



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

Monday, November 21, 2022, 1:30 PM – 3:30 PM
Santa Clara Family Health Plan – Teleconference
6201 San Ignacio Ave, San Jose, CA 95119

MINUTES

Members Present

Michele Lew, Chair
Alma Burrell
Dave Cameron
Sarita Kohli

Members Absent

Sue Murphy

Staff Present

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

Others Present

Cara Maffini, PhD, Healthy Development Community Clinic
Michael Daponde, DSR Health Law

1. Roll Call

Michele Lew, Chair, called the meeting to order at 1:33 PM. 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. Lew presented the Consent Calendar and indicated all agenda items would be approved in one motion.

- a. Approve October 27, 2022 **Executive/Finance Committee** minutes
- b. Approve **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 questions.



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

Motion: Ms. Kohli
Second: Ms. Burrell
Ayes: Ms. Burrell, Ms. Kohli, Ms. Lew
Absent: Ms. Murphy

Dave Cameron arrived at 1:40 PM.

4. September 2022 Financial Statements

Neal Jarecki, Chief Financial Officer, presented the September 2022 unaudited financial statements, the third month of the fiscal year, which reflected a current month net surplus of \$3.4 million (a favorable variance of \$3.0 million to budget).

Enrollment increased by 1,414 members from the prior month to 316,695 members (7,117 members or 2.3% higher than budget) predominately due to the newly-eligible Medi-Cal undocumented adult population and continued suspension of Medi-Cal disenrollments. YTD member months of 945,705 exceeded budget by 2.5%. Enrollment has been rising since March 2020 largely due to the suspension of annual eligibility redeterminations during the public health emergency (PHE) and newly-eligible Medi-Cal members.

Revenue reflected a net favorable current month budget variance of \$2.6 million (2.3%) due to several factors. Favorable variances resulted from (1) higher Medi-Cal & CMC enrollment and mix of members, and (2) higher Medi-Cal supplemental revenue utilization (Maternity & BHT) and (3) revised MLTSS mix corridor estimate. Partly-offsetting unfavorable variances resulted from delayed timing of several DHCS incentive programs (offset by favorable medical expense variances).

Medical Expense reflected a net unfavorable current month budget variance of \$1.3 million (1.3%) due to several factors. Unfavorable variances included capitated enrollment and member mix, higher unit costs in certain categories of service versus budget, and higher supplemental services than budget. Partly-offsetting favorable variances resulted from the delayed timing of several DHCS incentive programs (offset by unfavorable revenue variances).

Administrative Expense was \$1.2 million (15.9%) favorable to budget for the month largely due to (1) favorable variance due to lower headcount than budgeted (12% below budget), and (2) favorable variances in several non-personnel categories due to the timing of certain expenses (23% below budget).

Non-Operating Income, comprised of largely of interest income, was \$745 thousand favorable to budget due to the higher investment yield received versus budget.

The **Balance Sheet** reflected a Current Ratio, a key measure of liquidity, of 1.27:1 versus the DMHC minimum current ratio requirement of 1.00:1.

Tangible Net Equity of \$302.3 million, which represented approximately three months of the Plan's total expenses, included unrestricted net assets of \$262 million.

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

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

5. Innovation Fund Expenditure Request

Ngoc Bui-Tong, Chief Health Equity and Strategies Officer, presented a request from San Jose State University for the Culturally-Responsive Wellness and Communication Interventions: Healthy Development Community Clinic (HDCC). The request is to provide one-time start-up assistance of \$250,000 to launch and operationalize the HDCC at the Oak Grove School site. The funds will cover instruments and equipment, technology, and sound proofing for the audio lab for behavioral health, speech, and language diagnostic and screening abilities. Ms. Bui-Tong introduced Cara Maffini from SJSU, who was available for questions.

It was moved, seconded, and the San Jose State University request for \$250,000 to fund the Culturally-Responsive Wellness and Communication Interventions: Healthy Development Community Clinic was **unanimously approved** as an expenditure from the Board Designated Innovation Fund.

Motion: Ms. Kohli

Second: Mr. Cameron

Ayes: Ms. Burrell, Mr. Cameron, Ms. Kohli, Ms. Lew

Absent: Ms. Murphy

Michele Lew left the meeting and Mr. Cameron assumed the role of Chair at 2:00 PM.

6. Government Relations Update

Tyler Haskell, VP, Government Relations and Compliance, presented federal issues of note, including the expected extension of the federal COVID-19 public health emergency to mid-April 2023. Mr. Haskell informed the members that efforts may be afoot to decouple Medicaid redeterminations and Medicare telehealth flexibilities from the public health emergency.

Mr. Haskell discussed legislation that may be passed during the post-election congressional session. Mr. Haskell noted the scheduled Medicare payment cuts will likely be cancelled, and the Advancing Telehealth Beyond COVID-19 Act that temporarily extends the COVID telehealth Medicare Flexibilities through December 31, 2024, will likely be passed. Mental health legislation, the Improving Seniors' Timely Access to Care Act, and other Medicare Advantage bills containing concerning "Gold Card" language, will likely be held over until next session.

Mr. Haskell shared an update on a state budget forecast estimating a \$25-billion-dollar deficit for the next fiscal year from the California Legislative Analyst's Office (LAO). The report from the LAO indicates, the deficit is manageable at the currently estimated level and use of the reserves is discouraged.

Mr. Haskell presented an update on the Midterm Election results and put into context the impact of the results on the Plan. Mr. Haskell highlighted the change in House Democratic leadership with the top three Democratic leaders in the House stepping aside.

Mr. Haskell ended his presentation with a local update with the selection of Sylvia Arenas to represent District 1 seat on the Santa Clara County Board of Supervisors. Mr. Haskell shared Ms. Arenas will be more likely to focus on health care issues than her predecessor.

7. CEO Update

Christine Tomcala, Chief Executive Officer, provided a brief update, sharing that Mr. Haskell has assumed the role of Vice President of Government Relations and Compliance.

She also reported that the Plan received a draft report from the Department of Health Care Services for the audit conducted last March, and the closing conference has been scheduled to take place next week. Ms. Tomcala indicated the Plan is actively assessing the report and an update will be provided at the December Governing Board Meeting.



Ms. Tomcala concluded her presentation by announcing that Santa Clara Family Health Plan has officially been certified as a “Great Place to Work”, providing recognition that SCFHP has created an excellent employee experience.

8. Adjourn to Closed Session

a. Pending Litigation

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

b. Contract Rates

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

9. Report from Closed Session

Mr. Cameron reported that the Executive/Finance Committee met in Closed Session to discuss pending litigation and Plan partner rates.

10. Adjournment

The meeting was adjourned at 2:32 PM.

DocuSigned by:

Sarita Kohli

Sarita Kohli, Secretary