



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

Thursday, November 18, 2021, 10:30 AM – 12:30 PM  
 Santa Clara Family Health Plan - Teleconference  
 6201 San Ignacio Ave, San Jose, CA 95119

## MINUTES

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### **Members Present**

Sue Murphy, Chair  
 Bob Brownstein  
 Alma Burrell  
 Michele Lew

### **Members Absent**

Dave Cameron

### **Staff Present**

Christine Tomcala, Chief Executive Officer  
 Neal Jarecki, Chief Financial Officer  
 Laurie Nakahira, 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  
 Chelsea Byom, Director, Marketing, Communications & Outreach  
 Tyler Haskell, Director, Government Relations  
 Johanna Liu, Director, Quality & Process Improvement  
 Khanh Pham, Director, Financial Reporting & Budgeting  
 Robyn Esparza, Administrative Assistant  
 Rita Zambrano, Executive Assistant

### **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 Comment**

There were no public comments.

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

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

- a. Approve October 28, 2021 **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:** Ms. Burrell  
**Ayes:** Ms. Burrell, Michele Lew, Ms. Murphy  
**Absent:** Mr. Brownstein, Mr. Cameron

#### 4. September 2021 Financial Statements

Mr. Jarecki presented the September 2021 unaudited financial statements, which reflected a current month net surplus of \$9.1 million (\$7.8 million favorable to budget). **Enrollment** increased by 1,080 members from the prior month to 286,552 members (2,411 members or 0.85% lower than monthly budget). Membership growth continues due to the extended duration of the COVID pandemic during which member disenrollments have been suspended. YTD member months trailed budget by 4,629 member months or 0.5%). **Revenue** reflected a favorable current month variance of \$605 thousand (0.5%) largely due to higher CY21 rates versus budget and mix of rates coupled with higher supplemental kick revenue due to higher utilization, partially offset by lower enrollment than budgeted. Due to delayed receipt of the DHCS revenue file, September revenue was estimated and is subject to change. YTD Revenue was \$3.0 million (0.9%) favorable to budget due to the same factors. **Medical Expense** reflected a favorable current month variance of \$7.5 million (7.1%) largely due to (1) reduced IBNP estimates for FY21 & FY22 of \$3.8 million, (2) pharmacy expense favorable to budget by \$2.7 million due to lower cost trends, (3) lower capitated enrollment of \$678 thousand and (4) timing of certain other expenses, partially offset by (5) higher fee-for-service costs in certain categories and (6) higher supplemental kick utilization and expense. YTD Medical Expense was \$11.2 million (3.6%) favorable to budget due to the same factors. **Administrative Expense** reflected an unfavorable current month variance of \$132 thousand (2.0%) due to (1) pension and retiree medical estimate true-ups, (2) increased retroactive YTD team incentive partly offset by (3) lower headcount than budgeted and the (4) deferred timing of certain non-personnel expenses. YTD Administrative Expense was \$1.7 million (8.6%) favorable to budget largely due to lower headcount than budgeted and deferred timing of certain non-personnel expenses. 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** of \$274.25 million, which represented approximately three months of the Plan's total expenses, included unrestricted net assets of \$230 million. Year-to-date **Capital Investments** of \$674 thousand were made, predominately computer software licenses.

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

**Motion:** Ms. Lew  
**Second:** Ms. Burrell  
**Ayes:** Ms. Burrell, Ms. Lew, Ms. Murphy  
**Absent:** Mr. Brownstein, Mr. Cameron

#### 5. D-SNP Enrollment, Marketing/Sales & Broker Systems Selection

Laura Watkins, VP, Marketing & Enrollment, reviewed the selection process for D-SNP enrollment, sales and broker systems vendors. She noted the RFP was distributed via email and nine vendors responded, with no single vendor able to provide all required functionality. Detailed evaluation criteria were established, including key functionality, ease of use, implementation, support, references, and value. Ms. Watkins recommended three-year contracts with Dynamic Healthcare Systems for Enrollment, and Engagent Health for Marketing/Sales & Broker Management.

**It was moved, seconded, and unanimously approved** to authorize the Chief Executive Officer to negotiate execute, and amend three-year contracts with Dynamic Healthcare Systems and Engagent Health not to exceed \$800,000 for the Enrollment system and \$1,150,000 for the Marketing/Broker Management system.

**Motion:** Ms. Lew  
**Second:** Ms. Burrell  
**Ayes:** Ms. Burrell, Ms. Lew, Ms. Murphy  
**Absent:** Mr. Brownstein, Mr. Cameron

## 6. Pharmacy Benefits Manager (PBM) Request for Proposal ( RFP)

Ngoc Bui-Tong, VP, Strategies and Analytics, reviewed the RFP process and recommendation for the Pharmacy Benefits Manager (PBM) vendor, noting that MedImpact was the leading bidder. MedImpact also offered 2023 Part D rates effective July 1, 2022, which will yield an additional \$500k savings to the existing contract.

## 7. Innovation Fund COVID-19 Expenditure Request

Chelsea Byom, Director, Marketing, Communications & Outreach, presented a funding request for \$30,000 for Children's Discovery Museum (CDM) COVID-19 Vaccination Clinics for Children, noting that the funding would enable CDM to host two COVID vaccination pop-up clinic days and provide CDM admission incentives to families whose children receive vaccinations. The Santa Clara County Public Health Department (PHD) estimates vaccinating a total of 500+ children plus other family members in need of their first, second, or booster vaccinations.

*Bob Brownstein joined the meeting at 11:19 am.*

**It was moved, seconded, and** the Children's Discovery Museum's COVID-19 Vaccination Clinics for Children funding request for \$30,000 was **unanimously approved.**

**Motion:** Ms. Burrell  
**Second:** Ms. Lew  
**Ayes:** Ms. Burrell, Ms. Lew, Ms. Murphy  
**Abstained:** Mr. Brownstein  
**Absent:** Mr. Cameron

## 8. Innovation Fund Expenditure Request

Ms. Bui-Tong presented an Innovation Fund request from the Behavioral Health Contractors Association of Santa Clara County (BHCA) for \$160,160 (\$80,080 per year for two years). Due to profound changes in the delivery of behavioral health in California, non-profit community-based providers that form the behavioral health services delivery system for Santa Clara County must learn how to adapt to these changes. The requested funding will allow BHCA to hire a temporary Policy Associate and purchase consulting services to assist the organizations to better prepare for the new landscape. BHCA members will use the information and tools to maximize new funding, ensure they meet new requirements, and remain viable safety-net providers for the community.

**It was moved, seconded, and** the Behavioral Health Contractors Association request for \$160,160 (\$80,080 per year for two years) to fund Readiness Support for Delivery System Changes was **unanimously approved.**

**Motion:** Mr. Brownstein  
**Second:** Ms. Burrell  
**Ayes:** Mr. Brownstein, Ms. Burrell, Ms. Murphy  
**Abstained:** Ms. Lew  
**Absent:** Mr. Cameron

## 9. Quality Update

- a. Laurie Nakahira, D.O., Chief Medical Officer, discussed the Medi-Cal Plan Quality Performance Review for CY 2020, noting the Medi-Cal Aggregated Quality Factor Score (AQFS) by Health Plan. She stated that the Plan ranked 10th out of 56 MCPs, and Anthem ranked 43rd.

Dr. Nakahira also presented the Medi-Cal Measure Rankings, noting SCFHP generally performed in the top 50% of managed care plans. Dr. Nakahira also presented a review of default assignment for Medi-Cal beneficiaries who do not select a managed care plan, stating that based on estimates, SCFHP's default assignment percentage would have increased had it not been frozen due to COVID.

- b. Johanna Liu, PharmD, Director, Quality & Process Improvement, presented the 2021 Cal MediConnect CAHPS Survey results. CAHPS is a consumer satisfaction survey the health plan is required to administer annually by the Centers for Medicare and Medicaid Services (CMS). Results impact NCQA accreditation and health plan star ratings. COVID-19 has significantly impacted the CAHPS survey methodology and reporting for 2021.

Dr. Liu reviewed survey findings in detail and discussed findings by demographic, plus CAHPS improvement projects and opportunities for improvement. There was discussion of the findings by race, and Alma Burrell requested that the racial issues identified be discussed further as an action item on the agenda for the next meeting.

## 10. CEO Update

Christine Tomcala, Chief Executive Officer, shared the updated SCFHP COVID-19 summary by age category. Ms. Tomcala noted that although the percentage of vaccinated members is rising, closing the gap continues to be a challenge. There are several ongoing initiatives, and the State will be providing some funding for vaccine incentives.

## 11. Government Relations Update

Tyler Haskell, Director of Government Relations, provided an update on the infrastructure reconciliation bill working its way through Congress. The current draft contains 12 months continuous Medicaid eligibility for kids and postpartum women, a state plan option for maternal health homes, investments in black maternal health care, Medicaid coverage for inmates 30 days pre-release, and extra Medicaid funding for home and community-based services. Mr. Haskell also discussed a new federal COVID vaccination mandate for employees that is being challenged in several lawsuits. He provided a list of significant Medi-Cal initiatives being implemented and developed in 2022, including CalAIM, Medi-Cal Rx, and various new benefits and services.

## 12. Adjourn to Closed Session

### a. Contract Rates

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

## 13. Report from Closed Session

Ms. Murphy reported that the Executive/Finance committee met in Closed Session to discuss Plan partner rates.

## 14. Adjournment

The meeting was adjourned at 12:30 pm.

DocuSigned by:  
  
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 Michele Lew, Secretary