



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

Thursday, February 24, 2022, 10:30 AM – 12:30 PM  
Santa Clara Family Health Plan – Teleconference  
6201 San Ignacio Ave, San Jose, CA 95119

## MINUTES

---

### **Members Present**

Sue Murphy, Chair  
Bob Brownstein  
Dave Cameron  
Michele Lew

### **Members Absent**

Alma Burrell

### **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  
Tyler Haskell, Interim Compliance Officer  
Barbara Granieri, Controller  
Johanna Liu, Director, Quality & Process Improvement  
Khanh Pham, Director, Financial Reporting & Budgeting  
Ashley Kerner, Manager, Administrative Services

### **Others Present**

John Kennedy, Attorney, Nossaman LLP

### **1. Roll Call**

Sue Murphy, Chair, called the meeting to order at 10:30 AM. Roll call was taken and a quorum was established.

### **2. Public Comments**

There were no public comments.

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

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

- a. Approve January 27, 2022 **Executive/Finance Committee** minutes
- b. Accept **Network Detection and Prevention Update**
- c. 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. Lew

**Second:** Mr. Cameron

**Ayes:** Mr. Cameron, Ms. Lew, Ms. Murphy

**Absent:** Mr. Brownstein, Ms. Burrell



#### 4. December 2021 Financial Statements

Neal Jarecki, Chief Financial Officer, presented the December 2021 unaudited financial statements, which reflected a current month net surplus of \$2.4 million (\$1.3 million favorable to budget) and a year-to-date net surplus of \$25.2 million (\$17.4 million favorable to budget).

*Mr. Brownstein joined the meeting at 10:30 AM.*

Mr. Jarecki stated enrollment increased by 1,809 members from the prior month to 291,097 members (3,974 members or 1.3% lower than monthly budget). Membership continues to grow due to the extended duration of the COVID public health emergency during which member disenrollments have been suspended. YTD member months trailed budget by 15,811 member months or 0.9%).

Mr. Jarecki shared that revenue reflected an unfavorable current month variance of \$1.9 million (1.6%) largely due to the impact of true-ups associated with prior year estimates coupled with lower enrollment than budgeted. YTD Revenue was \$2.1 million (0.3%) unfavorable to budget due to the same factors.

Mr. Jarecki explained that medical expense reflected a favorable current month variance of \$2.7 million (2.5%) largely due to favorable unit cost and utilization in certain fee-for-service categories of service, coupled with favorable pharmacy expense due to lower cost trends coupled with lower capitated enrollment. YTD Medical Expense was \$18.0 million (2.8%) favorable to budget due to the same factors.

Mr. Jarecki further explained that administrative expense was \$801 thousand (11.6%) favorable to budget for the month. YTD Administrative Expense was \$3.0 million (7.5%) favorable to budget largely due to lower headcount than budgeted and deferred timing of certain non-personnel expenses.

Mr. Jarecki indicated the balance sheet reflected a Current Ratio, a key measure of liquidity, of 1.32:1 versus the DMHC minimum current ratio requirement of 1.00:1. Tangible net equity was \$280.1 million, which represented approximately three months of the Plan's total expenses, included unrestricted net assets of \$237.2 million. Capital investments of \$937 thousand were made year-to-date, predominately computer software licenses.

**It was moved, seconded, and the December 2021 unaudited financial statements were unanimously approved.**

**Motion:** Mr. Cameron

**Second:** Ms. Lew

**Ayes:** Mr. Brownstein, Mr. Cameron, Ms. Lew, Ms. Murphy

**Absent:** Ms. Burrell

#### 5. DHCS Comprehensive Quality Strategy Report

Johanna Liu, Director, Quality & Process Improvement, discussed an overview of the Department of Health Care Services (DHCS) Comprehensive Quality Strategy 2022, including the DHCS ten-year vision for Medi-Cal and overarching quality and health equity goals.

Ms. Liu reported that DHCS was restructuring the Medi-Cal Managed Care (MCMC) contract for all plans as part of the RFP for Commercial Medi-Cal plans, which was released on February 9, 2022. Additionally, Ms. Liu shared that Cal MediConnect (CMC) enrollees will transition to Medicare Dual-Eligible Special Needs Plans (D-SNPs) as of January 1, 2023, with an Exclusively Aligned Enrollment approach.

Ms. Liu noted the DHCS clinical focus areas include: children's preventive care, maternity outcomes and birth equity, and behavioral health integration. She shared DHCS' Bold Goals to lower related health disparities by 50% and ensure all health plans exceed the 50<sup>th</sup> percentile for all children's preventive care measures by 2025.



Ms. Murphy requested further discussion at the next meeting regarding a clearer understanding of the State's expectations of the Plan, and an assessment of gap improvements needed.

Ms. Liu introduced the CalAIM Population Health Management Program (PHM) Framework, and noted the launch of a statewide effort to integrate and centralize data. She also shared the Health Equity Roadmap, which includes standards for measuring race and ethnicity, and requires plans to identify a Chief Health Equity Officer.

Ms. Liu presented the Value-Based Payment (VBP) Roadmap scheduled to begin in 2023, which will incorporate plan performance on clinical quality, health equity, and member experience measures to adjust payment rates and member assignment. Ms. Murphy requested that the Plan ensure provider contracts are aligned with, and provide incentives for providers to meet, these DHCS goals.

Lastly, Ms. Liu noted DHCS' Quality Assessment and Performance Improvement (QAPI) program will leverage performance metrics to ensure all delivery systems are providing a necessary level of care, including utilization of a variety of penalties, with the goal of achieving greater than the 90<sup>th</sup> percentile on key measures across programs. Bob Brownstein and Dave Cameron further commented on the need to have conversations with providers, and include incentives to achieve expected performance standards.

## 6. Innovation Fund Expenditure Request

Laura Watkins, VP, Marketing & Enrollment, presented a funding request from the Santa Clara County Public Health Department (SCCPHD) Juntos Initiative (formerly known as Park Rx). The three-year initiative assists members in underserved neighborhoods with transportation to parks to encourage physical activity.

**It was moved, seconded, and** the SCCPHD request for \$15,000 to fund the Juntos Initiative was **unanimously approved** as an expenditure from the Board Designated Innovation Fund.

**Motion:** Mr. Brownstein

**Second:** Ms. Murphy

**Ayes:** Mr. Brownstein, Mr. Cameron, Ms. Lew, Ms. Murphy

**Absent:** Ms. Burrell

## 7. CEO Update

Christine Tomcala, Chief Executive Officer, presented updated COVID vaccination graphs, including data by age group, ethnicity, and booster status. Ms. Tomcala shared that there is currently a 20% gap between SCFHP members and overall Santa Clara County residents who received at least one COVID vaccine dose (age five and up). To date, 24% of SCFHP members age five and up have received a booster dose.

Ms. Tomcala highlighted recent COVID-19 vaccination communication and outreach efforts, including informing members age 12+ of their opportunity to receive a free \$50 gift card upon receiving their first COVID-19 vaccination. She further shared results of recent SCFHP Vaccine Clinics, including those held at the Children's Discovery Museum and SCFHP Blanca Alvarado Community Resource Center (CRC). The CRC clinics also provide a \$50 gift card at point of care for each individual who receives a COVID shot, including both members and non-members. Member outreach efforts include a robocall campaign and ongoing live call outreach.

Ms. Tomcala shared a new collaboration with community partner Covid-19 Black, featuring monthly pop-up testing or vaccination events and outreach to target populations.

Ms. Tomcala also provided a brief update on the Medi-Cal Rx carve-out transition. She indicated that although the Magellan call wait times have been extraordinarily long, SCFHP team members have assisted members when needed, and she is not aware of any SCFHP members that have experienced immediate harm as a result of any medication delays.



## 8. Government Relations Update

Tyler Haskell, Interim Compliance Officer, presented federal issues of note including the Build Back Better (BBB) Act, Medicare Sequester, and Senate mental health legislation. Mr. Haskell shared the effort to create a scaled down version of the BBB Act that would contain a subset of items from the larger package. Mr. Haskell stated the Medicare sequestration, reducing what Medicare pays its providers by 2%, is due to return in full by June 1, 2022. Mr. Haskell shared the Senate Finance Committee's early efforts to draft bi-partisan wide ranging mental health legislation.

Mr. Haskell presented state issues including budget and legislation items. Mr. Haskell stated draft budget trailer bills are underway and highlighted the Medi-Cal eligibility expansion trailer bill and the statewide Kaiser program that mentions eligibility requirements but has few details. Mr. Haskell highlighted the Governor's Budget proposal to provide \$400 million in provider payments through Medical Managed Care Plans to incentivize improvements in certain quality and equity outcomes. Mr. Haskell shared that most legislation introduced to date falls into one of four categories: COVID-19, behavioral health, covered services, and Federally Qualified Health Centers (FQHCs).

Mr. Haskell reported the new CalAIM activity of population health management and shared the Cal MediConnect transition to Dual-Eligible Special Needs Plan (D-SNP) and further reported SCFHP has submitted its D-SNP application to CMS, including a model of care, and will be submitting a bid in June.

Mr. Haskell highlighted reprourement items including the commercial plan RFP process, with responses due April 11, 2022, and with the State making Intent to Award notices publically available on August 9, 2022. Mr. Haskell stated the State is upgrading all of the Managed Care Plan (MCP) contracts due to start in 2024 to ensure standardization of contract language and benefits among MCPs statewide.

Mr. Haskell concluded this portion of the presentation by detailing the Kaiser direct contract where Kaiser would act as a direct Medi-Cal Plan with the same contract as the remaining MCPs, but with limited enrollment. Mr. Haskell indicated SCFHP shares concerns with other Plans regarding the lack of transparency and consequences of creating a two-tiered system that would result from the Kaiser direct contract.

## 9. Adjourn to Closed Session

### a. Anticipated Litigation

The Executive/Finance Committee met in Closed Session to confer with Legal Counsel regarding anticipated litigation.

### b. Report Involving Trade Secrets

The Executive/Finance Committee met in Closed Session to discuss plan contract rates.

### c. Contract Rates

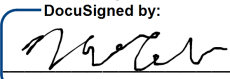
The Executive/Finance Committee met in Closed Session to discuss plan partner rates.

## 10. Report from Closed Session

Ms. Murphy reported that the Executive/Finance Committee met in Closed session to discuss items 9. a., b., & c.

## 11. Adjournment

The meeting was adjourned at 12:32 PM.

DocuSigned by:  
  
 3/28/2022  
 Michele Lew, Secretary