scholarships would provide financial support to empower the next generation of healthcare professionals in Santa Clara County who reflect the diversity of the SCFHP member population. Ms. Byom indicated the scholarship eligibility requirements and recipient award amounts were being discussed internally.

Sherri Sager suggested inviting Plan partner hospitals to contribute additional funds to the scholarship program.

It was moved, seconded, and the Santa Clara Family Health Plan request for \$500,000 to fund a health care scholarship program was unanimously approved as an expenditure from the Board Designated Innovation Fund.

Motion: Ms. Kohli

Second: Ms. King

Ayes: Mr. Cameron, Ms. Jeevanjee, Ms. King, Ms. Kniss, Ms. Kohli, Ms. Lew, Ms. Murphy, Dr. Paul, Ms. Sager

Absent: Ms. Burrell, Ms. Terrazas

8. CEO Update

Ms. Tomcala invited the Governing Board Members to a 25th Anniversary event being held at the SCFHP Blanca Alvarado Community Resource Center on October 22, 2022.

She also shared information on the recent passing of SCFHP Medical Director, Dr. Jeff Robertson, and his memorial open house. Kathleen King asked that the meeting be adjourned in honor of Dr. Jeff Robertson, and Board members concurred.

Ms. Tomcala asked Mr. Haskell to provide the status of Assembly Bill 2449 regarding public meeting teleconferencing. He highlighted updates to the teleconferencing requirements scheduled to take effect after the public health emergency ends in 2023.

Ms. Tomcala further offered information on the D-SNP transition, and noted the Acronym list and Board Dashboard in the meeting packet.

9. Compliance Report

Tyler Haskell, Interim Compliance Officer, provided updates on current compliance activity, beginning with the annual Department of Managed Health Care (DCMHC) Routine Audit, for which the Compliance Department is preparing. Mr. Haskell shared the plan recently concluded its routine triennial DMHC Financial Audit with no deficiencies. Mr. Haskell stated the plan is awaiting a preliminary report from the annual Department of Health Care Services (DHCS).



Mr. Haskell informed the members the Compliance Department is working with internal business units to prepare submissions for the first set of deadlines for the new process initiated by DHCS put in place to ensure plans are ready to comply with the requirements of the new 2024 contract.

Mr. Haskell shared the Plan's receipt of a Notice of Noncompliance from CMS related to a required protected class drug that was missing from the Plan's July 2022 formulary submission.

Mr. Haskell informed the members of the Plan's recent completion of the annual Medicare data validation audit with final results indicating 100% validation.

Mr. Haskell concluded his presentation by sharing the results of the report from the peer-review compliance program effectiveness (CPE) audit of four observations related to improving the consistency and clarity of internal documents and reducing audit completion times.

10. Government Relations Update

Tyler Haskell, Director of Government Relations, provided updates on federal and state governmental actions affecting Plan operations. He discussed the finalization of the reversal of the Public Charge Act and he shared a new rule proposed by CMS to streamline Medicare eligibility and enrollment that will primarily impact county community health workers assisting individuals applying for coverage.

Mr. Haskell shared congressional updates highlighting the impact of the Inflation Reduction Act on SCFHP Part-D members who require catastrophic coverage raising the current payment made by the Plan from 15% to 60%. Mr. Haskell provided an update on the Improving Seniors' Timely Access to Care Act that contains concerning Gold Carding language allowing certain providers to waive prior authorization requirements. Mr. Haskell shared information on the Advancing Telehealth Beyond COVID-19 Act that extends the COVID telehealth Medicare Flexibilities through the end of 2024. Mr. Haskell discussed the Statutory PAYGO sequester that may trigger an automatic Medicare payment cut of 4%. Mr. Haskell concluded the congressional update portion of his presentation with an update on government funding relating to the COVID-19 pandemic and Monkey Pox outbreak, noting current government funding authorization will expire at the end of September 2022.

Mr. Haskell shared state issues impacting the Plan, including the DHCS/Medi-Cal reprocurments relation to the 2024 Medical Managed Care Contract that has resulted in Anthem Blue Cross remaining the Commercial Plan Competitor in Santa Clara County.

Mr. Haskell shared a legislation update on five bills. SB 1473 demands out-of-network providers reimburse, at a reasonable rate, costs related to COVID testing. He shared that the SB 987 requirement for Plans to contract with National Cancer Center Institute designated comprehensive cancer centers and notify enrollees of their right to request services will not impact SCFHP as the Plan currently contracts with Stanford. Mr. Haskell stated, SB 858 will increase penalties for Health Plans from the California Department of Managed Health Care (DMHC). He informed the members that SB 966 has extend indefinitely the code flexibilities, enacted during COVID, for a Medi-Cal program administered by DHCS for health care services for Federally Qualified Health Centers FQHC and Rural Health Clinics RHC. Mr. Haskell concluded his presentation with an update on new requirements resulting from AB 2697 that codifies into law the Community Health Worker benefit launched in July.

11. Adjourn to Closed Session

a. Existing Litigation

The existing litigation discussion was removed from the agenda.

b. Pending Litigation

The Governing Board met in Closed Session to confer with Legal Counsel regarding pending litigation.

Liz Kniss left the meeting at 1:50 pm.

Sara Jeevanjee recused herself from the Contract Rates conversation, leaving the meeting at 1:55 pm.



c. Contract Rates

The Governing Board met in Closed Session to discuss Plan partner rates.

Christine Tomcala, Neal Jarecki, Laurie Nakahira, Ngoc Bui-Tong, Tyler Haskell left Closed Session at 2:28 pm.

Sara Jeevanjee returned to Closed Session at 2:28 pm.

d. Public Employee Performance Evaluation

The Governing Board met in Closed Session to consider the performance evaluation of the Chief Executive Officer.

12. Report from Closed Session

Ms. Lew reported the Governing Board met in Closed Session to discuss pending litigation, contract rates, and public employee performance evaluation.

13. Annual CEO Evaluation Process

Sherri Sager reported that the ad hoc CEO Evaluation Subcommittee recommended a compensation increase of 6% in base pay, and a 12.5% incentive bonus, based on the favorable evaluation of the CEO, effective July 1, 2022.

It was moved, seconded, and the recommended 6% annual salary increase and 12.5% incentive bonus for the CEO was unanimously approved.

Motion: Ms. Sager

Second: Mr. Cameron

Ayes: Mr. Cameron, Ms. Jeevanjee, Ms. King, Ms. Kohli, Ms. Lew, Ms. Murphy, Dr. Paul, Ms. Sager

Absent: Ms. Burrell, Ms. Kniss, Ms. Terrazas

14. Adjournment

The meeting was adjourned in honor of Dr. Jeff Robertson at 2:28 pm.

DocuSigned by:

Sarita Kohli

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Sarita Kohli, Secretary