



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

Thursday, July 22, 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  
Dave Cameron

### Members Absent

Michele Lew

### 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  
Johanna Liu, Director, Quality & Process Improvement  
Khanh Pham, Director, Financial Reporting & Budgeting  
Rita Zambrano, Executive Assistant

### 1. Roll Call

Sue Murphy, Chair, called the meeting to order at 10:31 am. Roll call was taken and a quorum was established.

### 2. Public Comment

There were no public comments.

### 3. Meeting Minutes

The minutes of the May 28, 2021 Executive/Finance Committee were reviewed.

**It was moved, seconded, and the May 28, 2021 Executive/Finance Committee Minutes were unanimously approved.**

**Motion:** Mr. Cameron

**Second:** Mr. Brownstein

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

**Absent:** Ms. Lew

### 4. CEO Update

Christine Tomcala, Chief Executive Officer, acknowledged Sue Murphy as the new Chair of the Executive/Finance Committee, and welcomed Alma Burrell as a new member of the Committee.

Ms. Tomcala presented the updated SCFHP COVID-19 Summary, noting the cumulative members affected as of July 15, 2021. She reported that staff continues to conduct robocalls and direct outreach to encourage individuals to get their vaccines, and assist with scheduling appointments and transportation. She presented



data on the percentage of vaccinated SCFHP members by age band compared to the county's vaccination rates, noting that across the state, Medi-Cal plan members are running roughly 20% lower than their respective county averages. In addition, she presented the breakdown of members who received a vaccine by ethnicity.

Ms. Tomcala reported that 76% of staff who responded to a survey indicated they are fully vaccinated, and 7% are in process. There are 50 staff (16%) who have not responded.

Ms. Tomcala gave an update on the Blanca Alvarado Community Resource Center (CRC) and shared that we continue to host in-person vaccination clinics in collaboration with the SCC Mobile Vaccination unit, administering over 1,000 vaccines to date. The Application Assistance Program transitioned from The Health Trust and is now available in-person at the CRC. She also noted that we secured certification from Covered California as an Enrollment Entity. Mike Gonzalez, Manager of the Blanca Alvarado Community Resource Center, is working diligently on identifying the health and social needs of both our members and East San Jose residents through a Community lead process, with a commitment to equity and social justice. Ms. Tomcala also presented the Process Advisory Bodies for CBOs and residents, noting the broad representation of organizations from different ethnic communities on the East Side.

## 5. Fiscal Year 2021-2022 Plan Objectives

Ms. Tomcala and the Executive Team members presented proposed FY'22 Plan Objectives: lead improvement in the health of communities impacted by disparities, pursue benchmark quality and health equity, enhance compliance program and delegation oversight, foster membership growth and retention, achieve budgeted financial performance, and seek to be an employer of choice.

**It was moved, seconded and the Fiscal Year 2021-2022 Plan Objectives were unanimously approved.**

**Motion:** Mr. Brownstein

**Second:** Mr. Cameron

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

**Absent:** Ms. Lew

## 6. Government Relations Update

Tyler Haskell, Director of Government Relations, provided an update on relevant federal and state government actions. He discussed several changes to health care law being debated in Congress and their potential for enactment this year. Mr. Haskell discussed the status of the State budget and highlighted some of its changes to Medi-Cal and other health programs. He also gave an update on other state legislation, the multi-year Medi-Cal reform plan known as CalAIM, and the status of the pharmacy carve-out.

## 7. Quality Update

Dr. Laurie Nakahira, Chief Medical Officer, provided a CY'20 HEDIS Measure Rate Analysis. She discussed Medi-Cal MCAS Measures and reviewed Medicare HEDIS Measure rates, along with NCQA national percentiles and CMS Medicare Star Ratings. A discussion ensued, and the Committee requested that Dr. Nakahira bring back our specific performance objectives for measures below the 50th percentile, where we need to improve quality on behalf of our members.

Dr. Nakahira presented Aggregated Quality Factor Scores (AQFS) by Network, and Medi-Cal Disparities by Ethnicity and Language for CY2020. Lastly, she discussed interventions for groups with greater gaps, and additional actions by ethnicity, language spoken, and age.

## 8. May 2021 Financial Statements

Neal Jarecki, Chief Financial Officer, presented the May 2021 financial statements, which reflected a current month net surplus of \$6.5 million (\$9.2 million favorable to budget) and a fiscal year-to-date net surplus of \$29.2 million (\$39.8 million favorable to budget).



Enrollment increased by 2,268 members from the prior month to 281,235 members (11,445 members favorable to budget). Year-to-date membership growth due to COVID-19 has exceeded budget due to the extended duration of the pandemic during which member enrollments have been suspended.

Revenue reflected a favorable current month variance of \$18.7 million (20.5%) largely due to (1) additional capitation premium revenue received due to the delayed carve-out of Medi-Cal pharmacy from managed care (with a largely-offsetting increase in medical expense), and (2) increased enrollment due to the suspension of disenrollments, (3) higher capitation rates than budgeted, offset by (4) updated Medicare estimates for certain items having an unfavorable impact.

Medical Expense reflected an unfavorable current month variance of \$9.7 million (11.0%) largely due to (1) additional pharmacy expenses due to the delayed carve-out of Medi-Cal pharmacy from managed care (offsetting the associated increased pharmacy revenue) of \$13.1 million, partially offset by (2) lower than planned FFS utilization reflected in reductions in incurred-but-not-reported (IBNP) reserve estimates, (3) lower than planned Long Term Care (LTC) enrollment and utilization, and (4) increased capitation expense due to increased enrollment.

Administrative Expense reflected a favorable current month variance of \$262 thousand (4.9%) due to lower headcount than budgeted and timing of certain non-personnel expenses.

The balance sheet reflected a Current Ratio, a key measure of liquidity, of 1.22:1 versus the DMHC minimum current ratio requirement of 1.00:1.

Tangible Net Equity of \$237.8 million, which represented approximately two months of the Plan's total expenses, included unrestricted net assets of \$193 million.

Year-to-date capital investments of \$3.8 million were made, predominately construction expenses of the Blanca Alvarado Community Resource Center.

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

**Motion:** Mr. Brownstein

**Second:** Ms. Burrell

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

**Absent:** Ms. Lew

## 9. Special Project Funding Request

Ms. Tomcala presented an Innovation Fund request for Safe Relationships in East San Jose, Next Door Solutions to Domestic Violence (NDS), in the amount of \$99,994.09. The goal is to build a network of Promotores (community health workers) to reduce and eliminate Intimate Partner Violence (IPV), promote information about COVID-19, and support safe relationships and healthy families. Trained Promotores will use training on IPV and COVID-19 to raise awareness, dispel misinformation, and increase access to Domestic Violence (DV) support services and COVID-19 testing and vaccines.

**It was moved, seconded, and** funding from the Board Designated Special Project Fund for CBOs in the amount of \$89,994.68 was **unanimously approved** for Next Door Solutions' project, Safe Relations in East San Jose, with delegation to the CEO to have a conversation regarding greater clarity of outcomes metrics, and to indicate funds may not be used for payment to VMC Foundation for any services provided as fiscal agent.

**Motion:** Mr. Brownstein

**Second:** Mr. Cameron

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

**Absent:** Ms. Lew



**10. Adjourn to Closed Session**

**a. Anticipated Litigation**

The Executive/Finance Committee met in Closed Session to confer with Legal Counsel regarding significant exposure to litigation based on receipt of a claim pursuant to the Government Claims Act: one case.

**b. Contract Rates (Welfare and Institutions Code Section 14087.38(n)):**

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

**11. Report from Closed Session**

Ms. Murphy reported the Executive/Finance Committee met in Closed Session to discuss Anticipated Litigation and Contract Rates.

**12. Adjournment**

The meeting was adjourned at 12:42 pm.

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Michele Lew, Secretary